



UG HEALTHCARE CORPORATION LIMITED

Company Registration No. 201424579Z

ADOPTION OF UG HEALTHCARE SCRIP DIVIDEND SCHEME

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of UG Healthcare Corporation Limited (the “**Company**”) is pleased to announce the adoption of a scrip dividend scheme which will be named the UG Healthcare Scrip Dividend Scheme (the “**Scheme**”).

The following definitions shall apply throughout this announcement, unless the context otherwise requires:

“**Act or Companies Act**” : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time

“**Constitution**” means the memorandum and articles of association of the Company (which were in force immediately before the Companies (Amendment) Act 2014 took effect in phases on 1 July 2015 and 3 January 2016, respectively), as amended, supplemented or modified from time to time.

“**Books Closure Date**” : The date and time to be determined by the Directors, on and at which the Register of Members and the Share Transfer Books of the Company will be closed for the purpose of determining the entitlements of Shareholders to a Qualifying Dividend and, in the case of Shareholders with Shares entered against their names in the Depository Register (as defined below), on and at which their entitlement to a Dividend will be determined

“**Catalist**” : The Catalist Board of the SGX-ST

“**CDP**” : The Central Depository (Pte) Limited

“**Market Day**” : A day on which the SGX-ST is open for securities trading

“**New Shares**” means new Shares to be allotted and issued in connection with or where contemplated by the Scheme

“**Foreign Shareholders**” : Shareholders whose registered addresses with CDP or the Company, as the case may be, are addresses not in the Republic of Singapore as at the Books Closure Date and who have not at least five (5) Market Days prior to the Books Closure Date, provided CDP or the Company, as the case may be, addresses in the Republic of Singapore for the service of notices and documents

“**Price Determination Period**” : The period commencing on the day on which the Shares are first quoted ex-dividend on Catalist after the announcement of the Qualifying Dividend and ending on the Books Closure Date in respect of such Qualifying Dividend

“**Qualifying Dividend**” : A Dividend to which the Scheme applies, as determined by the Directors

“**SGX-ST**” : Singapore Exchange Securities Trading Limited

“**Shares**” : Ordinary shares in the share capital of the Company

“**Take-over Code**” : The Singapore Code on Take-overs and Mergers and all practice notes, rules and guidelines thereunder, as may from time to time be issued or amended

“**SGD**”, “**S\$**”, “**\$**” or “**cents**” : Singapore dollars and cents respectively

“%” or “*per cent.*” : Percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

2. RATIONALE AND PURPOSE OF THE SCHEME

The Scheme will provide Shareholders with greater flexibility in meeting their investment objectives as it would give them the choice of reinvesting in the Company or participating in the equity capital of the Company through receiving Dividends in the form of New Shares (credited as fully paid-up) *in lieu* of cash without having to incur brokerage fees, transaction or other related costs. There would be greater share liquidity in the market to the extent that New Shares are issued pursuant to the Scheme. The Company will also benefit from the participation by Shareholders in the Scheme as, to the extent that Shareholders elect to receive Dividends in the form of New Shares, the cash which would otherwise be payable would be retained in the Company and used to strengthen its working capital base and/or to fund the growth and expansion of the Company.

3. APPLICATION FOR LISTING ON CATALIST

The Company, through its sponsor, will make the necessary application to the SGX-ST for the listing and quotation of the New Shares, at the appropriate time. The Company will make the necessary announcement once the listing and quotation notice for the listing and quotation of the New Shares on the Catalist is obtained from the SGX-ST.

4. SUMMARY TERMS OF THE SCHEME

The following is a summary of the main features of the Scheme, and should be read in conjunction with the full text of the Scheme Statement as set out in Appendix 1 to this announcement.

The Scheme provides Shareholders with the option to elect to receive New Shares *in lieu* of part only or the entire cash amount of Dividend declared on their holding of Shares.

All Shareholders are eligible to participate in the Scheme subject to the restrictions on Foreign Shareholders, and except that participation in the Scheme shall not be available to such Shareholders or class of Shareholders, as the Directors may in their sole discretion determine, and further subject to the requirement that such participation by the Shareholder will not result in a breach of any other restrictions on such Shareholder's holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or as prescribed in the Constitution.

Shareholders may elect to participate in respect of part only or all of their holding of Shares for any Qualifying Dividend and may also make a permanent election to participate in respect of all of their holding of Shares for all future Qualifying Dividends. For the avoidance of doubt, Shareholders may only make a permanent election to participate in respect of all, and not part only, of their holding of Shares in respect of all future Qualifying Dividends. Where a permanent election has been made, Shareholders may, by giving the appropriate notice in accordance with the Scheme, cancel their participation and withdraw from the Scheme at any time. However, the cancellation of a

permanent election by a Shareholder will not preclude him from making a fresh permanent election, should he wishes to do so, at a later time.

The Directors may, in their absolute discretion, determine that the Scheme will apply to any particular Dividend. An announcement will be made by the Company as soon as practicable following the determination by the Directors that the Scheme is to apply to a particular Dividend, and in any event, by no later than the next Market Day immediately following the Books Closure Date in respect of that particular Dividend. Unless the Directors have determined that the Scheme will apply to any particular Dividend, the Dividend concerned will be paid in cash to the Shareholders in the usual way.

New Shares allotted and issued under the Scheme will rank *pari passu* in all respect with the Shares then in issue save only as regards participation in the Qualifying Dividend which is subject of the election (including the right to make any election pursuant to the Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to, or contemporaneous with the payment or declaration of the Qualifying Dividend which is subject of the election, unless the Directors shall otherwise specify.

Shareholders participating in the Scheme will receive, at or about each dividend payment date, notification letters setting out, *inter alia*, the number of New Shares allotted to them under the Scheme.

Fractional entitlements to the New Shares will be rounded down to the nearest whole number or otherwise dealt with in such manner as the Directors may deem fit in the interests of the Company and as may be acceptable to the SGX-ST.

4. HOW TO PARTICIPATE

Participation in the Scheme is optional.

A Shareholder wishing to receive New Shares in respect of any Qualifying Dividend or to make a permanent election to receive New Shares in respect of all (and not part only) of his future Qualifying Dividends to which a notice of election ("**Notice of Election**") received by him relates should complete the Notice of Election and return it to the Company at the address indicated on the Notice of Election or, if the Shareholder is a Depositor, to CDP.

A Shareholder receiving more than one (1) Notice of Election and wishing to receive New Shares in respect of all of his entitlement to the Qualifying Dividend in respect of all of his holding of Shares or to make a permanent election to receive New Shares in respect of all future Qualifying Dividends, must complete all Notices of Election received by him and return the completed Notices of Election to the Company and/or CDP, as the case may be.

To be effective in respect of any Qualifying Dividend to which a Notice of Election relates, such duly completed Notice of Election must be received by the Company or, as the case may be, CDP, no later than the date to be specified by the Directors in respect of that Qualifying Dividend.

Shareholders will receive the Qualifying Dividend in cash if they fail to elect to participate in the Scheme.

Shareholders do not need to take any action if they wish to receive their entitlement to the Qualifying Dividend in cash.

5. NOTE TO SHAREHOLDERS

The Shares are currently traded in board lots of 100 shares. A Shareholder who elects to receive New Shares *in lieu* of part only or the whole cash amount of the Qualifying Dividend may receive such New Shares in odd lots. Shareholders who receive odd lots of New Shares and who wish to trade such odd lots on the Catalist should do so on the Unit Share Market of the SGX-ST, which allows for trading of odd lots with a minimum of one (1) share.

The attention of Shareholders is drawn to Rule 14 of the Takeover Code. In particular, a Shareholder should note that he may be under an obligation to extend a mandatory offer for the Company, if:

(a) he acquires, by participating in the Scheme in relation to any Qualifying Dividend, whether at one time or different times New Shares which (taken together with Shares held or acquired by him or persons acting in concert with him) carry 30% or more of the voting rights of the Company; or

(b) he, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the Company, and he or any person acting in concert with him, acquires in any period of six (6) months, additional Shares carrying more than 1% of the voting rights of the Company by participating in the Scheme in relation to any Qualifying Dividend or otherwise.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under the Takeover Code. Shareholders who are in doubt as to whether they would incur any obligation to make a mandatory offer under the Takeover Code as a result of any acquisition of Shares through their participation in the Scheme are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity.

The Company takes no responsibility for the taxation liabilities of Shareholders who choose to participate in the Scheme or the tax consequences of any election made by Shareholders. As individual circumstances and laws may vary considerably, specific taxation advice should be obtained by Shareholders if they are in doubt or if they otherwise require. The Company accepts no responsibility for the correctness or accuracy of any information as to taxation liability contained in the Scheme Statement as set out in Appendix 1 to this announcement.

As a general indication, it is understood that as at the date of this announcement, under taxation legislation in Singapore, a Shareholder's taxation liability will not alter, nor is there any taxation advantage to be gained by reason of having elected to participate in the Scheme.

6. APPROVAL FOR THE PURPOSE OF IMPLEMENTING THE SCHEME

Pursuant to Rule 861(1) of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), an announcement must be made by an issuer if it wishes to implement a scrip dividend scheme.

The Constitution allows Shareholders to elect to receive Dividends in the form of New Shares (credited as fully paid-up) *in lieu* of cash.

The allotment and issue of New Shares under the Scheme will be subject to the approval of Shareholders. The authority to issue New Shares under the Scheme may be in the form of specific Shareholders’ approval pursuant to Section 161 of the Companies Act, and/or in compliance with Rule 805 of the Catalist Rules or the Company may otherwise rely on a valid general mandate granted by the Shareholders to the Directors pursuant to Section 161 of the Companies Act and Rule 806 of the Rules of Catalist.

BY ORDER OF THE BOARD

Ang Beng Teck
Executive Director and Chief Executive Officer
29 June 2016