

UMS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200100340R)

INTERESTED PERSON TRANSACTIONS INVOLVING SUBSIDIARIES OF UMS HOLDINGS LIMITED

1. Introduction

We refer herein to the announcement made by the Board of Directors of UMS Holdings Limited (the “Company”) on 10 May 2011 (the “Announcement”). As discussed in the Announcement, the Company’s wholly-owned subsidiaries, UMS Pte Ltd, UMS Aerospace Pte Ltd and Ultimate Manufacturing Solutions (M) Sdn. Bhd. had entered into transactions of a revenue or trading nature with Integrated Manufacturing Technology Pte Ltd (“IMT-S”) and Integrated Manufacturing Technology, Inc. (“IMT-USA”) during the financial year ending 31 December 2011.

As at the date of this announcement, Mr Andy Luong, a major shareholder, Director and Chief Executive Officer of the Company, is also the sole owner and sole director of IMT-S and the majority owner and sole director of IMT-USA. Lee Luong Sylvia SY is an Executive Director of the Company and the spouse of Andy Luong. She is a director of Quest World Investment Limited, which owns approximately 30% of IMT-USA. As Andy Luong and Lee Luong Sylvia SY are deemed interested persons of the Company (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”)), any transaction entered into by the Company or its subsidiaries (the “Group”) with IMT-S and IMT-USA is deemed to be an interested persons transaction.

Since the date of the Announcement, the Company’s wholly-owned subsidiaries, UMS Pte Ltd, UMS Aerospace Pte Ltd and Ultimate Manufacturing Solutions (M) Sdn. Bhd. have entered into additional transactions of a revenue or trading nature (the “Transactions”) with IMT-S and IMT-USA (together with Andy Luong and Lee Luong Sylvia SY, the “Interested Persons”). As the Transactions are below \$100,000 each, they are not required to be announced. However, the Board of Directors wishes to keep the shareholders informed of the total value of its interested person transactions to date.

2. Nature of the Interested Person Transactions

The Transactions are entered into by the Group with the Interested Persons. They include:

- a. provision of vacuum welding and tube bending services by the Interested Persons to the Group;

- b. sub-contracting of production staff from the Group to the Interested Persons for an arrangement fee;
- c. rental of premises of the Company to IMT-S in exchange for payment of rent and utilities;
- d. provision of semi-conductor equipment components by the Group to the Interested Persons; and
- e. purchases of components, assemblies, consumables and spares by the Group from IMT-USA.

The Transactions entered into are in the ordinary course of business and on normal commercial terms at arm's length basis.

3. Rationale

a. Provision of vacuum welding and tube bending services by the Interested Persons

The Group is in the business of front end semi-conductor equipment contract manufacturing, complex electromechanical assembly and final testing services. The Group does not carry out specialized vacuum welding and tube bending services. The components that go through vacuum welding and tube bending services performed by IMT-S and IMT-USA are important components of sub-assembly and integrated system products manufactured by the Group. Therefore, vacuum welding and tube bending services are necessary to the Group's business. Notwithstanding this, the Group is not qualified according to its major customer's certification processes to perform vacuum welding and tube bending services for the major customer.

In the normal course of its business, the Group will enter into sub-contracts with specialist contractors for vacuum welding and tube bending services.

The reasons for engaging IMT-S and IMT-USA for vacuum welding and tube bending services and parts include but are not limited to:

- (i) IMT-S and IMT-USA are on a short list of companies considered qualified to perform vacuum welding and tube bending services by the major customer of the Group;
- (ii) IMT-S and IMT-USA currently provide more competitive terms than other vendors; and
- (iii) it is logistically easier and operationally efficient to purchase products from IMT-S because it has been located in the same premises in Singapore

as the Company since the incorporation of IMT-S.

b. Provision of semi-conductor equipment components by the Group

The Group sells semi-conductor equipment components to IMT-S and IMT-USA. IMT-S and IMT-USA in turn integrate the components into their end products and sell these end products to the major customer of the Group. The Group cannot directly supply the final manufactured gaslines and weldments directly to the major customer because the Group is not a qualified supplier. In turn, IMT-S and IMT-USA, who are qualified suppliers, do not have the Group's machining capabilities. Instead, the Group machines the components, while IMT-S and IMT-USA conduct the final vacuum welding. Thereby, the Group is able to provide manufacturing services to a customer to whom it cannot supply final manufactured gaslines and weldments directly.

c. Renting premises of the Company to IMT-S

The Company also lets out a part of its premises to IMT-S so that the close proximity of IMT-S's facilities will shorten the total manufacturing time for the Company.

d. Subcontracting of production staff

The Group sub-contracts production staff to IMT-S for an arrangement fee. Such provision of human resource services to IMT-S generates revenue for the Group and ensures that IMT-S has a steady pool of labour, which increases the reliability of supply to the Group.

e. Purchases of components, assemblies, consumables and spares by the Group from IMT-USA

The Group makes use of IMT-USA's US operations to secure more favorable trading terms from other US vendors, which would not be available to the Group's Singapore and Malaysian companies.

4. Total Value of Interested Person Transactions

As at 01 July 2011, the aggregate value of all transactions with the Interested Persons for the financial year ending 31 December 2011 is S\$5,341,000, which is equal to 4.52% of the Group's net tangible assets.¹ The total aggregate value of all interested person transactions for the financial year ending 31 December 2011 is S\$5,348,000, which is equal to 4.52% of the Group's net tangible assets.²

¹ The above computation is based on the Group's latest audited net tangible assets of S\$118,229,000 as at 31 December 2010.

² The total aggregate value of all interested person transactions includes transactions with Straits Law Practice LLC involving the provision of legal services. Such transactions are not required to be announced

5. Financial Effects

The Transaction is not expected to have any material impact on the Group's net tangible assets per share and earnings per share for the financial year ending 31 December 2011.

6. Statement from the Audit Committee

The Audit Committee of the Company, having reviewed the terms and value of the aforementioned Transactions, is of the view that the Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

7. Interests of Directors and Controlling Shareholders

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company have an interest, direct or indirect, in the Transactions other than interests arising by virtue of their shareholdings in the Company.

BY ORDER OF THE BOARD

Shirley Lim Guat Hua
Company Secretary
5 July 2011