

APPENDIX DATED 9 OCTOBER 2017

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about the contents herein or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Capitalised terms appearing on the cover of this Appendix have the same meanings as defined herein.

This appendix ("**Appendix**") is circulated to the shareholders of UG Healthcare Corporation Limited (the "**Company**"), together with the Company's annual report for the financial year ended 30 June 2017 ("**Annual Report**"). The notice of the Annual General Meeting and the accompanying proxy form are enclosed with the Annual Report.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Appendix with the notice of Annual General Meeting and the attached proxy form to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix with the notice of Annual General Meeting and the attached proxy form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix, together with the notice of Annual General Meeting and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Appendix 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 Appendix.

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

The contact person for the Sponsor is Mr Ong Hwee Li (Telephone: 65 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.



UG HEALTHCARE CORPORATION LIMITED

(Incorporated in the Republic of Singapore on 21 August 2014)
(Company Registration Number: 201424579Z)

**APPENDIX TO SHAREHOLDERS IN RELATION TO
THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE**

CONTENTS

DEFINITIONS	2
LETTER TO SHAREHOLDERS	6
1. INTRODUCTION	6
2. THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE	6
3. DISCLOSURE OF SHAREHOLDINGS	22
4. DIRECTORS' RECOMMENDATION	22
5. ANNUAL GENERAL MEETING	22
6. ACTION TO BE TAKEN BY SHAREHOLDERS	23
7. DIRECTORS' RESPONSIBILITY STATEMENT	23
8. DOCUMENTS AVAILABLE FOR INSPECTION	23

DEFINITIONS

The following definitions apply throughout in this Appendix except where the context otherwise requires:

- “ACRA”** : Accounting and Corporate Regulatory Authority of Singapore
- “AGM”** : The annual general meeting of the Company
- “Annual Report”** : The Company’s annual report for the financial year ended 30 June 2017
- “Appendix”** : This appendix to Shareholders dated 9 October 2017
- “Approval Date”** : Has the meaning ascribed to it in Section 2.1.3 of this Appendix
- “Associated Company”** : A company in which at least 20.0% but not more than 50.0% of its shares are held by the Company or the Group
- “Associate”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family (being spouse, child, adopted child, step child, sibling and parent);
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly and indirectly) have an interest of 30.0% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- “Board”** : The board of directors of the Company from time to time
- “Catalist”** : The Catalist board of the SGX-ST
- “Catalist Rules”** : The Listing Manual (Section B: Rules of Catalist) of the SGX-ST, as amended, supplemented or modified from time to time
- “CDP”** : The Central Depository (Pte) Limited

“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
“Company”	:	UG Healthcare Corporation Limited
“Constitution”	:	The constitution of the Company, as amend or modified from time to time
“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company. Notwithstanding, the SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
“Directors”	:	The directors of the Company as at the date of this Appendix
“EPS”	:	Earning per Share or Loss per Share, if negative
“FY”	:	Financial year ended or ending 30 June (as the case may be)
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	15 September 2017, being the latest practicable date prior to the printing of this Appendix
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NAV”	:	Net asset value
“Notice of AGM”	:	The notice of AGM of the Company as set out in pages 88 to 92 of the Annual Report
“NTA”	:	Net tangible assets
“Relevant Period”	:	The period commencing from the date on which the ordinary resolution in relation to the adoption of the Share Buy-back Mandate is passed in a general meeting and expiring on the earliest of (i) the date on which the next AGM is or is required by law or the Constitution to be held; (ii) the date on which the Share Buy-backs are carried out to the full extent mandated; or (iii) the date the said mandate is revoked or varied by the Shareholders in a general meeting
“Securities Account”	:	Securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent

“Securities and Futures Act”	:	Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGXNET”	:	Singapore Exchange Network, the system network used by listed companies to send information and announcements to the SGX-ST, or any other system networks prescribed by the SGX-ST
“Share Buy-back(s)”	:	The purchase or acquisition by the Company of its own issued and fully paid up Shares
“Share Buy-back Mandate”	:	The proposed mandate to authorise the Directors to exercise all powers of the Company to carry out Share Buy-backs, the terms of which are set out in this Appendix
“Shareholders”	:	Persons who are registered as holders of the Shares in the Register of Members maintained by the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts maintained with the CDP are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	The Securities Industry Council of Singapore
“Sponsor”	:	SAC Capital Private Limited
“Subsidiary Holdings”	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
“Substantial Shareholder”	:	A person who has an interest in Shares representing not less than 5.0% of the total votes attached to all the Shares
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
“S\$” and “cents”	:	Singapore dollars and cents respectively
“%”	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term **“treasury shares”** shall have the meaning ascribed to it in Section 4 of the Companies Act. The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Take-over Code, the Securities and Futures Act or the Catalist Rules or any modification thereof and used in this Appendix shall, unless provided otherwise, have the same meaning ascribed to it under the Companies Act, the Take-over Code, the Securities and Futures Act or the Catalist Rules (or any modification thereof, as the case may be).

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day and dates in this Appendix shall be a reference to Singapore time and dates, unless otherwise stated.

UG HEALTHCARE CORPORATION LIMITED

(Incorporated in the Republic of Singapore on 21 August 2014)
(Company Registration Number: 201424579Z)

LETTER TO SHAREHOLDERS

Board of Directors:

Mr Yip Wah Pung (Non-Executive Chairman and Independent Director)
Mr Lee Keck Keong (Chief Executive Officer and Executive Director)
Mr Lee Jun Yih (Executive Director)
Mr Wong See Keong (Executive Director)
Mr Lee Jun Linn (Executive Director)
Mr Lim Teck Chai, Danny (Independent Non-Executive Director)
Mr Ng Lip Chi, Lawrence (Independent Non-Executive Director)

Registered Office:

38 Beach Road, #29-11
South Beach Tower
Singapore 189767

9 October 2017

To: The Shareholders of UG Healthcare Corporation Limited

Dear Sir or Madam,

THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE

1. INTRODUCTION

- 1.1 The Company intends to seek the approval of Shareholders at the forthcoming AGM for the proposed adoption of the Share Buy-back Mandate.
- 1.2 This Appendix is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the proposed adoption of the Share Buy-back Mandate to be tabled at the AGM. The notice of AGM is set out on pages 88 to 92 of the Annual Report.

2. THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE

2.1 Background

- 2.1.1 The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if such purchase or acquisition is permitted under its constitution. Any purchase or acquisition of shares by the company would also have to be made in accordance with, and in the manner prescribed by, the Companies Act, its constitution and the Catalist Rules (in particular Part XI of Chapter 8 of the Catalist Rules which relates to the purchase or acquisition by an issuer of its own shares) and such other laws and regulations as may for the time being be applicable. Regulation 53(2) of the Company's Constitution expressly permits the Company to carry out Share Buy-backs.

- 2.1.2 Under the Companies Act and the Catalist Rules, a company that wishes to purchase or otherwise acquire its own shares must obtain the approval of its shareholders to do so at a general meeting. Accordingly, approval is now being sought from Shareholders at the AGM for the proposed adoption of the Share Buy-back Mandate. An ordinary resolution will be proposed at the AGM pursuant to which the Share Buy-back Mandate will be granted to the Directors to exercise all powers of the Company to carry out Share Buy-backs on the terms of the Share Buy-back Mandate.
- 2.1.3 If approved by Shareholders at the AGM, the authority conferred by the Share Buy-back Mandate will take effect from the date of the AGM at which the adoption of the Share Buy-back Mandate is approved (“**Approval Date**”) and continue to be in force during the Relevant Period.
- 2.1.4 Subject to its continued relevance to the Company, the Share Buy-back Mandate will be put to Shareholders for renewal at each subsequent AGM.

2.2 Rationale for the Share Buy-back Mandate

- 2.2.1 The rationale for the adoption of the Share Buy-back Mandate is as follows:
- (a) the Share Buy-back Mandate will give the Company the flexibility to carry out Share Buy-backs if and when circumstances permit. The Board believes that Share Buy-backs would allow the Company and the Board to better manage the Company’s share capital structure, dividend payout and cash reserves.
 - (b) the Share Buy-back Mandate also provides the Board with a mechanism to facilitate the return of surplus cash over and above the Company’s ordinary capital requirements in an expedient and cost-efficient manner, and the opportunity to exercise control over the Company’s share capital structure with a view to enhancing the EPS and/or NAV per Share.
 - (c) the Board believes that Share Buy-backs may help the Company to mitigate short term market volatility in the Company’s share price, offset the effects of short term speculation and bolster Shareholders’ confidence.
- 2.2.2 Shares purchased or otherwise acquired pursuant to the Share Buy-back Mandate may be held or dealt with as treasury shares, which may be utilised pursuant to the Unigloves Employee Share Option Scheme¹ and/or the Unigloves Performance Share Plan¹.
- 2.2.3 If and when circumstances permit, the Board will decide (i) whether to exercise the Share Buy-back Mandate through on-market purchases or off-market purchases of Shares; and (ii) whether the Shares purchased or acquired should be held as treasury shares or cancelled, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

¹ Both the Unigloves Employee Share Option Scheme (“**Unigloves ESOS**”) and the Unigloves Performance Share Plan (“**Unigloves PSP**”) were adopted by the Company on 11 November 2014. Please refer to the Company’s Offer Document dated 28 November 2014 for further details on the Unigloves ESOS and the Unigloves PSP.

- 2.2.4 **Shareholders should note that Share Buy-backs will only be made when the Board believes that such Share Buy-backs would be made in circumstances which would not have a material adverse effect on the financial position of the Company and the Group, and when the Board believes that such Share Buy-backs would be in the best interest of the Company and Shareholders.**

2.3 Authority and limits on the Share Buy-back Mandate

The authority and limitations placed on the Share Buy-backs under the Share Buy-back Mandate are as follows:

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired is limited to such number of Shares representing not more than 10.0% of the total issued and paid-up Shares as at the Approval Date, unless, at any time during the Relevant Period, the Company has reduced its share capital by way of a special resolution under Section 78C of the Companies Act, or the Court has made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of Shares shall be taken to be the total number of Shares as altered. Shares which are held by the Company as treasury shares and subsidiary holdings will be disregarded for the purposes of calculating this 10.0% limit.

For illustrative purposes only, based on the existing issued and paid-up capital of the Company comprising 191,460,054 Shares as at the Latest Practicable Date, and assuming that no further Shares are issued or held by the Company as treasury shares and subsidiary holdings on or prior to the AGM, not more than 19,146,005 Shares (representing 10.0% of the total Shares excluding treasury shares and subsidiary holdings as at the date of the AGM) may be purchased or acquired by the Company pursuant to the Share Buy-back Mandate.

As at the Latest Practicable Date, the Company does not hold any treasury shares and subsidiary holdings.

2.3.2 Duration of authority

Under the Share Buy-back Mandate, Share Buy-backs may be made during the Relevant Period, at any time and from time to time, from the Approval Date up to the earlier of:

- (a) the date on which the next AGM is held or is required by law or the Constitution to be held;
- (b) the date on which Share Buy-backs are carried out to the full extent mandated under the Share Buy-back Mandate; or
- (c) the date on which the authority contained by the Share Buy-back Mandate is varied or revoked by the Shareholders in a general meeting.

The authority conferred by the Share Buy-back Mandate may be renewed at each AGM or any other general meeting of the Company, subject to its continued relevance to the Company.

2.3.3 Manner of Share Buy-backs

Share Buy-backs under the Share Buy-back Mandate may be made by way of:

- (a) on-market purchases transacted on the SGX-ST or through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose (“**Market Purchases**”); and/or
- (b) off-market purchases transacted otherwise than on the SGX-ST, in accordance with an equal access scheme (as defined in Section 76C of the Companies Act) (“**Off-Market Purchases**”).

In an Off-Market Purchase, the Directors may impose such terms and conditions as are consistent with the Share Buy-back Mandate, the Catalist Rules, the Companies Act, the Constitution and other applicable laws and regulations as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme. Under the Companies Act, an Off-Market Purchase must satisfy all the following conditions:

- (a) offers for the Share Buy-backs shall be made to every person who holds Shares to purchase or acquire the same percentage of their issued Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, Rule 870 of the Catalist Rules provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the Share Buy-back;
- (d) the consequences, if any, of Share Buy-backs by the Company that will arise under the Take-over Code or other applicable takeover rules;
- (e) whether the Share Buy-back, if made, would have any effect on the listing of the Shares on the Catalist;

- (f) details of any Share Buy-backs made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the Share Buy-backs, where relevant, and the total consideration paid for the Share Buy-backs; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum purchase price

The purchase price per Share (including brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share to be purchased or acquired will be determined by the Directors. However, the purchase price per Share to be paid as determined by the Directors must not exceed:

- (a) 105.0% of the Average Closing Price (as defined hereinafter) for a Market Purchase; and
- (b) 120.0% of the Average Closing Price (as defined hereinafter) for an Off-Market Purchase,

(the “**Maximum Price**”) including related expenses of the Share Buy-back.

For the purposes of determining the Maximum Price above:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last 5 Market Days on which transactions in the Shares were recorded immediately preceding the day of the Market Purchase by the Company or, as the case may be, the Offer Date (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-Market Day period; and

“**Offer Date**” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of purchased or acquired Shares under the Share Buy-back Mandate**

- 2.4.1 A Share purchased or otherwise acquired by the Company under a Share Buy-back is deemed cancelled immediately on completion of the Share Buy-back (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or otherwise acquired by the Company and which are not held as treasury shares.

- 2.4.2 Any Shares purchased or acquired by the Company under a Share Buy-back (which are not held by the Company as treasury shares to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and (where applicable) the certificates in respect thereof will be cancelled by the Company as soon as reasonably practicable following settlement of any Share Buy-back.
- 2.4.3 At the time of each Share Buy-back, the Company may decide whether the Shares purchased or otherwise acquired will be cancelled or held as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

2.5 Treasury shares

Under the Companies Act, Shares purchased or otherwise acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

Maximum holdings

- 2.5.1 The number of Shares held as treasury shares cannot at any time exceed 10.0% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within 6 months beginning on the date on which that contravention occurs or such further periods as ACRA may allow.
- 2.5.2 The Company has no Shares held as treasury shares as at the Latest Practicable Date.

Voting and other rights

- 2.5.3 The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.
- 2.5.4 In addition, no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. The subdivision or consolidation of treasury shares into greater or smaller numbers is allowed so long as the total value of the treasury shares after such subdivision or consolidation is same as before the subdivision or consolidation, as the case may be.

Disposal and cancellation

- 2.5.5 Where Shares are held as treasury shares, the Company may at any time (subject to the Take-over Code):
- (a) sell the treasury shares for cash;
 - (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, Directors or other persons;
 - (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
 - (d) cancel the treasury shares; or
 - (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.
- 2.5.6 Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the “Usage”). Such announcement must include details such as the date of the Usage, the purpose of the Usage, the number of treasury shares comprised in the Usage, the number of treasury shares before and after the Usage, the percentage of the number of treasury shares comprised in the Usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the Usage and the value of the treasury shares comprised in the Usage.

2.6 Reporting requirements

- 2.6.1 Within 30 days of the passing of a Shareholders’ ordinary resolution to approve any Share Buy-back, the Company shall lodge a copy of such resolution with ACRA.
- 2.6.2 The Company shall notify the ACRA, using the prescribed form, within 30 days of a Share Buy-back on the Catalist or otherwise. Such notification shall include details of the Share Buy-back, such as the date of the Share Buy-backs, the total number of Shares purchased or acquired, the number of Shares cancelled, the number of Shares held as treasury shares, the Company’s issued share capital before and after the Share Buy-back, the amount of consideration paid by the Company for the Share Buy-back, whether the Shares were purchased or acquired out of the profits or the capital of the Company, and such other particulars as may be required by ACRA.
- 2.6.3 Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.
- 2.6.4 The Catalist Rules specify that a listed company must make an announcement on SGXNET of all purchases or acquisitions of its shares no later than 9.00 a.m.:
- (a) in the case of a Market Purchase, on the Market Day following the date the Market Purchase was made; and
 - (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

2.6.5 The announcement must be in the form of Appendix 8D prescribed by the Catalist Rules. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary announcements.

2.7 Source of funds

2.7.1 In purchasing or acquiring its Shares, the Company may only apply funds legally available for Share Buy-backs in accordance with the applicable laws of Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase or otherwise acquired, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

2.7.2 Under the Companies Act, Share Buy-backs may be made out of the Company's distributable profits or capital so long as the Company is solvent. In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimation of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

Pursuant to Section 76F(4) of the Companies Act, a company is "solvent" if the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if,
 - (i) it is intended to commence the winding up of the company within the period 12 months immediately after the date of payment, the company will be able to pay its debts as they fall due during the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the purchase or acquisition of Shares, become less than the value of its liabilities (including contingent liabilities).

- 2.7.3 The Company intends to use internal sources of funds or external borrowings, or a combination of internal resources and external borrowings to finance the Company's Share Buy-backs pursuant to the Share Buy-back Mandate. The Directors do not propose to exercise the Share Buy-back Mandate in a manner and to such extent that it would have a material adverse effect on the financial position, liquidity and/or the capital adequacy of the Group.

2.8 Financial effects

- 2.8.1 The financial effects on the Company and the Group arising from Share Buy-backs pursuant to the Share Buy-back Mandate will depend on, inter alia, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number and price paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled.

- 2.8.2 **The Share Buy-back scenarios discussed below are for illustrative purposes only**, to illustrate the financial effects on the Company and the Group arising from Share Buy-backs pursuant to the Share Buy-back Mandate under those scenarios, based on the audited financial statements of the Company and the Group for FY2017, and under the following principal assumptions:

- (a) The Share Buy-backs pursuant to the Share Buy-back Mandate had taken place on 1 July 2016 for the purpose of computing the financial effects on the EPS of the Company and Group;
- (b) The Share Buy-backs pursuant to the Share Buy-back Mandate had taken place on 30 June 2017 for the purpose of computing the financial effects on Shareholders' equity, NTA per share, current ratio and gearing ratio of the Company and Group;
- (c) Based on a total of 191,460,054 Shares in issue as at the Latest Practicable Date, and assuming no change in the number of Shares on or prior to the Approval Date, the Company carried out Share Buy-backs in respect of 19,146,005 Shares representing 10.0% of the total number of Shares (excluding treasury shares and subsidiary holdings);
- (d) **In the scenarios where the Company makes Market Purchases:** Assuming that the Company purchases or acquires 19,146,005 Shares at the Maximum Price of S\$0.245 (being the price equivalent to 105.0% of the Average Closing Price of the Shares over the last 5 Market Days on which the Shares were transacted on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the Share Buy-back of 19,146,005 Shares would be approximately S\$4.68 million;
- (e) **In the scenarios where the Company makes Off-Market Purchases:** Assuming that the Company purchases or acquires 19,146,005 Shares at the Maximum Price of S\$0.280 (being the price equivalent to 120.0% of the Average Closing Price of the Shares over the last 5 Market Days on which the Shares were transacted on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the Share Buy-back of 19,146,005 Shares would be approximately S\$5.35 million;

- (f) Transaction costs incurred for the Share Buy-backs pursuant to the Share Buy-back Mandate have been assumed to be insignificant and hence have been disregarded for the purpose of computing the financial effects; and
- (g) The Share buy-back will be funded by the Company solely from external borrowings.

Illustrative Financial Effects

2.8.3 **For illustrative purposes only**, and based the assumptions set out above, the financial effects of the:

- (a) Share Buy-backs of 19,146,005 Shares by the Company made entirely out of capital and the purchased Shares are cancelled; and
- (b) Share Buy-backs of 19,146,005 Shares by the Company made entirely out of capital and the purchased Shares are held in treasury;

on the audited financial statements of the Company and the Group for FY2017 are set out in the following pages.

2.8.4 Other than as described in Section 2.8.2 above, the financial effects of Share Buy-backs by the Company by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, and solely for purposes of illustration, only the financial effects of Share Buy-backs by way of purchases made out of capital are set out in this Appendix.

Scenario 1 – Share Buy-backs of 19,146,005 Shares out of capital and held as treasury shares

	Group			Company		
	Before Share Buy-Back (\$S'000)	After Market Purchases (\$S'000)	After Off-Market Purchases (\$S'000)	Before Share Buy-Back (\$S'000)	After Market Purchases (\$S'000)	After Off-Market Purchases (\$S'000)
As at 30 June 2017						
Share Capital	37,126	37,126	37,126	37,126	37,126	37,126
Treasury shares	–	4,684	5,353	–	4,684	5,353
Shareholders' equity ⁽¹⁾	37,059	32,375	31,706	54,003	49,319	48,650
NTA ⁽²⁾	36,873	36,873	36,873	54,003	54,003	54,003
Current assets	40,842	40,842	40,842	21,025	21,025	21,025
Current liabilities	25,993	30,677	31,346	113	4,797	5,466
Working capital	14,849	10,165	9,496	20,912	16,228	15,559
Total borrowings ⁽³⁾⁽⁴⁾	27,647	32,331	33,000	113	4,797	5,466
Cash and cash equivalents	3,538	3,538	3,538	537	537	537
Net Profit/(Loss) attributable to owners of the Company	2,444	2,444	2,444	(3,803)	(3,803)	(3,803)
Number of Shares excluding treasury shares	191,460,054	172,314,049	172,314,049	191,460,054	172,314,049	172,314,049

	Group			Company		
	Before Share Buy-Back (S\$'000)	After Market Purchases (S\$'000)	After Off-Market Purchases (S\$'000)	Before Share Buy-Back (S\$'000)	After Market Purchases (S\$'000)	After Off-Market Purchases (S\$'000)

Financial Ratios

NTA per share (cents) ⁽⁵⁾	19.26	21.40	21.40	28.21	31.34	31.34
EPS (cents) ⁽⁶⁾	1.28	1.42	1.42	(1.99)	(2.21)	(2.21)
Gearing ratio (times) ⁽⁷⁾	0.75	1.00	1.04	N.M.	0.10	0.11
Current ratio (times) ⁽⁸⁾	1.57	1.33	1.30	186.06	4.38	3.85

N.M. – not meaningful

Notes:

- (1) Shareholders' equity excludes minority interest.
- (2) NTA equals Shareholders' equity less off minority interest, intangible assets and goodwill on consolidation.
- (3) The Company will procure loans from external sources such as financial institutions of an amount sufficient to finance the Share Buy-backs being S\$4.68 million for Market Purchases and S\$5.35 million for Off-Market Purchases.
- (4) Total borrowings consist of total liabilities (excluding income tax payable and deferred tax liabilities).
- (5) NTA per Share is computed based on the NTA (i.e. net assets less intangible assets and minority interests) divided by the number of Shares in issue (excluding treasury shares).
- (6) EPS has been computed based on FY2017 net profit after tax and minority interests divided by the number of Shares in issue (excluding treasury shares).
- (7) Gearing equals total borrowings divided by Shareholders' equity.
- (8) Current ratio equals current assets divided by current liabilities.

Scenario 2 – Share Buy-backs of 19,146,005 Shares out of capital and cancelled

	Group			Company		
	Before Share Buy-Back (S\$'000)	After Market Purchases (S\$'000)	After Off-Market Purchases (S\$'000)	Before Share Buy-Back (S\$'000)	After Market Purchases (S\$'000)	After Off-Market Purchases (S\$'000)
As at 30 June 2017						
Share Capital	37,126	32,442	31,773	37,126	32,442	31,773
Shareholders' equity ⁽¹⁾	37,059	32,375	31,706	54,003	49,319	48,650
NTA ⁽²⁾	36,873	36,873	36,873	54,003	54,003	54,003
Current assets	40,842	40,842	40,842	21,025	21,025	21,025
Current liabilities	25,993	30,677	31,346	113	4,797	5,466
Working capital	14,849	10,165	9,496	20,912	16,228	15,559
Total borrowings ⁽³⁾⁽⁴⁾	27,647	32,331	33,000	113	4,797	5,466
Cash and cash equivalents	3,538	3,538	3,538	537	537	537
Net Profit/(Loss) attributable to owners of the Company	2,444	2,444	2,444	(3,803)	(3,803)	(3,803)
Number of Shares excluding treasury shares	191,460,054	172,314,049	172,314,049	191,460,054	172,314,049	172,314,049

	Group			Company		
	Before Share Buy-Back (S\$'000)	After Market Purchases (S\$'000)	After Off-Market Purchases (S\$'000)	Before Share Buy-Back (S\$'000)	After Market Purchases (S\$'000)	After Off-Market Purchases (S\$'000)

Financial Ratios

NTA per share (cents) ⁽⁵⁾	19.26	21.40	21.40	28.21	31.34	31.34
EPS (cents) ⁽⁶⁾	1.28	1.42	1.42	(1.99)	(2.21)	(2.21)
Gearing ratio (times) ⁽⁷⁾	0.75	1.00	1.04	N.M.	0.10	0.11
Current ratio (times) ⁽⁸⁾	1.57	1.33	1.30	186.06	4.38	3.85

N.M. – not meaningful

Notes:

- (1) Shareholders' equity excludes minority interest.
- (2) NTA equals Shareholders' equity less off minority interest, intangible assets and goodwill on consolidation.
- (3) The Company will procure loans from external sources such as financial institutions of an amount sufficient to finance the Share Buy-backs being S\$4.68 million for Market Purchases and S\$5.35 million for Off-Market Purchases.
- (4) Total borrowings consist of total liabilities (excluding income tax payable and deferred tax liabilities).
- (5) NTA per Share is computed based on the NTA (i.e. net assets less intangible assets and minority interests) divided by the number of Shares in issue (excluding treasury shares).
- (6) EPS has been computed based on FY2017 net profit after tax and minority interests divided by the number of Shares in issue (excluding treasury shares)
- (7) Gearing equals total borrowings divided by Shareholders' equity.
- (8) Current ratio equals current assets divided by current liabilities.

The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buy-back Mandate to such an extent that it would have a material adverse effect on the working capital requirements, financial position and/or gearing of the Group. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing marketing conditions. The Share Buy-back Mandate will be exercised with a view to enhance the EPS and/or NAV per Share of the Group.

Shareholders should note that the financial effects set out above are based on the above-mentioned assumptions and are purely for purposes of illustration only. In particular, it is important to note that the above illustration is based on historical audited financial statements for FY2017 and is not necessarily representative of future financial performance of the Group.

Although the Share Buy-back Mandate would authorise the Company to purchase or otherwise acquire up to 10.0% of the issued Shares (excluding treasury shares), the Company may not necessarily purchase or acquire or be able to purchase or acquire the full 10.0% of the issued Shares. In addition, the Company may cancel all or part of the Shares purchased or acquired, or hold all or part of the Shares purchased or acquired as treasury shares. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of Shares) in assessing the relative impact of a Share before execution.

2.9 Tax implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of a Share Buy-back by the Company or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

2.10 Requirements under the Catalist Rules

Listing Status

- 2.10.1 Rule 723 of the Catalist Rules require a listed company to ensure that at least 10.0% of its total number of its issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public. The “public”, as defined under the Catalist Rules, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the company or its subsidiaries, and the associates of such persons.
- 2.10.2 As at the Latest Practicable Date, there are 61,639,908 Shares representing approximately 32.19% of the total number of issued Shares are held by the public shareholders. **For illustrative purposes only**, assuming the Company undertakes Share Buy-backs up to the full 10.0% limit pursuant to the Share Buy-back Mandate, the number of issued Shares held by the public would be reduced to 42,493,903 Shares representing approximately 24.66% of the total number of issued Shares. The Company does not have any individual shareholding limit or foreign shareholding limit.
- 2.10.3 Accordingly, the Directors are of the view that there is, at present, a sufficient number of Shares held by the public which would permit the Company to undertake Share Buy-backs to the full 10.0% limit pursuant to the Share Buy-back Mandate.
- 2.10.4 In undertaking any Share Buy-backs, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient number of Shares remain in public hands so that the Share Buy-backs will not (i) adversely affect the listing status of the Shares on Catalist; (ii) cause market illiquidity; and (iii) adversely affect the orderly trading of the Shares.

Restrictions on Share Buy-backs

- 2.10.5 While the Catalist Rules do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time, the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares. As such, the Company will not undertake any Share Buy-backs pursuant to the Share Buy-back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Catalist Rules.
- 2.10.6 Further, in conformity with the best practices on dealing with securities under the Catalist Rules, the Company will not undertake any Share Buy-backs through Market Purchases or Off-Market Purchases during the period commencing 2 weeks before the announcement of the Group’s financial statements for the first 3 quarters of its financial year and 1 month before the announcement of the Group’s full year results.

2.11 Take-over Implications

2.11.1 Appendix 2 of the Take-over Code contains the Share Buy-back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any Share Buy-backs are set out below:

Obligation to make a take-over offer

- (a) If, as a result of any Share Buy-back, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

Pursuant to Rule 14 of the Take-over Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30.0% or more or, if they, together holding between 30.0% and 50.0% of the Company's voting rights, increase their voting rights in the Company by more than 1.0% in any period of 6 months.

Persons acting in concert

- (b) Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, *inter alia*, the following persons will, be presumed to be acting in concert:

- (i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (ii) a company with any of its directors, together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;

- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser, and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client's equity share capital;
- (vi) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, any person who is accustomed to act according to the instructions of that individual, companies controlled by any of the above, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Effect of Rule 14 and Appendix 2 of the Take-over Code

2.11.2 In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company carrying out a Share Buy-back, the voting rights of such Directors and their concert parties would increase to 30.0% or more, or if the voting rights of such Directors and their concert parties fall between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1.0% in any period of 6 months. The Directors and their concert parties will be exempted from the requirement to make a take-over offer subject to certain conditions as set out in the Take-over Code, including, *inter alia*:

- (a) the inclusion in the Appendix to Shareholders on the resolution to authorise the Share Buy-back Mandate advice to the effect that by voting for the resolution to authorise the Share Buy-back Mandate, Shareholders are waiving their right to a take-over offer at the required price from the Directors and parties acting in concert with them who, as a result of the Company carrying out a Share Buy-back, would increase their voting rights to 30.0% or more, or, if they together hold between 30.0% and 50.0% of the Company's voting rights, would increase their voting rights by more than 1.0% in any period of 6 months; and the names of such Directors and persons acting in concert with them, their voting rights at the time of the resolution and after Share Buy-backs pursuant to the Share Buy-back Mandate; and

- (b) the submission to the SIC by each of the Directors of an executed form as prescribed by the SIC within 7 days of the passing of the resolution to authorise the Share Buy-back Mandate.

2.11.3 Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company carrying out a Share Buy-back, the voting rights of such Shareholder in the Company would increase to 30.0% or more, or if such Shareholder holds between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1.0% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-back Mandate unless so required under the Companies Act.

The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer under the Take-over Code would arise by reason of any Share Buy-backs by the Company.

Application of the Take-over Code

2.11.4 Details of the shareholdings of the Directors and Substantial Shareholders as at the Latest Practicable Date are set out in Section 3 below.

2.11.5 As at the Latest Practicable Date:

- (a) our Chief Executive Officer and Executive Director, Mr Lee Keck Keong;
- (b) our Executive Director, Mr Lee Jun Yih;
- (c) our Executive Director, Mr Lee Jun Linn; and
- (d) our Controlling Shareholder, Ms Sim Ai Cheng

(collectively, the "**Relevant Shareholders**") whereby Mr Lee Keck Keong is the father, Ms Sim Ai Cheng is the mother of Mr Lee Jun Yih and Mr Lee Jun Linn, and hence are presumed to be parties acting in concert in relation to their interests in the Company.

2.11.6 As at the Latest Practicable Date, the Relevant Shareholders hold an aggregate of 120,496,449 Shares, representing approximately 62.94% of the voting rights in the Company.

2.11.7 As the Relevant Shareholders hold more than 50.0% of the voting rights in the Company, the Relevant Shareholders and parties acting in concert with them are not expected to incur an obligation to make a mandatory take-over offer for the Shares under Rule 14.1 of the Take-over Code as a result of the Company buying back its Shares under the Share Buy-back Mandate.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Buy-back pursuant to the Share Buy-back Mandate are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy-back Mandate is in force.

2.12 Shares Purchased in the Previous 12 Months

No Share Buy-backs have been undertaken by the Company in the 12 months preceding the Latest Practicable Date.

3. DISCLOSURE OF SHAREHOLDINGS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares of the Company are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
<u>Directors</u>				
Lee Keck Keong ⁽¹⁾	–	–	118,890,377	62.10
Lee Jun Yih ⁽¹⁾	902,655	0.47	118,890,377	62.10
Lee Jun Linn ⁽¹⁾	703,417	0.37	118,890,377	62.10
Wong See Keong	9,323,697	4.87	–	–
<u>Substantial Shareholders</u>				
Zen UG Pte. Ltd. ⁽¹⁾	94,500,825	49.36	–	–
Raydion Direct Global Inc. ⁽¹⁾	24,389,552	12.74	–	–
Sim Ai Cheng ⁽¹⁾⁽²⁾	–	–	118,890,377	62.10

Notes:

- (1) Lee Keck Keong, Sim Ai Cheng, Lee Jun Yih and Lee Jun Linn are deemed to be interested in all the shares held by Zen UG Pte. Ltd. and Raydion Direct Global Inc. by virtue of Section 7 of the Companies Act.
- (2) Sim Ai Cheng is the spouse of Lee Keck Keong and the mother of Lee Jun Yih and Lee Jun Linn.

4. DIRECTORS' RECOMMENDATION

The Directors, having carefully considered, among others, the rationale and terms of the Share Buy-back Mandate, are of the opinion that it is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of relating to the proposed adoption of the Share Buy-back Mandate at the AGM.

5. ANNUAL GENERAL MEETING

The AGM, notice of which is set out on pages 88 to 92 of the Annual Report, will be held on Wednesday, 25 October 2017 at 10.00 a.m. at YMCA of Singapore, One Orchard Road, Singapore 238824 for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolutions set out in the notice of AGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and who wish to appoint a proxy or proxies to attend and vote at the AGM on their behalf should complete, sign and return the proxy form attached to the notice of AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, not less than 48 hours before the time fixed for the AGM or any postponement or adjournment thereof. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the AGM if he wishes to do so.

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time appointed for the AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed adoption of the Share Buy-back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767, during normal business hours from the date of this Appendix up to the date of the AGM:

- (a) the Constitution; and
- (b) the Annual Report of the Company for the financial year ended 30 June 2017.

Yours faithfully

For and on behalf of the Board of Directors
UG Healthcare Corporation Limited

Mr Yip Wah Pung
Non-Executive Chairman and Independent Director
9 October 2017