

# United Gulf Holding Company B.S.C. - Rights Offering Offer Invitation Announcement and Summary of Offering Circular



Rights Offering (“**Offering**”) of up to 26,593,850 Ordinary Shares (“**Ordinary Shares**”) in United Gulf Holding Company B.S.C. (the “**Issuer**”, the “**Company**” or “**UGH**”) to existing Shareholders of the Company as at the Record Date at an Issue Price of USD 2.63 per Ordinary Share.

THE CENTRAL BANK OF BAHRAIN, THE BAHRAIN BOURSE AND THE MINISTRY OF INDUSTRY COMMERCE AND TOURISM IN THE KINGDOM OF BAHRAIN TAKE NO RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF THE STATEMENTS AND INFORMATION CONTAINED IN THIS ANNOUNCEMENT AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER TO ANY PERSON, AN APPLICANT OR OTHERWISE, FOR ANY LOSS HOWSOEVER ARISING FROM RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS.

The following information has been extracted from the Offering Circular issued in relation to the Offering of Ordinary Shares of the Company to all of the existing Shareholders of UGH as on the Record Date, which will be available at the offices of the Company, the Issue Registrar and Designated Branch of the Receiving Bank on the Opening Date. The Offering Circular will also be available on the websites of the Lead Manager, the Company and Bahrain Bourse. This summary does not purport to be a complete summary of the information contained in the Offering Circular. Persons interested in applying for the Ordinary Shares should read the Offering Circular and the Application Form in full. Words and phrases defined in the Offering Circular and the Application Form shall have the same meanings where used herein, unless the context otherwise requires.

The Board of UGH invites all existing Shareholders registered in the Company’s Ordinary Share Register on the Record Date to apply to subscribe for up to 26,593,850 Ordinary Shares at an Issue Price of USD 2.63 for each Ordinary Share with a Nominal Value of USD 0.50 per Ordinary Share based on a rights privileged subscription. Application Forms will be available at the office of the Company, Bahrain Clear and the Designated Branch of the Receiving Bank. The Offering will open for subscription on 25 November, 2020 and will close on 9 December, 2020.

## Issuer and Advisors

Issuer: United Gulf Holding Company B.S.C.  
Lead Manager: United Gulf Bank B.S.C. (closed)  
Auditor: Ernst & Young  
Legal Advisor: Al Tamimi & Co.  
Issue Registrar: Bahrain Clear  
Receiving Bank: Bahrain Islamic Bank B.S.C.

## Timetable of Offer

Last Trading Date	22 November, 2020
Record Date	24 November, 2020
Opening Date	25 November, 2020
Closing Date	09 December, 2020
Subscription results and allotment basis announcement date	11 December, 2020
CMSD approval on allotment date	13 December, 2020
Allotment announcement date	14 December, 2020
Distribution of refunds date	15 December, 2020
Commencement of trading date	21 December, 2020

## Directors’ Declaration:

The Directors of United Gulf Holding Company B.S.C. accept responsibility for the information contained in this announcement. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this announcement is in accordance with the facts and contains no omissions likely to affect the importance and completeness of this announcement.

## Registration of the Offering Circular

The Offering Circular was duly approved and registered with the Central Bank of Bahrain (“CBB”) on 18 November 2020.

## Summary of Offer

**The Company/Issuer:** United Gulf Holding Company B.S.C. is a Public Bahraini Shareholding Company registered with the Ministry of Industry, Commerce and Tourism on 28/6/2017 with commercial registration number 114160 as a Holding Company UGH conducts merchant banking activities through its regional network of subsidiaries and associates. The Ordinary Shares of the Company are listed on the Bahrain Bourse under ticker ‘UGH’.

**Authorised, issued and paid-up share capital prior to the Offering:** The authorized share capital of the Company is USD 252,700,000 comprising 505,400,000 Ordinary Shares of USD 0.50 each. The issued and paid up share capital of the Company is USD 206,487,325.50 comprising of 412,974,651 Ordinary Shares of USD 0.50 each.

**The Offering:** The Company is offering up to 26,593,850 new Ordinary Shares of a Nominal Value of USD 0.50 per Ordinary Share at an Issue Price of USD 2.63 per Ordinary Share. Upon full subscription pursuant to the Offering, the issued and paid up share capital of the Company will be USD 219,784,251 comprising of 439,568,501 Ordinary Shares each of a Nominal Value of USD 0.50 per Ordinary Share.

**Eligibility and entitlement to the Offering:** The Offering is open to all Shareholders registered in the Company’s Ordinary Share register on the Record Date. Each Shareholder shall be entitled to purchase approximately 10 new Ordinary Shares for 155 existing Ordinary Shares held as at the Record Date. Shareholders may however make an application for Ordinary Shares in excess of or lower than their entitlement. Fractional Ordinary Shares will not be issued. The rights of Shareholders who hold Ordinary Shares other than in multiples of 155 will be rounded downwards provided that (i) the total number of Ordinary Shares so allotted to each Shareholder shall not exceed the number of Ordinary Shares for which the application was made by such Shareholder and (ii) the total number of Ordinary Shares so allotted shall not exceed the number of Ordinary Shares available for subscription. The right to the Ordinary Shares being offered pursuant to the Offering is renounceable. However, such renunciation shall be made during the Subscription Period only.

**Issue Price:** The Issue Price for the Ordinary Shares offered pursuant to the Offering is USD 2.63 for each Ordinary Share representing a share premium of USD 2.13 per Ordinary Share over the Nominal Value. The Issue Price is net of any bank or related charges which shall be borne by the Applicant.

**Basis of allotment:** The Applicants shall first be allotted to the extent of their entitlement or the number of Ordinary Shares applied for - whichever is lower. The remaining Ordinary Shares, if any, will be allotted to Applicants who have applied for Ordinary Shares in excess of their original entitlement. Such unsubscribed amount shall be allotted amongst such Shareholders pro-rata to their holding as on the Record Date. In the event the Ordinary Shares offered through the Offering are not fully subscribed, the Issuer in accordance with Article 129 of the Bahrain Commercial Companies Law and in consultation with the relevant Authorities, shall allot the Ordinary Shares up to the level of Subscription Amounts received in accordance with the terms of the Offering Circular.

**Announcement of allotment basis and subscription results:** The results of the subscription and confirmation of the basis of allotment will be published in two (2) local newspapers in Bahrain within two (2) calendar days of the Closing Date. The decision of the Issuer in this respect will be final and binding on all parties. Allotment of the Ordinary Shares is expected to be completed by the Allotment Date.

**Distribution and Refund:** On the Distribution Date, the Applicants shall collect their Allotment Notice and the refund cheques, if any, from the Issue Registrar’s office. Such refunds shall be for the excess Subscription Amounts paid by Applicants in respect of Ordinary Shares they applied for and were not allotted. The refunds shall be made in USD. All refunds distributed by the Receiving Bank will be made after deduction of bank charges and other similar deductions and will not include any profit derived from such funds. Receipt of the Allotment Notice is proof that the allotted Ordinary Shares have been deposited into the Shareholder’s account with Bahrain Clear. The Allotment Notice must not be used to sell the allotted Ordinary Shares of the Company before the listing of the new Ordinary Shares on the Bahrain Bourse.

**Listing of Ordinary Shares:** Following completion of the Offering, an application will be made to the Bahrain Bourse to list the new Ordinary Shares being offered pursuant to the Offering Circular subject to the prior approval of the CBB.

**Shareholder Rights:** The new Ordinary Shares issued pursuant to the Offering will rank pari-passu with all other Ordinary Shares of the Company including in respect to the entitlement to dividends. Each Shareholder will be entitled to attend and vote at the General Assembly of the Company.

**Use of Proceeds:** The proceeds from the Offering will be utilized for implementing the growth strategy of the Company and for augmenting the capital base of the Company and improving its equity base.

**Risk factors:** There are certain risks relating to an investment in the Company. Some of these risks are described in Section 10, “Investment Considerations and Risk Factors” of the Offering Circular and should be considered carefully by all Applicants prior to making a decision to invest in the Ordinary Shares.

## General Information about the Company

UGH, a subsidiary of the KIPCO Group, conducts merchant banking activities through its regional network of subsidiaries and associates. The strategic objective of the Company is to create the MENA region’s premier asset management, merchant banking and investment banking group. UGH seeks to be the preferred gateway to the region for its clients and global partners through the delivery of both conventional and Shari’ah-compliant services, backed by world-class standards of support, infrastructure and processes. The UGH group works with its strategic partners to create opportunities that will position UGH as a leading holding company of financial institutions in the region. UGH engages primarily in asset and fund management, investment banking, private equity and corporate banking. Other business activities include commercial banking, proprietary investments, savings and pensions, brokerage and treasury.

## The main office of the Company is located at:

Flat 12, Building 440, Road 1705, Block 317, Diplomatic Area, Kingdom of Bahrain.

## UGH Board of Directors as of the date of this announcement:

The following are the current members of the Company’s Board of Directors:

- 1) Masaud M. J. Hayat (Chairman),
- 2) Faisal H. Mubarak Al-Ayyar (Vice Chairman),
- 3) Sadoun A. H. Ali (Executive Director),
- 4) Tariq M. Y. Abdulsalam (Executive Director),
- 5) Mazen Hawwa (Executive Director),
- 6) Mubarak Al Maskati (Independent Director),
- 7) Bader Al Awadhi (Independent Director) and
- 8) Mohammed Haroon (Independent Director)

## Commitment to Subscribe

KIPCO Group, which owns approximately 98% of the Company’s issued share capital, has made a commitment to the Company to subscribe for all of the new Ordinary Shares to which it is entitled pursuant to the Offering.

## EGM Resolution

At an extraordinary general meeting of the Shareholders held on 15 November 2020, the Shareholders resolved and approved the Offering of up to 30,000,000 new Ordinary Shares of a nominal value of USD 0.50 each and a subsequent increase in the issued and paid up share capital of the Company and the amendments to the memorandum and articles of association of the Company to reflect this.

## How to Apply:

Applicants should submit to the Designated Branch of the Receiving Bank a duly signed and completed Application Form together with cleared funds in the amount of the number of new Ordinary Shares subscribed for multiplied by the Issue Price. Applicants who are not able to physically submit the Application Form at the Designated Branch of the Receiving Bank, can submit the required documents through email to [ughregistry@bahrainclear.com](mailto:ughregistry@bahrainclear.com). The subscription currency is USD. Remittance shall be made to the designated bank account with the Receiving Bank in one of the following modes:

- By wire transfer in USD from an account of the Applicant maintained with a bank other than the Receiving Bank;
- By transferring USD from an account held by the Applicant with the Receiving Bank.
- By Managers Cheque in USD

No other modes of payment shall be accepted.

Applicants are responsible for ensuring that the Subscription Amounts are remitted to the designated account with the Receiving Bank on or before the Closing Date. Applicants transferring money into the designated account should present a copy of the wire transfer order along with the Application Form. All subscription amounts received shall be net of any bank or related charges. All charges such as wire transfer charges, subscription application processing fees, collection charges, foreign currency conversion charges, managers cheque charges, special clearing charges and any other charges shall be borne by the Applicant. Applicants will receive a receipt of acknowledgement from the Designated Branch of the Receiving Bank on submission of their Application Form. No profit shall accrue or be payable to Applicants in respect of Subscription Amounts collected by the Receiving Bank regardless of whether such amounts are returned to the Applicant in whole or in part. For more information, please refer to the Offering Circular available at the offices of UGH, the Designated Branch of the Receiving Bank and the Issue Registrar.

## Other Important Details:

The Subscription Period commences in Bahrain at the opening of Business Hours in Bahrain on the Opening Date, which is 25 November, 2020, and closes at the closing of Business Hours on the Closing Date, which is 9 December, 2020. Applicants may apply to subscribe for new Ordinary Shares at the Designated Branch of the Receiving Bank during normal Business Hours in Bahrain.

Please note that there will be no intended halt of trading of Ordinary Shares on the Bahrain Bourse at any time before and during the Subscription Period, subject to the Bahrain Bourse calling a trading halt in unforeseen circumstances.

Copies of the Offering Circular and the Application Form can be collected from the office of the Company, Bahrain Clear and Designated Branch of the Receiving Bank.

Applicants need to present all necessary identification as stated in the Offering Circular and on the Application Form in order to fulfill “know your customer” requirements and have their application considered for acceptance.

## For and On Behalf of the Board of Directors of United Gulf Holding Company B.S.C.:

Mr. Masaud M. J. Hayat, Chairman  
Date: 19 November 2020

Lead Manager



Legal Advisor



Receiving Bank



Issue Registrar



Auditor

