

UMS HOLDINGS LIMITED
(Company Registration Number 200100340R)
(Incorporated in the Republic of Singapore)

RESPONSE TO SGX'S QUERY

In response to the query from Singapore Exchange Securities Trading Limited ("SGX-ST") in their email dated 10 September 2020, the Board of Directors of the Company wish to provide the information in respect of the Company's announcement dated 28 August 2020 as set out below:-

Query 1

It is stated in Paragraph 2.3 of Practice Note 10.1:-

"An acquisition can be regarded to be in, or in connection with, the ordinary course of an issuer's business, if:

- (a) the asset to be acquired is part of the issuer's existing principal business; and*
- (b) the acquisition does not change the issuer's risk profile."*

In this regard, please elaborate as to how is this Transaction is regarded to be in, or in connection with, the ordinary course of the Company's business?

Company Response to Query 1

The property located at 32 Gul Lane Singapore 629426 is a factory (the "Property") situated next to Starke's current location at 34 Gul Lane Singapore 629428. The Property will be utilised as part of Starke's growth and expansion plan of its existing material distribution business, and thus we have viewed it as the Group's ordinary course of business.

Having re-considered Paragraph 2.3 of Practice Note 10.1, the Board is now of the view that the acquisition of the Property may not be viewed as the Group's ordinary course of business, though the acquisition of the Property does not change the Group's risk profile.

Accordingly, the subject title of the 28 August 2020 announcement "Acquisition of Property in the Ordinary Course of Business" should be changed to "Acquisition of Property".

By Order of the Board

Luong Andy
Chief Executive Officer
Singapore

11 September 2020