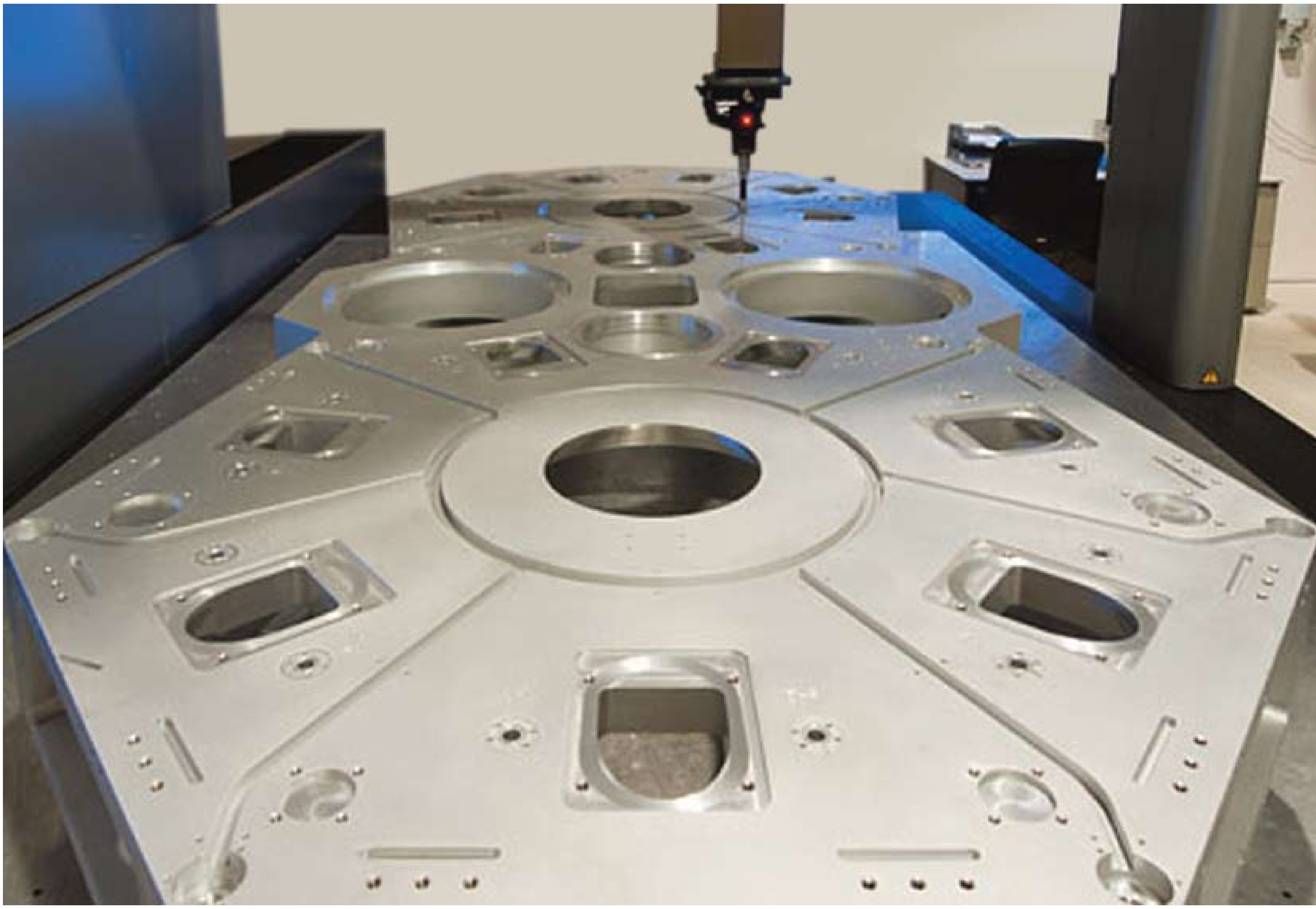
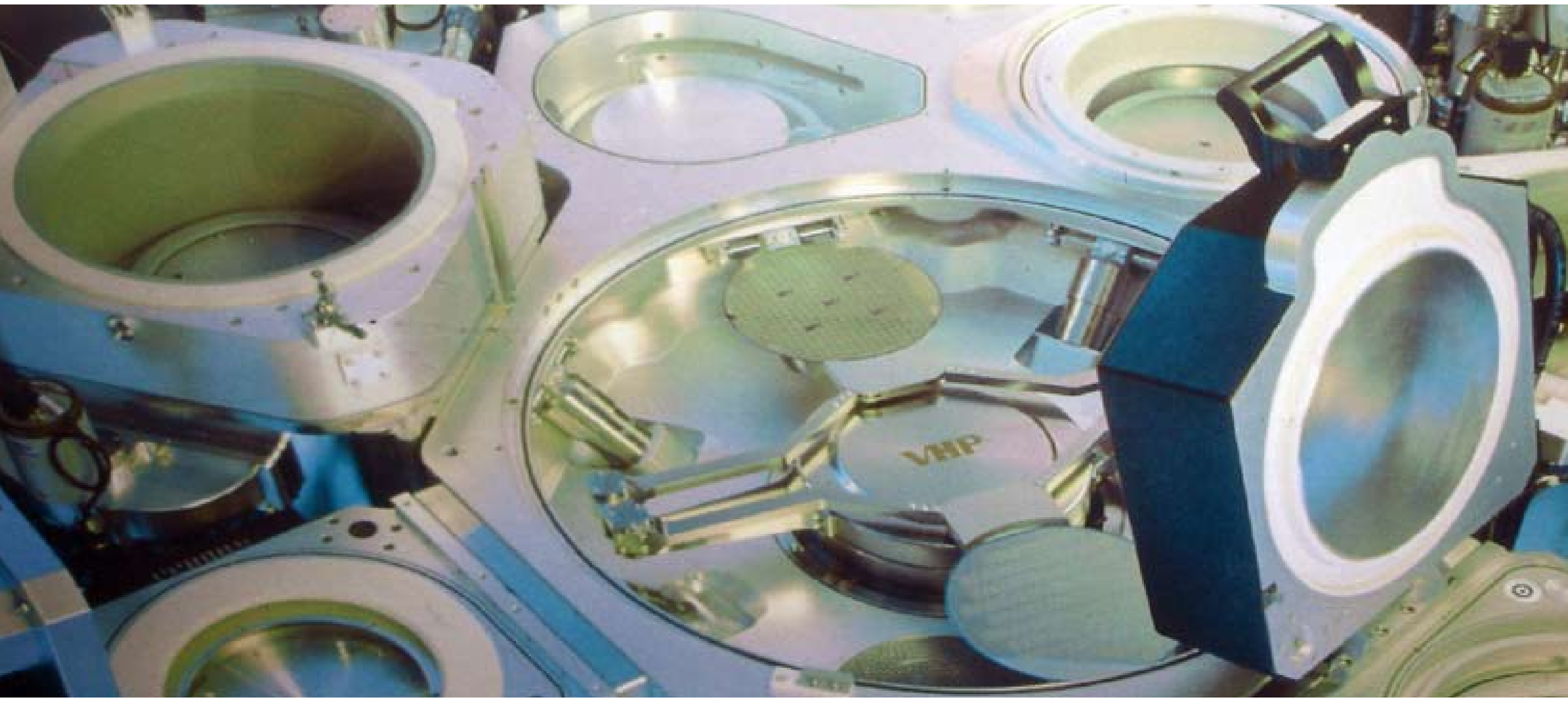
UMS GROUP
UMS Holdings Limited

UMS Holdings Limited Annual Report 2011



Embracing New Challenges

Annual Report 2011

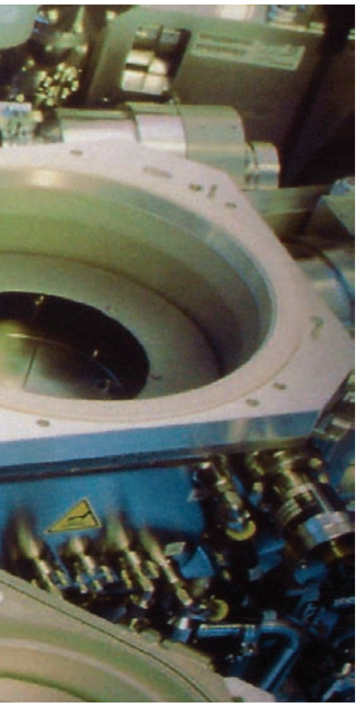


Our Vision

is to be a strategic global partner for successful global companies, providing a full range of integrated manufacturing services.

Our Mission

is to deliver the best in-class manufacturing solutions to step up our customers' manufacturing processes to produce quality products.



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Corporate Profile

Incorporated in Singapore on January 17, 2001, UMS Holdings Limited is a one-stop strategic integration partner providing equipment manufacturing and engineering services to Original Equipment Manufacturers of semiconductors and related products.

The products we offer include modular and integration system for original semiconductor equipment manufacturing.

Headquartered in Singapore, the Group has production facilities in Singapore, Malaysia as well as California and Texas, USA.

Chairman and CEO Statement

Dear shareholders,

On behalf of the board of directors, we are pleased to present to you the Annual Report of UMS Holdings Limited ("UMS" or "the Group") for the financial year ended 31 December 2011 ("FY2011"). The year started well although the second half of the year was challenging. However, despite the more difficult second half, we exhibited relatively strong and stable performance for the full year. Accordingly, the Board is proposing a dividend payout that will be the highest-ever in our group's history as a public company.

FY2011 has also been a remarkable year for the Group in terms of achieving competencies and capabilities as UMS concluded its acquisition of the Integrated Manufacturing Technologies ("IMT") Group in February 2012. This acquisition increases and expands our range of capabilities, particularly in the areas of vacuum welding and tube bending which are highly critical processes in the semiconductor system integration business of UMS.

With these newly acquired competencies and the large existing pool of qualified special processes, we are now in a better than before position to further entrench ourselves in the Semiconductor industry and provide more integrated value-added engineering services for semiconductor equipment manufacturers.

Financial performance and business overview

Despite a weak global electronic sector, UMS achieved a net profit of S$27.6 million in FY2011, a mere 3.8% decline from S$28.7 million from the previous year ended 31 December 2010 ("FY2010"). The Group's revenue declined by a manageable 11.3% to S$114.4 million in FY2011, compared to S$129.0 million in FY2010 in the face of a challenging economic environment.

The softer revenue performance was the result of "a year of two halves". In contrast to a buoyant first half of FY2011 when our major customers experienced strong orders from its end-users, the performance of the second half was relatively weaker with many customers in the semiconductor industry postponing their capital expenditures in the light of a deepening European Debt Crisis and uncertain global macro-economy outlook.

Reflecting on our relatively stronger financial performance, we believe that this was the fruition of the Group's strategic business transformation since FY2008 of manufacturing more semiconductor integrated systems instead of individual components. The great working relationship with a major customer, moving up the value chain and providing more value added system integration services have helped the group to weather the difficult times of the semiconductor industry, allowing us to protect our margins and profitability.

Furthermore, our internal ongoing strategies of focusing on operational efficiencies and financial management have provided us with an additional buffer for profitability and margin protection.

"UMS achieved a net profit of S$27.6 million in FY2011, a mere 3.8% decline from S$28.7 million from the previous year ended 31 December 2010 ("FY2010"). The Group's revenue declined by a manageable 11.3% to S$114.4 million in FY2011, compared to S$129.0 million in FY2010 in the face of a challenging economic environment."

Our semiconductor ("Semicon") business continued to be our biggest revenue contributor. In FY2011, revenue from Semicon segment stood at S$107.2 million, constituting a 93.7% of the Group's total revenue for the similar period.

Additionally, UMS continued to benefit from the increasing trend of Western semiconductor companies, including our major customer outsourcing their manufacturing operations to lower-cost centers in Asia. We are well poised to serve our major semiconductor customer's strategic outsourcing needs with our Singapore and Penang factories which are in close proximity to our customers. On the back of this trend, Singapore continued to be UMS' largest geographical market, contributing revenue of S$69.3 million compared to S$69.8 million from a year ago.

On our Contract Equipment Manufacturing ("CEM") business segment, UMS recorded revenue of S$7.2 million in FY2011 as compared to S$9.9 million from a year ago. The decline is mainly attributed by the Group's ongoing efforts to streamline this business segment and focus on more profitable product lines and services to increase margins and profitability. Moving forward, the Group aims to market its engineering services to a few major players in the Oil & Gas industry. Similar to the Semicon business, the Group hopes to embark on a few significant working relationships with major global players in the Oil & Gas industry to provide more value added engineering services which can potentially improve our profitability.

UMS continued to demonstrate its cash generation ability as it generated positive net cash from operating activities of S$39.2 million in FY2011 as compared to S$31.3 million in FY2010. Additionally, Cash and cash equivalents in FY2011 stood healthily at S$37.9 million, growing by 84.8% from S$20.5 million in the similar period a year ago.

Acquisition of IMT Group

In order to complement our organic growth, we have been continuously reviewing opportunities to acquire businesses that not only expands the Group's geographical markets, adds to its profitability but also possess new capabilities that help to deepen our range of services to key customers.

The acquisition of IMT Group which was concluded in February 2012 clearly epitomised our M&A strategy. IMT Group consists of Integrated Manufacturing Technologies Inc. located in United States of America and Integrated Manufacturing Technologies Pte. Ltd. located in Singapore and both companies are in the semiconductor gas line business which provide vacuum welding and tube bending services and manufacture gas delivery systems to semiconductor equipment manufacturers.

This acquisition provides us with an expanded range of product and services and the processes of vacuum welding and tube bending are critical processes of our business of Semicon Integrated Systems. Moreover, IMT Group will provide the Group with accreditation to offer such services to our major customers in which we currently do not have.

The synergy with IMT is therefore obvious and significant. Other than the added competencies, the Group's current access to capacity will also enable IMT to embark on a growth path by undertaking more orders and manufacturing more gas delivery systems.

Going forward, we will continue to seek M&A opportunities to further increase our competitiveness while protecting our margins and profitability.

Outlook

Our outlook remained positive for 2012. While the 2nd half of FY2011 was affected by the persistent weakness in the global economy and the semiconductor industry, we witnessed an improvement in customer orders towards the last quarter of FY2011.

Consequently, 4Q2011 revenue recorded a quarter on quarter growth of 16.2% as compared to the preceding quarter of 3Q2011. This was mainly attributed to a spike in orders from major customers in that period following possible order postponement in 3Q2011.

We believe the improvement in 4Q2011 outlook will continue into the first half of 2012. Our major customer in the Semicon industry has indicated a healthy outlook of orders as major wafer fabs have planned their significant capital expenditures for 2012 at the turn of the new year. These capital expenditures plans are mainly focusing on increasing advanced technologies and building capacity for manufacturing chips for tablets pc and smartphones.

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.

Dividend

The board of directors has proposed a final dividend of 2.0 Singapore cents and a special dividend of 1.0 Singapore cents. Together with the 3 interim dividends of 1.0 Singapore cents each declared in Q1, Q2 and Q3, the combined 6.0 Singapore cents payout represent a 74.6% payout ratio, the highest in the group's history.

A Word of Appreciation

On behalf of the Board, we wish to express our heartfelt gratitude to our business partners, associates, management and staff for their commitment and contributions to UMS. Your support will certainly underpin our continued efforts to strive for growth and profitability. To our shareholders, we appreciate your support and belief in our business. The Board and management at UMS remain committed and confident of the Group's business and aims to continue achieving better financial and operational performances in the years to come.

We would also like to take this opportunity to thank the management and staff for their hard work and dedication and extend a warm welcome to the management of IMT Group as they join the UMS family. We look forward to a long and fruitful partnership in the years to come.

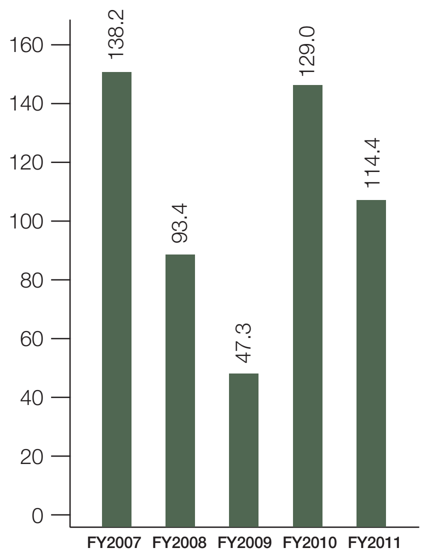
Soh Gim Teik
Chairman
UMS Holdings Limited

Andy Luong
Chief Executive Officer
UMS Holdings Limited

Financial Highlights

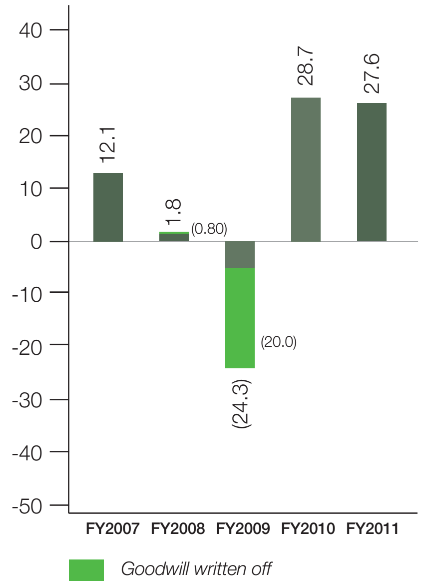
Revenue

S$ Million

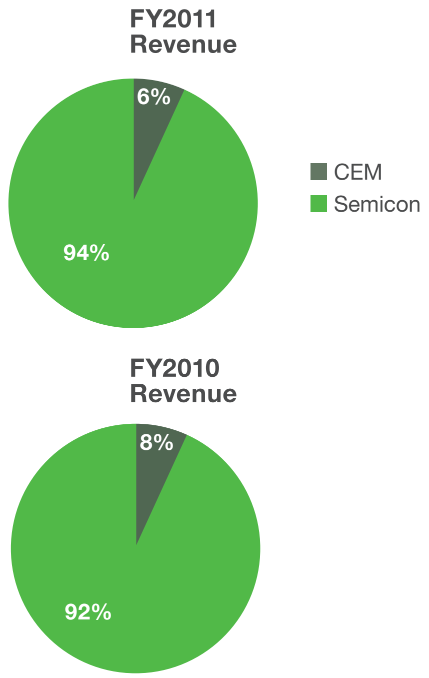


Net Profit

S$ Million

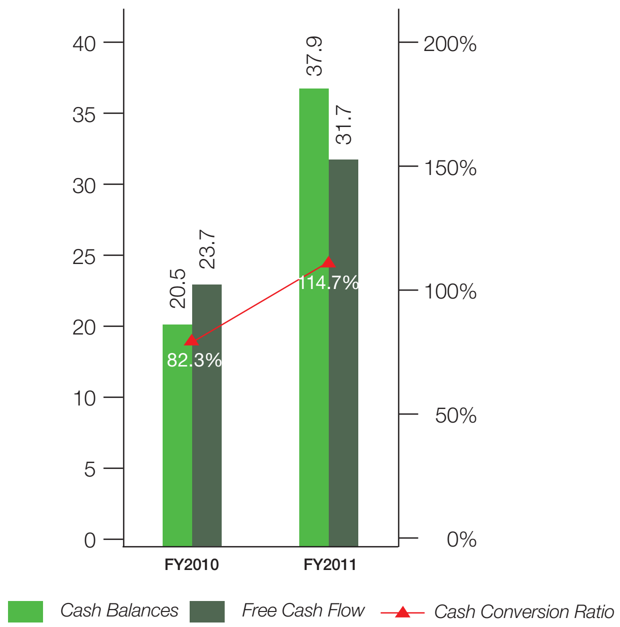


Segmental Contribution



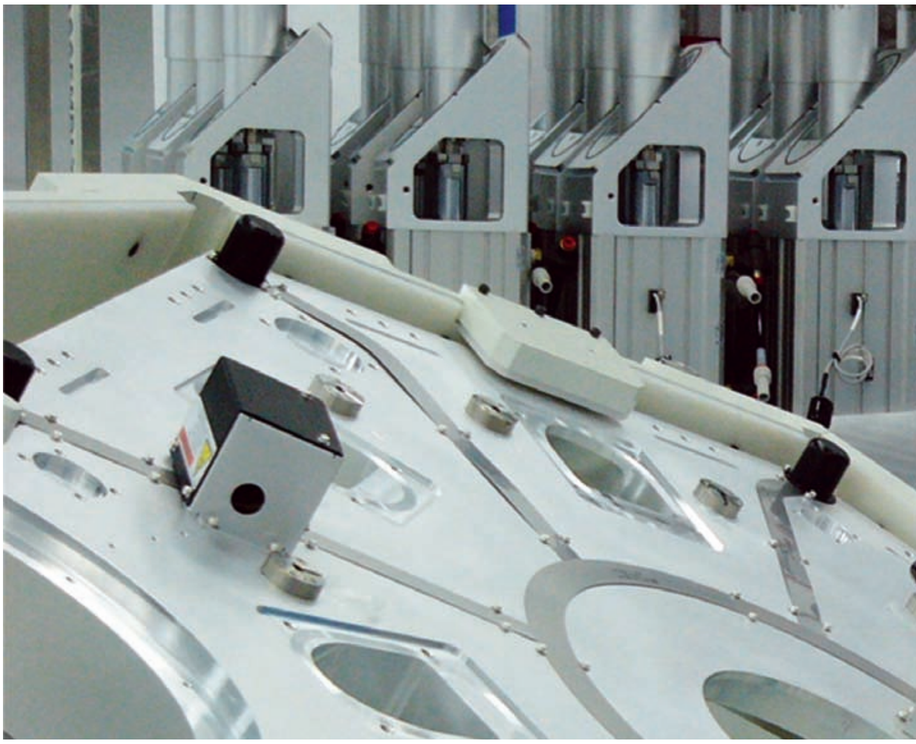
Cash Balances & Free Cash Flow

S$ Million *Cash Conversion Ratio**



* Cash Conversion Ratio = Free Cash Flow as a percentage of Net Profit

Operations Review



For a second consecutive year since the Group's strategic entry into the Semiconductor system integration in FY2010, UMS posted strong financial performance. As the mainstay of the Group's total revenue in FY2011, 93.7% of the Group's total revenue came from the Semiconductor segment, reiterating the strength of UMS' relationship with its major customer.

Outsourcing Trend continues

With UMS demonstrating increasing sophistication and stronger engineering capabilities, the Group's major Semiconductor customer maintained their outsourcing agenda to its Singapore operations. As a result, in FY2011, 60.6% of UMS' revenue comes from the Singapore market. In the coming years, the Group believes that contribution from the Singapore market is set to rise and may reach over 80.0% within the next couple of years.

Streamlining its CEM segment

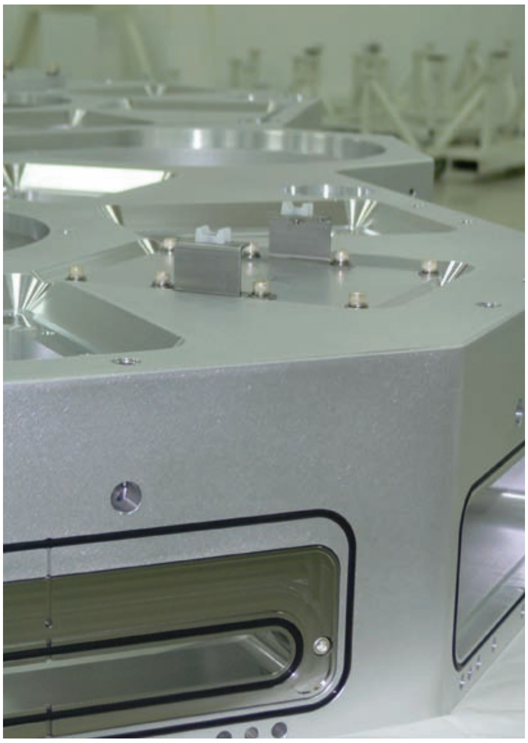
Contributions from CEM segment decline as the Group continues to streamline its oil and gas products with an emphasis on profitability. With the expiry of its exclusive manufacturing arrangement with a major global oil & gas company in March 2012, the Group is now open to expand its oil and gas client base over the next few years. Going forward, UMS is confident that contributions from the CEM segment will form a significant portion of its total revenue.

Tax incentives

Other than focusing on growing its revenue base, the management is very aware of the need to continuously trim operating cost and improve its cost efficiencies. As part of this strategic objective, the Group has been transiting its operations in Singapore to its facility in Penang, Malaysia where it had begun to enjoy its pioneer tax incentive during the period under review. The tax incentive is valid for five years with another five-year extension.

Improved Cost Efficiencies

Other than a lower tax environment, the facility in Penang, Malaysia also enjoys reduced overheads such as lower labor costs and lower electricity tariffs, thereby helping to improve the profitability of the Group. UMS has been transiting its Singapore precision machining operations



to Penang, Malaysia while retaining its higher value added systems integration activity in Singapore. The management believes that Penang, Malaysia will account for approximately 80 per cent of its machining operations after the exercise is completed within the next 24 months.

Available Capacity to meet additional demand

The current overall utilisation level for its manufacturing facility is between 50 to 60 per cent. This would allow UMS to capitalise on any surge in demands from its major customers in the short run and at the same time allow the Group to venture into other more profitable segment without major capital expenditure or impact on its existing operations. As part of its capacity planning, UMS has received positive indication of substantial orders in the pipeline from its major customer for the first 6 months of 2012.

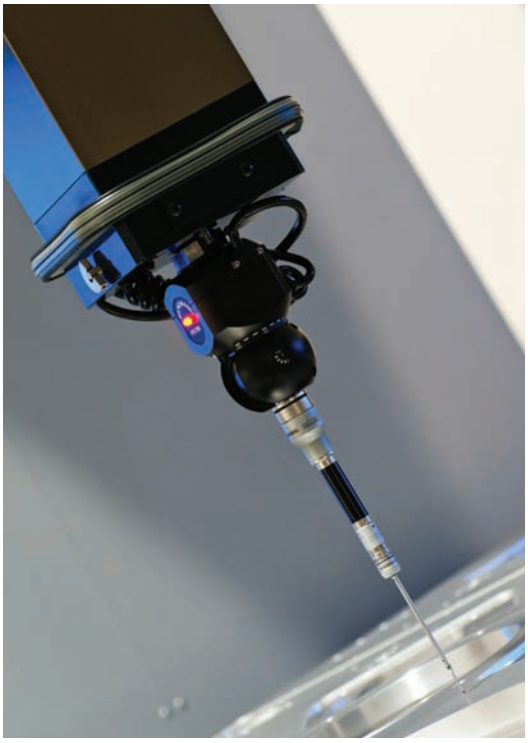
The additional capacity will also allow newly acquired Integrated Manufacturing Technologies (IMT) Group to grow its semiconductor gas line and weldment business in the foreseeable future.

Merger & Acquisitions

At the date of this Annual Report, the Group had completed the acquisition of the IMT Group that will add specialized range of capabilities in gas line and weldment solutions to its semiconductor business. IMT possesses the necessary accreditations to supply critical services to its major customers and hence consolidates UMS' competitive edge. These specialized processes are now brought in-house and complete the entire Semiconductor Systems Integration capabilities within UMS.

Going forward, merger and acquisition opportunities will only be considered when such acquisition(s) is able to assist the Group to (i) expand its geographical reach into new regional markets or penetrate new industry segments; and (ii) protects / improves its profit margins.

Financial Review



Revenue

UMS posted a strong set of financial performance for FY2011 despite the global economic uncertainties and a weaker environment for the semiconductor industry in the second half of 2011. As a result, the Group witnessed a sharp decline of 32.2% in its revenue for the second half of FY2011 ("2H2011"), from S$69.0 million in the second half of FY2010 ("2H2010") to S$46.8 million despite an improvement of 12.7% in its revenue for the first half of FY2011 ("1H2011"), from S$60.0 million in the first half of FY2010 ("1H2010") to S$67.6 million. Overall, the Group recorded revenue of S$114.4 million in FY2011 representing a manageable decline of 11.3% from the previous year.

Sequentially, UMS' revenue in 4Q2011 grew by 16.2% quarter-on-quarter, from S$21.7 million in the preceding quarter for the three months ending 30 September 2011 ("3Q2011"). This was due to a spike in orders from major customers in 4Q2011, following possible order postponement in the preceding quarter. For the 4th quarter, UMS witness end-users beginning to pick up their activities. This is in sharp contrast to the more cautious approach in the previous quarter where many are holding back capital expenditure. Geographically, Singapore continued to be the key revenue contributor of UMS, as its major customers continued their strategy of outsourcing more to Asia, accounting for 60.6% of its total revenue in FY2011 as compared to 54.1% in FY2010. United States accounted for 24.2% of the Group's revenue in FY2011 as compared to the 30.2% in FY2010. Other region remained relatively stable at 15.2% in FY2011 (FY2010: 15.7%).

Segmentally, the semiconductor ("Semicon") business contributed 93.7% of the total revenue in FY2011 (FY2010: 92.4%).The Group recorded $107.2 million in FY2011 for the Semicon business compared to S$119.2 million in FY2010. Over the same period, revenue from the Contract Equipment Manufacturing ("CEM") stood at S$7.2 million in FY2011 compared to S$9.9 million in FY2010.

Profitability

Despite the challenging business environment in FY2011, net profit attributable to equity holders ("net profit") edged down only 3.8% to S$27.6 million in FY2011 from S$28.7 million in FY2010. With the various initiatives in place to achieve cost efficiencies and better capital management, the Group recorded an improvement of two percentage points in its net profit margin from 22.3% in FY2010 to 24.2% in FY2011.

Factors that contributed to improved margins includes a lower raw material and sub-contractor costs which was lowered by 25.5% from S$66.0 million in FY2010 to S$49.2 million in FY2011; relatively stable personnel related costs that stands at S$12.8 million in FY2011 (FY2010: S$12.8 million); lower tax expenses of S$3.7 million in FY2011 as compared to S$4.5 million a year ago as a result of UMS' Penang factory obtaining pioneer tax incentive and the Group transiting some of its production to the Penang facility.

Cashflow

With minimum capital expenditure and debt borrowings in FY2011, the Group generated a positive operating cash flow of S$39.2 million and free cash flow of S$31.7 million, as compared to S$31.3 million and S$23.7 million respectively in FY2010; registering a cash conversion ratio of 114.7%, thereby reflecting UMS' ability and efforts to generate good cash flow. As of 31 December 2011, UMS' cash and cash equivalents stands at S$37.9 million, representing an 84.8% increase compared to that of S$20.5 million as at 31 December 2010.

The Group continues to pare its outstanding debt from S$7.1 million in FY2010 to S$2.7 million in FY2011. The Group's current borrowings comprise mainly of finance leases which are secured by mortgages over the plant and machinery of a subsidiary.

Dividend

In view of the Group's healthy performance and in recognition of shareholders' support of the Group, the Directors have proposed a final dividend of 2.0 Singapore cents per ordinary share (tax exempt one tier) and a special dividend of 1.0 Singapore cent per ordinary share (tax exempt one tier), bringing UMS' total dividend for FY2011 to 6.0 Singapore cents per ordinary share. This includes dividends of 1.0 Singapore cent per ordinary share already paid out each in 1Q2011, 2Q2011 and 3Q2011.

Together with its interim dividend, UMS' total final dividend constitutes a payout ratio of 74.6%, compared to 59.8% for the previous corresponding year. Going forward, the Group remains committed to rewarding its shareholders by enhancing its share value. In addition to the dividends, the Directors had also proposed a share buyback mandate as part of its effort to enhance shareholders' value.

Board of Directors

Soh Gim Teik
Chairman

Mr. Soh Gim Teik was appointed Non-Executive Chairman of the Company and is Independent Director since 2008.

A Bachelor of Accountancy graduate from the University of Singapore, he has more than 30 years' experience in finance and management. He is a non-practising member of ICPAS and was the immediate past Chairman of its CFO Committee. Mr. Soh was previously an Executive Director/CFO of a public company and had practised as a public accountant for several years before that. He is currently a Board member of other public companies and is also serving on various non-profit and charitable organizations. Mr. Soh was awarded the inaugural CFO of the Year in 2006 under the Singapore Corporate Awards organized by The Business Times and supported by the Singapore Exchange (SGX).

Andy Luong
Chief Executive Officer

Mr. Andy Luong was appointed as Chief Executive Officer of the Company in January 2005. Mr. Luong previously served as Chief Operating Officer of the Company since April 2004.

As President and Founder of the UMS Group, he has more than 20 years of experience in manufacturing front-end semicon components. He acquired his machining skills through his experience in working in his family's machining business in Vietnam. He emigrated to the USA from Vietnam in 1979 and shortly after college, started a precision machining business called Long's Manufacturing, Inc.

Oh Kean Shen
Independent Director

Mr Oh Kean Shen was appointed as an independent Director of the company on 20 September 2007.

A graduate of the South Australian Institute of Technology with a Bachelor Degree in Mechanical Engineering, his is now resume his role as the Managing Director of Limbungan Batu Maung Sdn Bhd and his yachts sales company, Pen Marine Sdn Bhd. In the past 6 years, he was Vice President of the Kenanga Invesment Bank Berhad providing professional investment management services to corporate clients. Mr Oh is actively involve in the Association of Marine Industry of Malaysia, Singapore Boating Industry Association and the Asia Pacific Superyacht Association in the quest to promote the surge of the luxury yachting industry in Asia.

Neo Ban Chuan
Independent Director

Mr. Neo Ban Chuan was appointed as an Independent Director of the Company on 16 July 2008.

Mr. Neo was the Head of Restructuring at one of the Big Four accounting firm before he retired in 2007. After he retired, he set up BC Neo Business Advisory Pte Ltd. Mr. Neo has been in the Restructuring business for close to 30 years and had managed a diverse portfolio where highly specialised skill sets are required in the administration of an array of appointments involving judicial management, receivership, both compulsory Court-ordered and voluntary liquidation, corporate turnaround/ restructuring and business advisory services. Mr. Neo has been involved in the overall conduct of numerous liquidation, receivership and judicial management type assignment and is intimately familiar with the legislative and regulatory requirements expected of these assignments. He is a well regarded personality in the insolvency practice circle.

N. Sreenivasan
Independent Director

Mr. N. Sreenivasan was appointed as an Independent Director of the Company on 1 March 2008.

Mr. Sreenivasan has 23 years of experience as a litigation lawyer, both in the Singapore Legal Service and in private practice. He is currently the Managing Director of Straits Law Practice LLC and is actively practising in the fields of corporate and commercial litigation. A graduate of the National University of Singapore with an Honours degree in Law, he is also a Fellow of the Chartered Institute of Arbitrators (UK) and of the Singapore Institute of Arbitrators. He has also served as Treasurer and Council Member of the Law Society, and as chairman of various committees. He currently chairs the Advocacy Committee of the Law Society. Mr. Sreenivasan is a Council member, Finance Commission member and Legal Commission member of the Singapore Red Cross Society and also serves on the Board and Audit Committee of the Singapore Heart Foundation.

Loh Meng Chong, Stanley
Executive Director

Mr. Stanley Loh was appointed as an Executive Director of the Company on 30 June 2010.

Mr. Loh joined the Company on 5 September 2008 as the Group's Financial Controller. He brings with him over 20 years of experience in finance, accounting, treasury and auditing. Before joining the Company, he held several controllership positions in trading and manufacturing organizations. A Certified Public Accountant from the Institute of Certified Public Accountants of Singapore, he is responsible for the overall financial, accounting, tax, treasury, corporate finance, and compliance matters of the Group.

Sylvia SY Lee Luong
Executive Director

Mrs. Sylvia Luong was appointed as an Executive Director of the Company on 30 June 2010.

Mrs. Luong was appointed the Group's Chief Operating Officer on 23 November 2007. Prior to her appointment, she was the Vice President of Sales & Marketing of the Group. Mrs. Luong is responsible for the daily operations of the Group and managing the Group's marketing and business development efforts. She has more than 20 years of experience in engineering and marketing and began her career with Avantek, Inc. as an engineering assistant before joining Long's Manufacturing, Inc in 1989.

Management Team

Andy Luong

Chief Executive Officer

Mr. Andy Luong, the Founder of UMS Holdings, has been the Group's Chief Executive Officer since January 2005. He currently holds 110,130,727 ordinary shares in the Group which comprise of direct and deemed interest.

Mr. Luong has more than 20 years of experience in manufacturing front-end semicon components. He acquired his machining skills through his experience working in his family's machining business in Vietnam. He emigrated to the USA from Vietnam in 1979 and shortly after college, started a precision machining business called Long's Manufacturing, Inc.

Sylvia SY Lee Luong

Chief Operating Officer

Mrs. Sylvia Luong was appointed the Group's Chief Operating Officer on 23 November 2007. Prior to her appointment, she was the Vice President of Sales & Marketing of the Group. Mrs. Luong is responsible for the daily operations of the Group and managing the Group's marketing and business development efforts.

She has more than 20 years of experience in engineering and marketing and began her career with Avantek, Inc. as an engineering assistant before joining Long's Manufacturing, Inc in 1989.

Loh Meng Chong, Stanley

Group Financial Controller

Mr. Stanley Loh joined the Company on 5 September 2008 as the Group's Financial Controller. He brings with him over 20 years of experience in finance, accounting, treasury and auditing. Before joining the Company, he held several controllership positions in trading and manufacturing organizations.

Dave Penland

Operations Director

Mr. Dave Penland joined UMS as Operations Director on 28 September 2010. In this role, he is responsible for the day to day Singapore operation and supervision of staff, reporting directly to the COO.

Mr. Penland brings with him more than 20 years of international experience across various manufacturing companies including semiconductor, nanotechnology and machining operations.

Kay Tan Kian Hong

Global Account Director

Mr. Kay Tan was appointed Global Account Director in 2007, located in Milpitas, California. As Global Account Director, Mr. Tan holds overall responsibility for managing the relationship between UMS and our key customers in USA by facilitating appropriate customer contacts at all levels, across all business creation cycles.

Prior to joining UMS in April 2007 Mr. Tan held a number of positions with increasing responsibilities. Mr. Tan started as a Trainee Supervisor in precision machining in 1989 and in 2003, re-located to California, USA as a Key Account Manger. Mr. Tan brought with him 18 years of broad scope experience in the machining and assembly for high-tech equipment manufacturing industries and hands on experience in Project Management, Account Management, Sales and Marketing.

Group Structure

UMS Holdings Limited

- UMS Systems Pte Ltd (Singapore) **100%**
- NCS Engineering Pte Ltd (Singapore) **100%**
- UMS Solar Pte Ltd (Singapore) **100%**
- UMS Aerospace Pte Ltd (Singapore) **100%**
- UMS Pte Ltd (Singapore) **100%**
  - UMS Solutions Pte Ltd (Singapore) **100%**
- Integrated Manufacturing Technologies Pte Ltd (Singapore) **100%**
- UMS International Pte Ltd (Singapore) **100%**
  - Ultimate Manufacturing Solutions (M) Sdn. Bhd. (Malaysia) **100%**
- Ultimate Machining Solutions (M) Sdn. Bhd. (Malaysia) **100%**
  - A1 Metal Sdn. Bhd. (Malaysia)* **100%**
- ASL International Trading, Inc (United States) **100%**
- Integrated Manufacturing Technologies, Inc (United States) **100%**

* currently undergoing voluntary deregistration

Milestones

2011

December	Entered into agreement to acquire Integrated Manufacturing Technologies Pte Ltd and Integrated Manufacturing Technologies Inc

2010

December	Obtained 10-years pioneer tax-free status in Malaysia

2009

February	Commence operation of Malaysia - Penang Hub, a RM75 million investment 2008

2008

February	Grand opening of new Changi North Rise facility

2007

August	Ground Breaking of Penang (Malaysia) facility
March	Entered into an exclusive contract with a major oil & gas company
January	UMS obtained AS9100:2004 certification

2006

December	Ground Breaking of a new 80,000 square foot facility in Changi North Rise, Singapore
August	Announcement of a US$20 million investment into new business segments including aerospace and oil and gas

2004

Merger with Norelco Centreline Holdings Limited

1996

Started UMS in Singapore

1984

Founding of Long's Manufacturing in Silicon Valley, USA by Andy Luong

Corporate Offices

SINGAPORE

UMS Pte Ltd

UMS Aerospace Pte Ltd

UMS Systems Pte Ltd

UMS Solar Pte Ltd

UMS Solutions Pte Ltd

NCS Engineering Pte Ltd

UMS International Pte Ltd

Integrated Manufacturing Technologies Pte Ltd

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Changi North Industrial Estate
Singapore 499616
Tel : (65) 6543 2272
Fax : (65) 6542 9979
Email : enquiries@umsgroup.com.sg
Website: http://www.umsgroup.com.sg

USA

ASL International Trading, Inc

Integrated Manufacturing Technologies, Inc
(California office)

1477 North Milpitas Boulevard
Milpitas, CA 95035

Integrated Manufacturing Technologies, Inc
(Texas office)

13930 Immanuel Road, Suite B
Pflugerville, TX 78660
Tel : (65) 6543 2272
Fax : (65) 6542 9979
Email : enquiries@umsgroup.com.sg
Website: http://www.umsgroup.com.sg

MALAYSIA

Ultimate Manufacturing Solutions (M) Sdn. Bhd.

Ultimate Machining Solutions (M) Sdn. Bhd.

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14100 Simpang Ampat
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Pulau Penang
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Tel : (604) 507 3000
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Email : enquiries@umsgroup.com.my
Website: http://www.umsgroup.com.sg

Corporate Governance Report

The Board and Management of UMS Holdings Limited (the "Company") is committed to maintaining high standards of corporate governance and practices that are essential to protect the interest of shareholders. Excellence in corporate governance will not only enhance and safeguard the interest of all our shareholders, it will also foster the stability and sustainability of the Group's performance that is crucial in the building of long-term shareholders' value.

This report describes the Group's corporate governance policies and processes with reference to the Code of Corporate Governance 2005 (the 'Code'). The Board is pleased to confirm that for the financial year ended 31 December 2011, the Company has generally adhered to the principles and guidelines of the Code and any deviations will be specified in this report.

The Board's Conduct of its Affairs – Principle 1

The Board comprises seven Directors at the end of the year 2011, of which four, including the Non-Executive Chairman, are Independent Directors. The Board provides entrepreneurial leadership, set strategic aims, and ensures that the necessary financial and human resources are in place for the Company to meet its objectives. It also establishes a framework of prudent and effective controls which enable risks to be assessed and managed. In addition, it reviews management performance, set the Group's values and standards, and ensure that obligations to shareholders and others are understood and met.

The key responsibilities of the Board include:

- Approving business direction and strategies;
- Monitoring management's performance;
- Ensuring the adequacy, efficiency and effectiveness of internal controls, risk management procedures, financial reporting and compliance;
- Approving annual budget, major funding, investment and divestment proposals;
- Approving the nominations of the Board of Directors and appointments to the various Board committees; and
- Assuming the responsibility for overall corporate governance of the Group.

The Group has, in place, a set of internal guidelines setting forth matters that require Board's approval. Matters that specifically require Board's approval are those involving:

- Release of all results announcements and any other announcements;
- Group's annual budget;
- Appointment of directors and key personnel;
- Group's corporate and strategic directions, key operational initiatives;
- Major funding and investment proposals;
- Merger and acquisition transactions;
- Declaration of interim dividend and proposal of final dividends;
- Interested party transactions;
- Matters involving conflict of interests for a substantial shareholder or director; and
- All other matters of material importance.

To ensure smooth and effective running of the Group and to facilitate decision making, the Board has established various committees to assist it in the discharge of its responsibilities. These committees operate under clearly defined terms of reference, which are headed by Independent Directors. The three committees are:

- Audit Committee ("AC")
- Nominating Committee ("NC")
- Remuneration Committee ("RC")

Corporate Governance Report

The Board meets regularly at least four times a year, to coincide with the announcement of the Group's quarterly results. Ad-hoc Board meetings are also convened as and when deemed necessary by the Board to address any specific or significant matters that may arise. At meetings of the Board, the Directors are free to discuss and openly challenge the views presented by management and other Directors. The decision making process is an objective one. In lieu of physical meetings, written resolutions were also circulated for approval by members of the Board.

During the year, the Board met six times. The Company's Articles of Association provide for the meetings of the Board by means of conference telephone or similar communications equipment. The number of Board meetings held and the attendance of each board member at the meetings for the year ended 31 December 2011 are disclosed below:

Name of Director	Board Meetings		Audit Committee Meetings		Nominating Committee Meetings		Remuneration Committee Meetings	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
Mr Soh Gim Teik ^*	6	6	N.A	N.A	2	2	N.A	N.A
Mr Luong Andy +	6	6	N.A	N.A	N.A	N.A	N.A	N.A
Mr Oh Kean Shen #*	6	6	4	4	2	2	2	2
Mr N. Sreenivasan #*	6	5	4	3	2	2	2	2
Mr Neo Ban Chuan #*	6	6	4	4	2	2	2	2
Ms Sylvia SY Lee Luong +	6	6	N.A	N.A	N.A	N.A	N.A	N.A
Mr Stanley Loh Meng Chong +	6	6	N.A	N.A	N.A	N.A	N.A	N.A

^ Non-Executive Chairman
+ Executive Director
# Non-Executive Director
* Independent Director

To enhance the effectiveness of the Board, all Board members are kept informed of all the relevant new laws and regulations. Whenever a new Director is appointed on the Board, the Company ensures that he receives appropriate training, briefing and orientation to enable him to discharge his duties effectively.

Board Composition and Balance – Principle 2

As at 31 December 2011, the Board comprises seven directors. The Chief Executive Officer ('CEO") is one of three Executive Directors whilst the remaining four Directors, including the Non-Executive Chairman, are Non-Executive Directors of the Company. Non-Executive Directors of the Company assist the Chairman to fulfil his role by regularly assessing the effectiveness of the Board's processes and activities in meeting set objectives and corporate governance standards.

Four Directors out of the total Board of seven Directors are independent; hence the Group believes the Board is effective and autonomous. The independence of each Director is reviewed annually by the Nominating Committee based on the Code's definition of independence. The Board has also satisfied the Code whereby at least one-third of the Board should be independent.

The non-executive and independent Directors would bring a broader view with independent judgment on issues for the Board's deliberations.

Corporate Governance Report

The Board has the requisite blend of expertise, skills and attributes to oversee the Company's business. Collectively, they have the core competencies in areas such as accounting or finance, legal, business or management experience, industry knowledge, strategic planning experience and customers-based experience or knowledge, technology, and international affairs which provide valuable insights to the Group. The diverse mix of background and experience provides for effective direction for the Group in its mission to becoming a multinational group with a strong competitive edge in its business objectives. The Board considers its size as adequate and optimum to undertake the numerous tasks of setting strategy, establishing vision, mission and values, exercising accountability to shareholders and delegating authority to management after taking into account of the scope and nature of the operations of the Company and of the Group.

Chairman and Chief Executive Officer – Principle 3

Guideline 3.1 – Relationship between Chairman and Chief Executive Officer

The Code states that the roles of Chairman and the CEO should be separate to ensure an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision making. The division of responsibilities between Chairman and CEO should be clearly established, set out in writing and agreed by the Board. The Company has adhered to the recommendation of the Code by appointing Mr Soh Gim Teik as a non-Executive Chairman with effect from 15 February 2008. Mr Luong Andy has been the CEO of the Company since 2005.

As the CEO, Mr Luong Andy is responsible for the day-to-day management of the business. Mr Luong Andy has executive responsibilities in the business directions and operational efficiency of the Group and plays a pivotal role in steering the strategic direction and growth of the business. He also oversees the execution of the Group's corporate and business strategy set out by the Board and ensures that the directors are kept updated and informed of the Group's business.

As the non-Executive Chairman, Mr Soh Gim Teik's responsibilities, among others, include the following:

- Lead the Board to ensure its effectiveness to all aspects of its role and set its agenda;
- Ensure that the directors receive accurate, timely and clear information;
- Ensure effective communication with shareholders;
- Encourage constructive relations between the Board and Management;
- Facilitate the effective contribution of Non-Executive Directors to the Board;
- Encourage constructive relations between the Non-Executive Directors and Executive Directors; and
- Promote high standards of corporate governance.

Board Membership – Principle 4

Guideline 4.1 – Composition of Nominating Committee

The appointment of new directors to the Board is recommended by the Nominating Committee ("NC"). The NC comprises four Non-Executive Directors, namely Mr Soh Gim Teik, Mr N. Sreenivasan, Mr Oh Kean Shen and Mr Neo Ban Chuan.

Name	Role in NC	Role in Board
Mr Soh Gim Teik	Chairman	Independent and Non-Executive Director
Mr N. Sreenivasan	Member	Independent and Non-Executive Director
Mr Neo Ban Chuan	Member	Independent and Non-Executive Director
Mr Oh Kean Shen	Member	Independent and Non-Executive Director

Corporate Governance Report

The Chairman of the NC is not directly associated with any substantial shareholder of the Company. The NC works within the written terms of reference, which describes the responsibilities of its members. The principal functions of the NC include the following:

- Make recommendations to the Board on all board appointments, retirements and re-nomination having regards to the director's contribution and performance;
- Review and determine the independence of each director and ensure that the Board comprises at least one-third independent directors;
- Review and decide if a director is able to and has been adequately carrying out his/her duties as a director of the Company, when he/she has multiple board representations. The NC is of the opinion that all the directors who serve on multiple boards have allocated sufficient time and attention to the Company and have carried out their duties as directors of the Company; and
- Determine how the Board's performance may be evaluated, and propose objective performance criteria to assess the effectiveness of the Board as a whole.

Guideline 4.5 – Selection and appointment of new Director

In identifying for appointment of new Directors, the NC applies the following main principles:-

- The Board shall have a majority of Directors who are not substantial shareholders of the Company and are independent of the substantial shareholders of the Company;
- The NC must be satisfied that each candidate is fit and proper for the position or office and is the best or most qualified candidate nominated for position or office taking into account of the candidate's track record, age, experience, capabilities, and other relevant factors.

Under the Articles of Association of the Company, Directors are required to retire at least once every three years. The NC assesses and recommends to the Board whether the retiring Directors are suitable for re-election. The NC considers that the multiple board representations held presently by some of the Directors do not impede their performance in carrying out their duties to the Company and in fact, enhances the performance of the Board as it broadens the range of the experience and knowledge of the Board.

Board Performance – Principle 5

There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board.

The NC has established an appraisal process to assess the performance and effectiveness of the Board as a whole as well as to assess the contribution of individual directors. It focuses on a set of performance criteria which includes the evaluation of the size and composition of the Board, the Board's access to information, the Board processes and accountability. Review of the Board's performance, as appropriate, is undertaken collectively by the NC annually and informally on a continual basis.

The NC is responsible for the following functions:-

- To review and determine the independence of each director;
- To make recommendation to the Board on all nominations for appointment and re-appointment of directors;
- To implement a process for assessing the effectiveness of the Board as a whole and the contribution by each director;
- To evaluate the independence of each director as well as the size and composition of the Board; and
- To propose the Board's performance evaluation criteria.

Corporate Governance Report

Access to Information – Principle 6

The Board members are given an update on the Group's financials, business plans and developments prior to board meetings and on an on-going basis. Management has an obligation to provide the Board with complete and adequate information in a timely manner. Board members are given full access to the Company's information and independent access to the Company's Management, including the Financial Controller, and the Company Secretary. To ensure that the Board members have sufficient time to look through the materials and information, all board papers are sent to the members a few days before the Board meeting.

The Directors have separate and independent access to the Company Secretary. The Company Secretary assists the Chairman in ensuring that all board procedures are followed and that the Company's Memorandum and Articles of Associations and applicable rules and regulations, including requirements of the Singapore Companies Act and the Singapore Exchange Securities Trading Limited ("SGX-ST") are complied with. The Company Secretary or her representatives also administer, attend and prepare the minutes of all Board and Committee meetings and assist the Chairman in implementing and strengthening corporate governance practices and processes. The Company Secretary is also the primary channel of communication between the Company and SGX-ST.

The Company Secretary or her representatives attends all Board and Committee meetings and the minutes of such meetings are promptly circulated to all Board members.

The appointment and the removal of the Company Secretary is a matter for the Board as a whole.

Each Director, whether individually or as a group, has the right to seek independent professional advice as and when necessary, in furtherance of their duties, at the Company's expense and with the approval of the Chairman.

Procedures For Developing Remuneration Policies – Principle 7

There should be a formal and transparent procedure for developing policies on executive remuneration and for fixing the remuneration packages of individual directors. No Director should be involved in deciding his own remuneration.

The Remuneration Committee ("RC") comprises the following Directors:-

Name	Role in RC	Role In Board
Mr N. Sreenivasan	Chairman	Independent and Non-Executive Director
Mr Neo Ban Chuan	Member	Independent and Non-Executive Director
Mr Oh Kean Shen	Member	Independent and Non-Executive Director

The RC members comprise entirely of Non-Executive and independent Directors. The members of the RC have extensive experience in the formulation and implementation of wage policies and compensation schemes. If necessary, the RC will seek expert advice on human resource matters or on remuneration of all directors, either within or outside the Company.

The RC's responsibilities include the following:

– Recommending to the Board a framework of remuneration, and the specific remuneration packages for each director and the CEO (including but not limited to director's fees, salaries, allowances, bonuses, variable incentives, options and benefits in kind) for the Board and key executives. If necessary, the RC will seek expert advice inside and/or outside the company on remuneration of all directors.
– Review the adequacy and form of compensation of executive directors to ensure that the compensation realistically commensurate with the responsibilities and risks involved in being an effective executive director;

Corporate Governance Report

- The performance-related elements of remuneration are designed to align interest of executive directors with those of shareholders and link rewards to corporate and individual performance. There are appropriate and meaningful measures for the purpose of assessing executive directors' performance;
- Recruiting executive directors of the Company and determining their employment terms and remuneration;
- Positioning the Company's executive remuneration package relative to other companies or its competitors;
- Reviewing and recommending to the Board the terms of renewal for those executive directors whose current employment contracts have expired;
- Ensuring adequate disclosure in the directors' remuneration as required by regulatory bodies such as SGX-ST; and
- Overseeing the payment of fees to non-executive directors.

Level and Mix of Remuneration – Principle 8

The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the Company successfully but companies should avoid paying more for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

The RC adopts a formal procedure for fixing the remuneration packages of individual directors. In setting the remuneration package of the individual directors, the Company takes into consideration the following factors:

- Pay and employment conditions within the industry and in comparable companies;
- The Company's relative performance and the performance of the individual directors;
- The attractiveness of the remuneration package so as to retain the directors and motivate them to run the Company successfully;
- Significance of performance related elements of remuneration; and
- Effort, time spent and responsibilities of the individual directors.

Executive Directors:

Executive directors receive their remuneration in three key components, that is, fixed monthly salary, variable bonus and incentives, and Directors' fees. The fixed monthly salary includes car allowance and central provident fund contribution. The variable bonus and incentives depends largely on the performance of the Group.

Non-Executive Directors:

Non-Executive Directors are paid an annual director's fee. In determining the quantum of director's fees, factors such as effort and time spent, and responsibilities of the directors are taken into account. Non-Executive Directors are paid a basic fee and allowance for attending any additional meeting. An additional fee for serving as Chairman on any committee is also being paid to Non-Executive Directors. The RC ensures that none of the Non-Executive Directors are over-compensated to the extent that their independence may be compromised. The director's fees are subject to shareholders' approval at the Annual General Meetings.

The remuneration policies for the Executive and Non-Executive Directors have been endorsed by the RC and the Board.

Disclosure on Remuneration – Principle 9

The RC proposes appropriate remuneration framework for adoption by the Board and ensures that the Management carries out the approved policies accordingly.

Corporate Governance Report

Guideline 9.1 Remuneration Details of the Directors

The remuneration of Directors for the year ended 31 December 2011 is set out below:

Name of Director	Salary	Variable Bonus and Incentives	Allowances	Central Provident Fund Contribution	Directors Fees	Total
	%	%	%	%	%	%
Non- Executive Directors						
Below S$250,000						
Mr Soh Gim Teik	0%	0%	0%	0%	100%	100%
Mr N. Sreenivasan	0%	0%	0%	0%	100%	100%
Mr Neo Ban Chuan	0%	0%	0%	0%	100%	100%
Mr Oh Kean Shen	0%	0%	0%	0%	100%	100%
Executive Directors						
S$1,250,000 to S$1,499,999						
Mr Luong Andy	27%	64%	7%	1%	1%	100%
S$1,000,000 to S$1,249,999						
Ms Sylvia SY Lee Luong[1]	30%	60%	9%	1%	0%	100%
S$250,000 to S$499,999						
Mr Stanley Loh Meng Chong	39%	52%	5%	3%	1%	100%

1: Ms. Sylvia SY Lee Luong is the wife of the Executive Director, Mr. Luong Andy.

Guideline 9.2 – Remuneration of the top five executives of the Group

The breakdown remuneration of top 5 key executives (who are not Directors of the Company) in percentage terms for the year ended 31 December 2011 is set out below:

Name of Key Executive	Salary	Allowances	Variable Bonus and Incentives	Central Provident Fund Contribution	Total
	%	%	%	%	%
S$250,000 to S$499,999					
Mr Kay Tan Kian Hong	45%	0%	55%	0%	100%
Below S$250,000					
Mr David Christopher Penland	65%	35%	0%	0%	100%
Mr Francis Lim Swee Koon	85%	6%	0%	9%	100%
Mr Terence Yeo Bak Woo	86%	6%	1%	7%	100%
Mr Gobinath A/L Gunaselan	83%	6%	1%	10%	100%

Other than as disclosed, there are no other key executives who are related to any Director and whose remuneration exceeds S$150,000.

Corporate Governance Report

Accountability – Principle 10

The Board is accountable to the shareholders while the Management is accountable to the Board.

As defined in the Code, the Board presents to shareholders a balanced and understandable assessment of the Group's performance, position and prospect. The Management provides all Board members with management reports and accounts which represent balanced, understandable assessment of the Group's performance, position and prospects on a quarterly basis.

It is the Board's policy to provide the shareholders with all important and price sensitive information. These are done through the SGXNET during the quarterly announcements as and when necessary.

Audit Committee – Principle 11

The Audit Committee ("AC") comprises the following members:

Name	Role in AC	Role In Board
Mr Neo Ban Chuan	Chairman	Independent and Non-Executive Director
Mr N. Sreenivasan	Member	Independent and Non-Executive Director
Mr Oh Kean Shen	Member	Independent and Non-Executive Director

The roles and responsibilities of the AC are to:

– Recommend to the Board, the external auditors to be appointed and the remuneration and terms of engagement letter therein;
– Review with the internal and external auditors, the audit plan, including the nature and scope of the audit and its cost effectiveness before the audit commences;
– Review with the internal auditors and external auditors, their evaluation of the adequacy of the system of internal accounting controls and compliance functions;
– Review the Group's audited annual report and other quarterly financial statements and related notes and formal announcements thereto; accounting principles adopted and the external auditors' report prior to recommending to the Board for approval;
– Review the nature, scope, extent and cost effectiveness of non-audit services provided by the external auditors and ensuring that these do not affect the independence and objectivity of the external auditors;
– Review any significant financial reporting issues, judgment and estimates made by the Management, so as to ensure the integrity of the financial statements of the Company;
– Discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management where necessary);
– Review the effectiveness of the Company's material internal controls, including financial, operational and compliance controls via reviews carried out by the internal auditors; and
– Review interested party transactions on a regular basis.

In respect of the overall audit process, the AC has:-

– Provided an open avenue of communication between the external auditors, internal auditors, the Management and the Board;
– Kept under review the scope and results of the external audit, internal audit, and their effectiveness and reported to the Board on any significant findings.

Corporate Governance Report

The AC is guided by its terms of reference which provides explicit authority to investigate any matters within its terms of reference, full access to and co-operation by the Management and full discretion to invite any Director and executive officer to attend its meeting, and reasonable resources to enable it to discharge its functions properly.

The AC has also put in place an anti fraud policy, whereby staff and business associates of the Group may raise concerns about possible improprieties in matters of financial reporting, fraudulent acts and other matters and ensure that arrangements are in place for independent investigations of such matters and appropriate follow up actions.

The AC met with external auditors, and with internal auditors, without the presence of the Company's management, at least once a year.

The Company has appointed a suitable auditing firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit. Moore Stephens LLP was appointed as the Company's external auditors on 7 November 2007. Mr Chay Yiowmin is the audit engagement partner in charge of the audit of the Company since 5 October 2011. The Company confirms that Rule 712 of the SGX-ST's Listing Manual is complied with.

The auditors of the Company's subsidiaries are disclosed in the notes to the financial statements in this annual report. The Company confirms that the Company and the Group has complied with Rule 715 of the SGX-ST's Listing Manual.

For FY2011, the total amount of fees in respect of statutory audit services provided by the external auditors for the Group amounted to approximately S$180,000 and in respect of audit services (non statutory) provided by the external auditors amounted to approximately S$40,000.

The Audit Committee is satisfied with the independence and objectivity of the external auditors during the financial year and has recommended to the Board the re-appointment of Moore Stephens LLP as external auditors at the forthcoming Annual General Meeting of the Company.

Internal Controls and internal audit – Principles 12 & 13

The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the Company's assets.

The Board acknowledges that it is responsible for the overall internal control framework, but recognizes that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The internal audit ("IA") function of the Group is outsourced to KPMG Services Pte. Ltd. ("KPMG"). The IA reports to the Audit Committee. KPMG is guided by the Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The Group's internal auditors conduct review in accordance with the audit plans of the Group's key internal controls, including financial, operational and compliance controls. Any material non-compliance or failures in internal controls and recommendations for improvement are reported to Management and to the AC. The audit conducted by internal auditors will assist the AC in the assessment of and obtaining assurance on the adequacy, efficiency and effectiveness of the Group's internal control environment.

Corporate Governance Report

During the financial period, Management had taken remedial actions recommended by the internal and external auditors in prior financial period so as to enhance certain internal control procedures. New areas of improvement were also recommended and implemented during the current financial period. A Risk Advisory Committee was also established to identify financial, operational and compliance risks.

In the opinion of the Board and in the absence of any evidence to the contrary, the system of internal controls maintained by the management is adequate to meet the needs of the current business environment. However, the Board notes that the review of the Group's systems of internal control is a continuing process and there is always room for improvement having regard that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, natural disasters, losses, fraud or other irregularities. The system of internal controls adopted by the Group is therefore designed to manage rather than eliminate the risk of failure to achieve business objectives. Based on the audit reports and management controls in place, the Board and the AC are satisfied that there are adequate material internal controls in place for the Group to address financial, operational and compliance risks.

Communication with Shareholders – Principles 14 and 15

The Board's policy is that shareholders and the public should be equally and timely informed of all major developments that may impact materially on the Company.

The Company strives for timeliness and transparency in its disclosure to the shareholders and the public.

The Company communicates pertinent and timely information to its shareholders through:-

- The Company's annual reports which are prepared and issued to all shareholders containing all relevant information about the Group, including future developments and other disclosures required by the Singapore Companies Act and the Singapore Financial Reporting Standards;
- Announcement of quarterly, half-yearly and full-years results on the Singapore Exchange Securities Trading Limited's SGXNET;
- Press releases on major developments of the Group;
- Responding to all enquiries from investors, analysts, fund managers and the media through its Corporate Communications and Investor Relations department;
- Formal and informal media and analysts' briefings for the Group's interim and annual financial results, chaired by the CEO, as appropriate; and
- The Group's website at www.umsgroup.com.sg from which shareholders can access information about the Group including all publicly disclosed financial information, corporate announcements, press releases, annual reports and profiles of the Group.

Information is first disclosed to all shareholders through SGXNET announcements before the Company meets with any group of analysts or investors. This ensures that all shareholders and the public have fair access to information. Where inadvertent disclosures are made to a selected group of people, or unfounded rumours are spread about the Company, the Company will make the same disclosures and clarify all rumours publicly immediately.

Shareholders are encouraged to attend and participate at the Company's Annual General Meetings to ensure that they have a better understanding of the Group's plans and developments for the future. The Chairman of the Board, Audit, Remuneration and Nominating Committees and Management are required to be present at these meetings to address any questions that the shareholders may have. The Company's external auditors are also invited to attend the Annual General Meeting and are available to assist the Directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of their auditors' report. The Board values shareholders' feedback and input.

Corporate Governance Report

The Company's Articles of Association provides for a shareholder of the Company to appoint one or two proxies to attend the Annual General Meetings and to vote in place of the shareholders.

Dealing in Securities

An internal Code on Dealings in Securities is also in place to prescribe the internal regulations pertaining to the securities of the Company and its listed subsidiaries. The code prohibits securities dealings by Directors and employees while in possession of unpublished price-sensitive information of the Group. All Directors and employees are also prohibited from dealing in the securities of the Company during the period beginning two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements. Directors and officers are also advised not to deal in the Company's securities for short term considerations and they are expected to observe insider-trading laws at all times. The Company issues regular internal memorandums to the Directors and officers of the Group to remind them of the aforementioned prohibitions.

Interested Person Transactions and Material Contracts

The Company has an internal policy to deal with interested person transactions. All interested person transactions will be documented and submitted to the AC on a quarterly basis for their review and approval to ensure that the transactions are carried out at arm's length.

During the current financial year, there were interested person transactions involving Mr Luong Andy. A shareholder mandate pursuant to rule 920 of the SGX Listing Manual was obtained on 16 August 2011 for these interested person transactions. All interested person transactions were conducted on arm's length basis and on normal commercial terms within the regulatory guidelines. All interested person transactions are regularly reviewed by the Audit Committee. The internal auditors have performed a review of such transactions and have established that they have been conducted on normal commercial terms. Details of the interested person transactions are found on the supplementary financial information disclosures page of this Annual Report.

At the extraordinary general meeting held on 1 February 2012, the shareholders of the Company approved the acquisition of Integrated Manufacturing Technologies Pte Ltd and Integrated Manufacturing Technologies Inc. Subsequent to the completion of these acquisitions, the Company will cease to have interested person transactions involving Mr Luong Andy.

Except as disclosed in the interested person transactions note found on the supplementary financial information disclosures page of this Annual Report, there was no material contract or loan entered into between the Company and any of its subsidiaries involving interests of any of the CEO, Director or controlling shareholder, either still subsisting at the end of FY2011 or if not then subsisting, entered into since the end of the previous financial year.

Risk Management

Risk assessment and evaluation takes place as an integral part of the annual strategic planning cycle. The Board recognises the importance of establishing a risk management framework to facilitate the governance of risks and monitoring the effectiveness of internal controls. Accordingly, to facilitate the compliance of the Listing Manual, the Board has established a Risk Advisory Committee comprising key senior management executives during the financial year to advise the Board of the various financial, operational and compliance risks affecting the Group. Weightage will be assigned to these risks and appropriate actions will be taken to mitigate or avoid these risks.

Financial Contents

Report of the Directors

The directors present their report to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2011, and the balance sheets and the statements of changes in equity of the Company as at 31 December 2011.

1 Directors

The directors of the Company in office at the date of this report are:

Mr Luong Andy	(Executive Director)
Mrs Sylvia SY Lee Luong	(Executive Director)
Mr Stanley Loh Meng Chong	(Executive Director)
Mr Oh Kean Shen	(Independent Director)
Mr Soh Gim Teik	(Independent Director)
Mr N. Sreenivasan	(Independent Director)
Mr Neo Ban Chuan	(Independent Director)

2 Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3 Directors' Interests in Shares or Debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital, options and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act, Cap. 50, except as follows:

	Held in the name of director as		Deemed interest as	
Name of Directors and Company	**at 1.1.11**	**at 31.12.11**	**at 1.1.11**	**at 31.12.11**
UMS Holdings Limited (the Company)		Ordinary shares of no par value		
Mr Luong Andy	98,856,727	48,856,727	11,274,000	61,274,000
Mr Stanley Loh Meng Chong	200,000	200,000	–	–
Mrs Sylvia SY Lee Luong	–	–	110,130,727	110,130,727

There was no change in any of the above-mentioned interests between the end of the financial year end 21 January 2012.

Report of the Directors

4 Directors' Contractual Benefits

Since the beginning of the financial year, no director of the Company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Companies Act, Cap. 50, by reason of a contract made by the Company or a related corporation with the director or with a firm in which he is a member, or with a Company in which he has a substantial financial interest, except as disclosed in the notes to the financial statements. Mr N. Sreenivasan, an independent director, is also a shareholder and director of Straits Law Practice LLC, a firm of advocates and solicitors that provides legal services to the Company for which fees are payable. It is not expected that such fees will exceed S$200,000 per annum.

5 Options to Take Up Unissued Shares

During the financial year, no option to take up unissued shares in the Company or any corporation in the Group was granted.

6 Options Exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of options to take up unissued shares.

7 Unissued Shares Under Option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

8 Shares Outstanding

During the financial year, there were no options to take up unissued shares of the Company and its subsidiaries were granted.

9 Audit Committee

The members of the audit committee at the date of this report are as follows:

Mr Neo Ban Chuan (Chairman)
Mr N. Sreenivasan
Mr Oh Kean Shen

The audit committee carried out its functions in accordance with section 201B (5) of the Companies Act. Amongst others, it performed the following functions:

- Reviewed with the independent external auditors the external audit plan;
- Reviewed with the independent external auditors their report on the financial statements and the assistance given by the Company's officers to them;

Report of the Directors

9 Audit Committee (cont'd)

- Met with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed with the internal auditors their evaluation of the Company's internal accounting control, the scope and results of the internal audit procedures;
- Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the interested person transactions (as defined in Chapter 9 of the Listing Manual of SGX); and
- Recommended to the board of directors that the independent external auditors, Moore Stephens LLP, be nominated for re-appointment, approved the compensation of the external auditors, and reviewed the scope and results of the audit.

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report.

10 Independent Auditors

Moore Stephens LLP, Public Accountants and Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

....	....
LUONG ANDY	LOH MENG CHONG, STANLEY

Singapore
19 March 2012

Statement of Directors

In the opinion of the directors,

(a) the balance sheet and the statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 35 to 88 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011 and of the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

LUONG ANDY

LOH MENG CHONG, STANLEY

Singapore
19 March 2012

Independent Auditors'
Report to the Members of UMS Holdings Limited
(Incorporated in Singapore)

We have audited the accompanying financial statements of UMS Holdings Limited (the "Company") and its subsidiaries (the "Group") as set on pages 35 to 88, which comprise the balance sheets of the Company and of the Group as at 31 December 2011, and the statement of changes in equity of the Company and of the Group, and the consolidated income statement, consolidated statement of comprehensive income and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of changes in equity, and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2011, the changes in equity of the Company and the Group and the results and cash flows of the Group for the year ended on that date.

Independent Auditors'
Report to the Members of UMS Holdings Limited
(Incorporated in Singapore)

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Moore Stephens LLP
Public Accountants and
Certified Public Accountants

Singapore
19 March 2012

Consolidated Income Statement

For the financial year ended 31 December 2011

	Note	Group 2011 S$'000	Group 2010 S$'000
Revenue	4	**114,427**	129,033
Changes in inventories		**(1,429)**	9,258
Raw material purchases and subcontractor charges		**(49,199)**	(66,001)
Employee benefits expense	5	**(12,768)**	(12,810)
Depreciation expense	17, 18	**(10,572)**	(11,890)
Other expenses	6	**(11,543)**	(10,670)
Other credits /(charges)	7	**2,523**	(3,158)
Finance income	8	**95**	32
Finance expense	9	**(211)**	(505)
Profit before income tax		**31,323**	33,289
Income tax expense	10	**(3,683)**	(4,544)
Net profit for the year attributable to the owners of the Company		**27,640**	28,745
Earnings per share			
- Basic	11	**8.04 cents**	8.25 cents
- Diluted	11	**8.04 cents**	8.25 cents

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2011

	Group	
	2011	2010
	S$'000	S$'000
Net profit for the year	**27,640**	28,745
Other comprehensive (expense)/income:		
Currency translation differences arising on consolidation	**(464)**	476
Total comprehensive income for the year attributable to the owners of the Company	**27,176**	29,221

Balance Sheets

As at 31 December 2011

	Note	Group 2011 S$'000	Group 2010 S$'000	Company 2011 S$'000	Company 2010 S$'000
ASSETS					
Current Assets					
Cash and cash equivalents	12	**37,947**	20,532	**3,242**	3,394
Trade receivables and other current assets	13	**11,081**	19,505	**4,729**	1,920
Inventories	14	**33,076**	34,505	**–**	–
		82,104	74,542	**7,971**	5,314
Assets classified as held for sale	15	**–**	4,416	**–**	–
Total Current Assets		**82,104**	78,958	**7,971**	5,314
Non-Current Assets					
Investments in subsidiaries	16	**–**	–	**180,444**	162,904
Property, plant and equipment	17	**59,495**	65,501	**–**	–
Investment property	18	**3,390**	3,614	**–**	–
Financial assets, held-to-maturity	19	**4,545**	4,490	**–**	–
Goodwill	20	**60,702**	60,702	**–**	–
Total Non-Current Assets		**128,132**	134,307	**180,444**	162,904
Total Assets		**210,236**	213,265	**188,415**	168,218
LIABILITIES AND EQUITY					
Current Liabilities					
Trade and other payables	21	**15,336**	18,471	**3,751**	1,708
Income tax payable		**3,923**	4,498	**29**	–
Current portion of finance lease obligation	22	**2,527**	4,474	**–**	–
Total Current Liabilities		**21,786**	27,443	**3,780**	1,708
Non-Current Liabilities					
Deferred tax	10	**2,082**	3,026	**–**	–
Finance lease obligation	22	**138**	2,665	**–**	–
Long-term provision	23	**800**	1,200	**–**	–
Total Non-Current Liabilities		**3,020**	6,891	**–**	–
Total Liabilities		**24,806**	34,334	**3,780**	1,708
Capital and Reserves					
Share capital	24	**136,623**	136,623	**136,623**	136,623
Reserves	26	**(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

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2011

	Note	Share Capital S$'000	Treasury Shares S$'000	Statutory Reserve S$'000	Foreign Exchange Translation Reserve S$'000	Retained Earnings S$'000	Total S$'000
Group							
2011							
Balance at 1 January 2011		**136,623**	**–**	**51**	**(1,079)**	**43,336**	**178,931**
Profit for the year		**–**	**–**	**–**	**–**	**27,640**	**27,640**
Other comprehensive expense for the year		**–**	**–**	**–**	**(464)**	**–**	**(464)**
Total comprehensive income for the year		**–**	**–**	**–**	**(464)**	**27,640**	**27,176**
Disposal of a subsidiary		**–**	**–**	**(51)**	**–**	**–**	**(51)**
Dividends paid	27	**–**	**–**	**–**	**–**	**(20,626)**	**(20,626)**
Balance at 31 December 2011		**136,623**	**–**	**–**	**(1,543)**	**50,350**	**185,430**
2010							
Balance at 1 January 2010		152,822	(13,494)	51	(1,555)	25,008	162,832
Profit for the year		–	–	–	–	28,745	28,745
Other comprehensive income for the year		–	–	–	476	–	476
Total comprehensive income for the year		–	–	–	476	28,745	29,221
Purchase of treasury shares	24	–	(2,500)	–	–	–	(2,500)
Cancellation of treasury shares and share buy back	24	(16,199)	15,994	–	–	–	(205)
Dividends paid	27	–	–	–	–	(10,417)	(10,417)
Balance at 31 December 2010		136,623	–	51	(1,079)	43,336	178,931

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2011

	Note	Share capital S$'000	Treasury shares S$'000	Capital reserve S$'000	Retained earnings S$'000	Total S$'000
Company						
2011						
Balance at 1 January 2011		**136,623**	**–**	**85**	**29,802**	**166,510**
Profit for the year		**–**	**–**	**–**	**38,751**	**38,751**
Total comprehensive income for the year		**136,623**	**–**	**85**	**38,751**	**38,751**
Dividends paid	27	**–**	**–**	**–**	**(20,626)**	**(20,626)**
Balance at 31 December 2011		**136,623**	**–**	**85**	**47,927**	**184,635**
2010						
Balance at 1 January 2010		152,822	(13,494)	85	5,177	144,590
Profit for the year		–	–	–	35,042	35,042
Total comprehensive income for the year		–	–	–	35,042	35,042
Purchase of treasury shares	24	–	(2,500)	–	–	(2,500)
Cancellation of treasury shares and share buy back	24	(16,199)	15,994	–	–	(205)
Dividends paid	27	–	–	–	(10,417)	(10,417)
Balance at 31 December 2010		136,623	–	85	29,802	166,510

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2011

	Note	2011 S$'000	2010 S$'000
Cash Flows from Operating Activities			
Net profit before income tax		**31,323**	33,289
Adjustments for:			
Depreciation expense		**10,572**	11,890
Property, plant and equipment written off		**23**	–
Gain on disposal of assets classified as held for sale		**(3,110)**	(36)
Reversal of provision on disposal of asset classified as held for sale		**(400)**	–
Gain on disposal of property, plant and equipment		**(7)**	–
Gain on disposal of subsidiaries		**(91)**	–
Provision for impairment of inventories (net)		**1,457**	1,306
Inventories written off		**74**	442
Loss on liquidation and deregistration of subsidiaries		**–**	348
Interest income		**(95)**	(32)
Interest expense		**211**	505
Unrealised foreign exchange (gain)/loss		**(1,271)**	1,079
Operating cash flows before working capital changes		**38,686**	48,791
Changes in working capital:			
Trade receivables and other current assets		**9,506**	(9,798)
Inventories		**(102)**	(11,005)
Trade and other payables		**(4,097)**	3,545
Cash generated from operations		**43,993**	31,533
Income tax paid		**(4,811)**	(244)
Net cash generated from operating activities		**39,182**	31,289
Cash Flows from Investing Activities			
Proceeds from disposal of property, plant and equipment		**8**	–
Purchase of property, plant and equipment	(B)	**(7,481)**	(7,621)
Net proceeds from disposal of assets classified as held for sale		**9,922**	705
Net cash inflow on disposal of a subsidiary	(C)	**551**	–
Interest received		**95**	32
Net cash generated from/(used in) investing activities		**3,095**	(6,884)
Cash Flows from Financing Activities			
Share buy back		**–**	(2,705)
Repayment of borrowings		**–**	(9,959)
Dividends paid		**(20,626)**	(10,417)
Repayment of finance lease obligation		**(4,474)**	(3,287)
Increase in fixed deposit - restricted		**(44)**	(53)
Interest paid		**(211)**	(505)
Net cash used in financing activities		**(25,355)**	(26,926)
Net effect of exchange rate changes on the balance of cash held in foreign currencies		**449**	(1,678)
Net increase/(decrease) in cash and cash equivalents		**17,371**	(4,199)
Cash and cash equivalents at the beginning of the year		**20,298**	24,497
Cash and cash equivalents at the end of the year	(A)	**37,669**	20,298

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2011

A. Cash and Cash Equivalents

For the purpose of presenting the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

	Group	
	2011	2010
	S$'000	S$'000
Cash and cash equivalents (Note 12)	**37,947**	20,532
Less: Fixed deposit - restricted in use (Note 12)	**(278)**	(234)
Cash and cash equivalents per consolidated cash flow statement	**37,669**	20,298

B. Property, Plant and Equipment

	Group	
	2011	2010
	S$'000	S$'000
Purchase of property, plant and equipment:		
Cost of property, plant and equipment purchased (Note 17)	**7,481**	4,644
Payment for the year for prior year acquisitions	**–**	2,977
Net cash disbursed	**7,481**	7,621

C. Disposal of a Subsidiary

On 15 April 2011, the Company completed the disposal of its 100% interest in Ultimate Manufacturing Solutions (Suzhou) Co., Ltd.

The effect on the Group's cash flows arising from the disposal is shown in the statement at cash flows as a single item. The assets and liabilities over which control was lost are as follows:

	Total
	S$'000
Current Assets	
Other receivables and deposits	851
Cash and bank balances	33
	884
Current Liabilities	
Other payables and accruals	101
Tax payable	164
	265
Net identifiable assets	619
Add: Translation reserve	53
	672
Proceeds from disposal	612
Less: Cash and bank balances of subsidiary disposed	(33)
Professional fees incurred	(28)
Net cash inflow on disposal of a subsidiary	551

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

31 December 2011

These notes form an integral part of and should be read in conjunction with the accompanying financial statements:

1 General

UMS Holdings Limited (the "Company") is incorporated and domiciled in Singapore with limited liability and is listed on the main board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The controlling shareholder of the Company is Mr Luong Andy.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements.

The registered office address and principal place of business of the Company is 23 Changi North Crescent, Singapore 499616.

The financial statements for the year ended 31 December 2011 were approved and authorised for issue by the board of directors in accordance with a resolution of the Directors on the date of the Statement by Directors.

2 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS) and the provisions of the Singapore Companies Act, Cap. 50.

The financial statements, which are expressed in Singapore Dollar ('S$'), are rounded to the nearest thousand dollar (S$'000), except as otherwise indicated. The financial statements have been prepared on an historical cost basis, except as disclosed in the accounting policies below.

Adoption of New/Revised FRS which are effective

The Group has adopted the following revised standards which are effective and relevant to the Group as of 1 January 2011:

Revised FRS 24 *Related Party Disclosures*

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. As this is a disclosure standard, it has no impact on the financial position or financial performance of the Group when implemented in the current financial year.

Notes to the Financial Statements

31 December 2011

2 Summary of Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New/Revised FRS which are effective (cont'd)

Amendments to FRS 1 *Presentation of Financial Statements*

The Amendments to FRS 1 Presentation of Financial Statements, clarifies that the analysis of the components of other comprehensive income by item can be presented either in the statement of changes in equity or within the Notes. The Group has presented the analysis of the components of other comprehensive income by item in the statement of changes in equity. As this is a disclosure requirement, there is no impact on the financial position or financial performance of the Group.

Amendments to FRS 107 *Financial Instruments: Disclosures*

Key amendments include removal of the requirement to disclose the carrying amount of renegotiated financial assets that would be past due or impaired if not for the renegotiation. Clarification that the disclosure of the amount that best represents the maximum exposure to credit risk is not required when this amount is represented by the carrying amount of the financial instrument and the requirement to disclose the fair value of collateral and other credit enhancements is replaced with a description to disclose the financial effect of collateral and other credit enhancements. As this is a disclosure standard, it has no impact on the financial position or financial performance of the Group.

Amendments to FRS 27 *Consolidated and Separate Financial Statements and FRS 103 Business Combinations*

The amendments to FRS 103 Business Combinations under the Improvements to FRS 2010 clarifies that the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interests are measured at fair value unless another measurement basis is required by FRS.

The amendments to FRS 103 Business Combinations further clarifies that contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of revised FRS 103 are to be accounted for in accordance with the guidance in the previous version of FRS 103, at initial recognition, i.e. contingent consideration is recognised at fair value if it is deemed to be probable of payment and can be measured reliably at the date of the acquisition.

All subsequent changes in the contingent consideration are adjusted against the cost of combination. Under the revised FRS 103, at initial recognition, contingent consideration is now required to be recognised at fair value even if it is deemed not to be probable of payment at the date of the acquisition. All subsequent changes in debt contingent consideration are recognised in the income statement, rather than against goodwill.

There are no business combinations with acquisitions for the current financial year to account for these amendments.

Notes to the Financial Statements

31 December 2011

2 Summary of Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

New/Revised IFRS which are not yet effective

At the date of these financial statements, the following are revised or amended standards which have been issued and are relevant to the Group but are not yet effective:

Revised FRS 27 — *Separate Financial Statements*

The revised standard will now solely address separate financial statements, the requirements for which are substantially unchanged. It is effective for annual periods beginning on or after 1 January 2013 and will not have any impact on the financial performance or financial position of the Group and the Company when implemented.

FRS 110 — *Consolidated Financial Statements*

FRS 110 Consolidated Financial Statements supersedes FRS 27 Consolidated and Separate Financial Statements and INT FRS 12 Consolidation – Special Purpose Entities, which is effective for annual periods beginning on or after 1 January 2013. It changes the definition of control and applies it to all investees to determine the scope of consolidation. FRS 110 requirements will apply to all types of potential subsidiary. FRS 110 requires an investor to reassess the decision on whether to consolidate an investee when events indicate that there may be a change to one of three elements of control, i.e. power, variable returns and the ability to use power to affect returns. The Group is in the process of assessing the impact of this new standard on the financial statements.

FRS 112 — *Disclosure of Interest in Other Entities*

FRS 112 Disclosure of Interests in Other Entities, which is effective from 1 January 2013 combines the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities within a comprehensive disclosure standard. FRS 112 specifies minimum disclosures that an entity must provide. It requires an entity to provide summarised financial information about the assets, liabilities, profit or loss and cash flows of each subsidiary that has non-controlling interests that are material to the reporting entity. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group and the Company when implemented.

Amendment to FRS 1 — *Presentation of Items of Other Comprehensive Income*

The amendment to FRS 1 Presentation of Items of Other Comprehensive Income requires entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss. It is effective for annual periods beginning on or after 1 July 2012. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group and the Company when implemented.

Notes to the Financial Statements

31 December 2011

2 Summary of Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

New/Revised IFRS which are not yet effective (cont'd)

FRS 113 *Fair Value Measurement*

FRS 113 Fair Value Measurement provides guidance on how to measure fair values, including those for both financial and non-financial items and introduces significantly enhanced disclosures about fair values. It does not address or change the requirements on when fair values should be used. When measuring fair value, an entity is required to use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. It establishes a fair value hierarchy for doing this. This FRS is to be applied for annual periods beginning on or after 1 January 2013. The Group is in the process of assessing the impact on the financial statements. As for the disclosures, it will not have any impact on the financial performance or the financial position of the Group and Company when implemented.

(b) Basis of Consolidation

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

The acquisition method of accounting is used to account for business combinations of the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Assets, liabilities and results of foreign subsidiaries are translated into Singapore dollar on the basis outlined in paragraph (y) (iii) below.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Notes to the Financial Statements

31 December 2011

2 Summary of Significant Accounting Policies (cont'd)

(c) Goodwill on Consolidation

Goodwill represents the excess of the cost of an acquisition of a subsidiary over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities, at the date of acquisition.

Goodwill on acquisition of a subsidiary is classified as goodwill on consolidation.

Following initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit ("CGU") to which the goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the income statement.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

Impairment loss on goodwill is not reversed in a subsequent period.

Gains and losses on disposal of subsidiaries, include the carrying amount of goodwill relating to the entity disposed.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in banks and fixed deposits, less amounts pledged to secure banking facilities.

(e) Loans and Receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables are included in current assets if maturity is within 12 months from the balance sheet date. Otherwise, they are classified as non-current assets.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined.

Notes to the Financial Statements
31 December 2011

2 Summary of Significant Accounting Policies (cont'd)

(g) Assets Classified as Held for Sale

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use such as where the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and the sale is highly probable and expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

(h) Investments in Subsidiaries

Investments in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses.

(i) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on a straight-line method to write-off the cost of the assets over their estimated useful lives. The estimated useful lives have been taken as follows:

Freehold buildings	-	50 years
Leasehold properties	-	30 to 60 years or the term of the lease, whichever is shorter
Plant and equipment	-	3 to 10 years

No depreciation is charged for freehold land.

Subsequent expenditure relating to property, plant and equipment that has already been recognised, is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

The estimated residual values, useful lives and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. This ensures that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the item of property, plant and equipment.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Notes to the Financial Statements

31 December 2011

2 Summary of Significant Accounting Policies (cont'd)

(i) Property, Plant and Equipment (cont'd)

On the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss. Any amount in revaluation reserve relating to the asset is transferred to retained earnings directly.

When property, plant and equipment are revalued, any surplus on revaluation is credited to revaluation reserve. A decrease in net carrying amount arising from the revaluation of property, plant and equipment is charged to profit or loss to the extent that it exceeds any surplus held in revaluation reserve relating to a previous revaluation of the same class of assets.

(j) Investment Property

Investment property comprises significant portions of leasehold property that is held for long-term rental yields and/or for capital appreciation.

Investment property is measured initially at cost, including transaction costs, and subsequently carried at cost less accumulated depreciation and any impairment loss. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Depreciation is calculated on a straight-line basis over a period of 30 years or the term of the lease, whichever is shorter.

Investment property is derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

(k) Financial Assets, Held-to-Maturity

Financial assets, held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities which the Group's management has the positive intention and ability to hold to maturity. These are presented as non-current assets, except for those maturing within 12 months after the balance sheet date which are presented as current assets.

Financial assets, held-to-maturity are measured at transaction price (i.e., at cost) which represents the best estimate of fair value at initial recognition of a financial instrument that is not quoted in an active market. These are subsequently carried at amortised cost using the effective interest method less impairment.

Notes to the Financial Statements
31 December 2011

2 Summary of Significant Accounting Policies (cont'd)

(l) Impairment of Non-financial Assets Excluding Goodwill

Non-financial assets excluding goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in profit or loss unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised in profit or loss, a reversal of that impairment is also recognised in profit or loss.

(m) Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Notes to the Financial Statements

31 December 2011

2 Summary of Significant Accounting Policies (cont'd)

(n) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(o) Trade and Other Payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

(p) Provisions

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These include trade and other payables and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(q) Financial Guarantees

A financial guarantee contract requires that the issuer makes specified payments to reimburse the holder for a loss when a specified debtor fails to make payment when due. Financial guarantee contract liabilities are initially measured at their fair values plus transaction costs in the Company's and Group's balance sheet and subsequently at the higher of the amount recognised as a provision and the amount initially recognised less cumulative amortisation.

(r) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases and the related lease obligations are recorded in the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

The excess of the lease payments over the recorded lease obligations is treated as a finance charge which is amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to profit or loss on a straight-line basis over the period of the leases.

Notes to the Financial Statements
31 December 2011

2 Summary of Significant Accounting Policies (cont'd)

(s) Borrowing Costs

Borrowing costs are charged to profit or loss when incurred using the effective interest method. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

(t) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. This includes the government managed retirement benefit plan such as the Central Provident Fund in Singapore and Employees Provident Fund in Malaysia. For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur.

(u) Share Capital and Treasury Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid, including any directly attributable incremental cost is presented as a component within equity attributable to the company's equity holders until the shares are cancelled, sold or reissued.

Where such shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the company or against the retained earnings of the company if the shares are purchased out of earnings of the company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the company.

Notes to the Financial Statements

31 December 2011

2 Summary of Significant Accounting Policies (cont'd)

(v) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of taxes, rebates and discounts, and after eliminating sales within the Group.

(i) Revenue from sale of goods

Revenue on the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer. Revenue is not recognised to the extent there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight line basis over the lease term as set out in specific rental agreements.

(iii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(w) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Notes to the Financial Statements

31 December 2011

2 Summary of Significant Accounting Policies (cont'd)

(w) Income Tax (cont'd)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt within other comprehensive income.

Deferred tax assets and liabilities is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(x) Share-based compensation

In 2010, the Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the share options are exercised, the proceeds received (net of any directly attributable transaction costs) and the related balance previously recognised in the share option reserve are credited to the share capital account, when new ordinary shares are issued.

Notes to the Financial Statements
31 December 2011

2 Summary of Significant Accounting Policies (cont'd)

(y) Foreign Currency Translation

(i) Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Singapore Dollars ('S$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

(ii) Translation and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of such transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(iii) Translation of Group entities' financial statements

The results and financial position of Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(1) Assets and liabilities are translated at the closing exchange rate at the reporting date;

(2) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(3) All resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

(z) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

Notes to the Financial Statements
31 December 2011

3 Critical Accounting Estimates and Judgements

In the application of the Group's accounting policies, which are described in note 2 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Useful Lives of Property, Plant and Equipment and Investment Property

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment and investment property. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment and investment property of a similar nature and functions. It could change significantly as a result of technical innovations and competitor actions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete assets that have been abandoned or sold.

There is no change in the estimated useful lives of property, plant and equipment and investment property during the year. The carrying amounts of property, plant and equipment and investment property of the Group as of 31 December 2011 amounted to S$62,885,000 (2010: S$69,115,510). A 5% difference in the expected useful lives of these assets from management's estimates would result in an approximate 2% (2010: 2%) change in the Group's profit for the year. Further details are given in Notes 17 and 18.

(ii) Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill as at 31 December 2011 was S$60,702,172 (2010: S$60,702,172). Further details are given in Note 20.

Notes to the Financial Statements

31 December 2011

3 Critical Accounting Estimates and Judgements (cont'd)

(a) *Key sources of estimation uncertainty* (cont'd)

(iii) Provision for dismantling and restoration

The Group has recognised a provision for dismantling and removing the items and restoring the existing factories to its original condition. In determining the amount of the provision, assumption and estimates are made in relation to the discount rate, expected cost to dismantle and remove all plant from the factory site cost and expected timing of those costs. The carrying amount of the provision as at 31 December 2011 is S$800,000 (2010: S$1,200,000). If the estimated pre-tax discount rate used in the calculation had been 1% higher than the management estimates, the carrying amount of the provision would have been S$8,000 higher.

(iv) Impairment of Investments in Subsidiaries

The Company assesses impairment of investments in subsidiaries whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the impairment loss. An allowance for impairment of investment in a subsidiary was recognised during the financial year ended 31 December 2011 amounted to S$7,000,000 due to its recoverable amount being lower than its carrying amounts. If the estimated costs of capital used in determining the pre-tax discount rate was 1% higher. The Group would not have recognised any additional impairment.

(b) *Critical judgements in applying accounting policies*

In the process of applying the Company's accounting policies, the application of judgements that are expected to have a significant effect on the amounts recognised in the financial statements are discussed below.

(i) Impairment of Trade and Other Receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectible. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency, current economic trends and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables of the Group and the Company as at 31 December 2011 of S$11,081,000 (2010: S$19,505,336) and S$4,729,000 (2010: S$1,920,000) respectively.

Impairment loss on trade and other receivables of S$20,000 (2010: S$104,309) has been recognised for the financial year ended 31 December 2011.

Notes to the Financial Statements
31 December 2011

3 Critical Accounting Estimates and Judgements (cont'd)

(b) *Critical judgements in applying accounting policies* (cont'd)

(ii) Impairment of Financial Assets, Held-to-Maturity

The Group follows the guidance of FRS 39 (revised) in determining whether an investment is impaired. This determination requires significant judgement; the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its carrying amount; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

As at 31 December 2011, management does not consider the structured deposits to be impaired given that there is certainty of receiving the US$3,500,000 principal on maturity, regardless of whether the trigger event occurs. See Note 19.

(iii) Impairment of Inventories

The Group writes down the cost of inventories whenever the net realisable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. Inventory items identified to be obsolete and unusable are also written off and charged as an expense for the year. Provision for inventory obsolescence recognised for the financial year ended 31 December 2011 amounted to S$1,549,000 (2010: S$1,987,553). See Note 14.

4 Revenue

	Group	
	2011	2010
	S$'000	S$'000
Sale of goods	**113,064**	128,403
Rental income	**1,363**	630
	114,427	129,033

5 Employee Benefits Expense

	Group	
	2011	2010
	S$'000	S$'000
Salaries and wages	**(8,781)**	(9,279)
Expenses on executive bonus plan to key management personnel	**(2,438)**	(1,929)
Contributions to defined contribution plans	**(1,549)**	(1,602)
	(12,768)	(12,810)

Notes to the Financial Statements

31 December 2011

6 Other Expenses

	Group	
	2011	2010
	S$'000	S$'000
The major components include the following:		
Utilities	**(4,396)**	(4,415)
Rental expense of premises	**(1,336)**	(1,259)
Upkeep of machinery	**(1,188)**	(1,294)
Freight charges	**(840)**	(988)
Other rental expense	**(167)**	(169)
Legal and professional fees	**(1,684)**	(602)
Auditor's remuneration	**(212)**	(200)
Upkeep of properties	**(216)**	(281)
Insurance	**(189)**	(151)

No non-audit service fees have been paid to the auditors of the Group and Company for the years ended 31 December 2011 and 2010.

7 Other Credits/(Charges)

	Group	
	2011	2010
	S$'000	S$'000
Property, plant and equipment written off	**(23)**	–
Provision for impairment of inventories (Note 14)	**(1,549)**	(1,987)
Reversal of provision for impairment of inventories (Note 14)	**92**	681
Foreign exchange gains/(losses) - net	**192**	(1,426)
Gain on disposal of assets classified as held for sale	**3,110**	36
Reversal of provision on disposal of assets classified as held for sales	**400**	–
Gain on disposal of property, plant and equipment	**7**	–
Gain on disposal of a subsidiary	**91**	–
Inventories written off	**(74)**	(442)
Loss on liquidation and deregistration of subsidiaries	**–**	(348)
Others	**277**	328
	2,523	(3,158)

8 Finance Income

Finance income represents interest income from cash and cash equivalents.

Notes to the Financial Statements

31 December 2011

9 Finance Expense

	Group	
	2011	2010
	S$'000	S$'000
Interest expense		
- borrowings	**(18)**	(108)
- finance lease obligation	**(193)**	(397)
	(211)	(505)

10 Income Tax

	Group	
	2011	2010
	S$'000	S$'000
Current tax:		
- Under/(over) provision in prior year	**119**	(81)
- Current year	**4,508**	4,137
Deferred tax expense relating to the origination and reversal of temporary differences	**(944)**	488
	3,683	4,544

A reconciliation of the statutory tax rate to the Group's effective tax rate applicable to profit before income tax for the year ended 31 December is as follows:

	Group	
	2011	2010
	S$'000	S$'000
Profit before income tax	**31,323**	33,289
Tax at the applicable tax rate of 17% (2010: 17%)	**5,325**	5,659
Tax effect of non-deductible items	**789**	1,445
Income not subject to taxation	**(589)**	(345)
Under/(over) provision of income tax in prior year	**119**	(81)
Tax exemptions	**(1,620)**	(45)
Effect of different tax rates in other countries	**702**	654
Effect of utilisation of deferred tax benefits previously not recognised	**(656)**	(1,353)
Utilisation of reinvestment allowance	**(392)**	(1,390)
Effect of deferred tax benefit not recognised	**5**	–
	3,683	4,544

The tax rate used for the 2011 and 2010 reconciliations above is the corporate tax rate of 17% (2010: 17%) payable by corporate entities in Singapore on taxable profits under tax law in that jurisdiction.

There are no income tax consequences of dividends to shareholders of the Company.

Notes to the Financial Statements

31 December 2011

10 Income Tax (cont'd)

Tax exemption relates to a subsidiary in Malaysia which has been granted pioneer status by Inland Revenue Board of Malaysia for period of five years with another five-year extension. During this period all trading income of the subsidiary is exempt for tax purposes.

The deferred tax assets and liabilities are as follows:

	2010 S$'000	(Credited)/ debited to income statement S$'000	2011 S$'000
Group			
2011			
Deferred tax liabilities:			
Excess of net book value of property, plant and equipment	4,418	(1,601)	**2,817**
Others	168	(136)	**32**
Total deferred tax liabilities	4,586	(1,737)	**2,849**
Deferred tax assets:			
Provision	(180)	137	**(43)**
Unutilised tax losses	(188)	–	**(188)**
Unutilised capital allowance	(1,192)	656	**(536)**
Total deferred tax assets	(1,560)	793	**(767)**
Net deferred tax liabilities	3,026	(944)	**2,082**
2010			
Deferred tax liabilities:			
Excess of net book value of property, plant and equipment	3,088	1,330	**4,418**
Others	168	–	**168**
Total deferred tax liabilities	3,256	1,330	**4,586**
Deferred tax assets:			
Provision	(27)	(153)	**(180)**
Unutilised tax losses	(691)	503	**(188)**
Unutilised capital allowance	–	(1,192)	**(1,192)**
Total deferred tax assets	(718)	(842)	**(1,560)**
Net deferred tax liabilities	2,538	488	**3,026**

Notes to the Financial Statements
31 December 2011

10 Income Tax (cont'd)

As at 31 December 2011, certain subsidiaries had unutilised tax losses and unutilised capital allowance of approximately S$1,657,000 (2010: S$1,627,000) and S$3,187,000 (2010: S$7,047,000) respectively, available for offset against future taxable income, subject to agreement with the tax authorities on the relevant tax regulations. In addition, as at 31 December 2011, a subsidiary incorporated in Malaysia had unutilised reinvestment allowance of S$1,042,000 (2010: S$3,350,000) available for offset against future taxable income, subject to agreement with the tax authorities on the relevant tax regulations. The deferred tax asset arising from unutilised capital allowances and unutilised tax losses of certain subsidiaries has not been recognised in accordance with the accounting policy in Note 2(w) to the financial statements.

11 Earnings Per Share

The earnings per share is calculated by dividing the Group's profit attributable to shareholders by the weighted number of shares of no par value in issue during the year.

The calculation of the earnings per share is based on the following:

	Group	
	2011	2010
	S$'000	S$'000
Profit for the year attributable to shareholders	**27,640**	28,745
Number of ordinary shares:		
Weighted average number of ordinary shares for the purpose of computation of basic and diluted earnings per share	**343,754,327**	348,619,297
Basic earnings per share (cents)	**8.04**	8.25
Diluted earnings per share (cents)	**8.04**	8.25

Basic earnings per share ratio is based on the weighted average number of common shares outstanding during each period. The diluted earnings per share is based on the weighted average number of common shares and dilutive common share equivalents outstanding during each period.

Notes to the Financial Statements

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12 Cash and Cash Equivalents

	Group		Company	
	2011	2010	**2011**	2010
	S$'000	S$'000	**S$'000**	S$'000
Cash on hand and in banks (i)	**37,669**	20,298	**3,242**	3,394
Fixed deposit - restricted (ii)	**278**	234	**–**	–
	37,947	20,532	**3,242**	3,394

(i) The rate of interest for the cash on interest earning accounts is between nil and 3.3% per annum in 2011 (2010: nil and 3.2% per annum). This approximates the weighted average effective interest rate.

(ii) The fixed deposit is pledged as security for the bank guarantee issued and earns an interest of 3% to 3.3% per annum (2010: 2.75% to 3.0% per annum).

13 Trade Receivables and Other Current Assets

	Group		Company	
	2011	2010	**2011**	2010
	S$'000	S$'000	**S$'000**	S$'000
Trade receivables:				
Third parties	**9,370**	14,510	**–**	–
Related parties (Note 28)	**318**	134	**–**	–
	9,688	14,644	**–**	–
Less allowance for impairment	**–**	(84)	**–**	–
	9,688	14,560	**–**	–
Other receivables and deposits:				
Subsidiaries (Note 28)	**–**	–	**4,315**	1,895
Third parties	**688**	970	**95**	11
Deposits	**349**	55	**308**	–
	1,037	1,025	**4,718**	1,906
Less allowance for impairment	**(20)**	(20)	**–**	–
	1,017	1,005	**4,718**	1,906
Trade and other receivables, and deposits	**10,705**	15,565	**4,718**	1,906
Prepayments	**376**	3,940	**11**	14
Trade receivables and other current assets	**11,081**	19,505	**4,729**	1,920
Movements in allowance for impairment of trade and other receivables are as follows:				
Balance at beginning of the year	**104**	104	**–**	–
Bad debts written off	**(84)**	–	**–**	–
Balance at end of the year	**20**	104	**–**	–

Notes to the Financial Statements

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13 Trade Receivables and Other Current Assets (cont'd)

The average credit period generally granted to trade receivable customers is between 30 - 90 days in 2011 (2010: 30 - 90 days).

The Group's trade receivables due from third parties includes outstanding receivables amounting to approximately S$5.6 million (2010: S$9.5 million) from a key customer which accounts for approximately 87% (2010: 82%) of the Group's total revenue. Management have considered these factors and have assessed that the Group's exposure to this key customer would not have an impact on the Group's financial performance and its ability to continue as a going concern in the foreseeable future.

The amounts receivable from subsidiaries and related parties, which are generally due on 30 to 60 days' terms, are unsecured and interest-free.

	Group	
	2011	2010
	S$'000	S$'000
Concentration of trade receivables customers:		
Top 1 customer	**5,620**	9,518
Top 2 customers	**7,028**	10,221
Top 3 customers	**7,374**	10,877

14 Inventories

	Group	
	2011	2010
	S$'000	S$'000
Cost:		
Finished goods and goods for resale	**11,539**	11,776
Work-in-progress	**27,473**	25,447
Raw materials	**6,376**	8,137
	45,388	45,360
Less allowance for impairment	**(12,312)**	(10,855)
	33,076	34,505
Movements in the allowance for impairment of inventories:		
Balance at the beginning of the year	**10,855**	12,410
Provision for impairment		
- other charges (Note 7)	**1,549**	1,987
- reversal (Note 7)	**(92)**	(681)
Inventories written off against impairment allowance	**–**	(2,861)
Balance at end of the year	**12,312**	10,855

Inventories amounting to S$92,000 (2010: S$680,987) were written back to profit or loss because these inventories are considered to be usable in the production process or saleable to third parties.

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15 Assets Classified as Held for Sale

	Group 2011 S$'000	Group 2010 S$'000
Cost:		
At beginning of year	**6,714**	672
Reclassified from property, plant and equipment	**3,033**	6,791
Foreign exchange adjustment	**–**	10
Disposal	**(9,747)**	(759)
At end of year	**–**	6,714
Accumulated depreciation:		
At beginning of year	**2,298**	42
Disposal	**(2,935)**	(90)
Reclassified from property, plant and equipment	**637**	2,346
At end of year	**–**	2,298
Net book value:		
At end of year	**–**	4,416

In the prior year, the assets were included as unallocated assets for segment reporting purposes. See Note 33.

16 Investments in Subsidiaries

	Group 2011 S$'000	Group 2010 S$'000
Unquoted equity shares at cost	**188,660**	166,222
Less: provision for impairment	**(8,216)**	(3,318)
	180,444	162,904
Movements in the allowance for impairment of investment in subsidiaries:		
Balance at the beginning of the year	**3,318**	3,318
Provision for impairment		
– additions during the year	**7,000**	–
– reversal during the year	**(2,102)**	–
Balance at end of the year	**8,216**	3,318

Allowance for impairment of investment in subsidiary recognised for the financial year ended 31 December 2011 amounted to S$7,000,000 because the recoverable amount is lower than the cost of investment. (2010: Nil).

The reversal is due to the subsidiary being disposed during the year.

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16 Investments in Subsidiaries (cont'd)

The subsidiaries held by the Company and their subsidiaries are listed below:

Name of subsidiaries, place of business and incorporation	Principal activities	Effective percentage of equity held by Group 2011 %	2010 %	Company's cost of investment 2011 S$'000	2010 S$'000
Held by the Company					
UMS Systems Pte Ltd (Singapore)	Assembly and integration of equipment and automated assembly lines	**100**	100	**9,561**	9,561
UMS International Pte Ltd (Singapore)	Investment holding	**100**	100	**800**	800
NCS Engineering Pte Ltd (Singapore)	Design and build of automated machines and supply of industrial components	**100**	100	**403**	403
UMS Pte Ltd (Singapore)	Investment holding and precision machining of medical and wafer fabrication equipment parts manufacturers and providing electroplating and anodising services	**100**	100	**127,039**	126,983
UMS Aerospace Pte Ltd (Singapore)	Precision machining of machine parts for oilfield precision component manufacturers and other industries	**100**	100	**20,000**	20,000
Ultimate Manufacturing Solutions (Suzhou) Co., Ltd (The People's Republic of China) **	Disposed during the year	**–**	100	**–**	2,102
ASL International Trading, Inc. (USA) [1]	Acting as Group's procurement and purchasing center	**100**	100	**33**	33
UMS Solar Pte Ltd (Singapore)	Installation of thermal and sound insulation (including solar control films)	**100**	100	**10**	10

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16 Investments in Subsidiaries (cont'd)

Name of subsidiaries, place of business and incorporation	Principal activities	Effective percentage of equity held by Group		Company's cost of investment	
		2011	2010	**2011**	2010
		%	%	**S$'000**	S$'000
Held by the Company (cont'd)					
Ultimate Machining Solutions (M) Sdn. Bhd. (Malaysia) [2]	Manufacture of precision machining components, assembly and integration of equipment and automated assembly lines	**100**	100	**30,772#**	6,232
				188,618	166,124
Add expenses recognised relating to equity settled share-based payments (Note 25)				**42**	42
Add corporate guarantee given to subsidiaries				**–**	56
				188,660	166,222
Held through UMS International Pte Ltd					
Ultimate Manufacturing Solutions (M) Sdn. Bhd (Malaysia) [2]	Manufacture of precision machining components, assembly and integration of equipment and automated assembly lines	**100**	100		
Held through UMS Pte Ltd					
UMS Solutions Pte Ltd (Singapore)	Holder of investment property	**100**	100		
Held through Ultimate Machining Solutions (M) Sdn Bhd					
A1 Metal Sdn. Bhd. [Δ 2] (Malaysia)	General trading	**100**	100		

\# Increase in cost of investment is due to additional investment in shares made by the Company.
Δ The subsidiary was placed under voluntary deregistration.
** The subsidiary was disposed during the year.

The above subsidiaries are audited by Moore Stephens LLP, Singapore except the following:

1 Statutory audit is not required in the respective country of incorporation.
2 Audited by Moore Stephens AC, Malaysia, a member firm of Moore Stephens International Limited, of which Moore Stephens LLP, Singapore is also a member.

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17 Property, Plant and Equipment

	Freehold land S$'000	Freehold buildings S$'000	Leasehold properties S$'000	Plant and equipment S$'000	Total S$'000
Group					
2011					
Cost:					
At beginning of year	**4,270**	**20,398**	**7,220**	**114,981**	**146,869**
Foreign exchange adjustment	**(81)**	**(400)**	**–**	**(448)**	**(929)**
Additions	**–**	**1,022**	**–**	**6,459**	**7,481**
Disposals/write-off	**–**	**–**	**–**	**(723)**	**(723)**
Reclassified to asset held for sale	**(662)**	**(1,949)**	**–**	**(422)**	**(3,033)**
At end of year	**3,527**	**19,071**	**7,220**	**119,847**	**149,665**
Accumulated depreciation:					
At beginning of year	**–**	**627**	**1,164**	**79,577**	**81,368**
Foreign exchange adjustment	**–**	**(7)**	**–**	**(202)**	**(209)**
Depreciation for the year	**–**	**316**	**129**	**9,903**	**10,348**
Disposals/write-off	**–**	**–**	**–**	**(700)**	**(700)**
Reclassified to asset held for sale	**–**	**(281)**	**–**	**(356)**	**(637)**
At end of year	**–**	**655**	**1,293**	**88,222**	**90,170**
Net book value:					
At end of year	**3,527**	**18,416**	**5,927**	**31,625**	**59,495**
2010					
Cost:					
At beginning of year	3,719	18,134	11,771	115,092	148,716
Foreign exchange adjustment	86	424	–	497	1,007
Additions	200	2,105	–	2,339	4,644
Disposals/write-off	–	–	–	(707)	(707)
Reclassification	265	(265)	–	–	–
Reclassified to asset held for sale	–	–	(4,551)	(2,240)	(6,791)
At end of year	4,270	20,398	7,220	114,981	146,869
Accumulated depreciation:					
At beginning of year	–	264	1,802	70,436	72,502
Foreign exchange adjustment	–	5	–	248	253
Depreciation for the year	–	358	286	11,022	11,666
Disposals/write-off	–	–	–	(707)	(707)
Reclassification	–	–	–	–	–
Reclassified to asset held for sale	–	–	(924)	(1,422)	(2,346)
At end of year	–	627	1,164	79,577	81,368
Net book value:					
At end of year	4,270	19,771	6,056	35,404	65,501

Notes to the Financial Statements

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17 Property, Plant and Equipment (cont'd)

Plant and equipment with a net book value as at 31 December 2011 of S$5,713,000 (2010: S$11,660,438) are under finance lease agreements (See Note 22).

Certain property, plant and equipment were reclassified to assets held for sales during the financial year, following the Group's commitment to sell certain of the property, plant and equipment located in Malaysia. The disposal of this property, plant and equipment was completed on 5 August 2011. (See Note 15).

18 Investment Property

	Group	
	2011	2010
	S$'000	S$'000
Cost:		
At beginning of year	**4,975**	4,975
Accumulated depreciation:		
At beginning of year	**1,361**	1,137
Depreciation for the year	**224**	224
At end of year	**1,585**	1,361
Net book value:		
At end of year	**3,390**	3,614

Investment property relates to the leasehold property held by a subsidiary under an operating lease to earn rental income. Rental income and direct operating expenses related to the investment property amounted to S$1,153,622 (2010: S$630,442) and S$175,048 (2010: S$169,589), respectively, as at 31 December 2011. The estimated fair value of the leasehold property amounted to S$10,000,000 (2010: S$7,000,000) as determined on the basis of management's review of similar properties in the market.

The property is located at 25 Changi North Crescent, Changi North Industrial Estate, Singapore 499617.

19 Financial Assets, Held-to-Maturity-Non-Current

	Group	
	2011	2010
	S$'000	S$'000
Unquoted investment, at amortised cost	**4,545**	4,490

Unquoted investment represents the fixed deposit component of a foreign exchange-linked United States Dollar Structured Deposit arrangement with a bank amounting to US$3,500,000. The term of the fixed deposit is 10 years commencing on 9 January 2007. The principal amount is repaid with a bonus payment that yields an estimated return of 6.5% per annum if the Swiss Franc versus United States Dollar exchange rate is equal to or greater than CHF1.348. The deposit matures on 9 January 2017.

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19 Financial Assets, Held-to-Maturity-Non-Current (cont'd)

Management considers the fair value of the embedded foreign exchange option contract to be Nil (2010: Nil) as the current spot foreign exchange rate of 1.0390 is below the strike price of 1.348, which is out of the money.

20 Goodwill

	Group	
	2011	2010
	S$'000	S$'000
At beginning and end of year	**60,702**	60,702

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to reporting segment. A segment-level summary of the goodwill is analysed as follows:

	Semiconductor segment	
	2011	2010
	S$'000	S$'000
UMS Pte Ltd	**59,778**	59,778
Ultimate Manufacturing Solutions (M) Sdn. Bhd.	**924**	924
	60,702	60,702

The goodwill was assessed for impairment on 31 December 2011. The recoverable amount of a CGU is determined based on value-in-use calculations. The key assumptions for the value-in-use calculations are as follows:

	2011	2010
1. Estimated discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGUs	**14.7%**	11% - 14%
2. Growth rates used to calculate the terminal value based on industry growth forecasts	**2%**	2%
3. Cash flow forecasts derived from the most recent financial budgets approved by management	**5 years**	5 years
4. Gross margin	**55%**	41% - 54%

These assumptions were used for the analysis of each CGU. Management recognises the speed of technological change and the possibility of new entrants can have a significant impact on the growth rate assumptions. The effect of new entrants is not expected to have a significant adverse impact on the forecasts included in the budget. The budgeted gross margin is based on past performance and expectations of market development.

Sensitivity analysis

Management considered the possibility of an increase or decrease in the estimated growth rate and increase in the discount rate used. A 5% decrease in the estimated growth rate and increase in the discount rate used would not result in a recoverable amount lower than the carrying amount of goodwill.

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21 Trade and Other Payables

	Group		Company	
	2011	2010	**2011**	2010
	S$'000	S$'000	**S$'000**	S$'000
Trade payables:				
Third parties	**8,176**	11,488	**–**	–
Related parties (Note 28)	**482**	496	**–**	–
	8,658	11,984	**–**	–
Other payables:				
Subsidiaries (Note 28)	**–**	–	**1,369**	93
Third parties	**641**	376	**302**	12
Accrued expenses	**5,307**	5,302	**2,080**	1,603
Deposits received	**730**	809	**–**	–
	6,678	6,487	**3,751**	1,708
	15,336	18,471	**3,751**	1,708

The average credit period taken to settle non-related trade payables is approximately 60 days in 2011 (2010: 60 days). The other payables are with short-term durations.

The amounts payable to subsidiaries and related parties, which are generally due on 30 to 60 days' terms, are unsecured and interest-free, and are repayable on demand.

22 Finance Lease Obligation

	Minimum Payments S$'000	Interest S$'000	Present Value S$'000
Group			
2011			
Within 1 year	**2,579**	**(52)**	**2,527**
Within 2 to 5 years	**139**	**(1)**	**138**
	2,718	**(53)**	**2,665**
2010			
Within 1 year	4,667	(193)	4,474
Within 2 to 5 years	2,718	(53)	2,665
	7,385	(246)	7,139

It is the Group's policy to lease certain of its plant and equipment under finance leases. The average lease term is 3 years. For the year ended 31 December 2011, the Group's effective interest rate of its finance lease obligations ranged from 3.68% to 4.29% per annum (2010: 3.68% to 4.29% per annum). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligation under the finance leases is secured by the lessor's charge over the leased assets (Note 17).

The Company has no obligations under the finance leases.

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23 Long-Term Provision

	Group	
	2011	2010
	S$'000	S$'000
Provision for dismantling and removing the item and restoring the site relating to property, plant and equipment	**800**	1,200
Balance at beginning of the year	**1,200**	1,200
Write back during the year	**(400)**	–
Balance at end of the year	**800**	1,200

The provision is based on the present value of costs to be incurred.

As per the lease agreement, the Group is required to bear the cost of dismantling and remove the items and restoring the factory premises to its original state at the end of the lease period in year 2027 for 23 Changi North Crescent and 2033 for 25 Changi North Crescent.

The write back of the provision during the year is due to the disposal of asset classfied as held for sale as disclosed in note 15.

24 Share Capital

	Group and Company	
	Number of ordinary shares	**Share capital S$'000**
2011		
Balance at beginning and end of year	**343,754,327**	**136,623**
2010		
Balance at beginning of year	393,604,284	152,822
Cancellation of shares during the year	(49,849,957)	(16,199)
Balance at end of year	343,754,327	136,623
Less treasury shares:		
Balance at beginning of year	39,370,957	13,494
Purchases of treasury share	9,979,000	2,500
Cancellation of treasury shares and share buy back	(49,349,957)	(15,994)
Balance at end of year	–	–
Net balance	343,754,327	136,623

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share.

Notes to the Financial Statements

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24 Share Capital (cont'd)

The ordinary shares of no par value carry no right to fixed income and are fully paid. The only externally imposed capital requirement is that for the Company to maintain its listing on the Singapore Stock Exchange it has to have a free float of at least 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the year.

Treasury Shares

In 2010, the Company is authorised by the shareholders to buy up to 10% of the ordinary share capital of the Company. In 2010, the Company acquired 9,979,000 Treasury Shares during the financial year. The shares are held as "treasury shares". In addition, 49,349,957 treasury shares bought back were cancelled in 2010.

25 Share-Based Payments

In respect of the financial year 2010, the Company paid by cash for 4,667 RSP treasury shares at the exercise price of S$0.480 cents per share.

26 Reserves

	Group		Company	
	2011	2010	**2011**	2010
	S$'000	S$'000	**S$'000**	S$'000
Capital reserve (a)	**–**	–	**85**	85
Statutory reserve (b)	**–**	51	**–**	–
Foreign exchange translation reserve (c)	**(1,543)**	(1,079)	**–**	–
	(1,543)	(1,028)	**85**	85

Movements in reserves for the Group are set out in the statement of changes in equity.

(a) Capital Reserve

Capital reserve relates to the share-based payments granted to employees as disclosed in Note 25 above.

(b) Statutory Reserve

Pursuant to the relevant laws and regulations for enterprises operating exclusively with foreign capital, profits of the subsidiaries in The People's Republic of China ("PRC") are available for distribution in the form of cash dividends to the investors after the subsidiaries have (1) satisfied all tax liabilities; (2) provided for losses in previous year's and (3) made appropriations to reserve fund and staff bonus and welfare fund. The subsidiaries have to appropriate at least 10% of their profit after taxation as determined in accordance with the PRC accounting standards and regulations applicable to the subsidiaries to the reserve fund until the reserve fund reaches 50% of the subsidiaries' registered capital. Appropriation to the staff bonus and welfare fund is determined at the discretion of the board of directors. The subsidiary concerned with this reserve has been disposed during the year.

Notes to the Financial Statements

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26 Reserves (cont'd)

(c) Foreign Exchange Translation Reserve

The translation reserve is used to record foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from that of the Group's presentation currency.

Reserves are not available for distribution as cash dividends.

27 Dividends

	Group	
	2011	2010
	S$'000	S$'000
Declared and paid during the financial year		
Dividends on ordinary shares:		
- Special exempt (one-tier) dividend for 2010: 1 cent (2009: Nil) per share	**3,438**	–
- Final exempt (one-tier) dividend for 2010: 2 cents (2009: 1 cent) per share	**6,875**	3,542
- Interim exempt (one-tier) dividend for 2011: 3 cents (2010: 2 cents) per share	**10,313**	6,875
	20,626	10,417
Proposed but not recognised as a liability as at 31 December		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Special exempt (one-tier) dividend for 2011: 1 cent (2010: 1 cent) per share	**3,438**	3,438
- Final exempt (one-tier) dividend for 2011: 2 cents (2010: 2 cents) per share	**6,875**	6,875
	10,313	10,313

28 Related Party Transactions

A related party is an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. This includes parents, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any.

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28 Related Party Transactions (cont'd)

There are transactions and arrangements between the Group and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The current related party balances are unsecured without fixed repayment terms and interest unless stated otherwise. For non-current balances, an interest is imputed based on the prevailing market interest rate for similar debt less the interest rate, if any, provided in the agreement for the balance.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, related party transactions include the following:

	Group	
	2011	2010
	S$'000	S$'000
Sale of goods	**(115)**	(117)
Payment on behalf for purchases and services	**(1,067)**	(923)
Subcontractor works	**7,219**	3,032
Professional fees	**14**	8
Purchase of goods	**233**	33

Related parties are companies in which Mr Luong Andy and Mr N. Sreenivasan (directors of the Company) have an interest.

<u>Key management compensation</u>

	Group	
	2011	2010
	S$'000	S$'000
Salaries and employee benefits	**4,741**	4,420

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The above amounts for key management compensation are for all directors and five other key management personnel. Included in the above amounts are the following items:

	Group	
	2011	2010
	S$'000	S$'000
Remuneration of directors of the Company	**3,685**	3,603
Fees to directors of the Company	**434**	217
Remuneration of other directors of subsidiaries	**47**	58

Please also refer to Note 35 for related party transaction that occurred subsequent to the year end.

The fees to directors of S$434,000 (2010: S$217,000) includes an under provision of S$112,000 in respect of financial year 2010 (2010: under provision of S$7,000 in respect of financial year 2009.)

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29 Financial Guarantees

	Group	
	2011	2010
	S$'000	S$'000
Corporate guarantees in favour of subsidiaries	**2,665**	7,139

The financial guarantees were not recorded at fair value in the Company's balance sheet in accordance with the accounting policy disclosed in Note 2(q), as in the opinion of the directors, the amounts involved are not material.

30 Capital Commitments

There are no capital commitments for future capital expenditure not provided for in the financial statements.

31 Operating Lease Payment Commitments

At the balance sheet date, the future minimum lease payments under non-cancellable operating leases with terms of more than one year of the Group are as follows:

	Group	
	2011	2010
	S$'000	S$'000
Within 1 year	**1,269**	1,336
Within 2 to 5 years	**3,419**	5,026
After 5 years	**3,325**	6,105
Rental expense for the year	**1,463**	1,382

The Group has various operating lease agreements for factory premises. The rental payable is subject to an escalation clause with a maximum increment of the annual rent not to exceed a certain percentage of the annual rent of the immediately preceding year.

The Company has no operating lease payment commitments.

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32 Operating Lease Income Commitments

At the balance sheet date, the future minimum lease receivables under non-cancellable operating leases with terms of more than one year of the Group are as follows:

	Group	
	2011	2010
	S$'000	S$'000
Within 1 year	**1,339**	378
Within 2 to 5 years	**5,737**	–
Rental income for the year	**1,363**	630

Operating lease income is for rental receivable of a subsidiary for its factory property. The leases contain escalation clauses where lease rental is negotiated for a certain period of time with an increment not exceeding a certain percentage.

33 Financial Information by Segments

Business segments: The Group's businesses are organised into two main business segments, namely semiconductor, and contract equipment manufacturing ("CEM") and others. The semiconductor segment provides precision machining components and equipment modules for semiconductor equipment manufacturers. The CEM segment is the supplier of assembly and test equipment to hard disk drive manufacturers and base components to oil and gas original equipment manufacturers ("OEM").

Intersegment sales and results include transfers between business segments. Such transfers are accounted for at competitive prices charged to external parties for similar goods. Those transfers are eliminated on consolidation.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets consist principally of receivables and inventories. Segment liabilities include trade payables and accrued liabilities.

Geographical segments: The Group operates in three principal geographical areas namely Singapore, United States of America and others.

In presenting information on the basis of geographical segments, segment revenue is based on the countries of domicile of the customers. Segment assets are based on the geographical location of the assets.

Notes to the Financial Statements

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33 Financial Information by Segments (cont'd)

Segment information about these businesses is presented below:

Business Segments

	CEM		Semiconductor		Total for continuing operations	
	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
Finance income	**3**	1	**92**	31	**95**	32
Finance expense	**193**	396	**18**	109	**211**	505
Depreciation	**3,272**	3,595	**7,300**	8,295	**10,572**	11,890
Total assets	**22,263**	33,932	**361,116**	359,694	**383,379**	393,626
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

Sales between segments are carried out at arm's length. The revenue from external parties is measured in a manner consistent with that in the statement of comprehensive income.

The performance of the operating segments based on a measure of earnings before interest, tax, depreciation ("adjusted EBITDA"). This measurement basis excludes the effects of expenditure from the operating segments such as goodwill impairment that are not expected to recur regularly in every period. Depreciation, finance income and finance expenses are not allocated to segments.

A reconciliation of adjusted EBITDA to profit before income tax is provided as follows:

	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

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33 Financial Information by Segments (cont'd)

Geographical Segments

	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
Group								
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
	86,569	96,391	**–**	–	**37,018**	33,426	**123,587**	129,817

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**	393,626
Unallocated assets	**–**	4,416
Elimination of inter-segment receivables	**(173,143)**	(184,777)
Total assets	**210,236**	213,265

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 operations	**67,151**	108,646
Elimination of inter-segment payables	**(42,345)**	(74,312)
Total liabilities	**24,806**	34,334

Information about major customers

Included in revenues arising from semiconductor segments of S$107.2 million (2010: S$119.2 million) are revenues of approximately S$99.6 million (2010: S$105.6 million) which arose from sales to the Group's largest customer.

Notes to the Financial Statements

31 December 2011

34 Financial Instruments

(a) Financial Risk Management Policies and Objectives

The Group and the Company is exposed to financial risks arising from its operation and the use of financial instruments. The main risks include capital risk, credit risk, interest rate risk, liquidity risk and foreign currency risk comprising interest rate and currency risk exposures. The management reviews and monitors policies for managing each of these risks and they are summarised below.

(i) Capital Risk

The Group's objectives when managing capital are: (a) to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and (b) to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk. The Group's overall strategy remains unchanged from 2010.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total liabilities (exclude income tax payable, deferred tax and long-term provision) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, retained earnings, and reserves) other than amounts recognised in equity relating to cash flow hedges, and includes some forms of subordinated debt.

	Group		Company	
	2011	2010	**2011**	2010
	S$'000	S$'000	**S$'000**	S$'000
Net debt	**(19,946)**	5,078	**509**	(1,686)
Adjusted capital	**185,430**	178,931	**184,635**	166,510
Debt-to-adjusted capital ratio	**N.M.**	0.03	**0.003**	N.M.

The Group does not have to comply with any externally imposed capital requirements for the financial years ended 31 December 2011 and 2010.

Notes to the Financial Statements

31 December 2011

34 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(ii) Credit Risk

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations consist principally of cash and cash equivalents and trade and other receivables. Credit risk on cash balances is limited because the counter-parties are banks with high credit ratings. An ongoing credit evaluation is performed of the debtor's financial condition and a loss from impairment is recognised in profit or loss. The carrying amount of financial assets recorded in the financial statements, grossed up for any provision for impairment, represents the Group's maximum exposure to credit risk.

The table below is an analysis of trade and other receivables as at 31 December:

	Group		Company	
	2011	2010	**2011**	2010
	S$'000	S$'000	**S$'000**	S$'000
Not past due and not impaired	**10,074**	14,829	**4,718**	1,906
Past due but not impaired[1]	**631**	736	**–**	–
	10,705	15,565	**4,718**	1,906
Impaired receivables - individually assessed[2]	**20**	104	**–**	–
Less: Provision for impairment	**(20)**	(104)	**–**	–
	–	–	**–**	–
Trade and other receivables, net	**10,705**	15,565	**4,718**	1,906

1 These receivables are 120 days past due.

2 These amounts are stated before any deduction for impairment losses. These receivables are not secured by any collateral or credit enhancements.

Before accepting any new customer, the Group conducts research to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually.

Notes to the Financial Statements
31 December 2011

34 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iii) Interest Rate Risk

The Group has cash balances placed with reputable banks and financial institutions. Such balances are placed on varying maturities and generate interest income for the Group. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

The Group obtains additional financing through bank borrowings and leasing arrangements. Information relating to the Group's interest rate exposure is also disclosed in the notes on the Group's borrowings and leasing obligations.

Borrowings are in the desired currencies at both fixed and floating rates of interest. The policy is to retain flexibility in selecting borrowings at both fixed and floating rates interest. There is exposure to interest rate price risk for financial instruments with a fixed interest rate and to interest rate or cash flow risk for financial instruments with a floating interest rate that is reset as market rates change. Interest rate swaps were not used to generate the desired interest profit and to manage the exposure to interest rate fluctuations.

The tables below set out the Group's and Company's exposure to interest rate risk. Included in the tables are the assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Interest bearing at variable interest rates			
	Within 1 year S$'000	More than 1 year S$'000	Non-Interest bearing S$'000	Total S$'000
Group				
At 31 December 2011				
Assets				
Trade and other receivables, and deposits	–	–	10,705	10,705
Cash and cash equivalents	32,656	–	5,291	37,947
Financial assets held to maturity	–	4,545	–	4,545
Total assets	**32,656**	**4,545**	**15,996**	**53,197**
Liabilities				
Trade and other payables	–	–	15,336	15,336
Finance lease obligation	2,527	138	–	2,665
Total liabilities	**2,527**	**138**	**15,336**	**18,001**

Notes to the Financial Statements
31 December 2011

34 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iii) Interest Rate Risk (cont'd)

	Interest bearing at variable interest rates Within 1 year S$'000	More than 1 year S$'000	Non-Interest bearing S$'000	Total S$'000
Group (cont'd)				
At 31 December 2010				
Assets				
Trade and other receivables, and deposits	–	–	15,565	15,565
Cash and cash equivalents	17,039	–	3,493	20,532
Financial assets held to maturity	–	4,490	–	4,490
Total assets	17,039	4,490	19,058	40,587
Liabilities				
Trade and other payables	–	–	18,471	18,471
Finance lease obligation	4,474	2,665	–	7,139
Total liabilities	4,474	2,665	18,471	25,610
Company				
At 31 December 2011				
Assets				
Trade and other receivables, and deposits	**–**	**–**	**4,718**	**4,718**
Cash and cash equivalents	**3,117**	**–**	**125**	**3,242**
Total assets	**3,117**	**–**	**4,843**	**7,960**
Liabilities				
Trade and other payables	**–**	**–**	**3,751**	**3,751**
Total liabilities	**–**	**–**	**3,751**	**3,751**
At 31 December 2010				
Assets				
Trade and other receivables, and deposits	–	–	1,906	1,906
Cash and cash equivalents	3,381	–	13	3,394
Total assets	3,381	–	1,919	5,300
Liabilities				
Trade and other payables	–	–	1,708	1,708
Total liabilities	–	–	1,708	1,708

Notes to the Financial Statements

31 December 2011

34 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iii) Interest Rate Risk (cont'd)

A 3% increase/(decrease) in the interest rates at the reporting date would result in a corresponding increase/(decrease) as follows:

	Group		Company	
	2011	2010	**2011**	2010
	S$'000	S$'000	**S$'000**	S$'000
Income statement and equity	**(3)**	(14)	***–**	*–

This analysis assumes that all other variables remain constant.

* The amount is less than S$1,000.

(iv) Liquidity Risk

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows.

	Within 1 year S$'000	Within 2 and 5 years S$'000	Total S$'000
Group			
2011			
Trade and other payables	**15,336**	**–**	**15,336**
Borrowings	**2,579**	**139**	**2,718**
	17,915	**139**	**18,054**
2010			
Trade and other payables	18,471	–	18,471
Borrowings	4,667	2,718	7,385
	23,138	2,718	25,856

At the end of the reporting period, it was not probable that the counterparty to the financial guarantee contract will claim under the contract. Consequently, this amount was not included above.

Notes to the Financial Statements

31 December 2011

34 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iv) Liquidity Risk (cont'd)

The maximum amount the Group could be forced to settle under the financial guarantee contracts if the full guaranteed amount is claimed by the counterparty to the guarantee is S$2,665,000 (2010: S$7,139,000). Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

	Within 1 year S$'000	Within 2 and 5 years S$'000	Total S$'000
Company			
2011			
Trade and other payables	**3,751**	**–**	**3,751**
2010			
Trade and other payables	1,708	–	1,708

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Notes to the Financial Statements
31 December 2011

34 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(v) Foreign Currency Risk

There is also exposure to changes in foreign exchange rates arising from foreign currency transactions and balances and changes in fair values. These exposures and changes in fair values from time to time are monitored and any gains and losses are included in the income statement unless otherwise stated in the notes to the financial statements.

A 10% strengthening of the following currencies against the Singapore dollar at the reporting date would affect both the income statement and equity by the amounts shown below. A 10% weakening of the following currencies against the Singapore dollar would have had the equal but opposite effect. This analysis assumes that all other variables remain constant.

	Group		Company	
	Increase/(Decrease)			
	Profit after income tax S$'000	Equity S$'000	Profit after income tax S$'000	Equity S$'000
2011				
Japanese yen	**1**	**1**	**–**	**–**
Malaysian ringgit	**327**	**327**	**–**	**–**
United States dollar	**2,062**	**2,062**	**(105)**	**(105)**
2010				
Chinese renminbi	3	3	–	–
Japanese yen	47	47	–	–
Euro	1	1	–	–
Malaysian ringgit	(36)	(36)	–	–
United States dollar	2,364	2,364	318	318

Notes to the Financial Statements
31 December 2011

34 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(v) Foreign Currency Risk (cont'd)

The Group's and Company's exposures to foreign currency are as follows:

	Singapore Dollar S$'000	Chinese Renminbi S$'000	Japanese Yen S$'000	Euro S$'000	Malaysian Ringgit S$'000	United States Dollar S$'000	Total S$'000
Group							
2011							
Cash and cash equivalents	**19,791**	**–**	**12**	**1**	**4,529**	**13,614**	**37,947**
Trade and other receivables, and deposits	**1,781**	**–**	**–**	**–**	**323**	**8,601**	**10,705**
Other financial assets	**–**	**–**	**–**	**–**	**–**	**4,545**	**4,545**
Trade and other payables	**(7,614)**	**–**	**–**	**–**	**(1,586)**	**(6,136)**	**(15,336)**
Financial liabilities	**(2,665)**	**–**	**–**	**–**	**–**	**–**	**(2,665)**
	11,293	**–**	**12**	**1**	**3,266**	**20,624**	**35,196**
2010							
Cash and cash equivalents	5,216	31	1	252	567	14,465	20,532
Trade and other receivables, and deposits	419	5	474	21	37	14,609	15,565
Other financial assets	–	–	–	–	–	4,490	4,490
Trade and other payables	(7,305)	(10)	(1)	(268)	(965)	(9,922)	(18,471)
Financial liabilities	(7,139)	–	–	–	–	–	(7,139)
	(8,809)	26	474	5	(361)	23,642	14,977

Notes to the Financial Statements
31 December 2011

34 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(v) Foreign Currency Risk (cont'd)

	Singapore Dollar S$'000	United States Dollar S$'000	Total S$'000
Company			
2011			
Cash and cash equivalents	**2,985**	**257**	**3,242**
Trade and other receivables	**4,718**	**–**	**4,718**
Trade and other payables	**(2,442)**	**(1,309)**	**(3,751)**
2010			
Cash and cash equivalents	212	3,182	3,394
Trade and other receivables	1,906	–	1,906
Trade and other payables	(1,708)	–	(1,708)

(vi) Other Business Risks

There is exposure to a number of risks including the development and marketing of unproven products, the need to maintain adequate financing, better capitalised competitors, dependence on the semiconductor industries, a few major customers and essential personnel. The industries are characterised by rapid technological developments, frequent products introductions, evolving industry standards, changes in customer requirements and short product life cycles. Significant technological changes or the emergence of competitive products with new capabilities could adversely affect the business plan and operating results of the Group.

(b) Fair Value of Financial Instruments

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from discounted cash flow models and option pricing models as appropriate.

The following methods and assumptions are used to estimate the fair values of each class of financial instruments.

(i) Other financial assets and financial liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including cash and cash equivalents, trade and other receivables, short-term borrowings and trade and other payables) approximate their fair values due to the relatively short-term maturity of these financial instruments.

Notes to the Financial Statements

31 December 2011

34 Financial Instruments (cont'd)

(b) Fair Value of Financial Instruments (cont'd)

(ii) Finance lease obligation

The fair value is determined by discounting the relevant cash flow using the current interest rates for similar instruments at balance sheet date. There are no material differences between the fair value and carrying value.

35 Subsequent Events

Related Party Transaction

On 1 February 2012, the shareholders of the Company approved the acquisition of 100% of Integrated Manufacturing Technologies Pte Ltd ("IMT-S") and Integrated Manufacturing Technologies Inc. ("IMT-USA") for a cash consideration of S$19,803,374 and S$8,196,626 respectively. IMT-S was wholly-owned by Mr Luong Andy. He also held 3,921,373 shares in IMT-USA representing 70.84% of the issued and paid-up capital of IMT-USA. 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.

Supplementary Financial
Information Disclosures Required by SGX-ST Listing Manual

1. Interested Person Transactions

The transactions entered into with interested person during the financial year which fall under Rule 907 of the Listing Manual of the SGX-ST are:-

Name of interested person	Aggregate value of all interested person transactions during the financial year 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 $100,000)	
	2011	2010	**2011**	2010
	S$'000	S$'000	**S$'000**	S$'000
Integrated Manufacturing Technologies Pte Ltd				
Sales of semi-conductor equipment components	**60**	41	**27**	–
Provision of human resource services, and rent and utilities	**665**	923	**402**	–
Subcontractor works involving welding and tube bending	**4,868**	2,586	**2,312**	–
Integrated Manufacturing Technologies Inc.				
Sales of semi-conductor equipment components	**28**	76	**–**	–
Purchases of components, assemblies, consumables and spares	**233**	33	**–**	–
Subcontractor works involving welding and tube bending	**39**	446	**–**	–

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

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

Supplementary Financial
Information Disclosures Required by SGX-ST Listing Manual

2. Properties

As required by Rule 1207 (10) of the SGX-ST Listing Manual, the description of properties held by the group are as follows:

Location	Description	Tenure	Net Book Value 2011 S$'000	Net Book Value 2010 S$'000
NO 1, 3 (formerly known as Lot 3655 and 3656) Lorong Iks Juru 6, Kawasan Perindustrian Ringan Juru, 14100 Simpang Ampat, Pulau Pinang, Malaysia	Office cum factory building	Freehold	**–**	2,375
23 Changi North Crescent Changi North Industrial Estate Singapore 499616	Office cum factory building	30 + 30 years lease commencing 16 August 1997 and ending 16 August 2057	**5,629**	5,756
25 Changi North Crescent Changi North Industrial Estate Singapore 499617	Leased	30 years lease commencing 1 February 2003 and ending 28 February 2033	**2,988**	3,125
27 Changi North Crescent Changi North Industrial Estate Singapore 499619	Office cum factory building	30 years lease commencing 16 April 2004 and ending 15 April 2034	**–**	3,627
1058, Jalan Kebun Baru, Juru and Lot 20020, Pecahan Lot 702 Mukim 13 (formerly known as Lot 684, 702, Mukim 13 Jalan Kebun Kecil) 14100 Simpang Ampat Seberang Perai Tengah Pulau Pinang	Office cum factory building	Freehold	**17,910**	18,567

Statistics of Shareholdings

As at 21 March 2012

Number of shares	:	343,754,327
Class of Equity Shares	:	Ordinary Shares
Number of Issued Shares	:	343,754,327
Voting Rights	:	On show of hands: 1 vote for each member On a poll: 1 vote for each ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 999	21	0.54	10,009	0.00
1,000 – 10,000	1,677	43.48	12,262,504	3.57
10,001 – 1,000,000	2,134	55.33	111,132,312	32.33
1,000,001 AND ABOVE	25	0.65	220,349,502	64.10
TOTAL	**3,857**	**100.00**	**343,754,327**	**100.00**

Based on the information provided to the Company as at 21 March 2012, approximately 61.90% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual is complied with.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	BANK OF SINGAPORE NOMINEES PTE LTD	50,000,000	14.55
2	LUONG ANDY	48,856,727	14.21
3	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	21,215,400	6.17
4	DBS NOMINEES PTE LTD	18,932,500	5.51
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	13,158,000	3.83
6	LIM & TAN SECURITIES PTE LTD	11,996,000	3.49
7	CITIBANK NOMINEES SINGAPORE PTE LTD	9,674,000	2.81
8	DBSN SERVICES PTE LTD	9,318,000	2.71
9	OCBC SECURITIES PRIVATE LTD	5,692,000	1.66
10	PHILLIP SECURITIES PTE LTD	3,821,000	1.11
11	NG KOK WAH	3,508,000	1.02
12	RAFFLES NOMINEES (PTE) LTD	3,223,000	0.94
13	TAN SU LAN @ TAN SOO LUNG	2,749,000	0.80
14	UOB KAY HIAN PTE LTD	2,173,000	0.63
15	CIMB SECURITIES (SINGAPORE) PTE LTD	1,968,000	0.57
16	LAM PIN FAN	1,740,000	0.51
17	CHAN YEOK PHENG	1,709,000	0.50
18	OCBC NOMINEES SINGAPORE PTE LTD	1,709,000	0.50
19	TAN POH GHEE	1,515,000	0.44
20	HL BANK NOMINEES (S) PTE LTD	1,400,000	0.41
	TOTAL	**214,357,627**	**62.37**

Statistics of Shareholdings

As at 21 March 2012

SUBSTANTIAL SHAREHOLDERS AS AT 21 MARCH 2012

Name of substantial shareholder	Number of shares registered in the name of substantial shareholder	Number of shares in which substantial shareholder is deemed to have an interest	Total	Percentage (%)
Luong Andy	48,856,727	61,274,000	110,130,727	32.04
Applied Materials, Inc	–	20,639,400	20,639,400	6.00
Sylvia SY Lee Luong	–	110,130,727	110,130,727	32.04

Notes:

(1) Based on the total issued and paid-up ordinary share capital of the Company comprising 343,754,327 Shares.

(2) Luong Andy is deemed to be interested in 11,274,000 Shares registered in the name of his nominee, Lim & Tan Securities Pte Ltd, and the 50,000,000 Shares registered in the name of his nominee, Bank of Singapore Nominees Pte Ltd.

(3) Sylvia SY Lee Luong is Luong Andy's spouse and is deemed to be interested in the 110,130,727 Shares held by Luong Andy.

(4) Applied Materials, Inc. is deemed to be interested in the 20,639,400 Shares registered in the name of its nominee, Morgan Stanley Asia (Singapore) Securities Pte Ltd.

Further Information on Directors

Name of Director	Date of Initial Appointment in UMS Holdings Limited	Date of Last Re-election in UMS Holdings Limited	Present and Past Directorship in other Listed Companies	Other Major Appointments
Soh Gim Teik	15 February 2008	30 April 2009	Advanced Holdings Ltd	–
			BBR Holdings (S) Ltd	–
			Craft Printing International Limited	–
			QAF Limited	–
			Heng Long International Ltd (resigned on 20 December 2011 and company delisted from SGX-ST on 20 December 2011)	–
N. Sreenivasan	1 March 2008	30 April 2010	Q & M Dental Group (Singapore) Limited – Non-Executive Chairman	–
				Managing Director of Straits Law Practice LLC
Neo Ban Chuan	16 July 2008	25 March 2011	Goldtron Limited	–
				Managing Director of:- a) BC Neo Business Advisory Pte Ltd b) Arrow Business Consultants Pte Ltd
Oh Kean Shen	20 September 2007	30 April 2010	–	Managing Director of:- a) Limbongan Batu Maung Sdn Bhd b) Pen-Marine Sdn Bhd

Further Information on Directors

Name of Director	Date of Initial Appointment in UMS Holdings Limited	Date of Last Re-election in UMS Holdings Limited	Present and Past Directorship in other Listed Companies	Other Major Appointments
Luong Andy	1 April 2004	–	Alantac Technology Ltd. (resigned on 30 April 2010)	–
Sylvia SY Lee Luong	30 June 2010	25 March 2011	–	Quest World Investment Limited
Loh Meng Chong, Stanley	30 June 2010	25 March 2011	–	–

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of the Company will be held at 25 Changi North Rise, Singapore 498778 on Wednesday, 25 April 2012 at 10.00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive and consider the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2011 and the Auditors' Report thereon. **Resolution 1**

2. To declare a final tax-exempt (one-tier) dividend of 2 cents per ordinary share in respect of the financial year ended 31 December 2011. **Resolution 2**

3. To declare a special tax-exempt (one-tier) dividend of 1.0 cent per ordinary share in respect of the financial year ended 31 December 2011. **Resolution 3**

4. To re-elect Mr Soh Gim Teik, who is retiring by rotation in accordance with Article 104 of the Company's Articles of Association, as Director of the Company. **Resolution 4**

5. To re-elect Mr Oh Kean Shen, who is retiring by rotation in accordance with Article 104 of the Company's Articles of Association, as Director of the Company.

   [Mr Oh Kean Shen will, upon re-election as a Director of the Company, remain as a member of the Audit Committee, Remuneration Committee and the Nominating Committee and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.] **Resolution 5**

6. To approve the payment of Directors' fees of S$323,140 for the financial year ended 31 December 2011. [FY2010: S$322,000] **Resolution 6**

7. To re-appoint Messrs Moore Stephens LLP as Independent Auditors and to authorise the Directors to fix their remuneration. **Resolution 7**

8. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

SPECIAL BUSINESS:

To consider, and if thought fit, to pass with or without any modifications, the following resolutions as Ordinary Resolutions:-

9. **Authority to allot and issue shares up to fifty per centum (50%) of the issued shares in the capital of the Company**

   "That authority be and is hereby given to the Directors to:

   (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

Notice of Annual General Meeting

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST") for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:-

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in General Meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[Explanatory Note (i)] **Resolution 8**

Notice of Annual General Meeting

10. **Authority to offer and grant options and / or grant awards and to allot and issue shares, pursuant to the UMS Share Option Scheme, the UMS Performance Share Plan and UMS Restricted Share Plan**

"That approval be and is hereby given to the Directors of the Company to:

(a) offer and grant options in accordance with the provisions of the UMS Share Option Scheme (the "Share Option Scheme") and/or to grant awards in accordance with the provisions of the UMS Performance Share Plan (the "Performance Share Plan") and/or the UMS Restricted Share Plan (the "Restricted Share Plan") (the Share Option Scheme, the Performance Share Plan and the Restricted Share Plan, together the "Share Plans"); and

(b) allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Share Option Scheme and/or such number of fully paid shares as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan and/or the Restricted Share Plan,

provided that the aggregate number of ordinary shares to be issued pursuant to the Share Plans shall not exceed 15% of the total number of issued shares in the capital of the Company from time to time."
[Explanatory Note (ii)] **Resolution 9**

Explanatory Notes:

(i) Resolution 8 is to authorise the Directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in total 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, with a sub-limit of 20% for issues other than on a pro rata basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Resolution 8 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 8 is passed, and (b) any subsequent consolidation or subdivision of shares.

(ii) Resolution 9 is to authorise the Directors of the Company to offer and grant options and/or grant awards and to issue ordinary shares in the capital of the Company pursuant to the UMS Share Option Scheme, UMS Performance Share Plan and UMS Restricted Share Plan (collectively the "Share Plans"). The grant of options and awards under the respective Share Plans will be made in accordance with their respective provisions. The aggregate number of ordinary shares which may be issued pursuant to the Share Plans is limited to 15% of the total number of issued shares in the capital of the Company (excluding ordinary shares held in treasury) from time to time.

Notice of Annual General Meeting

NOTICE OF BOOKS CLOSURE

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 share (tax-exempt one-tier) (the "Proposed Final and Special Dividends) to be proposed at the Annual General Meeting of the Company to be held on 25 April 2012.

Duly completed registrable transfers in respect of the shares in the Company 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 Dividends are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5.00 p.m. on 7 May 2012 will be entitled to such Proposed Final and Special Dividends.

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

BY ORDER OF THE BOARD

Shirley Lim Guat Hua
Company Secretary

Singapore: 5 April 2012

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting may appoint not more than two proxies to attend and vote instead of him.

2. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.

3. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 23 Changi North Crescent, Singapore 499616 not less than 48 hours before the time set for the Annual General Meeting.

UMS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Registration No: 200100340R)

IMPORTANT

1. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM
ANNUAL GENERAL MEETING

I/We ____

of ____

being a member/members of UMS Holdings Limited (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at 25 Changi North Rise, Singapore 498778 on Wednesday, 25 April 2012 at 10.00 a.m. and at any adjournment thereof.

(Please indicate with a "✓" in the spaces provided whether you wish your votes(s) to be cast for or against the resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

No.	Resolutions	For	Against
	Ordinary Business		
1	To receive and consider Directors' and Auditors' Reports and Audited Accounts for the financial year ended 31 December 2011		
2	To declare a final tax-exempt (one-tier) dividend		
3	To declare a special tax-exempt (one-tier) dividend		
4	To re-elect Mr Soh Gim Teik as Director		
5	To re-elect Mr Oh Kean Shen as Director		
6	To approve directors' fees for the year ended 31 December 2011		
7	To re-appoint Auditors and authorise the directors to fix their remuneration		
	Special Business		
8	To authorise the directors to allot and issue shares		
9	To authorise the directors to offer and grant options and/or grant awards and to allot and issue shares, pursuant to the UMS Share Option Scheme, UMS Performance Share Plan and UMS Restricted Share Plan		

Dated this __________ day of ____________________ 2012

Total number of Shares held

____

Signature(s) of member(s) or common seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Singapore Companies Act, Cap. 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Singapore Companies Act, Cap. 50.

6. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 23 Changi North Crescent, Singapore 499616 not less than 48 hours before the time set for the Annual General Meeting.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

Corporate Information

Board of Directors

Soh Gim Teik
Chairman

Andy Luong
Chief Executive Officer

Oh Kean Shen
Independent Director

Neo Ban Chuan
Independent Director

N. Sreenivasan
Independent Director

Sylvia SY Lee Luong
Executive Director / Chief Operating Officer

Loh Meng Chong, Stanley
Executive Director / Group Financial Controller

Audit Committee

Neo Ban Chuan
Oh Kean Shen
N. Sreenivasan

Nominating Committee

Soh Gim Teik
N. Sreenivasan
Neo Ban Chuan
Oh Kean Shen

Remuneration Committee

N. Sreenivasan
Neo Ban Chuan
Oh Kean Shen

Registered Office

23 Changi North Crescent
Changi North Industrial Estate
Singapore 499616
Tel: (65) 6543 2272 Fax: (65) 6542 9979
Website: www.umsgroup.com.sg

Independent Auditors

Moore Stephens LLP
Certified Public Accountants
10 Anson Road #29-15 International Plaza
Singapore 079903
Audit Partner-in-charge: Chay Yiowmin
(appointed with effect from financial year ended 31 December 2011)

Share Registrar

Boardroom Corporate and
Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

Principal Bankers

Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
Citibank, N.A.,
The Development Bank of Singapore Ltd
United Overseas Bank Limited

Company Secretary

Ms Shirley Lim Guat Hua (ACIS)
Complete Corporate Services Pte Ltd
10 Anson Road #15-07 International Plaza
Singapore 079903

UMS Holdings Limited
Company Registration No : 200100340R

23, Changi North Crescent,
Singapore 499616
Tel: 6543 2272
Fax: 6542 9979

www.umsgroup.com.sg