

UMS HOLDINGS LIMITED

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

INTERESTED PERSON TRANSACTION INVOLVING UMS GROUP SUBSIDIARIES

1. Introduction

The Board of Directors of UMS Holdings Limited (the “Company”) wishes to announce that the Company’s wholly owned subsidiaries, UMS Pte Ltd, UMS Aerospace Pte Ltd and Ultimate Manufacturing Solutions (M) Sdn. Bhd. (collectively the “Group”) have 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 ended 31 December 2010 (the “Transactions”). The Transactions entered into are in the normal course of business and on normal commercial terms at arm’s length basis.

These Transactions fall within the ambit of an interested person transaction (“IPT”) under the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) as Mr Andy Luong (“Mr Luong”), the major shareholder, Executive Director and CEO of the Company is also the sole owner of IMT-S and the majority owner of IMT-USA. Accordingly, Mr Luong is deemed an interested person and the transactions are considered interested person transactions.

2. Nature of Interested Person Transactions

The nature of the Interested Person Transactions is the provision of welding and tube bending services to the Group by IMT-S and IMT-USA. The services are provided on the following terms:-

- Subcontracting of production staff to IMT-S from the Group
- IMT-S paying rental and utilities to the Group for the use of its premises

3. Rationale

UMS Group makes high precision components and is also involved in complex electromechanical assembly and final testing services. The Group does not carry out the specialized welding and tube bending services.

In the normal course of business, the Group will enter into sub-contracts with specialist contractors for welding and tube bending services. Reasons for engaging IMT-S and IMT-USA include:

- IMT-S and IMT-USA are qualified by a major customer of the Company to perform vacuum welding and tube bending services.
- IMT-S and IMT-USA are able to offer services to the Group at prices lower than other vendors
- Logistically easier and cheaper to purchase from IMT-S as it is located in the same premises as the Group in Singapore

4. Total Value of Interested Person Transactions

As at 30 November 2010 and 31 December 2010, the current total of all transactions with the particular interested person (i.e. Mr Andy Luong) whose transaction is the subject of this announcement as well as the current total of all interested person transactions are as follows:-

Date	Amount	Percentage of IPT to audited Net Tangible Assets
30 November 2010	S\$3,172,000	3.1%
31 December 2010	S\$4,105,000	4%

The above computation is based on the Group's latest audited net tangible assets of S\$102,130,000 as at 31 December 2009.

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 ended 31 December 2010.

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 IPT is on normal commercial terms and is 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 has 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
Company Secretary
21 January 2011