

PROPOSED BONUS ISSUE

1. INTRODUCTION

The board of directors of UMS Holdings Limited (“**Company**”) wishes to announce that the Company is proposing a bonus issue of up to 107,285,986 new ordinary shares in the capital of the Company (“**Bonus Shares**”) to the shareholders of the Company (“**Shareholders**”) on the basis of one (1) Bonus Share for every four (4) existing ordinary shares in the capital of the Company (“**Shares**”) held by the Shareholders as at a books closure date (“**Books Closure Date**”) to be determined by the directors of the Company (“**Directors**”) for the purpose of determining the entitlements of the Shareholders, fractional entitlements to be disregarded (“**Proposed Bonus Share Issue**”).

2. TERMS OF THE PROPOSED BONUS SHARE ISSUE

The actual number of Bonus Shares to be issued by the Company will depend on the total issued share capital of the Company as at Books Closure Date. Based on the existing issued and paid-up share capital of the Company comprising 429,143,947 Shares as at the date of this announcement, up to 107,285,986 Bonus Shares will be issued pursuant to the Proposed Bonus Share Issue.

The Bonus Shares will be issued pursuant to a share issue mandate approved by Shareholders at the annual general meeting of the Company held on 28 April 2017 (“**General Mandate**”) which authorises the Directors to *inter alia*, allot and issue new shares in the Company, on a *pro rata* basis to existing Shareholders, in the aggregate of up to 50% of the total number of issued shares in the capital of the Company (excluding treasury shares) at the time of passing of the resolution approving the General Mandate.

The total number of issued Shares (excluding treasury shares) as at 28 April 2017 was 429,143,947. As at the date of this announcement, the Company has not issued any shares under the General Mandate. Accordingly, the maximum number of Shares that the Company may allot and issue to existing Shareholders on a *pro rata* basis under the General Mandate is 214,571,973. The proposed issue of 107,285,986 Bonus Shares falls within the General Mandate.

The Bonus Shares will be issued as fully paid, at nil consideration and without capitalisation of the Company’s reserves. The Bonus Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing issued Shares and with each other, except that the Bonus Shares will not be entitled to any dividends, rights, allotments or distributions, the record date of which falls before the date of allotment and issue of such Bonus Shares.

3. RATIONALE FOR THE PROPOSED BONUS SHARE ISSUE

The Company is considering the Proposed Bonus Share Issue to increase the issued share capital base of the Company to reflect the growth and expansion of the Group's business, and to give due recognition to its shareholders for their continuing support for the Company at the same time. The Proposed Bonus Share Issue, if carried out, will also increase the accessibility of an investment in the Company to more investors, thereby encouraging trading liquidity and greater participation by investors and broadening the shareholder base of the Company.

4. CONDITIONS FOR THE PROPOSED BONUS SHARE ISSUE

The Proposed Bonus Share Issue is subject to the in-principle approval of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") being obtained for the dealing in, listing of and quotation for the Bonus Shares on the Main Board of the SGX-ST ("**In-Principle Approval**"), and such approval not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing of and quotation for the Bonus Shares on the Main Board of the SGX-ST are required to be fulfilled, they are so fulfilled.

The Company will make an application to the SGX-ST for the dealing in, listing of and quotation for the Bonus Shares on the Official List of the SGX-ST in due course.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Bonus Share Issue, the Company and its subsidiaries, and the Directors are not aware of any omission of which would make any statement in this announcement misleading.

6. BOOKS CLOSURE DATE

The Bonus Shares will be issued to the Shareholders whose names appear in the Register of Members of the Company or who have Shares entered against their names in the Depository Register as at the Books Closure Date on the basis of the number of such Shares registered in their names or standing to the credit of their securities accounts as at the Books Closure Date. The Company will make a further announcement on the Books Closure Date, subject to the obtaining of the In-Principle Approval from the SGX-ST.

7. CAUTIONARY STATEMENT

Shareholders and potential investors should note that the Proposed Bonus Share Issue is subject to, *inter alia*, the necessary approvals being obtained by the Company, and are therefore advised to exercise caution when dealing or trading in the shares of the Company. Shareholders and potential investors should consult their stockbrokers,

bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

**Luong Andy
Chief Executive Officer**

11 August 2017