

OFFER DOCUMENT DATED 28 NOVEMBER 2014

(Registered by the Singapore Exchange Securities Trading Limited acting as agent on behalf of the Monetary Authority of Singapore on 28 November 2014)

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.

SAC Capital Private Limited (the “**Sponsor**”) has, on behalf of UG Healthcare Corporation Limited (the “**Company**”), made an application to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in, and for quotation of, all the ordinary shares (the “**Shares**”) in the capital of the Company already issued, the new Shares (the “**Invitation Shares**”) which are the subject of the Invitation (as defined herein), the new Shares (the “**Option Shares**”) which may be issued upon the exercise of the options to be granted under the Unigloves Employee Share Option Scheme and the new Shares (the “**Award Shares**”) which may be issued upon the vesting of share awards granted under the Unigloves Performance Share Plan, on Catalist (as defined herein). The dealing in, and quotation of, the Shares, the Invitation Shares, the Option Shares, and the Award Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This Invitation is made in or accompanied by this Offer Document that has been registered by the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore (the “Authority”) on 28 November 2014. We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor confirming that our Company is suitable to be listed on Catalist and complies with the Catalist Rules (as defined herein). Neither the Authority nor the SGX-ST has, in any way, considered the merits of the Shares, being offered for investment.

The registration of this Offer Document by the SGX-ST does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, or requirements under the SGX-ST’s listing rules, have been complied with.

Acceptance of applications will be conditional upon the issue of the Invitation Shares (as defined herein) and upon the listing and quotation of all our existing issued Shares, the Invitation Shares, the Option Shares, and the Award Shares. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed, and you will not have any claims against us and SAC Capital Private Limited.

Investing in our Shares involves risks which are described in the section entitled “RISK FACTORS” of this Offer Document.

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of our Shares, or allot, issue or sell any of our Shares, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any of our Shares or the allotment, issue or sale of any of our Shares, on the basis of this Offer Document.



UG HEALTHCARE CORPORATION LIMITED

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

Invitation in respect of 28,800,000 Invitation Shares comprising:

- (a) 1,800,000 Offer Shares at S\$0.215 each by way of public offer; and**
- (b) 27,000,000 Placement Shares at S\$0.215 each by way of placement, payable in full on application.**



*Sponsor, Issue Manager, Underwriter and
Placement Agent*



SAC Capital

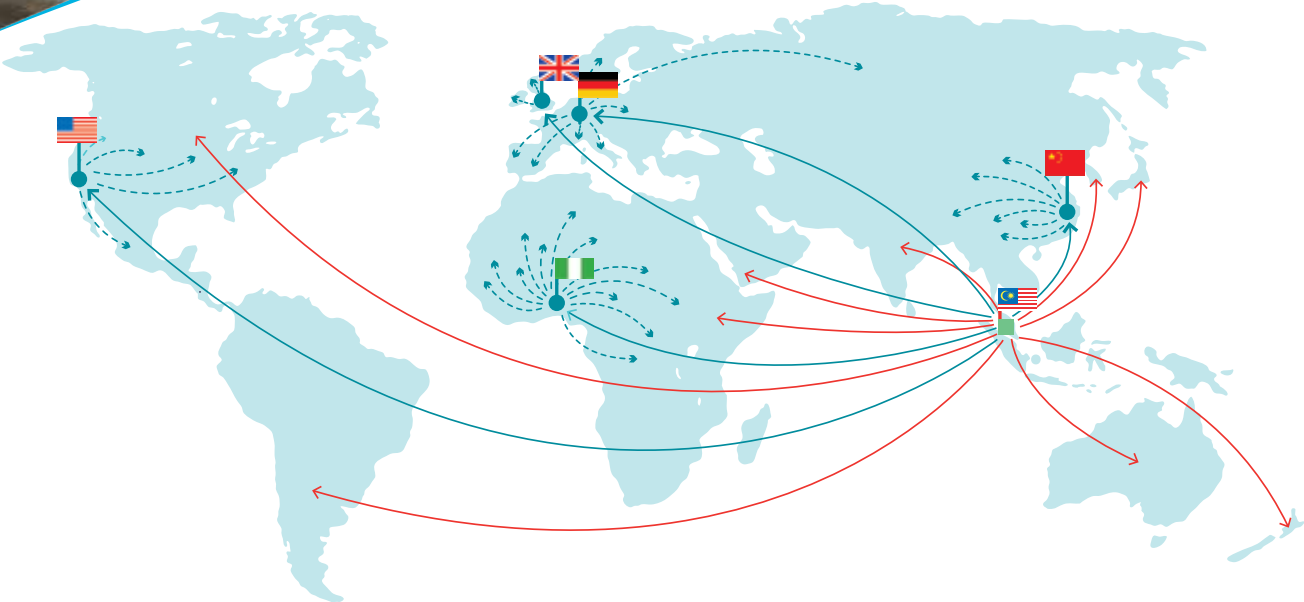
SAC CAPITAL PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401542N)

Corporate Profile

We are an established Malaysia-based glove manufacturer with a global distribution network. We manufacture and sell natural latex and nitrile examination gloves, as well as distribute ancillary products such as surgical, vinyl and cleanroom gloves, face masks, and other medical disposables.

We have two manufacturing facilities located in Seremban, Malaysia, capable of producing up to approximately 1.3 billion gloves per annum.

To complement our manufacturing platform, we established an extensive distribution network through our distribution platforms based in the United States of America ("USA"), United Kingdom ("UK"), the People's Republic of China ("PRC"), Germany and Nigeria. Through this extensive distribution network, our products are sold to more than 50 countries including Germany, Nigeria, the PRC, USA, UK, France, Italy, Austria, Switzerland, the Netherlands, Japan, South Korea, Canada and Brazil.





Our Products

We manufacture and distribute our natural latex and nitrile examination gloves under our own brand names including our “Unigloves” brand name as well as under third party labels where we are engaged as original equipment manufacturer. Our extensive product range includes gloves of various colours and scents to appeal to different needs and preferences, and our products are used across a diverse range of industries.

We also distribute ancillary products including surgical, vinyl and cleanroom gloves, face masks, and other medical disposables.

Types of gloves	Characteristics	Industries
Natural latex examination gloves	<ul style="list-style-type: none">• Made from renewable source of raw material, natural rubber latex, thus making them more environmenta-friendly as they are biodegradable• Low level of extractable protein, chemical residuals and/or antigenic protein	Healthcare <ul style="list-style-type: none">-Hospitals-Dental Clinics-Nursing homes and hospices-Social services
Nitrile examination gloves	<ul style="list-style-type: none">• Made from a synthetic elastomer, instead of natural rubber latex• Excellent barrier protection which provide more puncture resistance• Most suitable for users sensitive to latex protein	Research and development Food and beverages Others
Vinyl gloves	<ul style="list-style-type: none">• Most economical and cost effective• Suitable for users sensitive to latex protein	
Surgical gloves	<ul style="list-style-type: none">• Excellent strength and length that provide additional protection from surgical debris	Healthcare <ul style="list-style-type: none">-Hospitals
Cleanroom gloves	<ul style="list-style-type: none">• Low ionic residual levels particle counts, and pinhole levels• High resistance to punctures and tears	High technology manufacturing <ul style="list-style-type: none">-Semiconductor manufacturing-Electronics-Pharmacies-Laboratories-Optics



Prospects

Going forward, we believe that we will continue to enjoy growth on the back of:

Increasing demand from emerging markets arising from improved hygiene and healthcare awareness

- With greater awareness of hygiene and cleanliness concerns in emerging markets by healthcare professionals and the public, as well as increasing convergence toward internationally accepted healthcare standards, there is significant potential for growth in demand for disposable gloves.

Demand arising from increasing risk of transmission of infectious diseases

- The adoption of protective measures such as the use of gloves to reduce the risk of cross contamination and transmission of infectious diseases such as AIDs, avian flu, West Nile virus, and Ebola, is generally encouraged by health authorities and increasingly practised worldwide. This acts as a strong catalyst in the demand for gloves.

Resilience and reputation of the Malaysia glove manufacturing industry

- The glove manufacturing industry is resilient to economic downturns, as gloves serve as a basic necessity in the healthcare industry to prevent cross contamination and transmission of infectious diseases. Currently, there is no foreseeable substitute for gloves and we expect Malaysia to remain a dominant player in the gloves manufacturing industry. The volume of glove production from Malaysia has also seen a steady increase since 2000.

Competitive Strengths

We believe that we are able to compete effectively due to the following key factors:

- **Extensive distribution channels and an integrated manufacturing business and distribution business**
- **Knowledgeable and experienced management**
- **Established customer network and track record**
- **Ability to meet the unique and evolving requirements of our customers**
- **Focus on high quality control and production standards**
- **Cost efficient operating structure**
- **Research and development capabilities**
- **Ability to manufacture both natural latex examination gloves and nitrile examination gloves**



Business Strategies and Future Plans

Expansion of production capacity

- We intend to expand our current manufacturing facilities by installing additional production lines. We expect the first and second phases of expansion to be completed by January 2015 and July 2015 respectively. Upon completion, our total production capacity should increase to approximately 1.5 billion and 1.9 billion gloves per annum respectively.

Expansion of sales and distribution network

- We will continue to widen our market reach. We will leverage on existing independent intermediaries and appoint new independent intermediaries to undertake the marketing and distribution of our products. Our marketing efforts will be targeted at increasing our inroads in our core developed markets in Europe and in the USA, as well as significantly increase our market share in key developing markets where we see greater growth opportunities, including the PRC, Africa, South America, the Middle East and India.

Developing new products and engaging in research and development

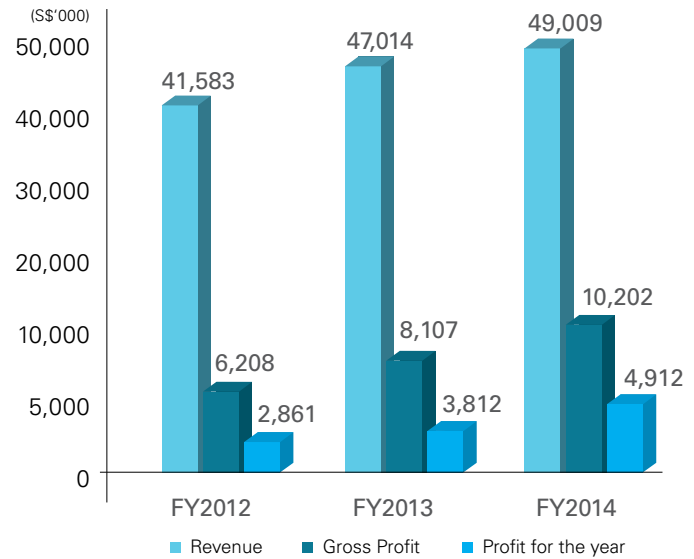
- We constantly seek ways to expand our product range. Our research and development efforts will be focused on product efficacy, productivity gains and cost efficiency, through the development of new products and improving our manufacturing processes and supply chain. We are in the midst of setting up manufacturing operations for surgical gloves and expect construction of those manufacturing lines to be completed in the second half of 2015.

Inorganic expansion of our business

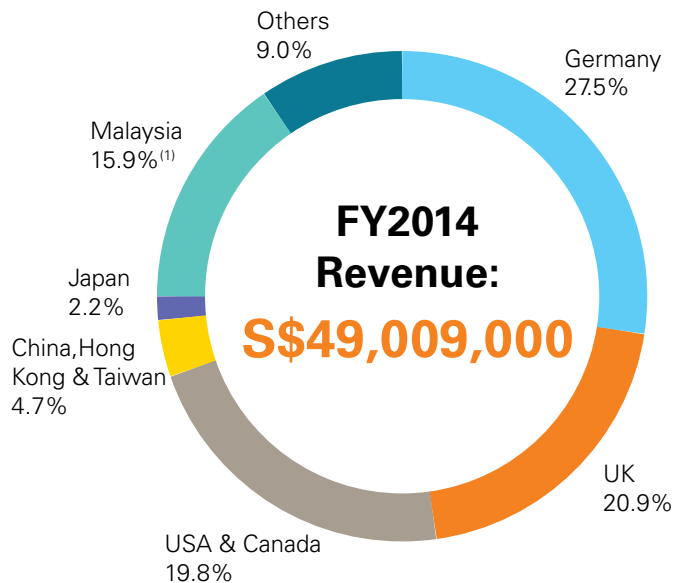
- We may expand our business through acquisitions, joint ventures and strategic partnerships that we believe will expand our current business and/or complement our current and future business.

Financial Highlights

Financial year ended 30 June



Revenue breakdown by geographical locations in FY2014



Note: (1) Our Malaysian customers comprise mainly intermediaries that export our products to overseas markets.



CONTENTS

	Page
CORPORATE INFORMATION	5
DEFINITIONS	7
GLOSSARY OF TECHNICAL TERMS	15
CAUTIONARY NOTES REGARDING FORWARD-LOOKING STATEMENTS	17
ENFORCEMENT OF CIVIL LIABILITIES	20
SELLING RESTRICTIONS	21
DETAILS OF THE INVITATION	
LISTING ON CATALIST	22
INDICATIVE TIMETABLE FOR LISTING	26
OFFER DOCUMENT SUMMARY	
OVERVIEW OF OUR GROUP	27
SUMMARY OF OUR FINANCIAL INFORMATION	29
THE INVITATION	30
PLAN OF DISTRIBUTION	31
SPONSORSHIP, MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS	33
USE OF PROCEEDS FROM THE INVITATION AND LISTING EXPENSES INCURRED	36
RISK FACTORS	
RISKS RELATING TO OUR INDUSTRY AND BUSINESS	38
RISKS RELATING TO MALAYSIA	44
RISKS RELATING TO THE PRC	47
RISKS RELATING TO EUROPE	49
RISKS RELATING TO NIGERIA	49
RISKS RELATING TO OWNERSHIP OF OUR SHARES	51
INVITATION STATISTICS	54
DILUTION	56
CAPITALISATION AND INDEBTEDNESS	58
DIVIDEND POLICY	60
SELECTED COMBINED FINANCIAL INFORMATION	61
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION	
OVERVIEW	64
INFLATION	67

CONTENTS

	Page
REVIEW OF PAST OPERATING RESULTS	68
REVIEW OF FINANCIAL POSITION	72
LIQUIDITY AND CAPITAL RESOURCES.....	73
CAPITAL EXPENDITURES, DIVESTMENTS, COMMITMENTS AND CONTINGENT LIABILITIES	76
FOREIGN EXCHANGE MANAGEMENT	77
CHANGES IN ACCOUNTING POLICIES/ SIGNIFICANT CHANGES OR SUBSEQUENT EVENTS AFTER REPORTING PERIOD	77
GENERAL INFORMATION ON OUR GROUP	
SHARE CAPITAL.....	78
SHAREHOLDERS.....	81
MORATORIUM	82
RESTRUCTURING EXERCISE	83
GROUP STRUCTURE	88
SUBSIDIARIES AND ASSOCIATED COMPANIES.....	89
BUSINESS	
HISTORY	92
BUSINESS OVERVIEW	94
MANUFACTURING PROCESS.....	97
QUALITY ASSURANCE	101
MANUFACTURING FACILITIES AND UTILISATION RATES	103
SALES AND MARKETING	104
MAJOR CUSTOMERS	105
MAJOR SUPPLIERS.....	106
CREDIT MANAGEMENT	106
INVENTORY MANAGEMENT	107
RESEARCH AND DEVELOPMENT	108
INTELLECTUAL PROPERTY	108
STAFF TRAINING AND DEVELOPMENT.....	109
INSURANCE	110
LICENCES AND PERMITS.....	111
COMPETITION	114
COMPETITIVE STRENGTHS.....	115
PROPERTIES AND FIXED ASSETS	117
SEASONALITY	121
ENVIRONMENTAL POLICY	121

CONTENTS

	Page
PROSPECTS.....	122
TREND INFORMATION	123
ORDER BOOK	124
BUSINESS STRATEGIES AND FUTURE PLANS	124
GOVERNMENT REGULATIONS	126
EXCHANGE CONTROLS	130
 DIRECTORS, EXECUTIVE OFFICERS AND STAFF	
MANAGEMENT REPORTING STRUCTURE	132
DIRECTORS	133
EXECUTIVE OFFICERS	138
EMPLOYEES.....	140
REMUNERATION OF DIRECTORS, EXECUTIVE OFFICERS AND RELATED EMPLOYEES	141
SERVICE AGREEMENTS.....	142
CORPORATE GOVERNANCE	143
BOARD PRACTICES	148
UNIGLOVES ESOS.....	149
UNIGLOVES PSP	157
 INTERESTED PERSON TRANSACTIONS	
PAST INTERESTED PERSON TRANSACTIONS	166
PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS	168
REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS	169
 POTENTIAL CONFLICTS OF INTERESTS	
INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS OR THEIR ASSOCIATES	171
INTERESTS OF EXPERTS.....	173
INTERESTS OF THE SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT	173
CLEARANCE AND SETTLEMENT	174
GENERAL AND STATUTORY INFORMATION	175
 APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2012, 2013 AND 2014	 A-1
 APPENDIX B – SUMMARY OF MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY	 B-1

CONTENTS

	Page
APPENDIX C – DESCRIPTION OF OUR SHARES	C-1
APPENDIX D – TAXATION	D-1
APPENDIX E – RULES OF THE UNIGLOVES ESOS	E-1
APPENDIX F – RULES OF THE UNIGLOVES PSP.....	F-1
APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE	G-1

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Yip Wah Pung Ang Beng Teck Lee Keck Keong Lee Jun Yih Wong See Keong Lee Jun Linn Lim Teck Chai, Danny Ng Lip Chi, Lawrence	Non-Executive Chairman and Independent Director Chief Executive Officer and Executive Director Non-Executive Director Executive Director Executive Director Executive Director Independent Director Independent Director
COMPANY SECRETARY	:	Yeoh Kar Choo Sharon, ACIS	
REGISTERED OFFICE	:	21 Merchant Road #04-01 Royal Merukh S.E.A. Building Singapore 058267	
SHARE REGISTRAR AND SHARE TRANSFER OFFICE	:	B.A.C.S. Private Limited 63 Cantonment Road Singapore 089758	
SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT	:	SAC Capital Private Limited 1 Robinson Road #21-02 AIA Tower Singapore 048542	
INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS	:	Mazars LLP 133 Cecil Street #15-02 Keck Seng Tower Singapore 069535 Partner-in-charge: Chan Hock Leong Rick (A member of the Institute of Singapore Chartered Accountants)	
SOLICITORS TO THE INVITATION AND TO THE COMPANY ON SINGAPORE LAW	:	Stamford Law Corporation 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315	
SOLICITORS TO THE SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT	:	Vincent Lim & Associates LLC 18 Cross Street #07-11 China Square Central Singapore 048423	
SOLICITORS TO THE COMPANY ON MALAYSIAN LAW	:	Zaid Ibrahim & Co. a member of ZICOlaw Level 19 Menara Milenium Pusat Bandar Damansara 50490 Kuala Lumpur Malaysia	
SOLICITORS TO THE COMPANY ON UK LAW	:	K&L Gates LLP One New Change London EC4M 9AF England	

CORPORATE INFORMATION

SOLICITORS TO THE COMPANY ON US LAW	:	K&L Gates LLP 4 Embarcadero Center, Suite 1200 San Francisco, CA 94111-5994 United States of America
SOLICITORS TO THE COMPANY ON GERMAN LAW	:	K&L Gates LLP OpfernTurm Bockenheimer Landstraße 2-4 60306 Frankfurt am Main Germany
SOLICITORS TO THE COMPANY ON PRC LAW	:	Yuan Tai Law Offices 14/F, Huaxia Bank Plaza 256 South Pudong Road Shanghai 200120, PRC
SOLICITORS TO THE COMPANY ON NIGERIAN LAW	:	Kayode Sofola & Associates 9 Ondo Street, Osbourne Foreshore Estate Ikoyi Lagos, Nigeria
PRINCIPAL BANKER	:	United Overseas Bank (Malaysia) Bhd Menara UOB Jalan Raja Laut Peti Surat 11212 50738 Kuala Lumpur
RECEIVING BANKER	:	The Bank of East Asia, Limited 60 Robinson Road BEA Building Singapore 068892

DEFINITIONS

In this Offer Document and the accompanying Application Forms and, in relation to Electronic Applications, the instructions appearing on the screens of the ATMs, the IB websites or mobile banking interface of the relevant Participating Banks, unless the context otherwise requires, the following definitions apply throughout where the context so admits:

Companies within our Group

<i>“Company”</i>	:	UG Healthcare Corporation Limited
<i>“Group”</i>	:	Our Company and our subsidiaries
<i>“NS Unigloves”</i>	:	N. S. Uni-Gloves Sdn. Bhd.
<i>“UG Global Resources”</i>	:	UG Global Resources Sdn. Bhd.
<i>“UG Glovetech”</i>	:	UG Glovetech Sdn. Bhd.
<i>“Unigloves Nigeria”</i>	:	Uni-Medical Healthcare Limited
<i>“Unigloves Shanghai”</i>	:	Shanghai Full-10 International Trading Co., Ltd. (上海富电国际贸易有限公司)
<i>“Unigloves Singapore”</i>	:	Unigloves (Singapore) Pte. Ltd.
<i>“Unigloves UK”</i>	:	Unigloves (UK) Limited

Our Associated Companies

<i>“Unigloves Arzt”</i>	:	Unigloves Arzt- und Klinikbedarf- Handelsgesellschaft mbH
<i>“Unigloves Beijing”</i>	:	Beijing You Li Fu Ming Commercial Trading Co., Ltd. (北京友利福名商贸有限公司)
<i>“Unigloves Germany”</i>	:	Unigloves GmbH
<i>“Unigloves Service & Logistik”</i>	:	Unigloves Service & Logistik GmbH
<i>“Unigloves USA”</i>	:	UG Healthcare (USA), Inc.

Other Companies, Corporations or Organisations

<i>“ASTM”</i>	:	American Society of Testing and Materials, an organisation for the development and publication of voluntary standards for materials, products, systems and services. ASTM standards are accepted and used in research and development, product testing, quality systems and commercial transactions around the world
<i>“Authority” or “MAS”</i>	:	The Monetary Authority of Singapore
<i>“Catalist”</i>	:	The sponsor-supervised listing platform of the SGX-ST
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“CPF”</i>	:	The Central Provident Fund
<i>“FDA”</i>	:	US Food and Drug Administration

DEFINITIONS

<i>“MARGMA”</i>	:	Malaysian Rubber Glove Manufacturers Association
<i>“MRB”</i>	:	Malaysian Rubber Board, the custodian of the rubber industry in Malaysia. The primary objective of MRB is to assist in the development and modernisation of the Malaysian rubber industry in all aspects
<i>“MITI”</i>	:	Ministry of International Trade and Industry
<i>“NAFDAC”</i>	:	National Agency for Food and Drug Administration and Control, a Nigerian government agency that is responsible for, amongst others, regulating and controlling the importation of medical devices
<i>“Nigeria Company A”</i>	:	UG Healthcare Equipments Ltd
<i>“Nigeria Company B”</i>	:	Unigloves Nigeria Limited
<i>“SAFE”</i>	:	The State Administration of Foreign Exchange of China
<i>“Sponsor”, “Issue Manager”, “Underwriter”, “Placement Agent” or “SAC Capital”</i>	:	SAC Capital Private Limited
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
General		
<i>“Act” or “Companies Act”</i>	:	The Companies Act (Chapter 50) of Singapore as amended, supplemented or modified from time to time
<i>“Application Forms”</i>	:	The official printed application forms to be used for the purpose of the Invitation and which form part of this Offer Document
<i>“Application List”</i>	:	The list of applications for subscription of the Invitation Shares
<i>“Articles of Association”</i>	:	The articles of association of our Company
<i>“Associate”</i>	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) a trustee 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 or indirectly) have an interest of 30% or more;

DEFINITIONS

	(b)	in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its 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% or more
<i>“associated company”</i>	:	A company in which at least 20% but not more than 50% of its shares are held by the listed company or group
<i>“ATM”</i>	:	Automated teller machine of a Participating Bank
<i>“Audit Committee”</i>	:	The audit committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Award”</i>	:	An award of Shares granted under the Unigloves PSP
<i>“Award Shares”</i>	:	The new Shares which may be issued or transferred upon the vesting of Awards granted under the Unigloves PSP
<i>“Board” or “Board of Directors”</i>	:	The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“business trust”</i>	:	Has the same meaning as in section 2 of the Business Trusts Act (Chapter 31A) of Singapore
<i>“Catalist Rules”</i>	:	Any or all of the rules in Section B : Rules of Catalist of the Listing Manual as amended, modified or supplemented from time to time
<i>“Controlling Shareholder”</i>	:	A person who has an interest in our Shares of an aggregate of not less than 15% of the total votes attached to all our Shares, or in fact exercises control over our Company
<i>“Convertible Loan”</i>	:	The convertible loan of an aggregate sum of S\$1,000,000, convertible into new Shares pursuant to the terms and conditions of the Convertible Loan Agreement
<i>“Convertible Loan Agreement”</i>	:	The convertible loan agreement dated 22 August 2014 entered into between the Pre-Invitation Investors and our Company
<i>“Director”</i>	:	A director of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Electronic Applications”</i>	:	Applications for the Offer Shares made through an ATM of one of the relevant Participating Banks or the IB website of one of the relevant Participating Banks, or the mobile banking interface of DBS Bank, subject to and on the terms and conditions of this Offer Document
<i>“entity”</i>	:	Includes a corporation, an unincorporated association, a partnership and the government of any state, but does not include a trust

DEFINITIONS

<i>“EPS”</i>	:	Earnings per Share
<i>“EU”</i>	:	European Union
<i>“Executive Directors”</i>	:	Ang Beng Teck, Lee Jun Yih, Wong See Keong and Lee Jun Linn, the executive Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Executive Officers”</i>	:	Wong Pek Wee, Terence Yap Seng Keong and Ang Beng Chee, the key executives of our Group as at the date of this Offer Document, unless otherwise stated
<i>“FY”</i>	:	Financial year ended or, as the case may be, ending 30 June
<i>“Germany”</i>	:	Federal Republic of Germany
<i>“IB”</i>	:	Internet banking
<i>“Independent Directors”</i>	:	Yip Wah Pung, Lim Teck Chai, Danny and Ng Lip Chi, Lawrence, the non-executive independent Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Invitation”</i>	:	The invitation by our Company to the public in Singapore to subscribe for the Invitation Shares at the Invitation Price, subject to and on the terms and conditions of this Offer Document
<i>“Invitation Price”</i>	:	\$0.215 for each Invitation Share
<i>“Invitation Shares”</i>	:	The 28,800,000 new Shares which are the subject of the Invitation
<i>“IPO”</i>	:	Initial public offering
<i>“Latest Practicable Date”</i>	:	2 November 2014, being the latest practicable date prior to the lodgement of this Offer Document with the SGX-ST acting as agent on behalf of the Authority
<i>“Listing Manual”</i>	:	The provisions of Sections A and B of the listing manual of the SGX-ST as amended, modified or supplemented from time to time
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“NAV”</i>	:	Net asset value
<i>“Nigeria”</i>	:	Federal Republic of Nigeria
<i>“Nominating Committee”</i>	:	The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Non-Executive Director”</i>	:	Lee Keck Keong, the non-executive Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“NTA”</i>	:	Net tangible assets

DEFINITIONS

<i>“OEM”</i>	:	Original equipment manufacturer
<i>“Offer”</i>	:	The offer by our Company to the public in Singapore for subscription of the Offer Shares at the Invitation Price, subject to and on the terms and conditions of this Offer Document
<i>“Offer Document”</i>	:	This Preliminary Offer Document dated 13 November 2014
<i>“Offer Shares”</i>	:	The 1,800,000 Invitation Shares which are the subject of the Offer
<i>“Option Shares”</i>	:	The new Shares which may be allotted and issued or transferred upon the exercise of the Options granted pursuant to the Unigloves ESOS
<i>“Options”</i>	:	The options which may be granted pursuant to the Unigloves ESOS
<i>“Participating Banks”</i>	:	UOB and its subsidiary, Far Eastern Bank Limited, DBS Bank Ltd. (including POSB) and Oversea-Chinese Banking Corporation Limited
<i>“PBT”</i>	:	Profit before tax
<i>“PER”</i>	:	Price earnings ratio
<i>“Periods Under Review”</i>	:	The periods comprising FY2012, FY2013, and FY2014
<i>“Placement”</i>	:	The placement by the Placement Agent of the Placement Shares on behalf of our Company for subscription at the Invitation Price, subject to and on the terms and conditions of this Offer Document
<i>“Placement Shares”</i>	:	The 27,000,000 Invitation Shares which are the subject of the Placement
<i>“PRC”</i>	:	People’s Republic of China, excluding the special administrative regions, Hong Kong and Macau, and Taiwan for the purpose of this Offer Document
<i>“Pre-Invitation Investors”</i>	:	Tommie Goh Thiam Poh and Jeremy Lee Sheng Poh
<i>“Promoters”</i>	:	Ang Beng Teck, Ang Chien Kiat, Ang Beng Yong, Ang Beng Chee, Ang Beng Wei, Ang Beng Hoon, Ang Beng Choo, Lee Keck Keong, Sim Ai Cheng, Lee Jun Yih, Lee Jun Linn, Zen UG Pte. Ltd. and Wong See Keong
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Restructuring Exercise”</i>	:	The corporate restructuring exercise undertaken in connection with the Invitation, as described in the section entitled “Restructuring Exercise” of this Offer Document

DEFINITIONS

<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
<i>“Securities and Futures Act” or “SFA”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
<i>“Service Agreements”</i>	:	The service agreements entered into between our Company and each of Ang Beng Teck, Wong See Keong, Lee Jun Yih and Lee Jun Linn, as described in the section entitled “Directors, Executive Officers and Staff – Service Agreements” of this Offer Document
<i>“SFRS”</i>	:	Singapore Financial Reporting Standards
<i>“SGXNET”</i>	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<i>“Shareholders”</i>	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
<i>“Shares”</i>	:	Ordinary shares in the capital of our Company
<i>“Sponsorship and Management Agreement”</i>	:	The full sponsorship and management agreement dated 28 November 2014 entered into between our Company and SAC Capital pursuant to which SAC Capital agreed to sponsor and manage the Invitation, details as described in the section entitled “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document
<i>“Subsidiaries”</i>	:	Subsidiaries of our Company, being NS Unigloves, UG Global Resources, UG Glovetech, Unigloves Shanghai, Unigloves Nigeria, Unigloves UK, and Unigloves Singapore
<i>“Substantial Shareholder”</i>	:	A person who has an interest in voting shares of our Company, the total votes attached to which is not less than 5% of the total votes attached to all the voting shares in our Company
<i>“Underwriting and Placement Agreement”</i>	:	The underwriting and placement agreement dated 28 November 2014 entered into between our Company and SAC Capital pursuant to which SAC Capital agreed to (i) underwrite our offer of the Offer Shares; and (ii) subscribe and/or procure subscribers for the Placement Shares, details as described in the section entitled “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document
<i>“UK”</i>	:	United Kingdom
<i>“Unigloves ESOS”</i>	:	The Unigloves Employee Share Option Scheme
<i>“Unigloves PSP”</i>	:	The Unigloves Performance Share Plan
<i>“USA” or “United States” or “US”</i>	:	United States of America

DEFINITIONS

Currencies, Units and Others

<i>“EUR”</i>	:	Euro, the lawful currency of a group of European Union nations whose national currency is the euro
<i>“N”</i>	:	Naira, the lawful currency of Nigeria
<i>“N.A.”</i>	:	Not applicable
<i>“RMB”</i>	:	Renminbi, the lawful currency of the PRC
<i>“RM” and “sen”</i>	:	Malaysian Ringgit and sen respectively, the lawful currency of Malaysia
<i>“Singapore Dollar”, “S\$” or “\$” and “cents”</i>	:	Singapore dollars and cents respectively, the lawful currency of Singapore
<i>“sq ft”</i>	:	Square feet
<i>“sq m”</i>	:	Square metre
<i>“£”</i>	:	Pound sterling, the lawful currency of UK
<i>“US Dollar” or “US\$” and “US cents”</i>	:	United States dollars and cents respectively, the lawful currency of the USA
<i>“%” or “per cent.”</i>	:	Per centum or percentage

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

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

Any discrepancies in tables included herein between the total sum of amounts listed and the totals shown are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Figures and percentages disclosed in this Offer Document may be rounded off.

Any reference in this Offer Document, the Application Forms and/or the Electronic Applications to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Offer Document, the Application Forms and/or the Electronic Applications shall, where applicable, have the meaning ascribed to it under the Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be.

Any reference in this Offer Document, the Application Forms and/or the Electronic Applications to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time of day in this Offer Document, the Application Forms and/or the Electronic Applications shall be a reference to Singapore time, unless otherwise stated.

DEFINITIONS

Any reference to “we”, “us”, “our”, “ourselves” or other grammatical variations thereof in this Offer Document is a reference to our Company, our Group or any member of our Group as the context requires.

Any information on our website or any website directly or indirectly linked to such website does not form part of this Offer Document and should not be relied on.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Group, the following glossary sets out an explanation and description of certain terms and abbreviations used in this Offer Document. The terms and their assigned meanings should not be treated as being definitive of their meanings, and may not correspond to standard industry or common meanings or usage, as the case may be, or usage of these terms.

<i>“AQL”</i>	:	Acceptable Quality Level, a quality standard set to control regulated defects on gloves
<i>“beading”</i>	:	The process of rolling down a thin film of natural rubber/ nitrile formed on hand formers used in the glove manufacturing process using a set of small rotating brushes. The beads strengthen the cuff of gloves and enable the gloves to be donned easily
<i>“chlorination”</i>	:	The process whereby gloves are immersed in a diluted solution containing free chlorine. The chlorine react with the natural rubber surface to reduce the natural stickiness of the natural rubber, hence eliminating the need to add a dusting powder to the glove
<i>“cleanroom”</i>	:	A confined area where the humidity, temperature and particles in the air are controlled within specified units. A cleanroom environment is essential in processes undertaken in industries such as the semiconductor, electronic, aerospace, bio-technology and related industries
<i>“cleanroom gloves”</i>	:	Gloves produced for minimum contamination application requirement for use mainly in cleanroom environment in industries such as semiconductor, electronic, aerospace, bio-technology and related industries
<i>“EN455”</i>	:	A standard which specifies certain requirements for single use medical gloves such as strength, impermeability and thickness
<i>“ISO”</i>	:	International Organisation for Standardisation, a non-governmental organisation whose principal activity is the development of technical standards
<i>“natural latex examination gloves”</i>	:	Gloves that are made from natural rubber latex that prevents cross-contamination between patients and caregivers by offering barrier protection against transmission of viruses, bacteria, or other harmful substances
<i>“natural rubber latex”</i>	:	A milky fluid mainly harvested from rubber tree plants
<i>“nitrile examination gloves”</i>	:	Gloves that are made from synthetic elastomer that prevents cross-contamination between patients and caregivers by offering barrier protection against transmission of viruses, bacteria, or other harmful substances
<i>“nitrile latex”</i>	:	A form of synthetic elastomer exhibiting rubber-like characteristics when vulcanised
<i>“polymer”</i>	:	A type of material derived from combination of a few synthetic components

GLOSSARY OF TECHNICAL TERMS

<i>“PVC” or “Vinyl”</i>	:	Poly Vinyl Chloride, an insoluble, thermoplastic resin used for thin coatings and insulation
<i>“SMG”</i>	:	Standard Malaysian Glove
<i>“vulcanisation”</i>	:	The process of treating rubber or rubber-like materials with sulphur and other curative chemicals at high temperature to improve elasticity and strength or to harden them

CAUTIONARY NOTES REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “will”, and “would” or similar words and phrases. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategy, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to:

- (a) revenue and profitability;
- (b) expected growth in demand;
- (c) expected growth in our production capacity;
- (d) expected industry trends;
- (e) anticipated expansion and development plans; and
- (f) other matters discussed in this Offer Document regarding matters that are not historical fact,

are only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- (a) changes or volatility in inflation, interest rates and foreign exchange rates;
- (b) the price of our raw materials, including factors influencing the price of raw materials, such as regional and global supply and demand;
- (c) the effects of, and changes in, the regulatory policy of the Malaysia Government, including in relation to the manufacture of gloves;
- (d) the effects of competition in the geographic and business areas in which we conduct our operations;
- (e) the effects of changes in laws, regulations, taxation or accounting standards or practices;
- (f) our ability to maintain or increase our market share for our products while controlling expenses;
- (g) reduction of purchases by major customers;
- (h) our ability to attract and retain new customers;
- (i) acquisitions, divestments and various business opportunities that we may pursue;
- (j) technological changes that may affect the manufacture of our products;
- (k) the effects of changes in international political, social and economic events on our businesses; and
- (l) our success at managing the risks of the aforementioned factors.

CAUTIONARY NOTES REGARDING FORWARD-LOOKING STATEMENTS

This list of important factors is not exhaustive. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Results of Operation and Financial Position” of this Offer Document.

All forward-looking statements made by or attributable to us, or persons acting on our behalf, contained in this Offer Document are expressly qualified in their entirety by such factors. These forward-looking statements are applicable only as of the date of this Offer Document.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this Offer Document, we advise you not to place undue reliance on those statements. None of our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent nor any other person represents or warrants to you that our actual future results, performance or achievements will be as discussed in those statements.

Our actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We and the Sponsor, Issue Manager, Underwriter and Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. We are, however, subject to the provisions of the SFA and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if, after this Offer Document is registered but before the close of the Invitation, our Company becomes aware of (a) a false or misleading statement in this Offer Document; (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA; or (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority and would have been required by Section 243 of the SFA to be included in this Offer Document, if it had arisen before this Offer Document was lodged and that is materially adverse from the point of view of an investor, our Company may lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority.

We are also subject to the provisions of the Catalist Rules regarding corporate disclosure upon our admission to the Catalist.

Where such changes occur and are material or are required to be disclosed by law, we will comply with the relevant provisions of the SFA and make an announcement of the same to the SGX-ST and the public and, if required, lodge a supplementary or replacement offer document with the SGX-ST acting as agent on behalf of the Authority pursuant to the SFA. All applicants should take note of any such announcement, or supplementary or replacement offer document and, upon the release of the same, shall be deemed to have notice of such changes.

Market and Industry Information

Certain market data, industry forecasts and data relating to Malaysia used throughout this Offer Document have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information is not guaranteed. Similarly, while we believe these industry forecasts and market research to be reliable, we have not independently verified this information and do not make any representation as to its accuracy.

CAUTIONARY NOTES REGARDING FORWARD-LOOKING STATEMENTS

We derived certain facts and statistics in this Offer Document relating to the manufacture of gloves in Malaysia from various publicly-available industry, government and research publications. This document includes industry data and forecasts that we obtained from industry publications and surveys, reports of governmental agencies and internal company surveys. We have taken reasonable action to ensure that the facts and statistical data relating to our industry in Malaysia used in this Offer Document have been extracted from these sources in their proper form and context. However, we have not verified the accuracy of the information extracted nor have we obtained the specific consent of these sources for the inclusion of such information in this Offer Document unless otherwise specified. Our Directors are also not aware of any disclaimers made by these sources in relation to reliance on such information.

ENFORCEMENT OF CIVIL LIABILITIES

Our principal operating subsidiaries are incorporated in Malaysia. A majority of our Directors and all of our Executive Officers named in this Offer Document are residents of Malaysia. Furthermore, most of our assets and the assets of our Executive Directors and Executive Officers are located in Malaysia. As a result, you may not be able to:

- effect service of process of a writ issued outside of Malaysia upon our principal operating Subsidiaries or these persons within Malaysia without leave of the Court outside Malaysia; or
- enforce judgements obtained in courts outside of Malaysia against us, unless it is a judgement of a superior court of a reciprocating country (as listed in the First Schedule of the Reciprocal Enforcement of Judgments Act, 1958 of Malaysia) which can then be registered in Malaysia and (subject to the judgement debtor's right to set aside the registration in Malaysia in certain circumstances) the registered foreign judgement has the same force and effect as a judgement of the High Court in Malaysia.

However, it may be possible to bring an action under Malaysian law of a foreign judgement. Subject to certain qualifications, a judgement *in personam* of a competent jurisdiction is capable of recognition and enforcement in Malaysia. Such judgement will not be enforced directly by execution as any other process, but will be regarded, for procedural purposes, as creating a debt between the parties to it.

SELLING RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for our Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, any jurisdiction, except for the filing and/or registration of this Offer Document in Singapore in order to permit a public offering of the Invitation Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Invitation Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by us and the Sponsor, Issue Manager, Underwriter and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us or the Sponsor, Issue Manager, Underwriter and Placement Agent.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

DETAILS OF THE INVITATION

LISTING ON CATALIST

We have made an application to the SGX-ST for permission to deal in, and for the listing and quotation of, all our Shares, which include our existing issued Shares, the Invitation Shares, the Option Shares and the Award Shares, on Catalist. Such permission will be granted when we have been admitted to the Catalist. Acceptances of applications will be conditional upon, *inter alia*, the issue of the Invitation Shares, and upon permission being granted by the SGX-ST for the listing and quotation of all of our existing issued Shares, the Invitation Shares, the Option Shares and the Award Shares. Monies paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, if the completion of the Invitation does not occur because the said permission is not granted or for any other reason, and the applicant will not have any claim against us, or the Sponsor, Issue Manager, Underwriter and Placement Agent.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor confirming that our Company is suitable to be listed on Catalist and complies with the Catalist Rules.

Admission to the Catalist is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, our associated companies, our existing issued Shares, the Invitation Shares, the Option Shares, or the Award Shares.

The Invitation is accompanied by this Offer Document, a copy of which has been lodged with and registered by the SGX-ST, acting as agent on behalf of the Authority. Registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, does not imply that the SFA, or any other legal or regulatory requirements or requirements under the SGX-ST listing rules, have been complied with. The SGX-ST, acting as agent on behalf of the Authority, has not, in any way, considered the merits of our Shares being offered or in respect of which an invitation is made, for investment. We have not lodged this Offer Document in any other jurisdiction.

We are subject to the provisions of the SFA and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after the registration of this Offer Document but before the close of the Invitation, we become aware of:

- (a) a false or misleading statement or matter in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA or the Catalist Rules; or
- (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority which would have been required by Section 243 of the SFA or the Catalist Rules to be included in this Offer Document, if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority, pursuant to Section 241 of the SFA.

DETAILS OF THE INVITATION

In the event that a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Invitation shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the Invitation Shares and:

- (a) where the Invitation Shares have not been issued to the applicants, we shall either:
 - (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) (A) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled; and (B) we shall within seven (7) days from the date of lodgement of the supplementary or replacement offer document, return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk; or
- (b) where the Invitation Shares have been issued to the applicants, we shall either:
 - (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the Invitation Shares which they do not wish to retain title in; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the Invitation Shares which they do not wish to retain title in; or
 - (iii) (A) treat the issue of the Invitation Shares as void, in which case the issue of the Invitation Shares shall be deemed void; and (B) we shall return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk.

Any applicant who wishes to exercise his option under paragraph (a)(i) or (a)(ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this, whereupon we shall, within seven (7) days from the receipt of such notification, return the application monies without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, and he will not have any claim against us, or the Sponsor, Issue Manager, Underwriter and Placement Agent.

DETAILS OF THE INVITATION

An applicant who wishes to exercise his option under paragraph (b)(i) or (b)(ii) to return the Invitation Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be evidence of title to those Invitation Shares to us, whereupon we shall, within seven (7) days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue of those Invitation Shares shall be deemed to be void, and he will not have any claim against us, or the Sponsor, Issue Manager, Underwriter and Placement Agent.

The Authority, the SGX-ST (acting as agent on behalf of the Authority) or other competent authority may, in certain circumstances issue a stop order (the “**Stop Order**”) to our Company, directing that no or no further Shares to which this Offer Document relates, be allotted or issued.

In the event that the Authority issues a Stop Order and applications to subscribe for the Invitation Shares have been made prior to the Stop Order, then:

- (a) where the Invitation Shares have not been issued to the applicants, the applications for the Invitation Shares shall be deemed to have been withdrawn and cancelled and we shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the Invitation Shares; or
- (b) where the Invitation Shares have been issued to the applicants, the issue of the Invitation Shares shall be deemed to be void and we shall, within 14 days from the date of the Stop Order, pay to the applicants all monies paid by them for the Invitation Shares.

Such monies paid in respect of an application will be returned to the applicants at their own risk, without interest or a share of revenue or other benefit arising therefrom, and they will not have any claims against our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent.

This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Invitation and our Group, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Offer Document in its proper form and context.

Neither us, the Sponsor, Issue Manager, Underwriter and Placement Agent, nor any other parties involved in the Invitation is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own professional or other advisers for business, legal or tax advice regarding an investment in our Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by us, or the Sponsor, Issue Manager, Underwriter and Placement Agent. Neither the delivery of this Offer Document and the Application Forms nor any documents relating to the Invitation, nor the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change or development reasonably likely to create any change in our affairs, conditions or prospects, or the Invitation Shares or in the statements of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we may make an announcement of the same to the SGX-ST and/or the Authority and the public and if required, we may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the

DETAILS OF THE INVITATION

Authority and will comply with the requirements of the SFA and/or any other requirements of the SGX-ST and/or the Authority. All applicants should take note of any such announcements and, upon the release of such an announcement and/or the lodgement of a supplementary or replacement offer document, shall be deemed to have notice of such changes.

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. The Invitation Shares are offered for subscription solely on the basis of the information contained and representations made in this Offer Document.

This Offer Document has been prepared solely for the purpose of the Invitation and may not be relied upon by any persons other than the applicants in connection with their application for the Invitation Shares or for any other purposes.

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.

Copies of this Offer Document and the Application Forms and envelopes may be obtained on request, subject to availability, during office hours from:

SAC Capital Private Limited
1 Robinson Road
#21-02, AIA Tower
Singapore 048542

An electronic copy of this Offer Document is also available on the SGX-ST website at <http://www.sgx.com>.

The Invitation will be open at 6.00 p.m. on 28 November 2014 and will remain open until 12.00 p.m. on 4 December 2014 or for such further period or periods as our Company may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in its absolute discretion decide, subject to any limitation under all applicable laws PROVIDED ALWAYS THAT where a supplementary offer document or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Application List shall be kept open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for applications to subscribe for the Invitation Shares are described under the section entitled “Terms, Conditions and Procedures for Applications and Acceptance” as set out in Appendix G of this Offer Document.

DETAILS OF THE INVITATION

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable in respect of the Invitation and the trading of our Shares is set out below for your reference:

Indicative Date and Time	Event
28 November 2014, 6.00 p.m.	Commencement of Offer
4 December 2014, 12.00 noon	Close of Application List
5 December 2014	Balloting of applications, if necessary
8 December 2014, 9.00 a.m.	Commence trading on a “ready” basis
11 December 2014	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that the date of closing of the Application List is 4 December 2014, the date of admission of our Company to the Catalist is 8 December 2014, the SGX-ST's shareholding spread requirement will be complied with and the Invitation Shares will be issued and fully paid-up prior to 8 December 2014. The actual date on which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST.

The above timetable and procedure may be subject to such modifications as the SGX-ST may in its discretion decide, including the decision to permit trading on a “ready” basis and the commencement date of such trading.

Investors should consult the SGX-ST's announcement of the “ready” trading date released on the Internet (at the SGX-ST website <http://www.sgx.com>) or newspapers, or check with their brokers on the date on which trading on a “ready” basis will commence.

We, with the agreement of the Sponsor, Issue Manager, Underwriter and Placement Agent, may at our discretion, subject to all applicable laws and regulations and the rules of the SGX-ST, agree to extend or shorten the period during which the Invitation is open.

In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same:

- (i) through a SGXNET announcement to be posted on the Internet at the SGX-ST website <http://www.sgx.com>; and
- (ii) in a major local English newspaper in Singapore.

We will provide details of the results of the Invitation (including the level of subscription for the Invitation Shares and the basis of allocation of the Invitation Shares pursuant to the Invitation), as soon as it is practicable after the closure of the Application List through the channels described in (i) and (ii) above.

We reserve the right to reject or accept, in whole or in part, or to scale down or ballot any application for the Invitation Shares, without assigning any reason therefor, and no enquiry and/or correspondence on our decision will be entertained. In deciding the basis of allotment and/or allocation, due consideration will be given to the desirability of allotting and/or allocating the Invitation Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

OFFER DOCUMENT SUMMARY

The information contained in this summary is derived from and should be read in conjunction with the full text of this Offer Document. As it is a summary, it does not contain all the information that you should consider before investing in the Shares of our Company. Terms defined elsewhere in this Offer Document have the same meaning when used herein. You should read this entire Offer Document carefully, especially the matters set out under the section entitled “Risk Factors” of this Offer Document, before deciding to invest in our Shares.

OVERVIEW OF OUR GROUP

Our Company was incorporated in Singapore on 21 August 2014 under the Act as a private company limited by shares, under the name “UG Healthcare Corporation Pte. Ltd.”.

Pursuant to the Restructuring Exercise, our Company became the holding company of our subsidiaries. Our Group comprises our Company and our subsidiaries, NS Unigloves, UG Global Resources, UG Glovetech, Unigloves UK, Unigloves Singapore, Unigloves Shanghai and Unigloves Nigeria. We also have five (5) associated companies, Unigloves Arzt, Unigloves Germany, Unigloves Service & Logistik, Unigloves USA and Unigloves Beijing. On 25 November 2014, our Company was converted into a public company limited by shares and we changed our name to “UG Healthcare Corporation Limited”.

Please refer to the section entitled “General Information on our Group – Group Structure” of this Offer Document for further details on our group structure.

Our Business

We are principally engaged in the manufacturing, processing and distribution of gloves. We derive our revenue mainly from our manufacturing and sale of natural latex and nitrile examination gloves and the distribution of ancillary products including surgical, vinyl and cleanroom gloves, face masks, and other medical disposables. We sell our products to customers in a variety of industries, including distribution companies and end users such as hospitals, clinics, laboratories and beauty salons. We manufacture our natural latex and nitrile examination gloves at our two (2) manufacturing facilities in Seremban, Malaysia. Our products are sold under our own brand names including our “Unigloves” brand name or under third party labels where we are engaged as OEM. To complement our manufacturing platform, we have established an extensive distribution network through our distribution platforms based in USA, UK, the PRC, Germany and Nigeria.

Please refer to the section entitled “Business” of this Offer Document for further details.

Our Competitive Strengths

Our Directors believe that our key competitive strengths are as follows:

- Extensive distribution channels and an integrated manufacturing business and distribution business;
- Knowledgeable and experienced management;
- Established customer network and track record;
- Ability to meet the unique and evolving requirements of our customers;
- Focus on high quality control and production standards;
- Cost efficient operating structure;
- Research and development capabilities; and
- Ability to manufacture both natural latex examination gloves and nitrile examination gloves.

OFFER DOCUMENT SUMMARY

Please refer to the section entitled “Business – Competitive Strengths” of this Offer Document for further details.

Our Business Strategies and Future Plans

Our business strategies and future plans entail the following:

- Expansion of production capacity;
- Expansion of sales and distribution network;
- Developing new products and engaging in research and development; and
- Inorganic expansion of our business.

Please refer to the section entitled “Business – Business Strategies and Future Plans” of this Offer Document for further details.

Where you can find us

Our registered office is located at 21 Merchant Road, #04-01 Royal Merukh S.E.A. Building, Singapore 058267. Our principal place of business is located at Lot 3 & 4/4510, Lorong Senawang 4/1, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus, Malaysia. Our Malaysian telephone and facsimile numbers are (60) 6677 2751/2 and (60) 6677 2755, respectively. Our internet address is <http://www.ughealthcarecorporation.com>.

Information contained on our website does not constitute part of this Offer Document.

OFFER DOCUMENT SUMMARY

SUMMARY OF OUR FINANCIAL INFORMATION

The following tables present a summary of the combined financial statements of our Group and should be read in conjunction with the full text of this Offer Document, including the “Independent Auditors’ Report and the Audited Combined Financial Statements for the Financial Years Ended 30 June 2012, 2013 and 2014” as set out in Appendix A of this Offer Document, and the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

Selected items from the Combined Statements of Profit and Loss and other Comprehensive Income

(S\$'000)	← FY2012	Audited FY2013	→ FY2014
Revenue	41,583	47,014	49,009
Gross Profit	6,208	8,107	10,202
Profit before income tax	3,508	4,959	6,130
Profit attributable to owners of the Company	2,853	3,764	4,900
Pre-Invitation EPS (Singapore cents)	1.79	2.36	3.08
Post-Invitation EPS (Singapore cents)	1.52	2.00	2.61

Selected items from the Combined Statements of Financial Position of our Group

(S\$'000)	← As at 30 June 2012	Audited As at 30 June 2013	→ As at 30 June 2014
Current Assets	16,662	20,883	22,960
Non-Current Assets	11,798	13,621	17,408
Current Liabilities	6,268	6,713	5,596
Non-Current Liabilities	2,878	4,645	4,688
Total Equity	19,314	23,146	30,084
NAV per Share (Singapore cents)	12.10	14.47	18.83

OFFER DOCUMENT SUMMARY

THE INVITATION

- Invitation size** : 28,800,000 Invitation Shares offered in Singapore comprising 1,800,000 Offer Shares and 27,000,000 Placement Shares.
- The Invitation Shares will, upon issue and allotment, rank *pari passu* in all respects with the existing issued Shares.
- Invitation Price** : S\$0.215 for each Invitation Share.
- The Offer** : The Offer comprises an Invitation by our Company to the public in Singapore to subscribe for 1,800,000 Offer Shares at the Invitation Price, subject to and on the terms and conditions of this Offer Document.
- The Placement** : The Placement comprises an offering of 27,000,000 Placement Shares at the Invitation Price by way of Placement, subject to and on the terms and conditions of this Offer Document.
- Clawback and Re-allocation** : The Invitation Shares may be re-allocated between the Offer and the Placement tranches at the discretion of the Sponsor, Issue Manager, Underwriter and Placement Agent in the event of an excess of applications in one and a deficit of applications in the other.
- Purpose of the Invitation** : Our Directors believe that the listing of our Company and the quotation of our Shares on the Catalist will enhance our public image locally and internationally as well as enable us to tap into the equity capital markets to fund our business growth. The Invitation will also provide members of the public, our employees, our business associates and others who have contributed to the success of our Group with an opportunity to participate in the equity of our Company.
- In addition, the net proceeds from the Invitation will provide us with additional capital to fund our expansion. Please refer to the section entitled "Use of Proceeds from the Invitation and Listing Expenses Incurred" of this Offer Document for further details.
- Listing status** : Prior to the Invitation, there has been no public market for our Shares. Our Shares will be quoted on Catalist, subject to our admission to Catalist and permission for dealing in, and for quotation of, our existing issued Shares, the Invitation Shares, the Option Shares and the Award Shares being granted by the SGX-ST and the Authority not issuing a stop order.
- Risk Factors** : Investing in our Shares involves risks which are described in the section entitled "Risk Factors" of this Offer Document.

PLAN OF DISTRIBUTION

The Invitation

The Invitation is for 28,800,000 Invitation Shares offered in Singapore by way of Offer and Placement comprising 1,800,000 Offer Shares and 27,000,000 Placement Shares respectively. The Invitation is managed and underwritten by SAC Capital.

Prior to the Invitation, there has been no public market for our Shares. The Invitation Price is determined by us in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, taking into consideration, *inter alia*, the prevailing market conditions and the estimated market demand for our Shares determined through a book-building process. The Invitation Price is the same for all Invitation Shares and is payable in full on application.

Investors may apply to subscribe for any number of Invitation Shares in integral multiples of 1,000 Shares. In order to ensure a reasonable spread of Shareholders, we have the absolute discretion to prescribe a limit to the number of Invitation Shares to be allotted to any single applicant and/or allot the Invitation Shares above or under such prescribed limit as we shall deem fit.

Subject to the terms and conditions set forth in the Sponsorship and Management Agreement and the Underwriting and Placement Agreement entered into between us and SAC Capital as set out in the section entitled "Sponsorship, Management, Underwriting and Placement Arrangements" of this Offer Document, our Company appointed SAC Capital to manage and to be the sponsor of the Invitation and to underwrite the Invitation. SAC Capital will receive a management fee for its services rendered in connection with the Invitation.

Offer Shares

The Offer Shares are made available to members of the public in Singapore for subscription at the Invitation Price. The terms, conditions and procedures for applications and acceptance are described in Appendix G of this Offer Document entitled "Terms, Conditions and Procedures for Applications and Acceptance".

An applicant who has made an application for Offer Shares by way of an Application Form may not make another separate application for Offer Shares by way of an Electronic Application and vice versa. Such separate application shall be deemed to be multiple applications and shall be rejected.

Pursuant to the Underwriting and Placement Agreement, SAC Capital has agreed to underwrite our Offer of the Offer Shares for a commission of 3.0% of the Invitation Price for each Offer Share ("**Underwriting Commission**"), payable by our Company pursuant to the Invitation. SAC Capital may, at its absolute discretion, appoint one (1) or more sub-underwriters for the Offer Shares.

In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for shall be made available to satisfy excess applications for the Placement Shares to the extent there is an over-subscription for the Placement Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and the Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors after consultation with the Sponsor, Issue Manager, Underwriter, and Placement Agent, and approved by the SGX-ST, if required.

Placement Shares

The Placement Shares are reserved for placement to retail and institutional investors in Singapore. Application for the Placement Shares may only be made by way of Placement Shares Application Forms. The terms, conditions and procedures for applications and acceptance are described in Appendix G of this Offer Document entitled "Terms, Conditions and Procedures for Applications and Acceptance".

PLAN OF DISTRIBUTION

Pursuant to the Underwriting and Placement Agreement, SAC Capital has agreed to subscribe for, or procure subscriptions for, the Placement Shares for a placement commission of 3.0% of the Invitation Price for each Placement Share, payable by our Company. The Placement Agent may, at its absolute discretion, appoint one (1) or more sub-placement agents for the Placement Shares.

The Underwriting and Placement Agreement is conditional upon, among other things, the Sponsorship and Management Agreement not having been terminated or rescinded pursuant to the provisions of the Sponsorship and Management Agreement.

Subscribers of the Placement Shares may be required to pay an end placees' commission of 1.0% of the Invitation Price (and the prevailing GST, if applicable) to the Placement Agent or any sub-placement agent(s) that may be appointed by the Placement Agent.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

Subscription for Invitation Shares

None of our Directors or Substantial Shareholders intends to subscribe for the Invitation Shares in the Invitation.

None of the members of our Group's management or employees intends to subscribe for 5.0% or more of the Invitation Shares pursuant to the Invitation.

To the best of our knowledge, we are not aware of any person who intends to subscribe for more than 5.0% of the Invitation Shares.

However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate his interest to subscribe for more than 5.0% of the Invitation Shares. If such person(s) were to make an application for more than 5.0% of the Invitation Shares pursuant to the Invitation and subsequently allotted such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406 of the Catalist Rules.

No Shares shall be allotted on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority.

SPONSORSHIP, MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

Pursuant to the full sponsorship and management agreement dated 28 November 2014 (the “**Sponsorship and Management Agreement**”) entered into between our Company and SAC Capital as the Sponsor and Issue Manager, we appointed SAC Capital to manage the Invitation on our behalf and to provide full sponsorship services in relation to the Invitation, subject to the terms and conditions of the Sponsorship and Management Agreement. SAC Capital will receive a management fee for its services rendered in connection with the Listing.

Pursuant to the underwriting and placement agreement dated 28 November 2014 (the “**Underwriting and Placement Agreement**”) entered into between our Company and SAC Capital as the Underwriter and Placement Agent, SAC Capital agreed (i) to subscribe and/or procure subscriptions for the Offer Shares not subscribed for by members of the public and not allocated to satisfy excess applications for Placement Shares, and (ii) to procure subscriptions for the Placement Shares, subject to the terms and conditions of the Underwriting and Placement Agreement.

The Underwriter will receive from our Company an underwriting commission of 3.0% of the aggregate Invitation Price for the total number of Offer Shares underwritten by the Underwriter but excluding the portion of the Offer Shares which have been applied to satisfy excess applications for Placement Shares. The Underwriter may, at its absolute discretion, appoint one (1) or more sub-underwriters for the Offer Shares. Payment of the underwriting commission shall be made whether or not any allotment or issue of the Offer Shares is made to the Underwriter or its nominees.

The Placement Agent will receive from our Company a placement commission of 3.0% of the aggregate Invitation Price for the total number of Placement Share successfully procured for subscription by the Placement Agent but excluding the portion of the Placement Shares which have been applied to satisfy excess applications for the Offer Shares. The Placement Agent may, at its absolute discretion, appoint one or more sub-placement agents for the Placement Shares. Payment of the placement commission shall be made whether or not any allotment or issue of the Placement Shares is made to the Placement Agent or its nominees. Subscribers of the Placement Shares may be required to pay to the Placement Agent an end placees’ commission of 1.0% of the Invitation Price (including GST, if applicable) for each Placement Share which the Placement Agent has agreed to procure subscribers for pursuant to the Underwriting and Placement Agreement.

Brokerage will be paid by our Company to members of the SGX-ST, merchant banks and members of the Association of Banks in Singapore in respect of successful applications made on Application Forms bearing their respective stamps or to Participating Banks in respect of successful applications made through Electronic Applications at the rate of 0.25% (or 0.75% in the case of DBS Bank Ltd.) of the Invitation Price for each Offer Share or Placement Share applied to satisfy excess applications for the Offer Shares as the case may be. In addition, DBS Bank Ltd. levies a minimum brokerage fee of S\$10,000.

The Sponsorship and Management Agreement may be terminated by the Sponsor and Issue Manager at any time prior to the time and date of the commencement of trading of our Shares on the Catalist, on the occurrence of certain events including, *inter alia*:

- (a) any breach of warranties or undertakings in the Sponsorship and Management Agreement;
- (b) any occurrence of a specified event which comes to the knowledge of the Sponsor and Issue Manager;
- (c) any adverse change, or any development involving a prospective adverse change, in the condition (business, trading, operational, financial or otherwise), performance or general affairs of our Company or of our Group as a whole;

SPONSORSHIP, MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

- (d) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, notice, policy, rule, guideline or directive (whether or not having the force of law and including, without limitation, any directive, notice or request issued by the Accounting and Corporate Regulatory Authority of Singapore, the Authority, the Securities Industry Council of Singapore, the SGX-ST or relevant authorities in Singapore or elsewhere) or in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority in Singapore or elsewhere including but not limited to foreign exchange controls in Singapore or overseas;
- (e) any change, or any development involving a prospective change or any crisis in local, national, regional or international political, industrial, legal, financial, monetary or economic conditions, taxation or exchange controls (including but not limited to the conditions in the stock market, foreign exchange market, inter-bank market or interest rates or money market, in Singapore or any other jurisdiction), political, industrial, economic, legal or monetary conditions, taxation or exchange controls or a combination of any such changes or development or crisis or deterioration thereof;
- (f) any imminent threat or occurrence of any local, national or international outbreak or escalation of hostilities whether war has been declared or not, terrorist attacks, or insurrection or armed conflict (whether or not involving financial markets);
- (g) any regional or local outbreak of disease that may have an adverse effect on the financial markets;
- (h) foreign exchange controls in Singapore and overseas or any occurrence of a combination of any such changes or developments or crises, or any deterioration of any such conditions;
- (i) the issue by the SGX-ST of a notice of refusal to admit our Company to the Catalist; or
- (j) any other occurrence of any nature whatsoever,

which event or events shall in the opinion of the Sponsor and Issue Manager (i) result or be likely to result in a material adverse fluctuation or adverse conditions in the stock market in Singapore or elsewhere; or (ii) be likely to prejudice the success of the offer, subscription or sale of the Invitation Shares (whether in the primary market or in respect of dealings in the secondary market); or (iii) make it impossible, impracticable or non-commercial to proceed with any of the transactions contemplated in the Sponsorship and Management Agreement; or (iv) be likely to have a material adverse effect on the business, trading position, operations or prospects of our Company or of our Group as a whole; or (v) be such that no reasonable underwriter would have entered into the Underwriting and Placement Agreement; or (vi) result or be likely to result in the issue by the SGX-ST of a notice of refusal to admit our Company to the Catalist at any point prior to the listing of all our existing issued Shares, the Invitation Shares, the Option Shares and the Award Shares; or (vii) make it non-commercial or otherwise contrary to or outside the usual commercial practices of underwriting in Singapore for the Underwriter to observe or perform or be obliged to observe or perform the terms of the Underwriting and Placement Agreement.

Notwithstanding the aforesaid, the Sponsor and Issue Manager may terminate the Sponsorship and Management Agreement if:

- (a) at any time up to the commencement of trading of our Shares on the SGX-ST, a notice of refusal to admit our Company to the Catalist shall have been issued by the SGX-ST; or
- (b) at any time after the registration of this Offer Document with the SGX-ST acting as agent on behalf of the Authority but before the close of the Application List, our Company fails and/or neglects to lodge a supplementary or replacement offer document (as the case may be) if we become aware of:
 - (i) a false or misleading statement or matter in this Offer Document;

SPONSORSHIP, MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

- (ii) an omission from this Offer Document of any information that should have been included in it under the Catalist Rules and/or the SFA; or
- (iii) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority and would have been required by the Catalist Rules and/or the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged,

that is materially adverse from the point of view of an investor; or

- (c) our existing issued Shares, the Invitation Shares, the Option Shares (when issued) and the Award Shares (when issued) have not been admitted to the Catalist on or before 8 December 2014 (or such other date as our Company and the Sponsor and Issue Manager may agree).

The Underwriting and Placement Agreement is conditional upon the Sponsorship and Management Agreement not being terminated or rescinded pursuant to the provisions of the Sponsorship and Management Agreement.

In the event that the Sponsorship and Management Agreement and/or the Underwriting and Placement Agreement is terminated, our Company reserves the right, at our absolute discretion, to cancel the Invitation.

Save as aforesaid, no commission, discount or brokerage has been paid or other special terms granted by our Company within the two (2) years preceding the date of this Offer Document or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscription for any shares in or debentures of our Company or our subsidiaries.

Save as disclosed above, we do not have any material relationship with the Sponsor, Issue Manager, Underwriter and Placement Agent.

USE OF PROCEEDS FROM THE INVITATION AND LISTING EXPENSES INCURRED

Based on the Invitation Price, the gross proceeds to be raised from the Invitation is approximately S\$6.19 million. The net proceeds to be raised from the Invitation (after deducting the estimated listing expenses of approximately S\$1.97 million), are estimated to be approximately S\$4.22 million.

The allocation of each principal intended use of gross proceeds from the issue of Invitation Shares and the estimated expenses incurred in connection with the Invitation is set out below:

Use of proceeds	Estimated amount (S\$'million)	Estimated amount allocated for each dollar of the gross proceeds raised from the Invitation (as a percentage of the gross proceeds) (%)
Expansion of production capacity	3.20	51.70
Expansion of sales and distribution network	0.65	10.50
Developing new products and engaging in research and development	0.30	4.85
General working capital	0.07	1.13
Listing expenses	1.97	31.82
Gross proceeds	6.19	100.00

Estimated expenses incurred in connection with the Invitation	Estimated amount (S\$'million)	As a percentage of total expenses (%)
Listing fees	0.03	1.52
Professional fees	1.25	63.45
Underwriting and placement commission and brokerage	0.19	9.65
Miscellaneous expenses	0.50	25.38
Total	1.97	100.00

The foregoing represents our best estimate of our allocation of net proceeds from the Invitation based on our current plans and estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates, and we may find it necessary or advisable to re-allocate our net proceeds within the categories described above or to use portions of the net proceeds for other purposes. If we decide to re-allocate the use of the net proceeds from the Invitation for other purposes, appropriate announcements will be made on the SGX-ST website at <http://www.sgx.com>.

In accordance with the applicable accounting standards, a portion of the expenses (other than underwriting commission, placement commission and brokerage) incurred in connection with the Invitation will be charged to our results of operations and will have an impact on our financial results in FY2015.

Please refer to the section entitled "Business – Business Strategies and Future Plans" of this Offer Document for further details on our plans above. In particular, our future plans may be funded, apart from the net proceeds from the issue of the Invitation Shares, either through internally generated funds and/or external borrowings. None of the net proceeds from the Invitation will be used to discharge, reduce, or retire any indebtedness of our Group or to finance or refinance the acquisition of another business. None of the net proceeds from the Invitation will be used, directly or indirectly, to acquire or refinance the acquisition of asset other than in the ordinary course of business.

USE OF PROCEEDS FROM THE INVITATION AND LISTING EXPENSES INCURRED

Pending the deployment of the net proceeds as aforesaid, the funds may be placed as short-term deposits with financial institutions, used to invest in short-term money market or debt instruments and/or used for working capital requirements as our Directors may deem appropriate in their absolute discretion.

We will make periodic announcements on the use of the net proceeds from the issue of the Invitation Shares as and when the funds are materially disbursed, and provide a status report on the use of the net proceeds from the issue of the Invitation Shares in our annual reports.

In the event that any part of our proposed uses of the net proceeds from the Invitation does not materialise or proceed as planned, our Directors will carefully evaluate the situation and may re-allocate our net proceeds within the categories above or use the net proceeds for other purposes and/or hold the net proceeds on short-term deposits for so long as our Directors deem it to be in the interest of our Company and our Shareholders, taken as a whole.

There is no minimum amount which, in the reasonable opinion of our Directors, must be raised from the Invitation.

RISK FACTORS

You should carefully consider and evaluate each of the following considerations and all other information set forth in this Offer Document before deciding to invest in our Shares. Before deciding to invest in our Shares, you should seek professional advice from the relevant advisers about your particular circumstances. To the best of our Directors' knowledge and belief, all risk factors which are material to investors in making an informed judgement of our Group have been set out below. If any of the following considerations, uncertainties or material risks develops into actual events, our business, financial condition and/or results of operations may be materially and adversely affected. In such cases, the trading price of our Shares could decline due to any of these considerations, uncertainties or material risks, and investors may lose all or part of their investment in our Shares.

This Offer Document also contains forward-looking statements having direct and/or indirect implications on our future performance. Our actual results may differ materially from those anticipated by these forward-looking statements due to certain factors, including the risks and uncertainties faced by us, as described below and elsewhere in this Offer Document.

RISKS RELATING TO OUR INDUSTRY AND BUSINESS

We are dependent on our major customers and are exposed to the risk of decrease in orders, delays, claims, rejections or cancellations of orders

We are dependent on our major customers, namely, Unigloves Germany, Ascend Eagle Incorporated, Unigloves USA, and Thermofina Sarl which in aggregate accounted for approximately 71.4%, 64.0% and 61.0% of our Group's revenue for FY2012, FY2013 and FY2014 respectively. These major customers are primarily distributors whose sales are susceptible to demand from their end customers. Accordingly, the sales of our Group would also be affected by demand from the end customers of our major customers.

We do not have any significant long-term contracts with our major customers. There is no assurance that we will continue to retain these customers or that they will maintain or increase their current level of business with our Group. If our sales to any of these customers are reduced significantly and we are unable to increase sales to other customers, our business and financial performance may be affected.

In the event there is a material delay, rejection and/or cessation of orders and/or claims for whatever reason by any of our major or other customers and we are unable to replace and/or obtain substitute orders of a comparable size, our business and results of operations may be adversely affected.

To date, we have not experienced any material loss of any major customers, with whom we have established good working relations with since our entry into the glove manufacturing industry in 1989. Please refer to the section entitled "Business – Major Customers" of this Offer Document for further details.

Our profitability may be affected by increases in raw material prices and/or shortages in raw materials

The primary raw materials used in our manufacturing facilities are natural rubber latex and nitrile latex which accounted for in aggregate approximately 63.6%, 53.2% and 54.3% of our total cost of sales in FY2012, FY2013 and FY2014 respectively. We purchase our raw materials mainly from suppliers in Malaysia and Thailand. The market prices of natural rubber latex and nitrile latex may fluctuate due to, amongst others, changes in global supply and demand conditions.

In addition, nitrile latex, a raw material used in the production of our nitrile examination gloves, is synthetic rubber. Any increase in petroleum prices may result in an increase in nitrile latex prices and consequently, an increase in our production costs. This is mainly due to petroleum being used as a feedstock for the production of petrochemicals such as butadiene, from which nitrile latex is derived. The Malaysian government has been reducing fuel subsidies on fuel such as petroleum and diesel over the last four (4) years. Cuts in fuel subsidies may result in an increase in our raw material costs. We have no control over such developments and cannot provide any assurance that such developments relating to the Malaysian government's policy and regulations on fuel subsidies will not have a material adverse effect on the results of our operations. Furthermore, although we may be able to pass on the increased costs to our customers, we may only be able to increase our selling price if we are able to maintain our competitiveness in the market.

RISK FACTORS

Apart from petroleum, natural gas is another significant cost component and it accounted for approximately 7.1%, 8.4% and 9.6% of our total cost of sales in FY2012, FY2013, and FY2014 respectively. Natural gas is supplied to the thermal oil heaters and other heating devices used in our production process. As natural gas is a significant cost component in our production process, any increase in its costs may have an adverse effect on our results of operations.

As we do not have any significant long-term supply agreements with our suppliers, there is no assurance that we will not face shortages of raw materials to meet our production requirements in the future. Although we have not encountered any shortage of raw materials in the past, any sudden shortage of supply or reduction of allocation of raw materials to us from our suppliers which could be affected by, amongst others, erratic unfavourable weather conditions or demand and supply conditions may result in us having to pay a higher cost for these raw materials and may adversely affect our business and results of operations. In the event that we are unable to find a comparable source of supply at competitive prices or pass on increases in the costs of such raw materials to our customers on a timely basis, the profit margins for our products may be adversely affected. Accordingly, our business, financial position and results of operations may be adversely affected.

In addition, we also purchase and maintain an inventory of raw materials ahead of receipt of orders from our customers. Accordingly, any significant decrease in raw material prices during the period may adversely affect our profit margins and profitability as we may have to lower our selling prices for new orders.

We observed an increase in the prices of nitrile latex and natural gas in the period commencing 1 July 2014 up to 30 September 2014, which resulted in an increase in our cost of production during this period. If this trend continues and we are unable to pass the increase in costs on to our customers, our profitability may be adversely affected.

We are subject to intense competition and may not be able to compete successfully

Our Group faces keen competition from glove manufacturing companies in Malaysia, Thailand and Indonesia. We might face more intense competition from our competitors in the future, as these competitors may have, amongst others, longer operating histories, better technical expertise, competitive pricing, stronger brand recognition, larger clientele, larger teams of professional staff, greater financial and technical resources, and/or better marketing strategies.

The intense competition in the glove manufacturing industry may result in our customers being able to source from other glove manufacturers. Accordingly, this may affect the volume and selling prices of our Group's products and the business and financial performance of our Group may be adversely affected.

In the event that we are unable to provide competitive pricing and/or quality products and services on a timely basis, we may be unable to compete successfully against our competitors and may not be able to maintain or grow our market share. Accordingly, our business, financial condition and operating results may be adversely affected. Please refer to the section entitled "Business – Competition" in this Offer Document for details of our competitors.

We are dependent on foreign workers and may face increased costs of labour or labour shortages

The glove manufacturing industry is labour intensive and requires substantial manual labour in areas such as stripping of gloves, quality control and packing. We rely heavily on foreign labour in our manufacturing process and they represent 78.4%, 81.0% and 85.1% of our total number of workers in FY2012, FY2013 and FY2014 respectively. Any changes in the policies of the foreign workers' countries of origin may affect the supply of foreign labour and cause disruptions to our business operations. In addition, any increase in competition for foreign workers may also increase labour costs. In the event that the number of foreign workers that we can employ are reduced and/or we have to turn to a more costly source of labour, our financial performance may be adversely affected.

Recruitment of foreign workers in Malaysia is currently limited to only approved sectors, which are the manufacturing, plantation, construction, agriculture, and certain types of services sectors. In addition, the Ministry of Home Affairs of Malaysia has imposed specific requirements for the recruitment of foreign workers, such as countries of origin and the gender of workers for certain sectors. There is no assurance that such policies will not be amended or restricted in any way, and that in the event such policies are amended, we will be able to comply with the new policies. In addition, operational costs for compliance with new policies may increase exponentially.

RISK FACTORS

As applications for recruitment of foreign workers in Malaysia are subject to approval procedures, there is no assurance that we will be able to continue to employ sufficient number of foreign workers to meet our operational requirements. In particular, in the event that the Ministry of Home Affairs of Malaysia restricts the number of foreign workers which we can recruit, or our applications for recruitment of foreign workers are continuously rejected, our business operations, financial condition and operating results may be adversely affected.

We are exposed to foreign exchange rate fluctuations and translation losses

Our Group's operating expenses and purchases are denominated mainly in RM. On the other hand, our sales are primarily denominated in US\$. To the extent that our sales, purchases and operating costs are not naturally matched in the same currency and there are timing differences between invoicing and collections/payments, we will be exposed to any adverse fluctuations of the various currencies against RM. Any adverse fluctuations of the various currencies against RM may have an adverse impact on our financial performance.

In addition, we are subject to translation risks as our consolidated financial statements are reported in S\$ while the financial statements of our subsidiaries are prepared in the foreign currencies of their domicile.

As our business activities are principally in markets outside Malaysia, we will continue to face foreign exchange risks in the future and such risks may have an adverse impact on our financial condition and results of operations.

We are subject to risks associated with technological changes

Our business is susceptible to changes in technology. With the advancement of technology and continual research and development in the production process for the manufacturing industry, new manufacturing techniques for our products may be developed. There is no assurance that potential competitors may not in the future adopt newer and cheaper alternatives to replace the raw materials used in the production of our products. This may result in lower production costs per unit. If we are unable to adapt our production processes with newer and more efficient manufacturing techniques or raw materials and/or price our products competitively against other glove manufacturers, we may lose our market share and our business, financial position and operating results may be adversely affected.

We are dependent on our ability to retain key personnel

Our continued success is dependent on our ability to retain the services of our key management and operational personnel including our Executive Directors, namely, Ang Beng Teck, Lee Jun Yih, Wong See Keong and Lee Jun Linn. They are key to the successful implementation of our business strategy in the near to medium term. The goodwill and strong networks that our experienced management team has developed with various customers over the past years are important to the further development of our business. The in-depth knowledge, relevant experience and commitment of our key executives have been and will continue to be instrumental to our development and growth. As such, the loss of any key personnel without qualified and timely replacements, and the inability to attract, train and retain qualified key executives, will have an adverse impact on our operations. Our Executive Directors, Lee Jun Yih, Lee Jun Linn, Ang Beng Teck and Wong See Keong, have each entered into a service agreement with our Company for an initial term of three (3) years. Notwithstanding that each of Ang Beng Teck, Lee Jun Yih, Wong See Keong and Lee Jun Linn has entered into their respective service agreements with our Company, there can be no assurance that we will be successful in retaining them or hiring qualified management personnel to replace them should a need arises. Please refer to the section entitled "Directors, Executive Officers and Staff – Service Agreements" of this Offer Document for further details.

We may face disruptions at our manufacturing facilities

Our Group may face disruptions to our manufacturing operations due to unforeseen external factors such as natural disasters, acts of God, fire, flooding, civil commotion, and other calamities or events beyond our control. This would result in longer lead-time for production and delayed delivery to our customers. Notwithstanding the measures and steps that we have taken, there is no assurance that emergency crises would not cause disruptions in our operations. As a result of such disruptions, failure to meet our

RISK FACTORS

customers' expectations and make deliveries as required by our agreements with customers could damage our reputation and/or expose us to legal claims and may, as a result, lead to loss of business and affect our ability to attract new business. In such events, our business and financial performance will be adversely affected.

We may not be able to successfully implement our future plans

As part of our future business plans, we intend to, *inter alia*, increase our production capacity, strengthen our position in our current markets and expand into new markets. Please refer to the section entitled "Business – Business Strategies and Future Plans" of this Offer Document for further details.

While we have planned such expansion based on our outlook of our business prospects, there is no assurance that such expansion plans will be commercially successful or that the actual outcome of those expansion plans will match our expectations. The success and viability of our expansion plans are dependent upon, *inter alia*, the dynamics of the glove manufacturing industry, the availability of management, financial, operational and other resources in the countries in which we seek to expand our operations, our ability to implement strategic marketing plans effectively, our ability to generate demand by new customers for our products, and our ability to hire and retain skilled management to carry out our future plans.

Further, the implementation of our future plans may also require substantial capital expenditure, the incurrence of working capital requirements and additional financial resources and commitment. There is no assurance that these future plans will achieve the expected results or outcomes such as an increase in revenue commensurate with our investment costs, or the ability to generate any costs savings, operational efficiencies and/or productivity improvements to our operations. In the event that the results or outcome of our future plans do not meet our expectations or if we fail to achieve a sufficient level of revenue or manage our costs efficiently, we may not be able to recover our investment and our future financial performance, business operations, and financial condition may be adversely affected.

In addition, we may explore acquisitions, joint ventures and/or strategic partnerships that are complementary to our businesses. Participation in suitable acquisitions, joint ventures and/or strategic partnerships involves numerous risks, including but not limited to difficulties in the assimilation of our management, operations, services, products and personnel and the possible diversion of management attention from other business concerns. The successful implementation of our growth strategies depends on our ability to identify suitable partners and the successful integration of their operations with ours. There can be no assurance that we will be able to execute such growth strategies successfully and as such, the performance of any acquisitions, joint ventures and/or strategic partnerships could fall short of expectations.

We require various permits, business licences and approvals for our operations

As a pre-requisite for carrying on our business operations, we are required to obtain certain permits, licences and certificates from various governmental authorities. Details of our permits, licences and approvals are set out in the section entitled "Business – Licences and Permits" of this Offer Document.

Some of these permits and business licences are subject to periodic renewal and reassessment by the relevant government authorities, and the standards of compliance required in relation thereto may from time to time be subject to changes. Non-renewal of our permits, licences and approvals will have a material adverse effect on our operations and we may not be able to carry on our business without such permits, licences and approvals being granted or renewed. In addition, it may be costly for us to comply with any subsequent modifications of, or additions or new restrictions to, these compliance standards. Should there be any subsequent modifications of, or additions or new restrictions to the current compliance standards, we may incur additional costs to comply with the new or modified standards which may adversely affect our profitability.

As of the Latest Practicable Date, Unigloves Nigeria was granted the right to use certain NAFDAC licences for the importation of examination gloves into Nigeria by the holders of the NAFDAC licences. Unigloves Nigeria has also entered into agreements pursuant to which the holders of the NAFDAC licences agreed to procure in favour of Unigloves Nigeria the issuance of the NAFDAC licences 90 days

RISK FACTORS

before the expiry date of the licences. In the event that the NAFDAC licences are not issued to Unigloves Nigeria or Unigloves Nigeria does not have the right to continue to use the NAFDAC licences, we may not be able to continue our operations in Nigeria and our business, financial condition and operating results may be adversely affected. For more information on our permits, licences and approvals as well as our arrangement with the holders of the NAFDAC licences, please refer to the section entitled “Business – Licences and Permits” of this Offer Document.

Some of the licences, permits and approvals may also be subject to the conditions stipulated therein and we have to constantly monitor and ensure our compliance with such conditions. Should there be any failure to comply with such conditions resulting in the revocation of any of the licences and permits, we may not be able to carry out our operations and our business, financial condition and operating results may be adversely affected.

Our insurance coverage may be inadequate to indemnify us against all possible liabilities

Our Group maintains various insurance policies covering, amongst others, our stock-in-trade including our raw materials, semi-finished and finished gloves, our dipping lines and equipment, as well as our buildings and extensions. There is however no assurance that such insurance policies will be sufficient to cover all of our potential losses. In the event that our insurance coverage is insufficient to indemnify us against all possible liabilities or losses arising from our business operations, our business, financial condition and operating results may be adversely affected.

We are exposed to the credit risks of our customers

We may extend credit terms to our customers ranging from 30 days to 90 days on a case-by-case basis depending on, amongst others, their creditworthiness and the length of the customer relationship. Our trade receivables’ turnover days for FY2012, FY2013 and FY2014 were 65 days, 79 days and 69 days respectively. Please refer to the section entitled “Business – Credit Management” of this Offer Document for further details.

Our customers may be unable to meet their contractual payment obligations to us, either in a timely manner or at all. In addition, our customers may cancel their orders. The reasons for payment delays, cancellations or default by our customers may include, amongst others, insolvency, bankruptcy, or insufficient financing or working capital due to late payments by their respective end customers. We may not be able to enforce our contractual rights to receive payment through legal proceedings. In the event that we are not able to collect payments from our customers, our business, financial condition and operating results may be adversely affected.

We are dependent on the credit terms given by our suppliers

Our suppliers typically grant us credit terms of between 21 days and 90 days. Please refer to the section entitled “Business – Credit Management” of this Offer Document for further details. In the event that our suppliers terminate or shorten the credit terms granted to us due to, amongst others, poor economic conditions, and we are unable to seek alternative sources in a timely manner and/or at competitive costs, our business and financial condition may be adversely affected.

We may be subject to claims for infringement of third parties’ intellectual property rights or may not be able to protect our intellectual property rights

Third parties may initiate claims against our Group alleging infringement of their intellectual property.

We are currently preparing an application to invalidate a “Unigloves” trademark currently registered by a non-affiliated company in the trademark office of one of the European countries. Our application to invalidate it is founded on the basis that our Group has evidence that we used the trademark prior to its registration by the non-affiliated company. The “Unigloves” trademark was registered by the non-affiliated company in August 2001, whereas our Group began importing gloves into this European country in June 2001 and began to market the “Unigloves” brand then. We cannot assure you that the trademark office will invalidate the trademark currently registered by the non-affiliated company. In the event that our application to invalidate the “Unigloves” trademark does not succeed and the non-affiliated company decides to bring an action against our Group, we would incur time and costs in the defence of such an

RISK FACTORS

action, and our business operations may be adversely affected. If the non-affiliated company is successful in an infringement action, its remedies could include an injunction to prevent the use of the Group's trademark, damages or an account of profit, and/or an order for destruction of infringing goods.

In addition, we also cannot guarantee that our products and/or production technology will not infringe any patents or proprietary rights of third parties in the future. In the event of any material claims or litigation involving infringement of intellectual property rights of third parties, with or without merit, we may have to expend considerable resources, including time, effort and money, to defend ourselves in such legal proceedings. In addition, our business may be severely disrupted due to such legal proceedings. In such an event, our Group's financial results and business operations may be adversely affected.

We have currently applied and/or intend to apply for the registration and/or registered our trademarks to protect our intellectual property rights in the PRC, Singapore and Nigeria. Please refer to the section entitled "Business – Intellectual Property" of this Offer Document for further details. There can be no assurance that our trademarks or other intellectual property rights will not be susceptible to imitation or other forms of infringement and we may not be able to completely prevent the sale of products which infringe our intellectual property rights. In the event that our trademarks or other intellectual property rights are imitated or otherwise infringed, our reputation and financial performance may be adversely affected.

If we are unable to effectively protect our intellectual property rights, our brand reputation, sales and profitability may be adversely affected. If we are compelled to undertake litigation to protect our intellectual property rights, there may be a material adverse impact on our business and profitability.

We may be affected by adverse changes in the political, economic, regulatory or social conditions in the countries in which we operate or into which we intend to expand

We are governed by the laws, regulations and government policies in each of the countries in which we operate or into which we intend to expand our business and operations. Our business and future growth are dependent on the political, economic, regulatory and social conditions in these countries, which are beyond our control. Any economic downturn, changes in policies, currency and interest rate fluctuations, capital controls or capital restrictions, labour laws, changes in environmental protection laws and regulations, duties and taxation and limitations on imports and exports in these countries could materially and adversely affect our operations, financial performance and future growth.

We may be the subject of complaints and product liability claims

Although our gloves are required to comply with our stringent quality assurance procedures, as well as to comply with international standards and requirements, there remains a possibility that the gloves manufactured or distributed may contain chemical substances, including latex protein and/or other substances that are sensitive to certain users. Although we have not faced any complaints or product liability claims in the past, consumers who use our products may develop allergic or other adverse reactions despite our safety and quality controls and testing. As a result, we may face an inherent risk of exposure to product liability claims and legal claims in the event that the use of our products results in allergy or other adverse reactions from the users. In such events, we may have to compensate our customers or expend significant amounts on litigation.

In the event that our products are found to be unfit for their intended purpose, non-compliant with industry regulations or contain material defects, we may face product liability claims from our customers. We may have to spend a significant amount of time and resources to defend ourselves in the event that legal proceedings are instituted against us, with or without merit. There is no assurance that we will not face such claims in future, which may have an adverse impact on our business, financial condition and results of operations.

We may be the subject of negative publicity

Reports in publications and journals relating to issues such as latex protein allergy may have a negative effect on our image. The publication of reports asserting or alleging that gloves in general (even if the products are not sold by us) may cause allergies or adverse reactions to users, in particular protein

RISK FACTORS

allergy, may have a negative effect on our sales regardless of whether such reports are substantiated scientifically or whether the harmful effects are restricted to the products sold by other companies. The resultant decrease in or loss of sales of the affected products will have a material adverse financial effect on our Group.

Although we have not been the subject of negative publicity in the past, any complaints or product liability claims by users of our products may also affect their confidence in our brands and products. In the event that we are required to compensate users of our products, our corporate image, financial condition and results of operations may be adversely affected.

We may be exposed to risk in respect of outbreaks of H1N1 influenza, bird flu, and/or other communicable diseases

An outbreak of the H1N1 influenza, bird flu, and/or other communicable diseases, if uncontrolled, could affect our business and operations. In addition, if any of the employees in our facilities or the facilities of our suppliers and/or customers is infected or suspected of being infected with communicable diseases, our Group, our suppliers and/or our customers may be required to temporarily shut down the affected facility for quarantine purposes. Such event may cause disruption to our business and operations and may result in delay in delivering our products and services. Accordingly, our financial condition and results of operations may be adversely affected.

We may be affected by natural disasters, terrorist attacks, armed conflicts and other events beyond our control

Severe weather conditions, natural disasters such as earthquakes, floods and other incidents such as outbreak of fire and other emergency risks could cause damage to or a temporary shutdown of our suppliers' or our production facilities. For instance, a fire breakout may damage or destroy our equipment and machinery and if the facilities are shut down for a prolonged period, it may disrupt our business operations and adversely affect our results of operations.

In addition, terrorist attacks, armed conflicts, increased hostilities and other acts of violence or war around the world may adversely affect the regional and global financial markets. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to an economic recession and have an adverse effect on our business, results of operations and financial condition. There can be no guarantee that social and civil disturbances will not occur in the future and on a wider scale, or that any such disturbances will not, directly or indirectly, materially and adversely affect our businesses, results of operations and financial condition.

RISKS RELATING TO MALAYSIA

We are subject to political, social and economic developments in Malaysia

Any adverse development in the political situation, social environment or economic condition in Malaysia could materially and adversely affect the financial performance of our Group. These developments may include, but is not limited to, changes in political leadership, nationalisation, price and capital controls, sudden restrictive changes to government policies, introduction of new taxes on goods and services and introduction of new laws, as well as demonstrations, riots, coups and war. These may result in the nullification of contracts and/or prohibit us from continuing our business operations.

In 2013, more than 200 militants claiming to be the royal security forces of the Sultanate of Sulu entered a village in Lahad Datu, Sabah and claimed rights over the land which resulted in a standoff against the Malaysian security personnel. While our business operations are not located in Sabah, there is no assurance that such events will not occur in locations where our business operations are carried out.

There is no assurance that social and civil disturbances will not occur in the future and such disturbances will not, directly or indirectly, materially and adversely affect our businesses, prospects, financial condition and/or results of operations. Terrorist attacks, increased hostilities and other acts of violence or war may adversely affect the regional and worldwide financial markets. The occurrence of any of these events may

RISK FACTORS

result in a loss of business confidence, which could potentially lead to economic recession and have an adverse effect upon our business, prospects, financial condition and/or results of operation. In addition, any deterioration in international relations may result in increased investors' concern regarding regional stability which may, in turn, adversely affect our businesses.

Our operations are affected by the changes in existing, and adoption of new, Malaysian laws and regulations and/or the changes in interpretation of the Malaysian laws and regulations as well as possible inconsistencies between the various Malaysian laws and regulations and/or the corresponding interpretation

Our operations in Malaysia are regulated by the laws and regulations of Malaysia, including those relating to the corporate, investment, marketing, labour, environmental, safety and taxation matters. The legal and regulatory regimes in Malaysia may be uncertain and subject to unforeseen changes. At times, the interpretation or application of laws and regulations in Malaysia is unclear. Government policies, regulations and guidelines issued and imposed by the relevant authorities may change from time to time.

Our operations may be adversely affected by the adoption of new laws and regulations and/or changes to, or changes in the interpretation or implementation of, existing laws and regulations. In addition, the adoption of new laws and regulations or any modification to the existing laws and regulations may result in our Group having to incur additional expenses to comply with the new laws. We have no control over such conditions and developments and cannot provide any assurance that such conditions and developments will not have a material adverse effect on our operations, financial condition, results of operations or the price of, or market for, our Shares.

Examples of new laws introduced include the Goods and Services Tax Act 2014, which was gazetted on 19 June 2014 and is expected to come into force in 2015. There is no assurance that the implementation of the goods and services tax in Malaysia will not have a material adverse effect on our operations, financial condition, results of operations or the price of, or market for, our Shares.

In addition, the Companies Bill is expected to be tabled to the House of Representatives which will replace the current Companies Act 1965 of Malaysia. While we have compliance procedures in place to ensure compliance with new legislations and every effort is taken to ensure the requirements of new legislations are met, there is no certainty on the approach which will be taken by our regulators, and we may incur additional compliance costs with the introduction of new or amended regulations.

Companies with any foreign shareholding which are engaged in the distributive trade are required to obtain a wholesale and retail trade licence from the Ministry of Domestic Trade and Co-operative and Consumerism of Malaysia ("MDTCC"). Such companies are required under the Guidelines on Foreign Participation in the Distributive Trade Services Malaysia to:

- (a) appoint Bumiputera director/directors;
- (b) hire personnel at all levels including management to reflect the racial composition of the Malaysian population;
- (c) formulate clear policies and plans to assist Bumiputera participation in the distributive trade sector;
- (d) hire at least one per cent. (1%) of the total hypermarket workforce from persons with disabilities;
- (e) increase the utilisation of local airports and ports in the export and import of the goods;
- (f) utilise local companies for legal and other professional services which are available in Malaysia;
- (g) submit annual financial reports to the Ministry of Domestic Trade, Co-operatives and Consumerism; and
- (h) comply with all by-laws and regulations of local authorities.

RISK FACTORS

Although there are no legal sanctions against non-compliance, the above guidelines can be enforced administratively through the refusal to register branches of foreign companies engaged in such trade, or through licensing and control over immigration passes.

The Guidelines on Foreign Participation in the Distributive Trade Services Malaysia do not apply to manufacturing companies such as NS Unigloves and UG Global Resources. If we become involved in a distributive trade in future, the operations of our Malaysian subsidiaries may be affected to the extent that our Malaysian subsidiaries have foreign shareholding. In addition, changes in such legislation or governmental policies may also affect our operations in Malaysia.

We may be subject to restrictions in the transfer of funds out of Malaysia

There are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are administered by the Foreign Exchange Administration department, an arm of Bank Negara Malaysia which is the central bank of Malaysia. The foreign exchange policies monitor and regulate both residents and non-residents.

Under the current Exchange Control Notices of Malaysia and Foreign Exchange Administration Policies issued by Bank Negara Malaysia, non-residents are free to repatriate any amount of fund in Malaysia at any time, including capital, divestment proceeds, profits, dividend, rental, fees and interest or any income arising from investment in Malaysia provided that such repatriation is made in foreign currency except in the currency of Israel. The repatriation of such funds is also subject to the applicable reporting requirements, and any accompanying withholding taxes. Please refer to the section entitled “Exchange Controls” of this Offer Document for further details.

In the event Bank Negara Malaysia introduces any restrictions in the future, we may be affected in our ability to repatriate dividends or distributions from our Malaysian subsidiaries.

Non-enforceability of non-Malaysian judgments may limit your ability to recover damages from us

Our principal subsidiaries, NS Unigloves, UG Glovetech and UG Global Resources, are incorporated in Malaysia and most of our assets are located in Malaysia. In addition, our Executive Directors and Executive Officers are non-residents of Singapore and substantially all the assets of these persons are located outside Singapore. As a result, it could be difficult for our Shareholders to commence an action against our overseas subsidiaries or our Executive Directors and Executive Officers who are non-residents of Singapore as service of process will have to be effected outside of Singapore, or to enforce a judgement obtained in the Singapore courts against our subsidiaries or Executive Directors and Executive Officers who are non-residents of Singapore.

Any monetary judgment obtained in a foreign court will be enforceable in the courts of Malaysia in accordance with the Reciprocal Enforcement of Judgments Act 1958 (“REJA”). Subject to the provisions of REJA, only a monetary judgment obtained in a superior court of the reciprocating countries listed in the First Schedule of REJA (such as United Kingdom, Hong Kong, Singapore, New Zealand, Republic of Sri Lanka, India and Brunei) shall, upon registration with the courts of Malaysia within six (6) years after the date of judgment or, where there have been proceedings by way of appeal against the judgment, after the date of the last judgment, have the same force and effect as if it had been a judgment originally entered or obtained, as of the date of registration, in the registering court. Nevertheless, the registered judgments may also be set aside by applications made by the party against whom a registered judgment may be enforced if the registering court is satisfied that the provisions under REJA are satisfied.

In order to pursue a claim in Malaysia against us or any of our officers or directors, you will have to bring a separate action or claim in Malaysia. While a non-Malaysian judgment could be introduced as evidence in a court proceeding in Malaysia, a Malaysian court would be free to examine new issues arising in the case. Thus, to the extent that you may succeed in bringing legal actions against us outside Malaysia, your available remedies and any recovery in any Malaysian proceeding may be limited.

RISK FACTORS

Compliance with environmental laws and regulations could result in substantial costs to us

Our manufacturing operations are located in Malaysia and we are subject to the relevant environmental laws and regulations. Failure by us to comply with such laws and regulations will result in us being subject to penalties and fines or being required to pay damages. Further, any change in such laws and regulations may require us to incur additional capital expenditure or compliance costs.

Domestic, regional or global economic changes may adversely affect our business

The Asian economic crisis in 1997 and, to a certain degree, the global financial crisis in 2008 had significant and adverse impact on Malaysia, and a recurrence of a crisis of a similar scale, whether at a domestic, regional or global level, could have a material adverse effect on Malaysia's economy. Consequently, our business and results of operations will also be adversely affected by any deterioration in the economic conditions of Malaysia. There can be no assurance that an economic downturn in Malaysia will not occur in the future. Any such downturn could have a material adverse effect on our business, financial condition and results of operations.

Our revenue and profitability may be adversely affected if our Malaysian subsidiaries lose their existing manufacturing licences issued by the Ministry of International Trade and Industry ("MITI"), or there are changes to the regulations or requirements in relation to foreign ownership in Malaysian companies

Our manufacturing operations in Malaysia require us to obtain manufacturing licences under the Industrial Co-ordination Act 1975 which read together with the Industrial Co-ordination (Exemption) Order 1976. As a licensee, we are to comply with the terms and conditions imposed under our licence.

Such terms and conditions, together with the Industrial Co-ordination Act 1975 and its regulations and orders made thereunder, are subject to change. Such changes include, but are not limited to, restrictions on foreign equity, and requirements to hire a higher percentage of local workers which would increase our operational costs, and an increase in the minimum paid-up capital required of licensees. We are unable to ensure that we will be able to comply with such future changes and that our licences will not be revoked. Our operations may be adversely affected by the revocation or suspension of our manufacturing licences, or by the adoption of new laws and regulations or changes to, or changes in the interpretation or implementation of, existing laws and regulations.

RISKS RELATING TO THE PRC

We are affected by economic, social and political conditions in the PRC

Unigloves Shanghai and Unigloves Beijing undertake our distribution business in the PRC. The business operations and financial performance of these PRC companies are affected by the political, social and economic conditions in the PRC. Adverse changes in the political, social and economic conditions in the PRC such as changes in labour conditions, import and export regulations, tariffs, custom restrictions, fluctuations in exchange rates, economic recession and inflation may affect the operations of our PRC subsidiary and associated company and this may, in turn, adversely affect the financial position of our Group.

Interpretation and application of PRC laws and regulations involve uncertainty

The legal system in the PRC is based on the Constitution of China and is made up of written laws, regulations, circulars and directives. As the PRC economy is undergoing development generally at a faster pace than its legal system, some degree of uncertainty exists in connection with whether and how existing laws and regulations will apply to certain events or circumstances.

Some of the laws and regulations, and the interpretation, implementation and enforcement thereof, are still being developed and refined and are, therefore, subject to policy changes. There is no assurance that the introduction of new laws, changes to existing laws and the interpretation or application thereof or the delays in obtaining approvals from the relevant authorities will not have an adverse impact on the business and financial performance of our subsidiary and associated company located in the PRC.

RISK FACTORS

Further, precedents on the interpretation, implementation and enforcement of the PRC laws and regulations are limited, and decisions on precedent cases are not binding on lower courts. Accordingly, the outcome of dispute resolutions may not be consistent or predictable. In addition, it may be difficult to obtain swift and equitable enforcement of laws in the PRC, or to obtain enforcement of judgment by a court of another jurisdiction.

Foreign exchange control in the PRC may limit our ability to utilise our revenue effectively and affect our ability to receive dividends and other payments from our PRC subsidiary

Our PRC subsidiary and associated company are subject to the rules and regulations imposed by the PRC government on currency conversion. In the PRC, SAFE regulates the conversion of RMB into foreign currencies and *vice versa* and, in certain cases, the remittance of currency out of the PRC. Currently, Foreign Investment Enterprises (the “FIEs”) are required to apply to SAFE for Foreign Exchange Registration Certificate. Such registration certificates are renewable annually and allow FIEs to open foreign currency accounts for the payment of:

- (a) recurring items, including the distribution of dividends and profits after tax to foreign investors of FIEs upon presentation of board resolutions which authorise the distribution of profits or dividends (“**Current Account**”); and
- (b) capital items, such as repatriation of capital, repayment of loans and for securities investment (“**Capital Account**”).

Under existing PRC foreign exchange regulations, currency transactions within the scope of the “Current Account”, including profit distributions, interest payments and expenditures from trade-related transactions, can be effected without requiring the approval of SAFE, while the conversion of currency in the “Capital Account” still requires the approval of SAFE. At present, our PRC subsidiary holds the relevant FIE Certificate. With the FIE Certificate, our PRC subsidiary is able to convert RMB revenue into foreign currency and repatriate dividends and profits to our Group.

Furthermore, applicable PRC laws, rules and regulations permit payment of dividends by our PRC subsidiary only out of its retained earnings, if any, as determined in accordance with PRC accounting standards. Our PRC subsidiary is required to set aside a certain percentage of its after-tax profit based on PRC accounting standards each year to its reserve funds in accordance with the requirements of the relevant laws and provisions in its articles of association. As a result, our PRC subsidiary is restricted in its ability to transfer a portion of its profits to its shareholder in the form of dividends. Any restriction on the ability of our PRC subsidiary to pay dividends to our Group could materially and adversely limit our ability to grow, or make investments or acquisitions that could be beneficial to our businesses. Distributions by our PRC subsidiary to our Group in forms other than dividends may be subject to government approval and taxes. Any transfer of funds from our Group to our PRC subsidiary, either as a shareholder loan or as an increase in registered capital, is subject to registration with, or approval of, the relevant PRC government authorities. These limitations on the flow of funds within our Group could restrict our ability to respond to changing market conditions or appropriately allocate funds to our PRC subsidiary in a timely manner.

In the event the PRC government imposes further restrictions or requirements on the conversion of RMB for repatriation as dividends overseas, our ability to repatriate dividends or distributions from our PRC subsidiary may be affected.

RISK FACTORS

RISKS RELATING TO EUROPE

Our business may be adversely affected by changes in the economic, social, political, or legal conditions in Europe

Significant uncertainty regarding the rising debt burden in the United States has affected consumer confidence and raised concerns about European economies. There is also much uncertainty as to the ability of certain European countries to refinance their sovereign debt which has led to unstable market conditions. In addition, a number of other related events have also caused fundamental and far-reaching disruptions to the global economy. Such events include the collapse of a number of financial institutions, rising government deficits and debt levels, ratings downgrades for United States and certain EU sovereign debt and the economic crises in Greece and Italy.

As Unigloves Germany is our associated company and one of our major customers, and a substantial portion of our revenue is derived from sales to Unigloves Germany, any significant slowdown in the economies of the European Union will have an adverse effect on the business, financial condition and financial performance of our Group. Furthermore, unfavourable changes in the social, political and legal conditions in Europe may also adversely affect the business and operations of the Group.

RISKS RELATING TO NIGERIA

Enforcement and application of Nigerian laws and regulations involve uncertainty

Nigeria applies a common law system of judicial precedents and this lends to the predictability of court decisions. However, the determination of law suits before Nigerian courts may take longer than it would in more developed jurisdictions. Nigeria is a rapidly developing nation and its laws are changing and evolving swiftly to accommodate the needs of commerce, international trade and its society. This may also result in some degree of inconsistency in policy. Businesses are therefore exposed to various risks associated with unexpected regulatory changes. Substantial changes in the regulatory or legal environments, including economic, tax, defence, labour, spending and other policies of the government could adversely affect the business, results of operations and financial condition of our subsidiary in Nigeria.

We may be subject to exchange control policies in Nigeria

There is no longer any materially restrictive currency control legislation in Nigeria. The FOREX Act was enacted to deregulate the foreign exchange regime in the country. The FOREX Act created the Autonomous Foreign Exchange Market (“AFEM”) and paved the way for foreign exchange transactions in AFEM through licensed banks subject to the control of the Central Bank. The FOREX Act dispenses with the need to obtain approvals from the Federal Ministry of Finance in order to engage in foreign exchange transactions as was required under the current repealed Exchange Control Act, 1962. Except for prohibited transactions such as the production of arms and ammunition, the production of, and dealing in narcotic drugs, and psychotropic substances, and the production of military and paramilitary wears and accoutrement including those of the police and the customs, immigration and prison services, the FOREX Act guarantees capital imported into Nigeria by way of equity or loan, unconditional convertibility and transferability out of the country.

However, there can be no assurance that the Nigerian government will not institute restrictive currency and exchange control policies in the future, including restrictions on convertibility and/or transferability of foreign currencies. In the event that restrictions are imposed in the future, we may be affected in our ability to repatriate dividends or distributions from our Nigerian subsidiary.

We are subject to political, social and economic developments in Nigeria

Any adverse development in the political situation, social environment and economic conditions in Nigeria could materially and adversely affect the financial performance of our subsidiary located in the country. These developments may include, but is not limited to, changes in political leadership, nationalisation, price and capital controls, sudden restrictive changes to government policies, introduction of new taxes

RISK FACTORS

on goods and services and introduction of new laws, as well as terrorist activity, demonstrations, riots, coups and war. These may result in the nullification of contracts and/or prohibit us to continue our business operations.

In addition, political unrest in the Niger Delta, Nigeria's oil-producing region, has escalated since 1999. Elections in 2003 heightened this tension and the violence in the Niger Delta area has increased as militia groups continue to fight for control over the oil wealth and greater regional autonomy. Since 2002, Nigeria has seen sectarian violence by Boko Haram, an Islamist movement that seeks to abolish the secular system of government and establish Sharia law in the country. In 2014, over 200 female students were kidnapped from a secondary school in the town of Chibok in Borno State, Nigeria. While our business operations are not located in Borno State, there is no assurance that such events will not occur in locations where our business operations or those of our customers are carried out.

In addition, 2014 is the pre-election year and political risk may be higher from the last two quarters of 2014 up till the second quarter of 2015 as the political activities gather momentum in the run up to the 2015 general elections. Investments or projects that are public-sector driven might be more vulnerable, and business in general may move at a slower pace.

There is no assurance that social and civil disturbances will not occur in the future and such disturbances will not, directly or indirectly, materially and adversely affect our businesses, prospects, financial condition and/or results of operations. Terrorist attacks, increased hostilities and other acts of violence or war may adversely affect the regional and worldwide financial markets. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to economic recession and have an adverse effect upon our business, prospects, financial condition and/or results of operations.

Poor infrastructure support in Nigeria could disrupt normal business activity

The state of physical infrastructure in Nigeria largely dates back to the late 1970s and has not been adequately funded and maintained over the past decades. Particularly affected are pipelines, rail and road networks, power generation and transmission, and communication systems. The government succeeded, through privatisation, to a large extent in improving telephony services in Nigeria and is considering plans to reorganise the nation's rail, electricity and road systems. Any such reorganisation may result in increased charges and tariffs while failing to generate the anticipated capital investment needed to repair, maintain and improve these systems. The continued deterioration of the physical infrastructure in Nigeria may harm the national economy, disrupt the transportation of goods and supplies, increase costs for business operation in Nigeria and interrupt business operations, all of which could have a material adverse effect on our Group's business, financial condition, results of operations and/or prospects.

Our business may be adversely affected by corruption and other illegal activities in Nigeria

Social instability in Nigeria, coupled with difficult economic conditions, the failure of state and some private enterprises to pay salaries, benefits and pensions in full and on a regular and timely basis, and the failure of salaries and benefits generally to keep pace with the rapidly increasing cost of living had in the past, and could in the future, lead to labour and social unrest. It could also lead to increased support for a renewal of centralised authority, increased nationalism, restrictions on foreign involvement in the economy and/or increased violence. Economic mismanagement and corruption have long been problems that have plagued Nigeria. In recent years, a number of government agencies have been created for the purpose of fighting corruption. While recent reports indicate that these anti-corruption measures have had some success, Nigeria is still ranked as one of the world's most corrupt and unstable nations.

Additionally, Nigeria is commonly associated with a number of sophisticated fraudulent money transferring schemes. Advance fee fraud schemes, referred to in Nigeria as the "419" scam, named after a section of the Nigerian law that makes such schemes a crime, originating in Nigeria have been pervasive and have contributed to the widespread view of Nigeria as a corrupt nation. While the Nigerian government has made efforts to reduce such activities, the proliferation of such scams has had significant adverse consequences on legitimate Nigerian businesses.

RISK FACTORS

Our business, financial condition, results of operations and/or prospects could be materially adversely affected by illegal activities or corruption.

Our business may be adversely affected by changes in the economic conditions in Nigeria

Nigeria has emerged as the largest economy in Africa after the recent gross domestic product rebasing by the Nigerian government. Uncertainties in the economy, however, make it difficult to forecast future levels of economic activity. Our Group will be exposed to inflation and risks of foreign currency exchange rate fluctuations. Changes in exchange rates affect the US Dollar value of our Group's equity investments and monetary assets and liabilities arising from business transactions in foreign currencies. They also affect the costs and sales proceeds of products or services that are denominated in foreign currencies. Notwithstanding measures taken by our Group to reduce, or hedge against foreign currency exchange risks, exchange rate fluctuations may affect our business, operating results and financial conditions.

We are subject to risks associated with emerging markets

Emerging markets such as Nigeria are subject to greater risks than more developed markets. Financial turmoil in any emerging market could disrupt business activities. Moreover, financial turmoil in emerging markets tends to adversely affect stock prices and debt securities prices of other emerging markets as investors move their money to more stable and developed markets. An increase in the perceived risks associated with investing in emerging economies could dampen capital flows to Nigeria and adversely affect the Nigerian economy. There can be no assurance that investors' interest in Nigeria will not be negatively affected by events in other emerging markets or the global economy in general, which would have a material adverse effect on our Groups' business, financial condition, results of operation and/or prospects.

RISKS RELATING TO OWNERSHIP OF OUR SHARES

Our Controlling Shareholder will retain significant control over our Group after the Invitation which will allow it to influence the outcome of matters submitted to Shareholders for approval

Upon the completion of the Invitation, our Controlling Shareholder, Zen UG Pte. Ltd., will own approximately 49.17% of our Company's post-Invitation share capital. As a result, our Controlling Shareholder will be able to exercise significant influence over matters requiring Shareholders' approval, including the election of Directors and the approval of significant corporate transactions. Our Controlling Shareholder will also have veto power with respect to any Shareholders' action or approval requiring a majority vote unless otherwise required by the Catalist Rules or other applicable regulations. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Group which may not benefit Shareholders.

Investments in securities quoted on Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST

An application has been made for our Shares to be listed for quotation on Catalist, a sponsor-supervised listing platform designed primarily for emerging, fast-growing and smaller companies in mind to which a higher investment risk tends to be attached as compared to larger or more established companies listed on the Main Board of the SGX-ST. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST, and the future success and liquidity in the market of our Shares cannot be guaranteed.

Pursuant to the Catalist Rules, we are required to, *inter alia*, retain a sponsor at all times after our admission to Catalist. In particular, unless approved by the SGX-ST, the Sponsor must act as our Catalist sponsor for at least three (3) years after the admission of our Company to Catalist. In addition, we may be delisted in the event that we do not have a sponsor for more than three (3) continuous months. There is no assurance that following the expiration of the three (3) year period, the Sponsor will continue to act as our sponsor or that we are able to find a replacement sponsor within the three (3)-month period. Should such risks materialise, we may be delisted.

RISK FACTORS

There has been no prior market for our Shares and the Invitation may not result in an active or liquid market for our Shares

Prior to the Invitation, there has been no public market for our Shares. There can be no assurance that an active trading market for our Shares will develop or, if developed, will be sustained, or that the market price for the Shares will not decline below the Invitation Price. Accordingly, you may be unable to sell your Shares at or above the Invitation Price. The Invitation Price may not be indicative of the market price for our Shares after the completion of the Invitation.

New investors will face immediate dilution and may experience further dilution

Our Invitation Price of 21.5 cents per Share is higher than our NAV per Share of 18.7 cents (based on the adjusted NAV as referred to in the section entitled “Dilution” of this Offer Document). If we were liquidated immediately following the Invitation, each investor subscribing for the Invitation Shares would receive less than the price paid for their Shares. In addition, we intend to grant our employees the Award Shares and/or Option Shares pursuant to the Unigloves PSP and/or the Unigloves ESOS respectively and this may lead to further dilution to investors who have subscribed for the Invitation Shares. Please refer to the section entitled “Dilution” of this Offer Document for further details.

Future issue of Shares by us and sale of Shares by our existing Shareholders could adversely affect our Share price

Any future issue of Shares by us and sale of Shares by our existing Shareholders can have a downward pressure on our Share price. The issue or sale of a significant amount of Shares in the public market after the Invitation, or the perception that such issues or sales may occur, could adversely affect the market price of our Shares. These factors may also affect our ability to sell additional equity securities. Save as otherwise described in the section entitled “General Information on our Group – Moratorium” of this Offer Document, there will be no restrictions imposed on our Shareholders to dispose of their Shares.

We may require additional financing in the future

We may need to obtain additional debt or equity to fund our future expansion plans, acquisitions or capital expenditure. The issue of additional equity may result in dilution to our Shareholders. In addition, additional debt financing may include conditions that would restrict our freedom to operate our business, such as conditions that:

- (a) limit our ability to pay dividends or require us to seek consents for the payment of dividends;
- (b) increase our vulnerability to general adverse economic and industry conditions;
- (c) require us to dedicate a portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditures, working capital and other general corporate purposes; and
- (d) limit our flexibility in planning for, or reacting to, changes in our business and our industry.

In addition, there is no assurance that we will be able to obtain any additional financing on terms favourable to us, or at all, and any additional capital raised through the sale of equity may dilute your ownership interest in us.

Our Share price may fluctuate following the Invitation

The Invitation Price was determined through a book-building exercise and arrived at by us after consultation with the Sponsor, Issue Manager, Underwriter, and Placement Agent, and after taking into consideration, amongst others, the prevailing market conditions and estimated market demand for the Invitation Shares. The Invitation Price may not be indicative of prices which will prevail in the trading market after the Invitation and investors may not be able to resell their Shares at or above the Invitation Price. Volatility in the trading price of our Shares may be caused by factors beyond our control and may not correlate with or be proportionate to our trading results.

RISK FACTORS

The market price of our Shares may fluctuate significantly and rapidly in response to, *inter alia*, the following factors, some of which are beyond our control:

- (a) variations in our operating results;
- (b) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (c) changes in market valuations and share prices of companies with businesses similar to that of our Group that may be listed in Singapore;
- (d) announcements by us or our competitors of significant acquisitions, strategic alliances or joint ventures;
- (e) fluctuations in stock market prices and volume;
- (f) our involvement in material litigation;
- (g) additions or departures of key personnel;
- (h) success or failure of our management in implementing business and growth strategies; and
- (i) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors.

For these reasons, amongst others, our Shares may trade at prices that are higher or lower than the NAV per Share. To the extent that there is any retention of operating cash for investment purposes, working capital requirements or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the price of our Shares. Any failure on our part to meet with market expectations with regard to future earnings and cash distributions may adversely affect the market price of our Shares. In case of liquidation, it is possible the investors may lose all or part of their investment in our Shares.

Negative publicity may adversely affect our Share price

Negative publicity involving our Group, or any of our Directors, Substantial Shareholders or Executive Officers may adversely affect the market perception or the stock performance of our Company, whether or not it is justified. Some examples are unsuccessful attempts in joint ventures, takeovers or involvement in insolvency proceedings.

INVITATION STATISTICS

INVITATION PRICE	21.5 cents
-------------------------	------------

NAV

NAV per Share based on the audited combined statement of financial position of our Group as at 30 June 2014 adjusted for the Restructuring Exercise and the conversion of the Convertible Loan ("**Adjusted NAV**"):

- | | |
|---|------------|
| (a) before adjusting for the estimated net proceeds of the Invitation and based on the pre-Invitation share capital of 159,223,530 Shares | 19.5 cents |
| (b) after adjusting for the estimated net proceeds of the Invitation and based on the post-Invitation share capital of 188,023,530 Shares | 18.7 cents |

Premium of Invitation Price over the Adjusted NAV per Share based on the audited combined statement of financial position of our Group as at 30 June 2014:

- | | |
|---|-------|
| (a) before adjusting for the estimated net proceeds of the Invitation and based on the pre-Invitation share capital of 159,223,530 Shares | 10.5% |
| (b) after adjusting for the estimated net proceeds of the Invitation and based on the post-Invitation share capital of 188,023,530 Shares | 14.8% |

Earnings

Historical EPS based on the audited combined statements of profit and loss and other comprehensive income of our Group for FY2014 and the pre-Invitation share capital of 159,223,530 Shares	3.1 cents
--	-----------

Historical EPS based on the audited combined statements of profit and loss and other comprehensive income of our Group for FY2014 and the pre-Invitation share capital of 159,223,530 Shares, assuming that the Service Agreements had been in place from the beginning of FY2014	3.0 cents
---	-----------

PER

Historical PER based on the historical EPS for FY2014	7.0 times
---	-----------

Historical PER based on the historical EPS for FY2014, assuming that the Service Agreements had been in place from the beginning of FY2014	7.2 times
--	-----------

Net Cash Flow from Operations⁽¹⁾

Historical net cash flow from operations per Share of our Group for FY2014 based on the pre-Invitation share capital of 159,223,530 Shares	3.6 cents
--	-----------

Historical net cash flow from operations per Share of our Group for FY2014 and the pre-Invitation share capital of 159,223,530 Shares, assuming that the Service Agreements had been in place from the beginning of FY2014	3.5 cents
--	-----------

INVITATION STATISTICS

Price to Net Cash Flow from Operations Ratio

Invitation Price to historical net cash flow from operations per Share for FY2014 6.0 times

Invitation Price to historical net cash flow from operations per Share for FY2014, assuming that the Service Agreements had been in place from the beginning of FY2014 6.1 times

Market Capitalisation

Market capitalisation based on the Invitation Price and the post-Invitation share capital of 188,023,530 Shares \$40.4 million

Note:

(1) Net cash flow from operations is defined as net profit after tax with depreciation expenses added back.

DILUTION

Dilution is the amount by which the Invitation Price to be paid by our new investors pursuant to the Invitation ("**New Investors**") for our Invitation Shares exceeds our audited NAV per Share immediately after the Invitation. Our audited NAV per Share as at 30 June 2014, adjusted for the Restructuring Exercise and conversion of the Convertible Loan but before adjusting for the estimated net proceeds from the Invitation and based on the pre-Invitation share capital of 159,223,530 Shares, was approximately 19.5 cents.

Pursuant to the Invitation in respect of 28,800,000 Invitation Shares at the Invitation Price, our NAV per Share after adjusting for the estimated net proceeds from the Invitation and based on the post-Invitation share capital of 188,023,530 Shares, would be 18.7 cents. This represents an immediate increase in audited NAV per Share of 2.0 cents to our existing Shareholders and an immediate dilution in audited NAV per Share of 2.8 cents (or approximately 13.0%) to our New Investors.

For illustrative purposes, the table below sets out the dilution per Share pursuant to the Invitation:

	Cents
Invitation Price	21.5
Audited NAV per Share as at 30 June 2014, adjusted for the Restructuring Exercise and conversion of the Convertible Loan but before adjusting for the estimated net proceeds from the Invitation and based on the pre-Invitation Share capital of 159,223,530 Shares	19.5
Increase in audited NAV per Share attributable to existing Shareholders	2.0
Audited NAV per Share as at 30 June 2014 adjusted for the Restructuring Exercise, conversion of the Convertible Loan and the estimated net proceeds from the Invitation following the issue of the Invitation Shares ⁽¹⁾	18.7
Dilution in audited NAV per Share to New Investors	2.8
Dilution in audited NAV per Share to New Investors as a percentage of the Invitation Price	13.0%

Note:

- (1) The computed NAV does not take into account our actual financial performance from 30 June 2014 up to the Latest Practicable Date. Depending on our actual financial results, our NAV per Share may be higher or lower than the above computed NAV.

DILUTION

The following table summarises the total number of Shares acquired by our Directors and/or Substantial Shareholders and their respective Associates (as adjusted for the Restructuring Exercise) and the other Shareholders (including the Pre-Invitation Investors) during the period of three (3) years prior to the date of lodgement of this Offer Document with the SGX-ST acting as agent on behalf of the Authority, the total consideration paid by them and the average effective cost per Share to them and to our New Investors pursuant to the Invitation.

	Number of Shares acquired	Consideration (S\$)	Average effective cost per Share (cents)
Directors and/or Substantial Shareholders and their respective Associates			
Ang Beng Teck	28,145,710	5,629,142	20.0
Zen UG Pte. Ltd. ⁽¹⁾	92,443,030	18,525,089	20.0
Wong See Keong	9,120,670	1,824,134	20.0
Ang Beng Yong	9,412,530	1,882,506	20.0
Other Shareholders			
Ang Beng Wei	1,216,090	243,218	20.0
Ang Beng Chee	8,524,790	1,704,958	20.0
Ang Beng Choo	608,045	121,609	20.0
Ang Beng Hoon	608,045	121,609	20.0
Ang Chien Kiat	2,432,180	486,436	20.0
Pre-Invitation Investors			
Tommie Goh Thiam Poh	3,356,220	500,000	14.9
Jeremy Lee Sheng Poh	3,356,220	500,000	14.9
New Investors	28,800,000	6,192,000	21.5

Note:

- (1) Lee Keck Keong, Lee Jun Yih, Lee Jun Linn and Sim Ai Cheng are deemed to be interested in all the Shares held by Zen UG Pte. Ltd. by virtue of Section 7 of the Companies Act.

Save as disclosed above, no Director, Substantial Shareholder or their respective Associates have acquired any Shares during the period of three (3) years prior to the date of lodgement of this Offer Document.

CAPITALISATION AND INDEBTEDNESS

The following table shows the cash and cash equivalents as well as capitalisation and indebtedness of our Group:

- (i) based on our audited combined financial statements as at 30 June 2014;
- (ii) based on our unaudited management accounts as at 30 September 2014 and as adjusted for the Restructuring Exercise and the Convertible Loan; and
- (iii) based on our unaudited management accounts as at 30 September 2014 and as adjusted for the Restructuring Exercise, the conversion of the Convertible Loan and net proceeds from the Invitation.

The following information in this table should be read in conjunction with the “Independent Auditors’ Report and the Audited Combined Financial Statements for the Financial Years ended 30 June 2012, 2013 and 2014” as set out in Appendix A of this Offer Document, the related notes and other financial information contained elsewhere in the Appendix, and the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

As at 30 September 2014			
(S\$’000)	As at 30 June 2014	As adjusted for the Restructuring Exercise and the Convertible Loan	As adjusted for the Restructuring Exercise, the conversion of the Convertible Loan and net proceeds from the Invitation
Cash and bank balances	3,781	3,822	8,042
Indebtedness			
Current			
- secured and guaranteed	1,439	660	660
- secured and non-guaranteed	37	25	25
- unsecured and non-guaranteed	–	1,000	–
Non-current			
- secured and guaranteed	4,193	4,261	4,261
- secured and non-guaranteed	107	108	108
Total indebtedness	5,776	6,054	5,054
Total shareholders’ equity	30,084	30,552	35,772
Total capitalisation and indebtedness	35,860	36,606	40,826

Cash and bank balances

As at 30 September 2014, as adjusted for the Restructuring Exercise and the Convertible Loan, we had cash and bank balances of approximately S\$3.8 million.

Indebtedness

As at 30 September 2014, as adjusted for the Restructuring Exercise and the Convertible Loan, our short term indebtedness amounted to S\$1.69 million, comprising the Convertible Loan of S\$1.00 million, bank loans of S\$0.66 million and hire-purchase liabilities of S\$0.03 million, while our long term borrowings amounted to S\$4.37 million, comprising bank loans of S\$4.26 million and hire-purchase liabilities of S\$0.10 million. Pursuant to the Convertible Loan Agreement, the Convertible Loan shall be converted into Shares upon the notification from the SGX-ST for the registration of the Offer Document for the Invitation. Please refer to the section entitled “General Information on our Group – Restructuring Exercise” of this Offer Document for further details. Our bank facilities bear interest rates ranging from 2.99% to 8.10% per annum.

CAPITALISATION AND INDEBTEDNESS

Contingent Liability

As at 30 September 2014, our subsidiary had also provided bank guarantees amounting to S\$0.70 million to third parties for utilities supplies. Save as disclosed herein, we did not have any material contingent liabilities as at the Latest Practicable Date.

Save as disclosed above, there were no material changes in our total capitalisation and indebtedness from 30 June 2014 to the Latest Practicable Date.

Banking facilities

As at the Latest Practicable Date, details of our total banking facilities are as follows:

Banking facilities	Secured/ unsecured	Amount of facilities granted (S\$'000)	Amount of facilities utilised (S\$'000)	Amount of facilities unutilised (S\$'000)	Interest rates (% per annum)	Maturity Profile
Term loans	Secured	6,372	4,842	1,530	5.34 to 6.15	Between June 2018 and January 2022
ECR loans/Letter of credit/Trust receipts/Bankers acceptance/Bank guarantee/Financial guarantee/Shipping guarantee/Foreign bills of exchange	Secured	6,299	1,746	4,553	4.32 to 4.60	Up to 60 days
Bank overdraft	Secured	1,147	—	1,147	8.10	Revolving
Foreign exchange line	Secured	25,772	12,166	13,606	Market rate	Up to 12 months from date of purchase
Hire-purchase	Secured	18	18	—	2.99	April 2016
Total		39,608	18,772	20,836		

The above banking facilities are secured by (i) fixed and floating charges over assets of a subsidiary, (ii) debentures over certain production lines, (iii) charge on certain leasehold land and building of a subsidiary, (iv) fixed deposits pledged as collateral, (v) corporate guarantee and (vi) personal guarantees from certain promoters.

To the best of our Directors' knowledge, we are not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our financial position and results or business operations, or the investments of our Shareholders.

DIVIDEND POLICY

We currently do not have a fixed dividend policy. The form, frequency and amount of future dividends that our Directors may recommend or declare in respect of any particular year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Directors:

- (a) our financial position, results of operations and cash flow;
- (b) the ability of our subsidiaries to make dividend payments to our Company;
- (c) our expected working capital requirements to support our Group's future growth;
- (d) our ability to successfully implement our future plans and business strategy;
- (e) the passage of new laws, adoption of new regulations or changes to, or in the interpretation or implementation of, existing laws and regulations governing our operations;
- (f) general economic conditions and other factors specific to our industry or specific projects; and
- (g) any other factors deemed relevant by our Directors at the material time.

No dividends have been paid or proposed by our Company since its incorporation.

We intend to declare and distribute dividends of at least 20.0% of our net profit after tax to our Shareholders for each financial year commencing from FY2016. However, investors should note that the statement in relation to the proposed dividends is merely a statement of our present intention and shall not constitute legally binding obligations. The distribution of future dividends may be subject to modifications, including the reduction or non-payment thereof, at the sole and absolute discretion of our Directors. In addition, the actual dividends that our Directors may recommend or declare in respect of any particular financial year or period will be subject to restrictions under the applicable laws and regulations.

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Directors. The declaration and payment of dividends will be determined at the sole discretion of our Directors subject to the approval of our Shareholders. Our Directors may also declare an interim dividend without the approval of our Shareholders.

In the event that our Directors deem that it would be prudent to retain profits in our Company, especially when economic conditions are not favourable, a lower dividend or no dividend may be declared. As such, there can be no assurance that any dividends will be paid in the future nor certainty of the amount or timing of any dividends that will be paid in future.

Information relating to taxes payable on dividends is set out under "Taxation" in Appendix D of this Offer Document.

No inference should or can be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in any of the periods discussed.

SELECTED COMBINED FINANCIAL INFORMATION

The following summary financial information of our Group should be read in conjunction with the full text of this Offer Document, including the “Independent Auditors’ Report and the Audited Combined Financial Statements for the Financial Years Ended 30 June 2012, 2013 and 2014”, as set out in Appendix A of this Offer Document.

COMBINED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

(S\$'000)	← FY2012	Audited FY2013	→ FY2014
Revenue	41,583	47,014	49,009
Cost of sales	(35,375)	(38,907)	(38,807)
Gross profit	6,208	8,107	10,202
Other income	473	494	500
	6,681	8,601	10,702
Marketing and distribution expenses	(194)	(291)	(343)
Administrative expenses	(3,410)	(3,685)	(4,275)
Other expenses	(39)	(6)	(233)
Finance costs	(51)	(266)	(285)
Share of profits from associates	521	606	564
Profit before tax	3,508	4,959	6,130
Income tax expense	(647)	(1,147)	(1,218)
Profit for the year	2,861	3,812	4,912
Other comprehensive income			
Exchange difference on translating foreign operations	(49)	159	(598)
Total comprehensive income for the year	2,812	3,971	4,314
Profit attributable to:			
Owners of the Company	2,853	3,764	4,900
Non-controlling interests	8	48	12
	2,861	3,812	4,912

SELECTED COMBINED FINANCIAL INFORMATION

(S\$'000)	← FY2012	Audited FY2013	→ FY2014
Total comprehensive income attributable to:			
Owners of the Company	2,804	3,925	4,292
Non-controlling interests	8	46	22
	2,812	3,971	4,314
Pre-Invitation EPS (cents) ⁽²⁾	1.79	2.36	3.08
Post-Invitation EPS (cents) ⁽³⁾	1.52	2.00	2.61

Notes:

- (1) Our combined statements of comprehensive income for the Periods Under Review have been prepared on the basis that our Group had been in existence throughout the Periods Under Review.
- (2) For comparative purposes, pre-Invitation EPS for the Periods Under Review have been computed based on the profit for the year attributable to owners of the Company and our pre-Invitation share capital of 159,223,530 Shares.
- (3) For comparative purposes, post-Invitation EPS for the Periods Under Review have been computed based on the profit for the year attributable to owners of the Company and our post-Invitation share capital of 188,023,530 Shares.

SELECTED COMBINED FINANCIAL INFORMATION

COMBINED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP

(S\$'000)	Audited As at 30 June 2014
ASSETS	
Non-Current Assets	
Associates	4,555
Plant and equipment	12,853
Total Non-Current Assets	17,408
Current Assets	
Inventories	9,019
Derivative financial instruments	95
Trade and other receivables	10,065
Cash and bank balances	3,781
Total Current Assets	22,960
Total Assets	40,368
EQUITY AND LIABILITIES	
Equity	
Share capital	3,988
Reserve	38
Retained earnings	25,957
Equity attributable to owners of the Company	29,983
Non-controlling interests	101
Total Equity	30,084
Non-Current Liabilities	
Deferred tax liabilities	388
Bank borrowings	4,300
Total Non-Current Liabilities	4,688
Current Liabilities	
Income tax payable	18
Trade and other payables	4,102
Bank borrowings	1,476
Total Current Liabilities	5,596
Total Liabilities	10,284
Total Equity and Liabilities	40,368
NAV per Share (cents) ⁽²⁾	18.83

Notes:

- (1) Our combined financial statements of financial position as at 30 June 2014 have been prepared on the basis that our Group had been in existence as at this date.
- (2) For comparative purposes, our NAV per Share as at 30 June 2014 have been computed based on the equity attributable to the owners of the Company and the pre-Invitation share capital of 159,223,530 Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following discussion of our results of operations and financial position has been prepared by our management and should be read in conjunction with the full text of this Offer Document, including the "Independent Auditors' Report and the Audited Combined Financial Statements for the Financial Years Ended 30 June 2012, 2013 and 2014", as set out in Appendix A of this Offer Document. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Offer Document, particularly in the section entitled "Risk Factors" of this Offer Document.

OVERVIEW

Our Company was incorporated in Singapore on 21 August 2014 under the Act as a private company limited by shares, under the name "UG Healthcare Corporation Pte. Ltd.".

Pursuant to the Restructuring Exercise, our Company became the holding company of our subsidiaries. Our Group comprises our Company and our subsidiaries, NS Unigloves, UG Global Resources, UG Glovetech, Unigloves UK, Unigloves Singapore, Unigloves Shanghai, and Unigloves Nigeria. We also have five (5) associated companies, Unigloves Arzt, Unigloves Germany, Unigloves Service & Logistik, Unigloves USA, and Unigloves Beijing. On 25 November 2014, our Company was converted into a public company limited by shares and we changed our name to "UG Healthcare Corporation Limited".

Please refer to the section entitled "General Information on our Group – Group Structure" of this Offer Document for further details on our group structure.

Revenue

We are principally engaged in the manufacturing, processing and distribution of gloves. We derive our revenue mainly from our manufacturing and sale of natural latex examination gloves and nitrile examination gloves and the distribution of ancillary products (including surgical, vinyl and cleanroom gloves, face masks, and other medical disposables). Sale of (a) natural latex examination gloves, (b) nitrile examination gloves and (c) ancillary products represented approximately 69.4%, 26.2% and 4.4% respectively of our Group's total revenue for FY2012, 59.1%, 34.7% and 6.2% respectively of our Group's total revenue for FY2013 and 59.0%, 35.3% and 5.7% respectively of our Group's total revenue for FY2014.

Our products are distributed to overseas customers who are primarily distribution companies and end-customers. Our Group has established international distribution companies in the US, UK, the PRC, Germany and Nigeria which are mainly engaged in marketing and distribution activities. With this extensive distribution network, our products are sold to more than 50 countries such as Germany, Nigeria, PRC, US, UK, France, Italy, Austria, Switzerland, the Netherlands, Japan, South Korea, Canada and Brazil. Our revenue amounted to S\$41.6 million, S\$47.0 million and S\$49.0 million in FY2012, FY2013 and FY2014 respectively.

Our selling prices are determined after taking into consideration factors such as the type of product, the volume ordered, the cost of production, the identity and location of the customers and prevailing market conditions. Revenue is recognised upon the transfer of significant risks and rewards of ownership of the products to our customers, usually on delivery of goods.

Our revenue may be affected by, *inter alia*, the following factors:

- (a) our ability to continue to maintain good working relationships with our customers, in particular our major customers;
- (b) our ability to increase our existing customer base by acquiring new customers and businesses, developing our distribution channels and expanding into new markets;

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (c) our ability to compete with new market entrants and existing competitors as we compete on key attributes such as competitive pricing and better service support;
- (d) our ability to innovate and enhance the quality of our products in order to meet the changing needs and expectations of our customers; and
- (e) fluctuations in foreign currency exchange rates as our revenue from our subsidiaries in Malaysia is primarily denominated in US\$ *vis-à-vis* their functional currency which is denominated in RM.

Cost of Sales

Our cost of sales comprises mainly purchases of raw materials for the manufacture of our gloves, direct labour costs and other manufacturing overheads including energy costs, production consumables, utilities, depreciation on property, plant and equipment and machine maintenance costs. Our cost of sales amounted to S\$35.4 million, S\$38.9 million and S\$38.8 million, which represented 85.1%, 82.8% and 79.2% of our total revenue in FY2012, FY2013 and FY2014 respectively.

The cost of raw materials for the manufacture of our gloves represented approximately 63.6%, 53.2%, and 54.3% of the total cost of sales in FY2012, FY2013 and FY2014 respectively. Cost of raw materials, as a proportion of cost of sales, were generally lower in FY2013 and FY2014 as compared to FY2012 mainly due to the Group's ability to achieve economies of scale and source for cheaper raw materials.

Our raw materials are purchased from our suppliers which are carefully selected by our Group's procurement team and assessed based on criteria including the quality of the raw materials supplied, pricing, reliability and punctuality of delivery. We source our raw materials from both local and overseas suppliers. The cost of natural rubber latex and nitrile latex is dependent on various factors, including market supply and demand conditions, quantity purchased as well as negotiations with our suppliers.

Our direct labour costs represented approximately 9.3%, 10.6%, and 10.7% of the total cost of sales in FY2012, FY2013 and FY2014 respectively. Direct labour costs are mainly attributable to the wages, bonuses, and allowances of workers engaged in our manufacturing facilities. Local wage levels, labour market conditions and any changes in government policies of our workers' country of origin will affect our labour costs in the markets in which we operate.

Other manufacturing overheads represented approximately 27.1%, 35.2%, and 35.0% of the total cost of sales in FY2012, FY2013 and FY2014 respectively.

Our cost of sales may be affected by, *inter alia*, the following factors:

- (a) the fluctuation in raw material prices arising from demand and supply conditions;
- (b) our ability to negotiate for lower prices from our suppliers; and
- (c) changes in government policy and regulations on pricing of energy and utilities costs, and local labour laws.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Gross profit

Our Group's gross profit and gross profit margin for the Periods Under Review are set out below:

	FY2012	FY2013	FY2014
Gross profit (S\$'000)	6,208	8,107	10,202
Gross profit margin (%)	14.9	17.2	20.8

Our gross profit margins were approximately 14.9%, 17.2% and 20.8% in FY2012, FY2013 and FY2014 respectively. Gross profit margin increased over the last three (3) financial years due to lower raw material prices, changes in product mix and our Group's ability to achieve economies of scale in production.

Other Income

Other income comprises foreign currency exchange gains, gains in derivative financial instruments on foreign exchange forward contracts, interest income earned on fixed deposits, gains on disposal of property, plant and equipment and gains on disposal of investment in our associated company. Please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Foreign Exchange Exposure" of this Offer Document for more details on the reasons for entering into foreign exchange forward contracts and our hedging policy.

Our other income amounted to S\$0.5 million and represented 1.0% of our revenue in each of FY2012, FY2013 and FY2014.

Marketing and Distribution Expenses

Marketing and distribution expenses comprise mainly commission, travelling and accommodation expenses and entertainment, advertisement and promotion expenses.

Our marketing and distribution expenses amounted to S\$0.2 million, S\$0.3 million and S\$0.3 million, which represented 0.5%, 0.6% and 0.7% of our revenue in FY2012, FY2013 and FY2014 respectively.

Administrative Expenses

Administrative expenses comprise mainly office utilities expenses, depreciation charges, directors' fees and remuneration, staff salaries and staff-related expenses, handling charges and other miscellaneous expenses such as printing and stationery expenses and telecommunication expenses.

Our administrative expenses amounted to S\$3.4 million, S\$3.7 million and S\$4.3 million which represented 8.2%, 7.8% and 8.7% of our revenue in FY2012, FY2013 and FY2014 respectively.

Other Expenses

Other expenses comprise mainly research and development expenses, foreign currency exchange losses and upkeep expenses of our premises and property.

Our other expenses amounted to S\$38,608, S\$6,117 and S\$232,862, which represented 0.1%, 0.1% and 0.5% of our revenue in FY2012, FY2013 and FY2014 respectively.

Share of Results of Associates

Associates are entities over which our Group has significant influence, but not control, and generally accompany a shareholding of between 20% and 50%. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in our Group's share of the net assets of the associate, less any impairment loss of individual investments. Losses in an associate in excess of our Group's interest in that associate (which includes any long-term interests that, in substance, form part of our Group's net investment in the associate) are not recognised, unless our Group has incurred legal or constructive obligations or made payments on behalf of the associate.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Our share of results of associates amounted to S\$0.5 million, S\$0.6 million and S\$0.6 million, which represented 1.3%, 1.3% and 1.2% of our revenue in FY2012, FY2013 and FY2014 respectively.

Finance Costs

Finance costs relate mainly to interest expense charged by banks on our borrowings, including bank overdrafts for working capital purposes, term loans, export credit refinancing and hire purchase.

Our finance costs amounted to S\$0.05 million, S\$0.3 million and S\$0.3 million, which represented 0.1%, 0.6% and 0.6% of our revenue in FY2012, FY2013 and FY2014 respectively.

Income Tax Expense

Our Group is subject to income tax at the applicable statutory rates in Malaysia, Shanghai and UK. The statutory tax rates and effective tax rate applicable to our Group during the Periods Under Review are set out as follows:

(%)	FY2012	FY2013	FY2014
Prevailing statutory tax rate in Malaysia	25.0	25.0	25.0
Prevailing corporate income tax rate in Shanghai	25.0	25.0	25.0
Prevailing corporation tax rate in UK (small profit rate)	20.0	20.0	20.0
Effective tax rate of the Group	18.4	23.1	19.9

As more than 80.0% of our Group's net profit before income tax for FY2012, FY2013 and FY2014 were derived from Malaysia, most of our profit was subject to the Malaysian statutory income tax rate of 25.0%. The effective tax rates for our Group were 18.4%, 23.1% and 19.9% in FY2012, FY2013 and FY2014 respectively.

For FY2012 and FY2014, our Group's effective tax rate was 18.4% and 19.9% respectively, mainly due to tax allowance for increased exports. For FY2013, our Group's effective tax rate was 23.1% mainly due to non-deductibility of certain expenses in connection with the establishment of UG Global Resources. The tax allowance for increased exports is a special incentive given by the Malaysian government to promote export activities. There is no expiry date for the special incentive given by the Malaysian government, as long as the Company (i) is a manufacturing company, (ii) is a resident in Malaysia, and (iii) exports its manufactured products.

INFLATION

Inflation did not have a material impact on our operating performance during the Periods Under Review.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

REVIEW OF PAST OPERATING RESULTS

A breakdown of our Group's revenue, gross profit and gross profit margin by product segments for the Periods Under Review is set out below:

<i>Revenue</i>	FY2012		FY2013		FY2014	
	S\$'000	(%)	S\$'000	(%)	S\$'000	(%)
Natural latex examination gloves	28,869	69.4	27,774	59.1	28,921	59.0
Nitrile examination gloves	10,904	26.2	16,305	34.7	17,292	35.3
Other ancillary products	1,810	4.4	2,935	6.2	2,796	5.7
Total	41,583	100.0	47,014	100.0	49,009	100.0

<i>Gross Profit</i>	FY2012		FY2013		FY2014	
	S\$'000	(%)	S\$'000	(%)	S\$'000	(%)
Natural Latex examination gloves	3,863	62.2	4,455	54.9	5,959	58.4
Nitrile examination gloves	2,031	32.7	3,199	39.5	3,667	35.9
Other ancillary products	314	5.1	453	5.6	576	5.7
Total	6,208	100.0	8,107	100.0	10,202	100.0

<i>Gross Profit Margin</i>	FY2012 (%)	FY2013 (%)	FY2014 (%)
Natural Latex examination gloves	13.4	16.0	20.6
Nitrile examination gloves	18.6	19.6	21.2
Other ancillary products	17.3	15.4	20.6
Overall	14.9	17.2	20.8

The breakdown of our Group's revenue by geographical locations for the Periods Under Review is set out below:

<i>(S\$'000)</i>	FY2012	FY2013	FY2014
Germany	14,007	12,851	13,488
UK	6,557	9,558	10,266
USA & Canada	9,788	9,392	9,716
China, Hong Kong & Taiwan	1,641	2,204	2,286
Japan	1,032	1,598	1,071
Malaysia ⁽¹⁾	4,933	7,909	7,793
Others	3,625	3,502	4,389
Total	41,583	47,014	49,009

Note:

(1) Our Malaysian customers comprise mainly intermediaries that export our products to overseas markets.

FY2012 vs FY2013

Revenue

Our revenue increased by S\$5.4 million or 13.1% from S\$41.6 million in FY2012 to S\$47.0 million in FY2013, mainly due to an increase in (a) the sale of nitrile examination gloves amounting to S\$5.4 million and (b) the sale of ancillary products amounting to S\$1.1 million, and partially offset by a decrease in the sale of natural latex examination gloves amounting to S\$1.1 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Our revenue from the sale of nitrile examination gloves increased by S\$5.4 million or 49.5% from S\$10.9 million in FY2012 to S\$16.3 million in FY2013, mainly due to an increase in the number of nitrile examination gloves manufactured and sold to our existing customers and new customers secured, by 68.1%. The increase was partially offset by a decline in the average selling price of manufactured nitrile examination gloves by 12.2% as a result of a change in product mix.

Our revenue from the sale of natural latex examination gloves decreased by S\$1.1 million or 3.8% from S\$28.9 million in FY2012 to S\$27.8 million in FY2013, mainly due to a decline in the average selling price of manufactured natural latex examination gloves by 10.8% in FY2013. This was partially offset by a 7.3% increase in the number of natural latex examination gloves manufactured and sold to our existing customers and new customers secured. We were able to lower the average selling price mainly due to a decrease in natural latex prices.

Our revenue from the sale of other ancillary products increased by S\$1.1 million or 62.2% from S\$1.8 million in FY2012 to S\$2.9 million in FY2013, mainly due to an increase in new customer sales.

Our sales to UK and in Malaysia (for export) increased by S\$3.0 million each, partially offset by lower sales to Germany of S\$1.2 million.

Cost of Sales and Gross Profit Margin

Our cost of sales increased by S\$3.5 million or 10.0% from S\$35.4 million in FY2012 to S\$38.9 million in FY2013 due to an increase in raw material purchased, direct labour costs and other manufacturing overheads, which was in line with the increase in revenue.

Our gross profit increased by S\$1.9 million or 30.6% from S\$6.2 million in FY2012 to S\$8.1 million in FY2013 due to an improvement in our overall gross profit margin from 14.9% in FY2012 to 17.2% in FY2013. Our overall gross profit margin increased by 2.3 percentage points in FY2013, mainly due to economies of scale achieved from production efficiency as a result of our investment in new production lines. The decrease in the natural latex price and change in product mix also resulted in an improvement in our gross profit margin for natural latex examination gloves and nitrile examination gloves from 13.4% and 18.6% in FY2012 to 16.0% and 19.6% in FY2013 respectively.

Other Income

Our other income increased by S\$0.02 million or 4.3%, from S\$0.47 million in FY2012 to S\$0.49 million in FY2013, mainly due to an unrealised foreign exchange gain of S\$0.02 million between the RM and the US\$.

Marketing and Distribution Expenses

Our marketing and distribution expenses increased by S\$0.1 million or 50.0%, from S\$0.2 million in FY2012 to S\$0.3 million in FY2013, mainly due to higher travelling, transportation and accommodation expenses and advertising expenses incurred by our sales team in Shanghai for the promotion of our Group's products.

Administrative Expenses

Our administrative expenses increased by S\$0.3 million or 8.8%, from S\$3.4 million in FY2012 to S\$3.7 million in FY2013, mainly due to higher handling charges amounting to S\$0.1 million arising from the increase in sales, and staff-related expenses amounting to S\$0.2 million arising from an increase in the number of employees hired following the expansion of our operation in UG Global Resources.

Other Expenses

Our other expenses decreased by S\$32,491 or 84.2%, from S\$38,608 in FY2012 to S\$6,117 in FY2013, mainly due to a reclassification of upkeep of office premises expenses, lower bad debts written off and a non-recurring staff incentive provided in FY2012 in relation to scholarship payout to our employees' children.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Share of Profits from Associates

Our share of profits from associates increased by S\$85,195 or 16.4%, from S\$520,901 in FY2012 to S\$606,096 in FY2013 mainly due to higher contribution of profits from our associated companies in Germany and USA.

Finance Costs

Our finance costs increased by S\$0.25 million or 421.6%, from S\$0.05 million in FY2012 to S\$0.3 million in FY2013, mainly due to an increase in interest expenses incurred for the drawdown of term loans for the new production lines.

Profit attributable to Shareholders

As a result of the above, our profit attributable to shareholders increased by S\$0.9 million or 31.9% from S\$2.9 million in FY2012 to S\$3.8 million in FY2013.

FY2013 vs FY2014

Revenue

Our revenue increased by S\$2.0 million or 4.2% from S\$47.0 million in FY2013 to S\$49.0 million in FY2014, mainly due to increases in the sales of our natural latex and nitrile examination gloves.

Our revenue from the sale of natural latex examination gloves increased by S\$1.1 million or 4.1% from S\$27.8 million in FY2013 to S\$28.9 million in FY2014, mainly due to an increase in the number of natural latex examination gloves manufactured and sold by 13.7%, partially offset by a decline in the average selling price of manufactured natural latex examination gloves by 1.5% in FY2014. The decline in natural latex price allowed us to lower the selling price of our natural latex examination gloves.

Our revenue from the sale of nitrile examination gloves increased by S\$1.0 million or 6.1% from S\$16.3 million in FY2013 to S\$17.3 million in FY2014, mainly due to a 15.8% increase in the number of nitrile examination gloves manufactured and sold, which was partially offset by a decrease in the average selling price of the manufactured nitrile examination gloves by 4.7% due to a change in product mix.

Our revenue from the sale of other ancillary products decreased by S\$0.1 million or 4.7% from S\$2.9 million in FY2013 to S\$2.8 million in FY2014, mainly due to a decrease in sales to existing customers.

Our sales to Germany, USA & Canada, UK and Others increased by S\$0.6 million, S\$0.3 million, S\$0.7 million and S\$0.9 million respectively, while sales to Japan decreased by S\$0.5 million. The increase in sales to Others comprise mainly sales to Nigeria and Brazil.

Cost of Sales and Gross Profit Margin

Our cost of sales decreased marginally by S\$0.1 million or 0.3% from S\$38.9 million in FY2013 to S\$38.8 million in FY2014, mainly due to a decrease in raw material prices partially offset by an increase in the volume of raw material purchased.

Our gross profit increased by S\$2.1 million or 25.8% from S\$8.1 million in FY2013 to S\$10.2 million in FY2014 due to an improvement in our overall gross profit margin from 17.2% in FY2013 to 20.8% in FY2014. Our overall gross profit margin increased by 3.6 percentage points in FY2014, mainly due to (a) the decrease in the natural latex price; and (b) improving production efficiency as a result of the new production lines in UG Global Resources. As a result, gross profit margin for natural latex examination gloves and nitrile examination gloves increased from 16.0% and 19.6% in FY2013 to 20.6% and 21.2% in FY2014 respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Other Income

Our other income remained fairly stable in FY2014 *vis-à-vis* FY2013 as there were gains in derivative financial instruments on foreign exchange forward contracts, offset by the absence of foreign exchange gain and gain on disposal of property, plant and equipment in FY2014. Please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – "Foreign Exchange Management" of this Offer Document for more details on the reasons for entering into foreign exchange forward contracts and our hedging policy.

Marketing and Distribution Expenses

Our marketing and distribution expenses increased by S\$0.05 million or 17.9% from S\$0.29 million in FY2013 to S\$0.34 million in FY2014, mainly due to higher marketing commissions paid to independent third parties for introducing new customers as well as to existing customers to promote our products in overseas market amounting to S\$0.02 million, and increased marketing activities by our sales team in Shanghai for the promotion of our Group's products amounting to S\$0.03 million.

Administrative Expenses

Our administrative expenses increased by S\$0.6 million or 16.0%, from S\$3.7 million in FY2013 to S\$4.3 million in FY2014, mainly due to an increase in administrative expenses in the UK including staff-related expenses, consultancy fees and other miscellaneous expenses amounting to S\$0.2 million each.

Other Expenses

Our other expenses increased by S\$226,745 or 3,706% from S\$6,117 in FY2013 to S\$232,862 in FY2014, mainly due to recognition of unrealised foreign exchange loss of S\$153,053.

Share of Results of Associates

Our share of results of associates decreased by S\$41,555 or 6.9% from S\$606,096 in FY2013 to S\$564,541 in FY2014 mainly, due to lower contribution of profits from our associated company in Germany.

Finance Costs

Our finance costs increased by S\$0.02 million or 7.5%, from S\$0.27 million in FY2013 to S\$0.29 million in FY2014 mainly due to an increase in interest expense of S\$0.02 million incurred for the drawdown of a new term loan facility of S\$1.0 million to finance a new production line for our manufacturing plant in UG Global Resources.

Profit attributable to Shareholders

As a result of the above, our profit attributable to shareholders increased by S\$1.1 million or 30.2% from S\$3.8 million in FY2013 to S\$4.9 million in FY2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

REVIEW OF FINANCIAL POSITION

As at 30 June 2014

Current Assets

As at 30 June 2014, our current assets amounted to S\$23.0 million which represented 56.9% of total assets. Our current assets comprised (a) inventories; (b) trade receivables; (c) other receivables; (d) derivative financial assets; and (e) cash and bank balances as follows:

- (a) **Inventories** amounted to S\$9.0 million or 39.2% of total current assets. Inventories comprised raw materials of S\$1.4 million, work-in-progress of S\$3.9 million and finished goods of S\$3.7 million;
- (b) **Trade receivables** amounted to S\$9.3 million or 40.4% of total current assets;
- (c) **Other receivables** amounted to S\$0.8 million or 3.5% of total current assets. Other receivables comprised prepayments relating to listing expenses, rental and utilities deposits, levy for foreign workers and tax recoverable;
- (d) **Derivative financial assets** amounted to S\$0.1 million or 0.4% of total current assets and comprised US\$ forward currency contracts; and
- (e) **Cash and bank balances** amounted to S\$3.8 million or 16.5% of total current assets and comprised mainly (i) cash and bank balances of S\$2.0 million, and (ii) fixed deposits of S\$1.8 million, of which S\$0.8 million was pledged to secure credit facilities granted to certain subsidiaries.

Non-Current Assets

As at 30 June 2014, our non-current assets amounted to S\$17.4 million which represented 43.1% of total assets as at 30 June 2014. Our non-current assets comprised (a) property, plant and equipment; and (b) our associates as follows:

- (a) **Property, plant and equipment** amounted to S\$12.9 million or 74.1% of total non-current assets. Property, plant and equipment comprised leasehold land and buildings of S\$5.1 million, plant, machinery and equipment of S\$7.0 million and other assets of S\$0.75 million; and
- (b) **Associates** amounted to S\$4.5 million or 25.9% of total non-current assets and represented our associates in USA, Germany and Beijing.

Current Liabilities

As at 30 June 2014, our current liabilities amounted to S\$5.6 million which represented 54.4% of total liabilities. Our current liabilities comprised (a) trade payables; (b) other payables and accruals; (c) income tax payable; and (d) bank borrowings as follows:

- (a) **Trade payables** amounted to S\$2.5 million or 44.5% of total current liabilities;
- (b) **Other payables and accruals** amounted to S\$1.6 million and represented 28.5% of total current liabilities. Other payables include payables for non-trade related purchases or manufacturing overheads (such as machinery spare parts, foreign worker agency fees, machine maintenance service provider, quality control consultancy fees, energy and utilities costs) and accruals relate mainly to salaries for the month of June 2014;
- (c) **Income tax payable** amounted to S\$0.02 million or 0.3% of total current liabilities and represents the amount provided for tax liabilities for our subsidiaries in Malaysia, Shanghai and the UK; and

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (d) **Bank borrowings** amounted to S\$1.5 million or 26.7% of total current liabilities. Bank borrowings comprised short term borrowings of S\$1.2 million which are mainly hire-purchase liabilities, export credit refinancing loan facilities ("**ECR Facilities**") and current portion of term loans. Hire-purchase liabilities relate to purchase of motor vehicles. ECR Facilities is an alternative short-term pre- and post-shipment financing to exporters to promote export of manufactured products. Bank borrowings also comprised unsecured bank overdraft, repayable on demand, of S\$0.3 million which was used mainly for working capital purposes.

Non-Current Liabilities

As at 30 June 2014, our non-current liabilities amounted to S\$4.7 million which represented 45.6% of total liabilities. Our non-current liabilities comprised (a) bank borrowings; and (b) deferred tax liabilities as follows:

- (a) **Bank borrowings** amounted to S\$4.3 million or 91.5% of total non-current liabilities and comprised four principal bank loans obtained from financial institutions and were mainly used to finance our production facility and production lines; and
- (b) **Deferred tax liabilities** amounted to S\$0.4 million or 8.5% of total non-current liabilities.

Equity Attributable to Owners of the Company

As at 30 June 2014, equity attributable to owners of the Company amounted to S\$30.0 million.

LIQUIDITY AND CAPITAL RESOURCES

We financed our growth and operations through a combination of shareholders' equity (including retained profits), net cash generated from operating activities and borrowings from financial institutions. Our principal uses of cash have been for working capital requirements and capital expenditures. We monitor our net operating cash flows and maintain a level of cash and cash equivalents deemed adequate by management for working capital purposes.

Based on the audited combined financial position of our Group as at 30 June 2014, our shareholders' equity amounted to S\$30.1 million and indebtedness to financial institutions amounted to S\$5.8 million (comprising term loans, hire-purchase liabilities, bank overdrafts and ECR Facilities). The interest rates ranged from 2.51% to 8.35% per annum. The tenures of our utilised credit facilities are up to 92 months.

As at the Latest Practicable Date, we had cash and cash equivalents of S\$3.6 million. Our available credit facilities amounted to S\$39.6 million, of which S\$18.8 million had been utilised and S\$20.8 million was unutilised. The interest rates for the bank loans ranged from 2.99% to 8.1% per annum. The tenures of our utilised credit facilities are up to 88 months.

Our Directors are of the reasonable opinion that, after taking into account the cash flow generated from our Group's operations, the credit facilities available to us and our Group's existing cash and cash equivalents, the working capital available to our Group as at the date of lodgment of this Offer Document is sufficient for our present requirements and for at least 12 months after the listing of our Company on Catalist.

The Sponsor is of the reasonable opinion that, after having made due and careful enquiry and after taking into account the cash flow generated from our Group's operations, the credit facilities available to us and our Group's existing cash and cash equivalents, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for our present requirements and for at least 12 months after the listing of our Company on Catalist.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following table sets out the summary of cash flows for FY2012, FY2013 and FY2014:

SUMMARY OF COMBINED STATEMENTS OF CASH FLOWS:

(\$'000)	← FY2012	Audited FY2013	→ FY2014
Net cash from operating activities	3,751	1,568	1,927
Net cash used in investing activities	(3,019)	(1,127)	(3,423)
Net cash from/(used in) financing activities	(1,044)	75	1,847
Effect of currency translation on cash and cash equivalents	56	21	(67)
Net increase/(decrease) in cash and cash equivalents	(256)	537	284
Cash and cash equivalents at beginning of the year	2,113	1,857	2,394
Cash and cash equivalents at end of the year	1,857	2,394	2,678

FY2012

In FY2012, net cash flows from operating activities amounted to S\$3.7 million due to (a) operating cash flows before movements in working capital of S\$4.0 million; (b) an increase in trade and other payables of S\$0.4 million mainly from increased purchases; (c) an increase in the amount due from a director of S\$0.3 million, partially offset by increases in (a) the inventories of S\$0.2 million; and (b) trade and other receivables of S\$0.2 million mainly from increased sales. In addition, the Group paid income taxes of S\$0.6 million.

Net cash used in investing activities amounted to S\$3.0 million due to (a) purchase of new plant and machinery of S\$3.1 million; and (b) an increase in fixed deposits pledged to bank of S\$0.03 million, partially offset by (a) interest received from fixed deposits of S\$0.05 million; and (b) proceeds from the disposal of the Group's entire interest in NW Medical Disposable Products Sdn. Bhd. ("**NW Medical Disposable**"), being a former associated company, amounting to S\$0.08 million.

Net cash used in financing activities amounted to S\$1.0 million due to the repayment of term loans and lower utilisation of export credit refinancing loans at the end of FY2012.

As a result of the above, there was a net decrease of S\$0.3 million in cash and cash equivalents. As at 30 June 2012, our cash and cash equivalents amounted to S\$1.9 million.

FY2013

In FY2013, net cash flows from operating activities amounted to S\$1.6 million due to (a) operating cash flows before movements in working capital of S\$5.5 million; and (b) an increase in trade and other payables of S\$1.3 million mainly from increased purchases, partially offset by (a) an increase in the inventories of S\$1.3 million; and (b) an increase in trade and other receivables of S\$2.7 million mainly from increased sales. In addition, the Group paid income taxes of S\$1.0 million and interest expenses of S\$0.2 million.

Net cash used in investing activities amounted to S\$1.1 million due to (a) the purchase of new production lines in UG Global Resources of S\$1.2 million; and (b) an increase in fixed deposits pledged to bank of S\$0.02 million, partially offset by (a) interest received from fixed deposits of S\$0.05 million; and (b) proceeds from the disposal of property, plant and equipment of S\$0.06 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Net cash from financing activities amounted to S\$0.08 million due to (a) net drawdown of export credit refinancing loans of S\$0.1 million; and (b) an increase in the paid-up capital of UG Shanghai amounting to S\$0.3 million, and partially offset by repayment of bank borrowings of S\$0.3 million.

As a result of the above, there was a net increase of S\$0.5 million in cash and cash equivalents. As at 30 June 2013, our cash and cash equivalents amounted to S\$2.4 million.

FY2014

In FY2014, net cash flows from operating activities amounted to S\$1.9 million due to (a) operating cash flows before movements in working capital of S\$5.9 million; (b) a decrease in trade and other receivables of S\$0.6 million mainly due to prompt collection from customers, partially offset by (a) an increase in the inventories of S\$2.3 million; (b) a decrease in trade and other payables of S\$0.6 million mainly from prompt payment to suppliers. In addition, the Group had paid income taxes of S\$1.4 million and interest expenses of S\$0.3 million.

Net cash used in investing activities amounted to S\$3.4 million due to (a) purchase of a new production line in UG Global Resources of S\$1.1 million; (b) additional investment in an associated company of S\$2.3 million; and (c) an increase in fixed deposits pledged to bank of S\$0.02 million, partially offset by interest received from fixed deposits of S\$0.05 million.

Net cash from financing activities amounted to S\$1.8 million due to increase in combined share capital of our associated company amounting to S\$2.8 million, partially offset by (a) repayment of bank borrowings of S\$0.9 million; and (b) dividend paid by our subsidiary of S\$0.09 million.

As a result of the above, there was a net increase of S\$0.3 million in cash and cash equivalents. As at 30 June 2014, our cash and cash equivalents amounted to S\$2.7 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

CAPITAL EXPENDITURES, DIVESTMENTS, COMMITMENTS AND CONTINGENT LIABILITIES

Capital Expenditures and Divestments

Our capital expenditures (based on net book values) during the Periods Under Review and for the period from 1 July 2014 to the Latest Practicable Date were as follows:

(S\$'000)	FY2012	FY2013	FY2014	1 July 2014 to Latest Practicable Date
<i>Expenditures</i>				
Leasehold land and buildings	1,671	80	77	51
Motor vehicles	37	246	149	–
Office equipment, furniture and fittings	42	100	259	61
Plant and machinery	461	350	1,494	35
Capital work-in-progress	3,338	1,601	231	16
Total	5,549	2,377	2,210	163

These capital expenditures were financed by internal funds and bank borrowings.

There was no material divestment made by us during the Periods Under Review and for the period from 1 July 2014 to the Latest Practicable Date.

Capital Commitments

As at the Latest Practicable Date, our Group had a capital commitment of S\$1.2 million to finance a new production line for our manufacturing plant in UG Global Resources and to purchase replacement parts for one of our existing production lines. Our Group intends to finance its capital commitments by internal funds and bank borrowings.

Operating Lease Commitments

As at the Latest Practicable Date, we did not have any operating lease commitments.

Contingent Liabilities

Save for our subsidiary which provided bank guarantees amounting to S\$1.0 million to third parties for utility supplies to the subsidiary, we did not have any material contingent liabilities at the Latest Practicable Date.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

FOREIGN EXCHANGE MANAGEMENT

Accounting Treatment of Foreign Currencies

The functional currencies of companies in our Group are Singapore Dollar, Malaysian Ringgit, Pound Sterling and Chinese Yuan. Our reporting currency is in Singapore Dollar. Transactions in foreign currencies are recorded in the functional currency of the relevant Company within our Group at the rates applicable on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange applicable at the end of reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising on settlement of monetary items or on translating monetary items at the end of reporting period are recognised in the comprehensive income.

Foreign Exchange Exposure

Our Group is exposed to foreign exchange risks as a significant portion of our business transactions, which include purchases of raw materials and the export of our products, are transacted in foreign currencies, especially in USD. Therefore, fluctuations in foreign exchange rates may adversely and/or materially affect our profitability.

We have in place a formal hedging policy to manage our foreign exchange risks. From time to time, we will enter into derivative financial instruments on foreign exchange contracts to hedge foreign exchange risks in compliance with our hedging policy. The hedging policy sets out the authorisation limits and approval levels prior to entering into forward exchange contracts with banks. Monitoring of major exchange rates is performed daily by the management and advice from bank consultants are obtained prior to entering such forward exchange contracts. Nevertheless, there can be no assurance that any future change in exchange rates will not have an impact on our revenue and earnings stream. Please refer to the section entitled "Risk Factors" of this Offer Document for more details.

As at the Latest Practicable Date, we had banking facilities to purchase foreign exchange contracts of up to S\$25.8 million from certain financial institutions. As at 30 June 2014, we had a US\$ forward foreign exchange contract amounting to S\$4.1 million for hedging purpose.

CHANGES IN ACCOUNTING POLICIES / SIGNIFICANT CHANGES OR SUBSEQUENT EVENTS AFTER REPORTING PERIOD

There has been no change in our accounting policies for the last three (3) financial years ended 30 June 2014. Please refer to the "Independent Auditors' Report and the Audited Combined Financial Statements for the Financial Years ended 30 June 2012, 2013 and 2014", as set out in Appendix A of this Offer Document for details on our Group's accounting policies.

GENERAL INFORMATION ON OUR GROUP

SHARE CAPITAL

Our Company (Company Registration Number: 201424579Z) was incorporated in Singapore on 21 August 2014 under the Companies Act as a exempt private company limited by shares, under the name “UG Healthcare Corporation Pte. Ltd.”. On 25 November 2014, we converted into a public limited company and changed our name to “UG Healthcare Corporation Limited”.

As at the date of incorporation of our Company, the issued and paid-up share capital of our Company was S\$1.00, comprising 1 Share. The 1 Share was issued and allotted to Lee Jun Yih at the issue price of S\$1.00 per Share. On 30 September 2014, the 1 Share held by Lee Jun Yih was transferred to Ang Beng Teck at a consideration of S\$1.00.

Pursuant to written resolutions passed by our Shareholders on 11 November 2014, our Shareholders approved the following:

- (a) the conversion of our Company into a public company limited by shares and the consequential change of name to “UG Healthcare Corporation Limited”;
- (b) the adoption of our new Articles of Association;
- (c) the sub-division of every one (1) Share into five (5) Shares;
- (d) the allotment and issue of new Shares pursuant to the Invitation and the Convertible Loan Agreement;
- (e) the authorisation to our Directors to allot and issue Shares and/or convertible securities (where the maximum number of Shares to be issued upon conversion can be determined at the time of issue of such convertible securities) from time to time (whether by way of rights, bonus or otherwise) and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit, provided that the aggregate number of Shares and/or convertible securities which may be issued pursuant to such authority shall not exceed 100% of the issued shares of our Company, of which the aggregate number of Shares and/or convertible securities which may be issued other than on a pro-rata basis to the existing Shareholders of our Company shall not exceed 50% of the issued shares of our Company (the percentage of issued shares being based on the post-Invitation issued shares of our Company after adjusting for new Shares (excluding treasury shares) arising from the conversion or exercise of any convertible securities or employee share options or vesting of share awards outstanding or subsisting at the time such authority is given and any subsequent bonus issue, consolidation or sub-division of shares) and, unless revoked or varied by our Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of our Company or on the date by which the next annual general meeting is required by law to be held, whichever is earlier;
- (f) the adoption of the Unigloves ESOS, the rules of which are set out in Appendix E of this Offer Document, and that our Directors be authorised to allot and issue Shares upon the exercise of Options granted under the Unigloves ESOS; and
- (g) the adoption of the Unigloves PSP, the rules of which are set out in Appendix F of this Offer Document, and that our Directors be authorised to allot and issue Shares upon the vesting of Awards granted under the Unigloves PSP.

As at the Latest Practicable Date, the issued and paid-up share capital of our Company was S\$1.00 comprising 1 Share. Upon the completion of the Restructuring Exercise and the allotment and issue of the Invitation Shares which are the subject of the Invitation, the resultant issued and paid-up share capital of our Company will be S\$35,722,369 comprising 188,023,530 Shares.

GENERAL INFORMATION ON OUR GROUP

Details of the changes in the issued and paid-up share capital of our Company since incorporation and immediately after the Invitation are as follows:

	Number of Shares	Resultant issued and paid-up share capital (S\$)
Issued and paid-up share capital as at incorporation	1	1.00
Issue of 30,502,217 new Shares pursuant to the sale and purchase agreements	30,502,217	30,502,218
Sub-division	152,511,090	30,502,218
Issue of 6,712,440 new Shares pursuant to the conversion of the Convertible Loan	6,712,440	31,502,218
Issue of 28,800,000 Invitation Shares pursuant to the Invitation	28,800,000	35,722,369
Post-Invitation issued and paid-up share capital	188,023,530	35,722,369

The shareholders' equity of our Company as at incorporation, after the Restructuring Exercise (including the conversion of the Convertible Loan) but immediately before the Invitation, and after the Invitation, is set out below.

	As at date of incorporation (S\$)	After the Restructuring Exercise, adjusted for conversion of the Convertible Loan but immediately before the Invitation (S\$)	After the Invitation (S\$)
Shareholders' equity			
Share capital	1.00	30,606,161	34,826,312 ⁽¹⁾
Accumulated losses	–	(1,106,032)	(1,106,032)
Total Shareholders' equity	1.00	29,500,129	33,720,280 ⁽¹⁾

Note:

- (1) Takes into consideration the transaction cost of issuance of new shares of approximately S\$0.9 million which will be charged against our share capital.

Save as disclosed above, there were no changes in the issued and paid-up ordinary share capital of our Company since incorporation.

Save as disclosed below and under the section entitled "General Information on our Group – Restructuring Exercise" of this Offer Document, there were no changes in the issued and paid-up capital of our subsidiaries within the three (3) years preceding the Latest Practicable Date:

Unigloves Singapore

Date of issue	Number of shares issued	Event	Consideration per share	Resultant issued share capital
24 May 2014	1	Incorporation	S\$1.00	S\$1.00

GENERAL INFORMATION ON OUR GROUP

UG Global Resources

Date of issue	Number of shares issued	Event	Consideration per share	Resultant issued share capital
12 July 2013	2,999,998	Allotment	RM1.00	RM5,000,000

Unigloves Shanghai

Date	Event	Resultant registered share capital
27 March 2013	Increase in registered capital	USD700,000
1 August 2014	Increase in registered capital	USD1,160,000

Unigloves Nigeria

Date of issue	Number of shares issued	Event	Consideration per share	Resultant issued share capital
1 August 2014	10,000,000	Incorporation	N1.00	N10,000,000.00
12 September 2014	700,000	Capitalisation of loans	S\$1.00	N10,700,000.00

As at the date of this Offer Document, our Company has only one class of shares, being ordinary shares. The rights and privileges of our Shares are stated in our Articles of Association. There are no founder, management or deferred shares. No person has been, or is entitled to be, given an option to subscribe for or purchase any securities of our Company or any of its subsidiaries.

There is no known arrangement the operation of which may, at a subsequent date, result in a change in control of our Company.

There has not been any public takeover offer, by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or units in a business trust, which has occurred during the financial periods covered by this Offer Document up to the Latest Practicable Date.

There are no shares in our Company that are held by or on behalf of our Company or by our subsidiaries.

Save as disclosed above and in the section entitled “Restructuring Exercise” of this Offer Document, no shares in our Company or our subsidiaries have been issued for a consideration other than cash during the three (3) years preceding the date of lodgement of this Offer Document.

GENERAL INFORMATION ON OUR GROUP

SHAREHOLDERS

The shareholdings of our Shareholders immediately before and after the Invitation (as at the date of this Offer Document) are set out below:

	Immediately before the Invitation				Immediately after the Invitation			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Yip Wah Pung	—	—	—	—	—	—	—	—
Ang Beng Teck ^{(1) (2)}	28,145,710	17.68	—	—	28,145,710	14.97	—	—
Lee Keck Keong ^{(3) (4)}	—	—	92,443,030	58.06	—	—	92,443,030	49.17
Lee Jun Yih ^{(3) (4)}	—	—	92,443,030	58.06	—	—	92,443,030	49.17
Wong See Keong	9,120,670	5.73	—	—	9,120,670	4.85	—	—
Lee Jun Linn ^{(3) (4)}	—	—	92,443,030	58.06	—	—	92,443,030	49.17
Lim Teck Chai, Danny	—	—	—	—	—	—	—	—
Ng Lip Chi, Lawrence	—	—	—	—	—	—	—	—
Substantial Shareholder (other than Directors)								
Zen UG Pte. Ltd. ⁽³⁾	92,443,030	58.06	—	—	92,443,030	49.17	—	—
Sim Ai Cheng ^{(3) (4)}	—	—	92,443,030	58.06	—	—	92,443,030	49.17
Ang Beng Yong ⁽¹⁾	9,412,530	5.91	—	—	9,412,530	5.01	—	—
Executive Officers								
Ang Beng Chee ⁽¹⁾	8,524,790	5.35	—	—	8,524,790	4.53	—	—
Terence Yap Seng Keong	—	—	—	—	—	—	—	—
Wong Pek Wee	—	—	—	—	—	—	—	—
Pre-Invitation Investors⁽⁵⁾	6,712,440	4.22	—	—	6,712,440	3.57	—	—
Others								
Ang Beng Wei ⁽¹⁾	1,216,090	0.76	—	—	1,216,090	0.65	—	—
Ang Beng Choo ⁽¹⁾	608,045	0.38	—	—	608,045	0.32	—	—
Ang Beng Hoon ⁽¹⁾	608,045	0.38	—	—	608,045	0.32	—	—
Ang Chien Kiat ⁽²⁾	2,432,180	1.53	—	—	2,432,180	1.29	—	—
Public	—	—	—	—	28,800,000	15.32	—	—
TOTAL	159,223,530	100.00			188,023,530	100.00		

Notes:

- (1) Ang Beng Teck, Ang Beng Chee, Ang Beng Wei, Ang Beng Choo, Ang Beng Yong and Ang Beng Hoon are siblings.
- (2) Ang Chien Kiat is the son of Ang Beng Teck.
- (3) 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. by virtue of Section 7 of the Companies Act.
- (4) Sim Ai Cheng is the spouse of Lee Keck Keong and the mother of Lee Jun Yih and Lee Jun Linn.

GENERAL INFORMATION ON OUR GROUP

(5) The table below sets out the Pre-Invitation Investors and their respective shareholdings in our Company:

Pre-Invitation Investors	Number of Shares before the Invitation	Number of Shares after the Invitation	Percentage of post-Invitation Share Capital (%)
Tommie Goh Thiam Poh	3,356,220	3,356,220	1.78
Jeremy Lee Sheng Poh	3,356,220	3,356,220	1.78
Total	6,712,440	6,712,440	3.57

Saved as disclosed above and in the section entitled “Directors, Management and Staff”, none of our Directors and Substantial Shareholders are related.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the Invitation Shares.

Save as disclosed above and to our knowledge, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any person or government.

There is no known arrangement the operation of which may, at a subsequent date, result in a change in the control of our Company.

Significant Changes in Percentage of Ownership

Pursuant to the Convertible Loan Agreement, the Pre-Invitation Investors exercised their rights to convert the Convertible Loans into Shares. Details of their Shareholdings following the conversion are set out in the table below:

Pre-Invitation Investors	Number of Shares	Percentage of post-Invitation Share Capital (%)
Tommie Goh Thiam Poh	3,356,220	1.78
Jeremy Lee Sheng Poh	3,356,220	1.78
Total	6,712,440	3.57

Save as disclosed above and in the section entitled “Restructuring Exercise” of this Offer Document, there were no significant changes in percentage of ownership of our Company over the last three (3) years.

MORATORIUM

To demonstrate their commitment to our Group, each of Ang Beng Teck, Wong See Keong, Ang Beng Yong, Ang Beng Chee, Ang Beng Wei, Ang Beng Hoon, Ang Beng Choo, Ang Chien Kiat and Zen UG Pte. Ltd., who hold an aggregate of 152,511,090 Shares representing approximately 81.11% of our Company’s issued share capital after the Invitation, has given their undertaking that they will not directly or indirectly, offer, sell, contract to sell, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of, all or any part of their Shares for the first six (6) months commencing from the date of our admission to Catalyst; and (ii) 50.0% of their Shares for the next six (6) months.

Each of the Pre-Invitation Investors, who hold in aggregate 6,712,440 Shares representing approximately 3.57% of our Company’s share capital after the Invitation, has given their undertaking that they will not directly or indirectly, offer, sell, contract to sell, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of, all or any part of their shareholding Shares the first period of six (6) months commencing from the date of our admission to Catalyst; and (ii) 50.0% of their Shares for the next six (6) months.

GENERAL INFORMATION ON OUR GROUP

In addition, the shareholders of Zen UG Pte. Ltd., being Lee Keck Keong, Sim Ai Cheng, Lee Jun Yih and Lee Jun Linn have undertaken not to directly or indirectly, offer, sell, contract to sell, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of, all or any part of their respective interests in Zen UG Pte. Ltd. for a period of twelve (12) months commencing from the date of our admission to Catalist.

RESTRUCTURING EXERCISE

In connection with the Invitation, our Group undertook the transactions described below as part of a corporate reorganisation exercise (the “**Restructuring Exercise**”) to rationalise and streamline our Group’s corporate structure pursuant to which our Company became the ultimate holding company of our Group.

The following steps were undertaken for the Restructuring Exercise:

(a) Incorporation of our Company and Unigloves Singapore

Our Company was incorporated on 21 August 2014 in Singapore as an exempt private company with an issued and paid-up capital of S\$1.00 comprising 1 ordinary share. The principal activity of our Company is that of investment holding.

Unigloves Singapore was incorporated on 24 May 2014 in Singapore as a private company with an issued and paid-up capital of S\$1 comprising 1 ordinary share. On 16 September 2014, Unigloves Singapore was acquired by our Company for a consideration of S\$1.00. Unigloves Singapore then became a wholly-owned subsidiary of our Company.

(b) Acquisition of NS Unigloves

Prior to the share swap described below, NS Unigloves had an issued and paid-up share capital of RM1,000,000 comprising 1,000,000 ordinary shares held by the following shareholders (collectively, the “**NS Unigloves Shareholders**”):

Name of Shareholder	Number of shares in NS Unigloves	Percentage of Shareholding (%)
Ang Beng Chee	30,000	3.00
Ang Beng Wei	10,000	1.00
Ang Beng Hoon	10,000	1.00
Ang Beng Teck	134,286	13.43
Ang Beng Yong @ Ang Tian Soo	62,500	6.25
Ang Bing Wan	20,000	2.00
Cinzing Beauty Products (M) Sdn Bhd ⁽¹⁾	365,000	36.50
Gantang Prestasi Sdn Bhd ⁽¹⁾	148,214	14.82
Lee Keck Keong	70,000	7.00
Phang Ai Sim	20,000	2.00
Ang Beng Choo	55,000	5.50
Wong See Keong	75,000	7.50
Total	1,000,000	100.00

Note:

- (1) The shareholders of Cinzing Beauty Products (M) Sdn Bhd are Lee Jun Linn and Lee Jun Yih, holding 70,000 shares and 55,002 shares respectively. The shareholders of Gantang Pretasi Sdn Bhd are Lee Jun Linn and Lee Jun Yih, each holding 1 share. Following the acquisition by our Company of the shares in NS Unigloves, Lee Jun Yih and Lee Jun Linn will hold their Shares in our Company through Zen UG Pte. Ltd., and Gantang Pretasi Sdn Bhd and Cinzing Beauty Products (M) Sdn Bhd will not be shareholders in NS Unigloves and our Company.

GENERAL INFORMATION ON OUR GROUP

Pursuant to a sale and purchase agreement dated 2 October 2014 entered into between our Company and the NS Unigloves Shareholders:

- (i) our Company acquired 1,000,000 ordinary shares, representing the entire issued and paid-up share capital of NS Unigloves, from the NS Unigloves Shareholders for a purchase consideration of S\$24,321,785.00, which was based on the audited NAV of NS Unigloves and its subsidiaries on a consolidated basis as at 30 June 2014; and
- (ii) the purchase consideration was satisfied by the issue and allotment of 24,321,785 Shares, credited as fully paid, to the individuals as set out in the table above.

(c) Acquisition of 55.0% of Unigloves UK

Prior to the share swap described below, Unigloves UK had an issued and paid-up share capital of £35,000 comprising 35,000 ordinary shares. Each of Ang Beng Teck and Lee Keck Keong held 9,625 shares, which collectively represented 55.0% of the issued and paid-up share capital of Unigloves UK.

Pursuant to a sale and purchase agreement dated 9 October 2014 entered into between our Company, Unigloves Singapore, Ang Beng Teck and Lee Keck Keong:

- (i) Unigloves Singapore acquired 19,250 ordinary shares, representing 55.0% of the issued and paid-up share capital of Unigloves UK from Ang Beng Teck and Lee Keck Keong for a purchase consideration of S\$221,493.00, which was based on the NAV of Unigloves UK as at 30 June 2014;
- (ii) the purchase consideration of S\$221,493.00 was satisfied in the following manner:
 - (A) Unigloves Singapore allotted and issued 221,493 new ordinary shares to our Company; and
 - (B) our Company issued and allotted 110,747 Shares and 110,746 Shares, credited as fully paid, to Ang Beng Teck and Lee Keck Keong respectively.

(d) Acquisition of Unigloves Shanghai

Prior to the share swap described below, Unigloves Shanghai had a registered and paid-up share capital of USD1,160,000 contributed by our Directors in the following manner:

Name of Shareholder	Capital Contribution
Lee Keck Keong	USD700,000
Lee Jun Yih	USD460,000

Pursuant to a share transfer agreement dated 1 September 2014 entered into between Lee Keck Keong, Lee Jun Yih, and Unigloves Singapore, Lee Keck Keong and Lee Jun Yih agreed to transfer the entire equity interest of Unigloves Shanghai to Unigloves Singapore for a purchase consideration of S\$929,299, which was based on the NAV of Unigloves Shanghai as at 30 June 2014. On 9 October 2014, our Company, Lee Keck Keong, Lee Jun Yih, and Unigloves Singapore entered into a payment agreement, pursuant to which they agreed that the purchase consideration of S\$929,299 would be satisfied in the following manner:

- (i) Unigloves Singapore allotted and issued 929,299 new ordinary shares to our Company; and
- (ii) our Company allotted and issued 560,783 Shares and 368,516 Shares, credited as fully paid, to Lee Keck Keong and Lee Jun Yih respectively.

GENERAL INFORMATION ON OUR GROUP

(e) Acquisition of 20.0% of Unigloves Germany

Unigloves Germany had an issued and paid-up share capital of EUR100,000 comprising 100,000 ordinary shares prior to the share swap described below. Each of Ang Beng Teck and Lee Keck Keong held 10,000 shares which collectively represented 20.0% of the issued and paid-up share capital of Unigloves Germany.

Pursuant to a sale and purchase agreement dated 7 October 2014 entered into between our Company, Unigloves Singapore, Ang Beng Teck and Lee Keck Keong:

- (i) Unigloves Singapore acquired 20,000 ordinary shares, representing 20.0% of the issued and paid-up share capital of Unigloves Germany from Ang Beng Teck and Lee Keck Keong for a purchase consideration of S\$3,926,167.00, which was based on the consolidated audited NAV of Unigloves Germany and its subsidiaries as at 30 June 2014;
- (ii) the purchase consideration of S\$3,926,167.00 was satisfied in the following manner:
 - (A) Unigloves Singapore allotted and issued 3,926,167 ordinary shares to our Company; and
 - (B) our Company issued and allotted 1,963,083 Shares, credited as fully paid, to each of Ang Beng Teck and Lee Keck Keong.

(f) Acquisition of 50.0% of Unigloves USA

Prior to the share swap described below, Unigloves USA had an issued and paid-up share capital of US\$100,000 comprising 100,000 ordinary shares. Each of Ang Beng Teck and Lee Keck Keong held 25,000 shares which collectively represented 50.0% of the issued and paid-up share capital of Unigloves USA.

Pursuant to a sale and purchase agreement dated 9 October 2014 entered into between our Company, Unigloves Singapore, Ang Beng Teck and Lee Keck Keong:

- (i) Unigloves Singapore acquired 50,000 ordinary shares, representing 50.0% of the issued and paid-up share capital of Unigloves USA from Lee Keck Keong and Ang Beng Teck for a purchase consideration of S\$578,472.00, which was based on the NAV of Unigloves USA as at 30 June 2014;
- (ii) the purchase consideration of S\$578,472.00 was satisfied in the following manner:
 - (A) Unigloves Singapore allotted and issued 578,472 new ordinary shares to our Company; and
 - (B) our Company issued and allotted 289,236 Shares, credited as fully paid, to each of Ang Beng Teck and Lee Keck Keong.

(g) Acquisition of 75.0% of Unigloves Nigeria and Transfer of Assets, Trademarks, and other Interests to Unigloves Nigeria

Acquisition of 75.0% of Unigloves Nigeria

Prior to the share swap described below, Unigloves Nigeria had an issued and paid-up share capital of 10.7 million Naira (N10,700,000.00). Lee Jun Yih held 8,025,000 shares representing 75.0% of the issued share capital of Unigloves Nigeria.

GENERAL INFORMATION ON OUR GROUP

Pursuant to a sale and purchase agreement dated 9 October 2014 entered into between our Company and Lee Jun Yih:

- (i) Unigloves Singapore acquired 8,025,000 ordinary shares, representing 75.0% of the issued and paid-up share capital of Unigloves Nigeria from Lee Jun Yih for a purchase consideration of S\$525,000.00, which was based on the NAV of Unigloves Nigeria as at 13 September 2014;
- (ii) the purchase consideration of S\$525,000.00 was satisfied in the following manner:
 - (A) Unigloves Singapore allotted and issued 525,000 new ordinary shares to our Company; and
 - (B) our Company issued and allotted 525,000 Shares, credited as fully paid, to Lee Jun Yih.

As part of the Restructuring Exercise, Unigloves Nigeria was incorporated on 1 August 2014 in Abuja, Nigeria, to take over the business and operations in Nigeria from Nigeria Company A and Nigeria Company B. The principal activity of Unigloves Nigeria is that of sale and supply of medical equipment.

Transfer of Assets, Trademarks, and other Interests to Unigloves Nigeria

Unigloves Nigeria and Nigeria Company A entered into agreements to transfer the assets (including stocks, trade receivables and cash), trademarks, other interests of Nigeria Company A and debts owed to Lee Jun Yih and Kevin Emeka Onah (the “**Asset Transfer Agreement**”) at a purchase consideration of approximately S\$700,000, which was based on the book value as at the date of the agreements. Pursuant thereto, the debts were converted into shares in Unigloves Nigeria. Unigloves Nigeria also entered into agreements with Nigeria Company A and Nigeria Company B, pursuant to which Nigeria Company A and Nigeria Company B agreed to procure in favour of Unigloves Nigeria the issuance of certain NAFDAC licences 90 days before the expiration date of the licences. Please refer to the section entitled “Business – Licences and Permits” of this Offer Document for more information on the NAFDAC licences.

Unigloves Nigeria, Nigeria Company A and Nigeria Company B

Nigeria Company A and Nigeria Company B are not part of our Group. As at the Latest Practicable Date, none of our Directors and Substantial Shareholders had any interest in Nigeria Company A or Nigeria Company B.

As at the Latest Practicable Date, Kevin Emeka Onah was a director of Unigloves Nigeria and Unigloves UK and holds 25% interest in each of Unigloves Nigeria and Unigloves UK. Kevin Emeka Onah also held 95.0% and 90.0% shareholding interest in Nigeria Company A and Nigeria Company B respectively. As at the Latest Practicable Date, Nigeria Company A is in the midst of winding down its operation pursuant to the Asset Transfer Agreement and Nigeria Company B is dormant.

Nigeria Company A, Nigeria Company B and Kevin Emeka Onah have undertaken that Nigeria Company A and Nigeria Company B shall, *inter alia*, remain dormant during the period for which Kevin Emeka Onah or any of his associates remains, directly or indirectly, a shareholder or director of Unigloves Nigeria or any other subsidiaries of our Company. In addition, Kevin Emeka Onah has undertaken to procure a change of name of Nigeria Company A and Nigeria Company B, and that the new names will not contain words or phrases that could be reasonably associated with our Group after (i) the issuance of certain NAFDAC licences to Unigloves Nigeria or (ii) the registration of certain trademarks in the name of Unigloves Nigeria, whichever is later.

GENERAL INFORMATION ON OUR GROUP

Prior to the Restructuring Exercise, Lee Jun Yih and Lee Jun Linn, collectively owned 75% of the share capital of Nigeria Company A. Nigeria Company A was established to undertake the business of importation and distribution of examination gloves in Nigeria, with a view to providing a marketing and distribution platform for our Group in Africa. Nigeria Company B was incorporated to apply for the NAFDAC licences, Nigeria Company B is owned by (i) Kevin Emeka Onah, a director of Unigloves UK and Unigloves Nigeria, and (ii) Emeka Onah, an independent unrelated third party.

(h) Reorganisation of shareholdings amongst certain Promoters

Following the acquisitions by our Company of the shares in our subsidiaries and associated companies as disclosed above, certain Promoters agreed amongst themselves to reorganise their shareholdings in our Company as follows:

Name of Shareholder	← Shareholdings →	
	Number	Percentage (%)
Ang Beng Teck	5,629,142	18.45
Ang Beng Chee	1,704,958	5.59
Ang Beng Wei	243,218	0.80
Ang Beng Yong	1,882,506	6.17
Ang Beng Choo	121,609	0.40
Ang Beng Hoon	121,609	0.40
Ang Chien Kiat	486,436	1.60
Zen UG Pte. Ltd.	18,488,606	60.61
Wong See Keong	1,824,134	5.98
Total	30,502,218	100.0

(i) Sub-division of shares in our Company

On 20 November 2014, our Company sub-divided each ordinary share in our Company into five (5) Shares. Following this sub-division, the issued and paid-up share capital of our Company was S\$30,502,218 comprising 152,511,090 Shares.

(j) Pre-Invitation Investors

On 22 August 2014, our Company entered into the Convertible Loan Agreement with the Pre-Invitation Investors for the grant of the Convertible Loan by the Pre-Invitation Investors to our Company. The proceeds from the Convertible Loan shall be used for payment of expenses incurred in connection with the Invitation and for general working capital purpose.

Details of the Convertible Loan are as follows:

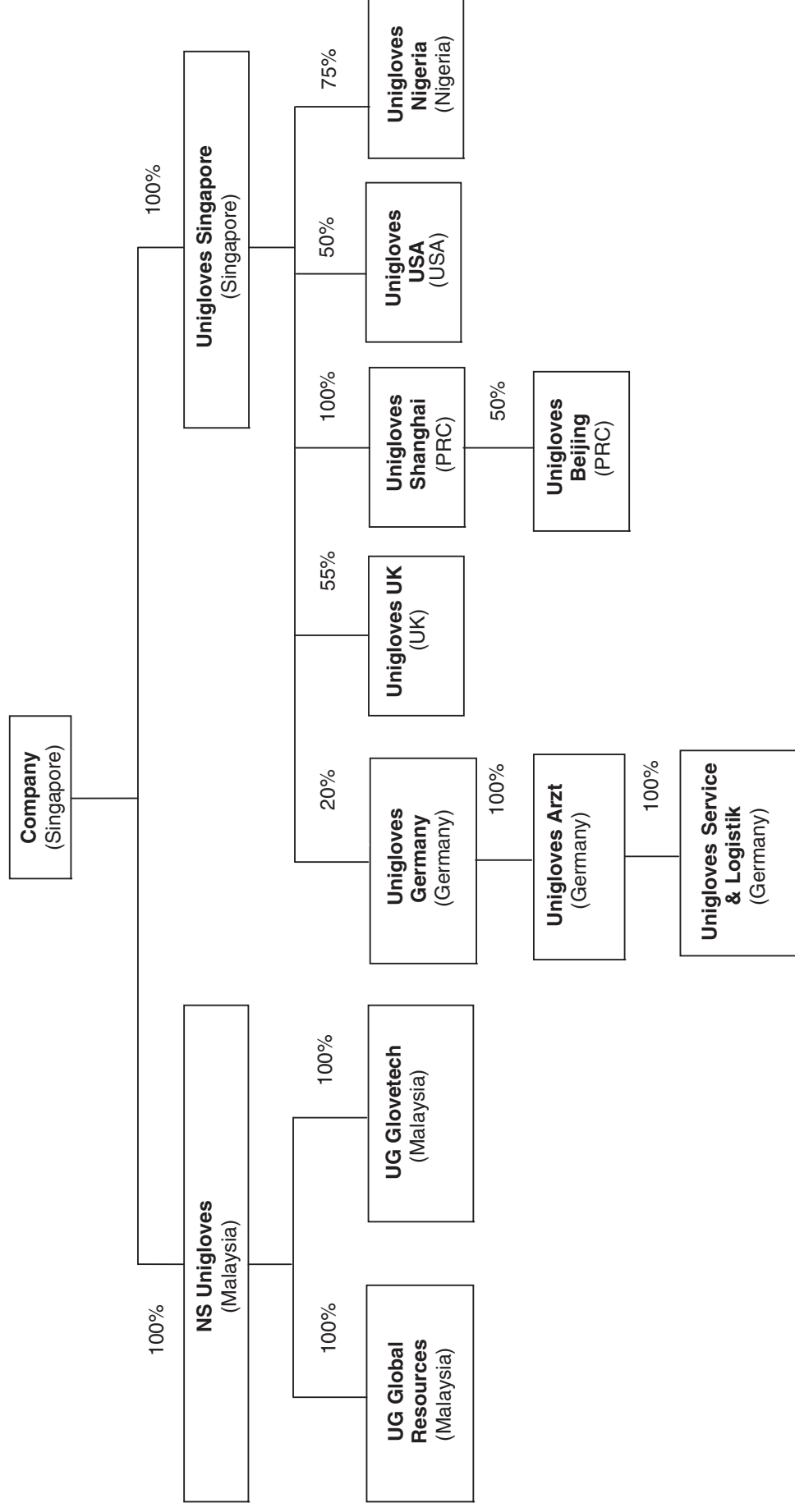
Pre-Invitation Investors	Loan amount (\$)	Proportion of the Convertible Loan (%)	Number of Shares to be issued upon the conversion of the Convertible Loan	Shareholding in our Company after conversion of the Convertible Loan (%)
Tommie Goh Thiam Poh	500,000	50.0	3,356,220	1.78
Jeremy Lee Sheng Poh	500,000	50.0	3,356,220	1.78
Total	1,000,000	100.0	6,712,440	3.57

Pursuant to the Convertible Loan Agreement, the Convertible Loan shall be converted into Shares upon the notification from the SGX-ST for the registration of the Offer Document. The Convertible Loan was converted into 6,712,440 Shares which translates into an implied discount of 30.71% discount to the Invitation Price.

GENERAL INFORMATION ON OUR GROUP

GROUP STRUCTURE

Our Group structure after the Restructuring Exercise is as follows:



GENERAL INFORMATION ON OUR GROUP

SUBSIDIARIES AND ASSOCIATED COMPANIES

The details of our subsidiaries and associated companies after the Restructuring Exercise, as at the Latest Practicable Date, are as follows:

Name	Date and place of incorporation	Principal place of business	Principal business activities	Issued and paid-up capital/ registered capital	Effective equity interest held by our Company
Subsidiaries					
Unigloves Singapore	24 May 2014, Singapore	77 High Street, #03-01, High Street Plaza, Singapore 179433	Business and management consultancy services and investment holding	S\$1.00	100%
NS Unigloves	9 July 1983, Malaysia	Lot 3 & 4/4510, Lorong Senawang 4/1, Senawang Industrial Estate, Seremban, 70450, Negeri Sembilan, Malaysia	Manufacturing of rubber gloves	RM1,000,000.00	100%
UG Global Resources	21 April 2010, Malaysia	Lot 62/63, Lorong Senawang 3/2, Senawang Industrial Estate, 70450, Seremban, Negeri Sembilan, Malaysia	Manufacturing of rubber gloves	RM5,000,000.00	100%
UG Glovetech	21 March 1991, Malaysia	No. 18, 1st Floor, Jalan Dato Abdul Rahman, Seremban, 70000, Negeri Sembilan, Malaysia	Investment holding	RM10.00	100%
Unigloves Shanghai	30 October 2002, PRC	Room 304A, 3F, East Building of 1# Building, 29 Jiatai Road, Waigaoqiao Free Trade Zone, Shanghai, PRC	Distribution of gloves and other medical disposables	USD1,160,000	100%

GENERAL INFORMATION ON OUR GROUP

Name	Date and place of incorporation	Principal place of business	Principal business activities	Issued and paid-up capital/ registered capital	Effective equity interest held by our Company
Unigloves UK	7 June 2000, UK	Unit 10, Lakeside Park, Neptune Close, Medway City Estate, Rochester, Kent ME2 4CT, United Kingdom	Distribution of gloves and other medical disposables	£35,000	55% ⁽¹⁾
Unigloves Nigeria	1 August 2014, Nigeria	7A, Ajibade Oke Street, Ajao Estate, Lagos, Nigeria	Sale and supply of medical equipment	N10,700,000.00	75% ⁽²⁾
Associated Companies					
Unigloves Beijing	5 June 2014, PRC	Room 1503, 13F, Tian Xing Jian Building, 47 Fuxing Road, Haidian District, Beijing, PRC	Distribution of gloves and other medical disposables	RMB500,000	50% ⁽³⁾
Unigloves Arzt	5 March 1990, Germany	Camp-Spich-Straße 71, 53842 Troisdorf, Germany	Import and export of medical treatment utilities and one way articles	EUR 104,000	20% ⁽⁴⁾
Unigloves Germany	31 October 2013, Germany	Südliche Münchener Straße, 82031 Grünwald, Germany	Investment holding	EUR 100,000	20% ⁽⁵⁾
Unigloves Service & Logistik	26 August 1993, Germany	Camp-Spich-Straße 71, 53842 Troisdorf, Germany	Purchase and sale of consumable goods for medical and industrial purposes	EUR 26,000	20% ⁽⁶⁾
Unigloves USA	17 September 1997, California, US	1565 Sunflower Avenue, Costa Mesa, Ca. 92626, United States	Distribution of gloves and other medical disposables	US\$100,000	50% ⁽⁷⁾

GENERAL INFORMATION ON OUR GROUP

Notes:

- (1) The remaining shareholders of Unigloves UK are Kevin Emeka Onah (25%) and Christopher Wahlers (20%).
- (2) The remaining shareholder of Unigloves Nigeria is Kevin Emeka Onah (25%).
- (3) The remaining shareholder of Unigloves Beijing is Li Guang Ya (50%).
- (4) Unigloves Arzt is wholly owned by Unigloves Germany. Accordingly, the Company's effective interest in Unigloves Arzt is 20%
- (5) The remaining shareholders of Unigloves Germany are Grünwald Equity Industries & Services GmbH (76.30%) and Robert Feldmeier (3.70%). None of our Directors, Executive Officers, Substantial Shareholders of the Company or their Associates have any interests, direct or indirect (as the case may be), in the shares of Grünwald Equity Industries & Services GmbH.
- (6) Unigloves Service & Logistik is wholly owned by Unigloves Arzt. Accordingly, the Company's effective interest in Unigloves Service & Logistik is 20%.
- (7) The remaining shareholder of Unigloves USA is Kenneth J. Stanton (50%).

The remaining shareholding interests in our subsidiaries and associated companies set out in footnotes (1) to (7) above are held by third parties who are unrelated to and independent of our Directors, Executive Officers, Substantial Shareholders and their Associates.

None of our subsidiaries and associated companies is listed on any stock exchange.

None of our Independent Directors sits on the board of our principal subsidiaries that are based in jurisdictions other than Singapore.

HISTORY

Nascent years

Our Group was founded by Ang Beng Teck and Lee Keck Keong, our Chief Executive Officer and Non-Executive Director respectively, in the late 1980's. Wong See Keong, our Executive Director, joined the management team as a technologist shortly after the founding of our Group.

Lee Keck Keong, Ang Beng Teck and Wong See Keong have been instrumental in the growth, development and success of our Group. Under their leadership, our Group has steadily developed from its inception as a small rubber glove manufacturer with only two production lines to an established latex examination glove manufacturer with an extensive global distribution platform for its products.

We commenced production of our first natural latex examination gloves in 1989, with the commissioning of our first manufacturing plant in Seremban, Malaysia. In 1992, we expanded our product range by producing our first powder-free natural latex examination gloves. We became a member of MARGMA, a trade association representing rubber glove manufacturers in 1996.

Focus on quality and productivity

Our Group adopted a prudent strategy with a long term view. Rather than risk over-extending ourselves in a race for production volume, our management team decided to focus on improving product quality and range and maximising productivity at our first manufacturing plant. We developed our first nitrile examination gloves in 1998 and launched an extensive range of coloured, scented and coated examination gloves to cater to customer preferences in an increasingly mature user base.

In 1997, our Group was certified by The TUV Cert Certification Body of Rheinisch Westfalischer TUV for conformance with the requirements according to ISO9002 / EN ISO 9002 / MS ISO 9002 on our quality management system for the manufacture and supply of natural latex examination gloves. We were subsequently certified by the same body for compliance with ISO 9001:2000 on our quality management system for the manufacture and supply of both natural latex and nitrile powder and powder-free examination gloves in 2003. Our Group also obtained SMG certification from the Malaysia Rubber Board for our powder-free gloves in 2000 and our powder gloves in 2005¹. In 2009, we obtained ISO 13485:2003 and ISO 9001:2008 certified by URS: UKAS on quality management for the manufacturing and supply of natural latex and nitrile examination gloves.

With Wong See Keong taking charge of our manufacturing and product development processes at home, Ang Beng Teck and Lee Keck Keong were able to focus on developing our own international distribution platform and establish lasting relationships with our key customers.

Going forward, Ang Beng Teck will continue to be in charge of the overall management of our business, while Wong See Keong will remain the overall in-charge of our manufacturing processes and operations. Lee Keck Keong, who will hold a non-executive role in our Group, will chart the strategic direction for our Group's future development.

Developing an international distribution platform

As we developed a reputation amongst customers for delivering quality products, we decided to invest in expanding our own distribution platform in the developed markets of Europe and USA. We believed that the stringent standards of healthcare and hygiene in these developed markets would naturally translate into greater demand for high quality latex examination gloves.

¹ Please refer to the section entitled "Business – Quality Assurance" of this Offer Document for further details on our certifications.

BUSINESS

We adopted a strategy of establishing distribution companies with carefully selected local partners in the identified markets. In 1989, we made our first foray into the international market by venturing into the US and established our US distribution platform. Shortly after in 1990, we continued our international expansion by incorporating Unigloves Arzt in Germany and went on to successfully develop our German distribution platform. In 1997, Unigloves USA was incorporated and carried on our US distribution business.

With Unigloves Arzt having established itself in the German-speaking European markets (such as Germany, Austria and Switzerland), we turned our attention towards capturing a greater share of the European market and established Unigloves UK in 2000 to cater to the markets in the UK and other European nations.

The emergence of the PRC as an economic power in the 1990's encouraged our Group to establish Unigloves Shanghai in 2002. Unigloves Beijing was subsequently established in 2014 to continue our expansion in the PRC. In addition, we identified the African continent as the next major region of growth and established our presence in Nigeria in 2012. As at the Latest Practicable Date, we distribute our latex examination gloves to more than 50 countries, including Germany, UK, US, France, Italy, Austria, Switzerland, the Netherlands, the PRC, Japan, South Korea, Canada, Brazil and Nigeria through our distribution companies and third party distributors.

Poised for rapid growth

We spent the last two decades developing our technical know-how and distribution platforms, and cultivating our “Unigloves” brand to secure demand for our products. Having successfully implemented these strategies, our management commenced the construction of our second manufacturing plant located at Lot 62 and 63, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan in 2012.

The site was carefully chosen as it is strategically located near our first manufacturing plant and offers sufficient space to facilitate the significant expansion of our production capacity that represents the next stage of our Group's growth strategy.

The additional production lines installed at the second manufacturing plant in 2013 and 2014 substantially increased our manufacturing capacity. As at the Latest Practicable Date, our two (2) manufacturing plants are capable of producing up to 1.3 billion gloves per annum. The expansion plan for our manufacturing capacity in our second manufacturing plant will be carried out in phases. We expect our total production capacity to double once the second manufacturing plant is fully utilised and fully equipped with new production lines.

On 21 August 2014, our Company was incorporated in the Republic of Singapore under the Companies Act as a private company limited by shares, under the name “UG Healthcare Corporation Pte. Ltd.”.

On 20 November 2014, we completed the Restructuring Exercise pursuant to which our Company became the holding company of our Group. Please refer to the section entitled “General information on our Group – Restructuring Exercise” of this Offer Document for further details. Our Company was then converted to a public limited company and changed its name to “UG Healthcare Corporation Limited” on 25 November 2014.

BUSINESS

BUSINESS OVERVIEW

Our Business

We are principally engaged in the manufacturing, processing and distribution of gloves. We derive our revenue mainly from our manufacturing and sale of natural latex and nitrile examination gloves and the distribution of ancillary products including surgical, vinyl and cleanroom gloves, face masks, and other medical disposables. The sale of our natural latex examination gloves, nitrile examination gloves and ancillary products as a percentage of our Group's total revenue in FY2012, FY2013 and FY2014 is set out below:

	As a percentage of our Group's total revenue (%)		
	FY2012	FY2013	FY2014
Natural latex examination gloves	69.4	59.1	59.0
Nitrile examination gloves	26.2	34.7	35.3
Ancillary products	4.4	6.2	5.7

We sell our products to customers from different industries, including distribution companies and end users such as hospitals, clinics, laboratories and beauty salons. We manufacture our natural latex and nitrile examination gloves at our two (2) manufacturing facilities in Seremban, Malaysia. The products we manufacture are sold under our own brand names, including "Unigloves" brand name, or under third party labels where we are engaged as OEM.

We have an extensive range of machinery and equipment at our manufacturing premises and have successfully implemented a highly integrated distribution and manufacturing process. Building on our technical knowledge and manufacturing expertise, our integrated business operations are able to cater quickly to our customers' evolving needs. We also have the ability to manage the complete manufacturing process, from the sourcing of raw materials, drawing up of product design to manufacturing and distributing of finished products to our customers.

We place significant emphasis on quality control and production standards during our production processes. As a testament to our commitment to the production of high quality products, we were accredited for our quality standards under the ISO 9001:2000, ISO 13485:2003 and ISO 9001:2008 certifications. We have also been certified by the MRB to produce Standard Malaysian Glove for export.

To complement our manufacturing platform, we established an extensive distribution network through our distribution platforms based in USA, UK, the PRC, Germany and Nigeria, which distribute the natural latex and nitrile examination gloves we manufacture as well as ancillary products, including surgical, vinyl and cleanroom gloves, face masks, and other medical disposables to our customers.

Through our extensive distribution network, our products are sold to more than 50 countries, such as Germany, Nigeria, the PRC, US, UK, France, Italy, Austria, Switzerland, the Netherlands, Japan, South Korea, Canada and Brazil. Please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" for further details on the geographical breakdown of our sales.

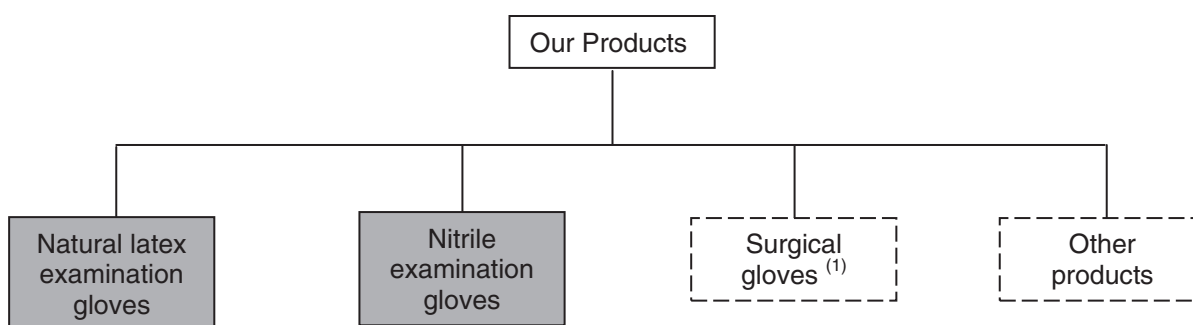
Our Products

We manufacture latex examination gloves, which are primarily made of two types of materials – natural rubber latex and nitrile latex. Depending on the manufacturing process and the raw materials used, we produce latex examination gloves of various quality and comfort levels to meet customer demand over a spectrum of price points. Our extensive product range includes gloves of various colours and scents to appeal to different needs and preferences.

BUSINESS

Our natural latex and nitrile examination gloves are marketed under our “Unigloves” brand name as well as under third party labels where we are engaged as OEM. The gloves we manufactured and sold under our “Unigloves” brand name constituted 31.5%, 28.1% and 31.6% of total sales in FY2012, FY2013 and FY2014 respectively, and, the remaining gloves products were manufactured for third party labels.

To complement our manufacturing capabilities, we have an established distribution network that sells products manufactured by us under our own brand names, as well as ancillary products including surgical, vinyl and cleanroom gloves, face masks, and other medical disposables. The following chart sets out the products we manufacture and distribute:



Our Group manufactures and distributes natural latex examination gloves and nitrile examination gloves



Our Group also distributes surgical, vinyl and cleanroom gloves, face masks, and other medical disposables.

Note:

- (1) Our Group intends to commence production of surgical gloves in the second half of 2015. Please refer to the section entitled “Business – Business Strategies and Future Plans” of this Offer Document for further information.

The key features and characteristics of our gloves can be categorised as follows:

Types	Characteristics
Natural latex examination gloves	<ul style="list-style-type: none"> Made from renewable source of raw material, natural rubber latex, thus making them more environmentally-friendly as they are biodegradable Low level of extractable protein, chemical residuals and/or antigenic protein
Nitrile examination gloves	<ul style="list-style-type: none"> Made from a synthetic elastomer, instead of natural rubber latex Excellent barrier protection which provides more puncture resistance than other synthetic gloves such as vinyl gloves Most suitable for users sensitive to latex protein
Surgical gloves	<ul style="list-style-type: none"> Extra strength and length that provide additional protection from surgical debris
Vinyl gloves	<ul style="list-style-type: none"> Most economical and cost effective Suitable for users sensitive to latex protein
Cleanroom gloves	<ul style="list-style-type: none"> Low ionic residual levels, particle counts, and pinhole levels High resistance to punctures and tears

BUSINESS

Our gloves are used across a diverse range of industries, including the following:

Type of gloves	Industries	End users
Natural latex examination gloves, nitrile examination gloves and vinyl gloves	Healthcare	
	- Hospitals	Surgeons, physicians, laboratory technicians, emergency room personnel, nurses, pathologists, paramedics, orderlies, intensive care unit personnel and physiologists
	- Dental clinics	Dental surgeons, orthodontists, dental nurses and oral hygienists
	- Nursing homes and hospices	Doctors, nurses and nursing aides
	- Social services	Volunteers, helpers and nursing aides
	Research and development	Scientists, analysts, and laboratory assistants
	Food and beverage	Factory workers
	Others	General cleaners, automotive workers, food handlers, hair dresser and veterinarians
Surgical gloves	Healthcare - Hospitals	Surgeons
Cleanroom gloves	High technology manufacturing	Workers in cleanrooms in the following industries: <ul style="list-style-type: none"> • semiconductor manufacturing • electronics • pharmacies • laboratories • optics

Our Business Strategy

Our Group's overall business strategy focuses on the two linked platforms of manufacturing and distribution. Our Group's achievements thus far have been driven by the successful integration and implementation of these two platforms.

(i) *Manufacturing Business*

We currently manufacture natural latex examination gloves and nitrile examination gloves. As at the Latest Practicable Date, we have two (2) manufacturing facilities located in Seremban, Malaysia with an aggregate production capacity of up to 1.3 billion gloves per annum.

Our Group's manufacturing business provides the foundation to support our global distribution business through concerted efforts at increasing cost efficiency and productivity, ensuring premium product quality and embarking on product innovation through research and development. Our efforts are targeted at operational effectiveness and efficiency to ensure profitability and growth.

(ii) *Distribution Business*

Our Group's distribution business deals directly with our customers, which include both end-users and intermediaries. We manufacture and distribute products under our brand names, including our "Unigloves" brand, as well as third party labels to end-users and intermediaries. The intermediaries will then distribute our products to their end-customers.

BUSINESS

We focus on identifying the right opportunities in the global market to expand our distribution channels. We also constantly interact with our customers to evaluate their needs and tailor our products accordingly to meet their changing needs. As some of our customers are intermediaries, we are also able to tap on their existing network to expand our market coverage.

Latex examination gloves are primarily made of two types of materials – natural rubber latex and nitrile latex. The applications of both natural latex examination gloves and nitrile examination gloves are largely similar and the use of either natural latex examination gloves or nitrile examination gloves generally depends on the preference of the end-customers. Due to the integration of our manufacturing business and distribution business, we are able to ensure that the preferences and needs of our end-customers are communicated quickly and efficiently from our distribution team to our manufacturing team, which then designs and produces the desired type of glove for our customers.

The Group's distribution and marketing strategies are executed by our Group's subsidiaries and associated companies in the core developed markets of UK, Germany and US, as well as key developing markets of the PRC and Nigeria. We also carry out our distribution and marketing activities through independent customers with whom the Group has a very strong partnership and relationship. Please refer to the section entitled "Business – Sales and Marketing" of this Offer Document for further details.

MANUFACTURING PROCESS

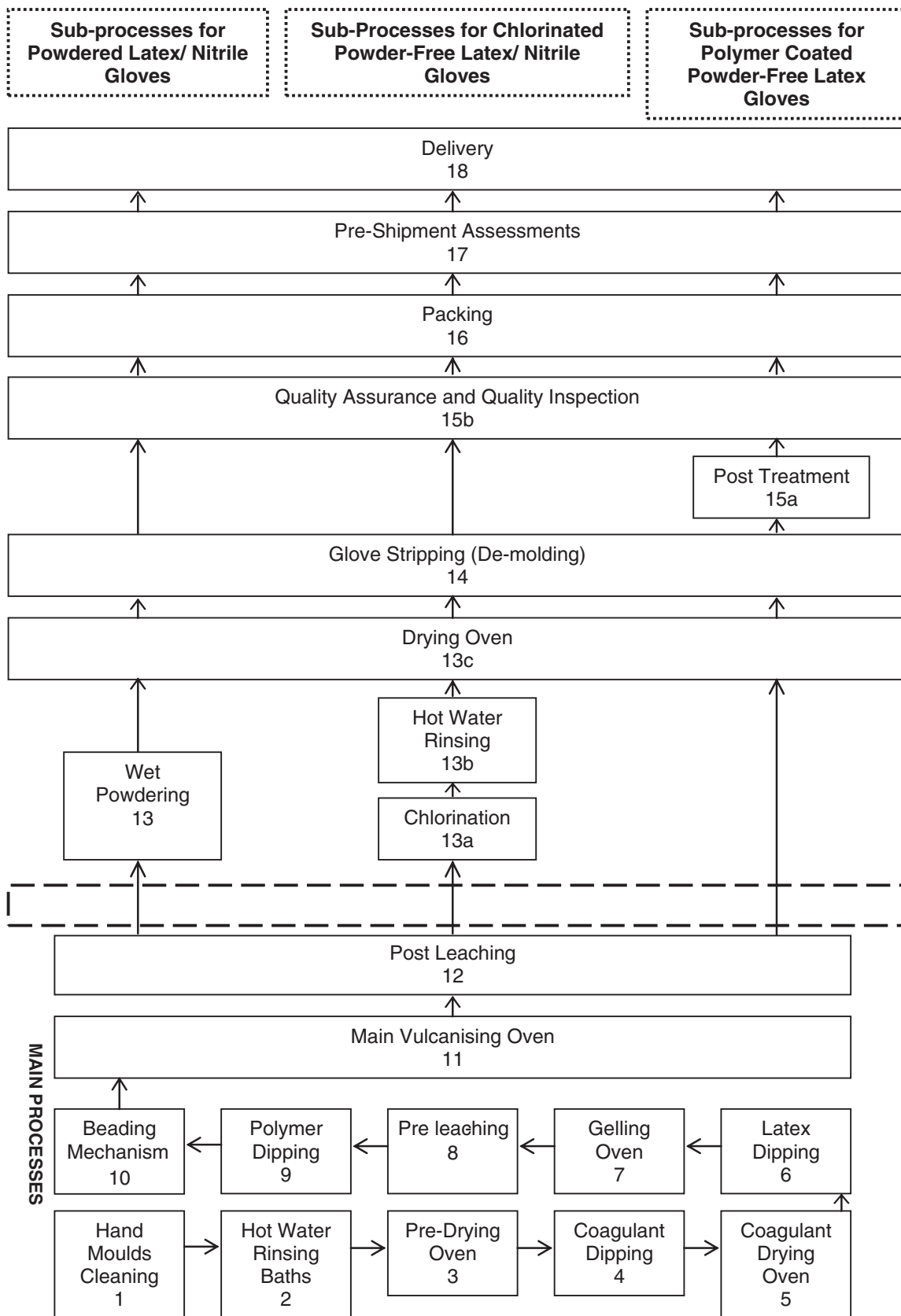
We currently operate two (2) manufacturing facilities in Seremban, Malaysia. Our aggregate annual production capacity for FY2014 was up to 1.3 billion gloves per annum. Both natural latex and nitrile examination gloves are manufactured in our integrated manufacturing facilities which undertake the full production of these products from the sourcing of raw materials, drawing up of product design to the manufacturing and distributing of finished products to our customers.

Our dipping production lines can be easily configured to manufacture gloves of different lengths, colours, sizes and thickness, allowing us to meet our customers' changing and different requirements.

BUSINESS

Typical Manufacturing Process

The following flowchart shows our key manufacturing stages:



BUSINESS

Main manufacturing processes

S/n	Process	Materials used/ Equipment and Controls	Function
1	Hand mold cleaning		
	(a) Acid bath	Nitric acid	To remove residual calcium carbonate, metallic oxides and other inorganic residues from the surface of hand molds
	(b) Alkaline bath	Alkaline cleaning agent	(i) To neutralise the acid brought over by hand molds from the acid tank (ii) To soften and remove non-rubber residue and other organic materials deposited on the surface of hand molds
	(c) Vertical and horizontal brush tanks	Rotating chemical resistant nylon brushes	To brush away all removable dirt and other solid residues from hand molds left behind from the previous production cycle
2	Hot water rinsing baths	A series of tanks with gentle running hot water	To wash and rinse away loosen dirt to ensure no residue or dirt remains on the surface of hand molds before a new dip cycle begins
3	Pre-drying oven	Hot air at controlled temperature	To dry the hand molds to ensure uniform coating of coagulant in the subsequent process at the desired concentration and composition with minimum dilution
4	Coagulant dipping	A bath that consists of (i) multivalent salt solution as coagulant, (ii) mold releasing agent and (iii) non-ionic wetting agents Concentrations and temperature are in controlled conditions	(i) To facilitate the formation of a film of latex onto the hand molds (ii) To release the gloves from its molds without being torn (iii) To ensure thorough coating of coagulant onto the surface of hand molds (iv) To ensure production uniformity and consistency
5	Coagulant drying oven	Hot air at controlled temperature	To dry up liquid coagulant to form an even and uniform deposition of coagulant on all hand molds
6	Latex dipping	Compounded latex maintained at controlled parameters in a specially designed dip tank with chilling feature	To create a uniform film of latex. The dried coagulant coated on the molds will help to convert liquid latex into gelled films onto the molds
7	Gelling oven	Hot air at controlled temperature	To solidify and strengthen the gelled film for subsequent production processes
8	Pre-leaching	Hot water bath	To remove residual chemicals to improve physical properties and shelf-life of gloves. In the case of natural latex examination gloves, this step removes water-soluble proteins that exist in the latex naturally

BUSINESS

S/n	Process	Materials used/ Equipment and Controls	Function
9	Polymer dipping	Polyurethane-acrylic polymeric emulsion	To coat and bind a layer of polymer onto the surface of glove to provide a slippery effect without the use of powdery agent as lubricant
10	Beading mechanism	Rotating nylon beading brush and mechanisms	To roll up the cuff portion of a glove to form a bead that helps to open the cuff for better donability
11	Main vulcanising oven	Hot air at controlled temperature	To dry and vulcanise latex film to produce the desired performances based on designed formulation
12	Post leaching	Hot water bath	To further remove water soluble residual chemicals and protein in the case of natural latex examination gloves

Sub-processes for the production of latex/ nitrile powdered gloves

S/n	Process	Materials used/ Equipment and Controls	Function
13	Wet powdering	Corn starch and water	Corn starch is applied to provide a layer of powder to act as lubricant to ease de-molding at the final stage and to prevent the glove surfaces from sticking to each other. In addition, another principle purpose of the corn starch powder is to ease donning with comfort
13c	Drying oven	Hot air at controlled temperature	To ensure adequate drying on the coating of corn starch before the de-molding/ stripping process
14	Stripping/ de-molding	Mechanically aided stripping mechanisms	The formed gloves are stripped from its molds

Sub-processes for the production of chlorinated powder-free latex/ nitrile gloves

S/n	Process	Materials used/ Equipment and Controls	Function
13a	Chlorination	Dissolved chlorine solution at controlled concentration	To reduce friction by hardening the surface of the glove. This process provides a slippery effect on the surfaces of gloves so that donning is made possible without a lubricant
13b	Hot water rinsing	A series of hot water baths	To remove residual chlorine solution and to further remove water soluble chemical residues and proteins (in the case of natural latex examination gloves)
13c	Drying oven	Hot air at controlled temperature	To adequately dry the formed gloves before they are stripped from the molds at stripping station
14	Stripping/ de-molding	Mechanically aided stripping mechanisms	The formed gloves are stripped from its molds

BUSINESS

Sub-processes for the production of polymer coated powder-free latex gloves

S/n	Process	Materials used/ Equipment and Controls	Function
13c	Drying oven	Hot air at controlled temperature	To ensure adequate drying on the formed gloves before the stripping/de-molding process at stripping station
14	Stripping/ de-molding	Mechanically aided stripping mechanisms	The formed gloves are stripped from its molds
15a	Post treatment	Acrylic polymer emulsion and Water	To wash away residual powder and to coat a layer of polymer onto the outer surface of gloves to provide a slippery effect to prevent the glove surfaces from sticking to each other upon drying

QUALITY ASSURANCE

We have an integrated production process which undertakes the full process from sourcing raw materials, product design to the manufacturing and distributing of finished products. We believe that this helps us meet our customers' requirements, reduce the possibility of contamination to our products and ensure that our products are of a high quality before they are delivered to our customers.

We strongly believe that the quality of products begins at its source. Hence, we emphasise that quality control must be enforced systematically and at every stage of the manufacturing process. We have built into the entire manufacturing system a good understanding and awareness of the fact that upstream processes will affect the performance of downstream activities. In addition, we adopt stringent quality standards to ensure consistency in the quality of our products and to minimise defects. As a testament to our commitment to quality, we have received several accreditations as set out below:

Name of Accreditation	Accreditation Body	Purpose/Scope	Validity period
ISO 13485:2003	URS: UKAS (United Kingdom Accreditation Service) Quality Management	Medical devices – Quality management systems – Requirements for regulatory purposes. Manufacture and Supply of Natural Latex and Nitrile Examination Gloves	31 December 2009 to 26 December 2015
ISO 9001:2008	URS: UKAS (United Kingdom Accreditation Service) Quality Management	Quality Management Systems – Requirement Manufacture and Supply of Natural Latex and Nitrile Examination Gloves	31 December 2009 to 26 December 2015
Standard Malaysian Glove (SMG) Product Certification (Panel Malaysian Rubber Board)	MRB	Compliance with the technical requirements for type I powder free standard Malaysian glove (SMG)	1 January 2014 to 31 December 2014
Standard Malaysian Glove (SMG) Product Certification (Panel Malaysian Rubber Board)	MRB	Compliance with the technical requirements for type I powdered standard Malaysian glove (SMG)	1 January 2014 to 31 December 2014

BUSINESS

The products we export to the USA have been granted with 510(k) Notification of Intent to Market from the FDA. This 510(k) approval is required before introducing a new product/device or a significantly modified product/device for commercial distribution in the USA.

Our quality assurance team consists of a group of experienced technical members to monitor our manufacturing processes and to ensure that sufficient controls are put in place to maintain the quality of our production activities at all check points in the manufacturing chain. Our quality management system has been effective in providing us a solid foundation in meeting our customers' requirements. Our quality assurance programme is classified into three (3) critical stages:

(a) In-coming quality assurance

All in-coming raw materials, including nitrile latex and natural rubber latex, that are used in our production processes are subject to inspection at the point of receipt. We conduct sample inspections and tests on our raw materials when they are delivered to our manufacturing facilities to ensure that they are in accordance with our requirements. We document all quality assurance checks on all in-coming materials and conduct regular reviews on the quality of our suppliers. Raw materials that do not meet our requirements are returned to our suppliers for corrective measures or for replacement.

(b) In-process quality assurance

During the production process, our production personnel continuously monitor important parameters such as temperature, natural rubber and chemical concentrations, natural rubber stirrer speed, chlorination parameters and water quality to ensure consistency in the quality of our products. The total solid content, pH and concentration of various coagulants will also be checked to ensure that these materials comply with specifications based on our internal requirements.

Water leakage tests are carried out on the production line to detect the presence of any holes and visual inspection is carried out to identify defects such as stains and uneven surface of the gloves. We constantly upgrade our manufacturing facilities and quality control systems to ensure that we meet the stringent requirements of our customers so as to minimise rejection rate.

(c) Finished products quality assurance

In addition to the in-process quality assurance controls, the finished products will be subject to a set of stringent quality assurance and quality inspection standard operating procedures before they are approved for packing. Selective sample inspections on all completed products are carried out to ensure that our customers' stringent requirements and standards are fully complied with as well as to ensure that the finished products meet the various standards and requirements of the importing countries. Our quality assurance personnel will carry out various tests including physical inspection for holes and visual defects. In addition, our packed products are subject to pre-shipment assessments before delivery or shipment to the customers.

BUSINESS

MANUFACTURING FACILITIES AND UTILISATION RATES

As at the Latest Practicable Date, we have two (2) manufacturing plants in operation in Seremban, Malaysia. Our aggregate annual production capacity as at 30 June 2014 allows us to produce up to 1.3 billion gloves. The following table sets out the approximate annual production capacity and utilisation rates of our manufacturing plants for FY2012, FY2013, and FY2014:

	FY2012	FY2013	FY2014
Manufacturing plant operated by NS Unigloves (Plant 1)			
Annual production capacity as at the end of the financial year ('000 units) ⁽¹⁾	847,472	848,273	796,064 ⁽⁴⁾
Actual achieved production output ('000 units)	757,664	738,000	694,438
Utilisation rate ⁽²⁾ (%)	89.4	87.0	87.2
Manufacturing plant operated by UG Global Resources (Plant 2)⁽³⁾			
Annual production capacity as at the end of the financial year ('000 units) ⁽¹⁾	— ⁽³⁾	302,400	501,420 ⁽⁵⁾
Actual achieved production output ('000 units)	— ⁽³⁾	232,128	403,956
Utilisation rate ⁽²⁾ (%)	— ⁽³⁾	76.8	80.6
Plant 1 and Plant 2			
Combined annual production capacity as at end of financial year ('000 units) ⁽¹⁾	847,472	1,150,673	1,297,484
Combined actual achieved production output ('000 units)	757,664	970,128	1,098,394
Combined utilisation rate ⁽²⁾ (%)	89.4	84.3	84.7

Notes:

- (1) Our annual production capacity is computed based on 24 hours per day and 28 days per month.
- (2) (Actual production / Annual production capacity) x 100%
- (3) Our manufacturing plant operated by UG Global Resources only commenced its operations in FY2013.
- (4) The decrease in our annual production capacity at Plant 1 as at the end of FY2014 as compared to FY2013 was due to our upgrading of production lines and preparation for the manufacture of surgical gloves.
- (5) The increase in our annual production capacity at Plant 2 as at the end of FY2014 as compared to FY2013 is due to the addition of new production lines.

As at the Latest Practicable Date, our two (2) manufacturing plants are capable of producing up to 1.3 billion gloves per annum, and we expect our total production capacity to double once Plant 2 is fully utilised and fully equipped with new production lines. We intend to expand our current manufacturing facilities by installing additional production lines at Plant 2. These additional production lines will expand our manufacturing capacity and further enhance our product range. The expansion plan will be carried out in phases, with the first two phases expected to be completed by January 2015 and July 2015 respectively. With the completion of the first and second phases, our total production capacity should increase to approximately 1.5 billion and 1.9 billion gloves per annum respectively. We intend to fund the capital expenditure for the first phase with internal resources, while approximately S\$3.2 million of the net proceeds raised by our Company from the Invitation will be used to fund the capital expenditure for the second phase.

SALES AND MARKETING

Our Group's overall sales and marketing activities are spearheaded by our Director of Sales and Marketing, Lee Jun Linn, who is supported by the sales and marketing department.

As at 30 June 2014, our sales and marketing team comprised seven (7) staff. Our sales and marketing department is primarily responsible for increasing our market share through acquiring new customers and businesses as well as maintaining our existing customer relationships through better service support and the provision of after-sales services to our customers.

Our sales and marketing efforts are targeted at increasing our inroads in our core developed markets as well as our market share in key developing market where we see greater growth opportunities. Sales and marketing efforts are generally undertaken by our Group's distribution platform and are targeted at both intermediary distributors as well as end-users. Sales and marketing is usually done through our sales personnel during which we seek to understand our customers' specific requirement, industry trends and to provide our customers with updates on the latest developments of our products. We are also able to generate sales leads through referrals from customers, suppliers and business associates. To cultivate potential clients, we may visit their offices, and set up a team consisting of technical, production and quality assurance personnel to better understand their requirements. With this knowledge, we then develop customised samples for the potential customers' approval. We commence commercial production of the products once approval is obtained.

We also participate periodically in relevant trade fairs and exhibitions held globally to showcase our products. This allows us to maintain contact with our existing customers and provide them with updates on our new products, as well as to promote our products to potential buyers who may prefer to handle, see and test our gloves before placing their orders with us. Through attending these exhibitions, we have developed business contacts which have enabled us to expand our customer base and grow our business. We have also been able to create a more prominent profile, identify potential customers and keep ourselves updated on the prevailing product and industry trends.

We also have our own website <http://www.ughealthcarecorporation.com> for the promotion of our products and services. Our customers are able to browse our range of products online and contact us directly for their needs.

Some of our sales and marketing strategies are set out below:

- (i) we continually expand our presence in markets where we distribute gloves with our brand names as well as markets where we distribute gloves carrying a third party's brand;
- (ii) our sales team conducts direct marketing pitches to potential and existing customers, and also updates our existing end-customers and potential customers about our new products by sending them sample products on a regular basis;
- (iii) we position ourselves as a long-term player in the rubber gloves industry by manufacturing quality gloves that meet or even exceed the customers' needs and expectations;
- (iv) we ensure that our customers are always satisfied with us for providing excellent customer service and thereby ensuring our relationship with our key customers are of a long-term nature; and
- (v) we ensure that we keep abreast with technology and innovative developments in the rubber glove industry to remain competitive.

BUSINESS

MAJOR CUSTOMERS

Our Group has maintained good working relationships with our diversified base of customers for the Periods Under Review. As at the Latest Practicable Date, we had a network of more than 450 customers located globally.

The following table sets out our customers which accounted for 5.0% or more of our Group's total revenue during the Periods Under Review:

Major customers	Percentage of our Group's total revenue (%)		
	FY2012	FY2013	FY2014
Unigloves Germany ⁽¹⁾⁽³⁾	33.7	27.3	27.5
Ascend Eagle Incorporated ⁽²⁾	24.9	27.5	24.2
Unigloves USA ⁽³⁾	6.2	4.2	5.0
Thermofina Sarl	6.6	5.0	4.3

Notes:

- (1) Based on purchases from Unigloves Service & Logistik and Unigloves Arzt.
- (2) Together with its affiliated purchasing and distribution agents.
- (3) Unigloves Germany and Unigloves USA are our associated companies. Ang Beng Teck, our Chief Executive Officer and Executive Director, is also the director of Unigloves USA.

Our major customers are mainly distributors of medical and healthcare products and third party brand labels for whom we produce gloves as OEM. The amount we sell to major customers fluctuates from year to year and is dependent on the sales terms, demand for our products and delivery requirements.

Our management believes in cultivating good relationships and collaborating closely with reliable long standing business partners, which naturally results in a certain level of concentration in key customers. Our top two (2) customers accounted for approximately 58.6%, 54.8% and 51.7% of our Group's total revenue in FY2012, FY2013 and FY2014 respectively. This concentration is due to the following factors:

- Unigloves Germany is our associated company engaged in the distribution of medical and healthcare products, and is a key component of our Group's distribution platform. Our Group entered into a distribution and exclusivity agreement with Unigloves Germany under which we granted Unigloves Germany exclusive rights to distribute our products in Germany, Austria, and Switzerland. The drop in the percentage contribution by Unigloves Germany from FY2012 to FY2014 was primarily attributable to higher sales made to our other customers.

Europe is a mature market for latex examination gloves. The stringent standard of hygiene and medical care in Europe translates into high demand for our products. As a region, Europe accounts for approximately 55.2% of our Group's revenue in FY2014.

- Ascend Eagle Incorporated and its affiliates are distributors of gloves and are long standing customers of our Group. Our sales to them primarily comprised natural latex and nitrile examination gloves.

Save for Unigloves Germany, Ascend Eagle Incorporated, Unigloves USA and Thermofina Sarl, our Directors are of the opinion that our business and profitability are currently not dependent on any particular industrial, commercial, or financial contract with any customer.

BUSINESS

To the best of our knowledge, we are not aware of any information or arrangement which would lead to the cessation or termination of our current relationship with any of our major customers.

As at the Latest Practicable Date, save as disclosed in Note 3 above, none of our Directors, Executive Officers, Substantial Shareholders or their respective Associates has any interest, direct or indirect, in any of the above major customers.

MAJOR SUPPLIERS

The primary raw materials that we require for our business are natural rubber latex and nitrile latex. Our Group is generally not dependent on any one major supplier. We purchase from suppliers who are able to offer us the best terms in terms of pricing, reliability and quality of materials and service. We generally do not enter into long-term or exclusive contracts with our suppliers as this allows us greater flexibility in terms of pricing, quality of materials and service.

The following table sets out our suppliers which accounted for 5.0% or more of our Group's purchases during the Periods Under Review:

Major suppliers	Type of purchases	Percentage of our total purchases (%)		
		FY2012	FY2013	FY2014
Chin Teck	Natural rubber latex	26.8	29.2	22.0
Tha Chang Rubber Co Ltd	Natural rubber latex	1.9	6.4	13.4
Synthomer Sdn Bhd	Nitrile latex	15.6	11.8	9.4
E-Hup Huat Co Ltd	Natural rubber latex	10.8	4.0	5.4
Shin Foong Chemical Industry Co Ltd	Nitrile latex	3.2	8.8	1.1

Fluctuations in percentage contributions from our major suppliers are mainly due to fluctuations in the amount purchased from them, taking into account factors such as pricing and reliability of supply.

Our Directors believe that our raw materials can be purchased from a number of different suppliers at prices comparable to those paid to our current suppliers. As such, our Directors believe that our business and profitability will not be materially affected by the loss of any single supplier and are currently not dependent on any particular industrial, commercial, or financial contract with any supplier.

To the best of their knowledge, our Directors are not aware of any information or arrangement which would lead to the cessation or termination of our current relationship with any of our major suppliers.

As at the Latest Practicable Date, none of our Directors, Executive Officers, Substantial Shareholders or their respective Associates has any interest, direct or indirect, in any of the above suppliers.

CREDIT MANAGEMENT

Credit terms to our customers

Our Group generally extends credit terms of between 30 days and 90 days to our customers. The credit terms extended to our customers may differ as we grant credit terms based on, amongst others, creditworthiness, level of risk involved, size of order, payment history records and length of dealing with the customer. For instance, we may sell to new customers on cash terms until they have demonstrated a prompt payment track record, following which we may extend the appropriate credit terms.

Specific provision is made when the recoverability of an outstanding debt is in doubt. We may also write off an outstanding debt when we are certain that a customer is unable to meet its financial obligations.

BUSINESS

Our trade receivables' turnover days during the Periods Under Review were as follows:

	FY2012	FY2013	FY2014
Trade receivables' turnover days ⁽¹⁾	65	79	69

Note:

(1) For FY2012, FY2013 and FY2014, the trade receivables' turnover days is computed based on the following formula:

$$\frac{\text{Ending trade receivables balance}}{\text{Revenue}} \times 365 \text{ days}$$

We monitor our Group's collection of payments as well as trade receivables past due on a regular basis. For the Periods under Review, the trade receivables written off were not material. No provisions for bad debts were made.

Credit terms from our suppliers

The credit terms our suppliers grant us usually ranges between 21 days and 90 days. The credit terms granted to us differ as the terms depend on, amongst others, the size of our order and the length of dealing with the supplier.

Our trade payables' turnover days during the Periods Under Review were as follows:

	FY2012	FY2013	FY2014
Trade payables' turnover days ⁽¹⁾	30	47	40

Note:

(1) For FY2012, FY2013 and FY2014, the trade payables' turnover days is computed based on the following formula:

$$\frac{\text{Ending trade payables balance}}{\text{Purchases}} \times 365 \text{ days}$$

The trade payables turnover period for the Periods Under Review which ranges from 30 days to 47 days is within the credit period normally granted by our trade suppliers.

INVENTORY MANAGEMENT

Our inventories comprise raw materials, work-in-progress and finished goods. We conduct a full count of our inventories at the end of each financial year. We also conduct inventory count on selected inventories at least once a month. For the storage of our inventories, we undertake prudent measures to ensure that inventories that are flammable or susceptible to quality deterioration are properly and safely stored.

Generally, we review our inventory levels monthly to ensure that we are able to meet the needs of our customers expeditiously. We may also review our inventory level when large orders are received to manage our stocks of raw materials accordingly. In respect of raw materials, we maintain an inventory level sufficient to meet production requirements, taking into account factors such as the number of orders outstanding and fluctuations in prices of raw materials. In respect of our finished products, our distribution subsidiaries maintain 30 to 90 days' worth of inventory, taking into account factors such as marketing strategies, type of products and geographical locations of our end-customers.

BUSINESS

Our inventory turnover days during the Periods Under Review were as follows:

Inventory turnover days	FY2012	FY2013	FY2014
Raw materials ⁽¹⁾	10	20	25
Finished goods ⁽²⁾	50	53	71

Notes:

(1) For FY2012, FY2013 and FY2014, inventory turnover days for raw materials are computed based on the following formula:

$$\frac{\text{Ending raw materials inventory balance}}{\text{Cost of raw materials consumed}} \times 365 \text{ days}$$

(2) For FY2012, FY2013 and FY2014, inventory turnover days for finished goods are computed based on the following formula:

$$\frac{\text{Ending finished goods inventory balance}}{\text{Cost of sales}} \times 365 \text{ days}$$

During the Periods Under Review, we did not experience inventory obsolescence.

RESEARCH AND DEVELOPMENT

Our research and development activities are currently carried out on an *ad hoc* basis. We maintain good relationships with our customers and keep abreast of the market development through our various distribution offices. We collaborate closely with them to develop and manufacture new products that meet their evolving needs. We have successfully developed and commercialised our in-house manufactured latex examination gloves with moisturising or scented properties. In addition, we continuously seek improvement in our manufacturing processes to increase production output and efficiency in order to lower our costs of production.

As at the Latest Practicable Date, our Group does not have a designated research and development team. Our Group did not incur significant expenditure on research and development activities in FY2012, FY2013 and FY2014.

INTELLECTUAL PROPERTY

Save as disclosed below, we do not own or use any other patents, trademarks or intellectual property on which our business or profitability is materially dependent. We have not paid or received any royalties for any license or use of any intellectual property.

Patents

As at the Latest Practicable Date, we have registered the following patent:

Description	Country of Registration	Class	Registration Date and Term
Patent on the method and process of manufacturing a coated latex examination glove	USA	<ul style="list-style-type: none"> United States Class - 424/443 and 424/400; International Class – A61K 9/00 (20060101) and A61F 13/10 (20060101) 	23 February 2005 (20 years)

BUSINESS

Trademarks

We have registered the following trademarks:

Trademark	Class	Country	Expiration Date
友利格 UNIGLOVES	10 ⁽¹⁾	PRC	27 March 2017
UNIGRIP 友利康	10 ⁽¹⁾	PRC	13 January 2023

As at the Latest Practicable Date, we have applied for or intend to apply for the registration of the following trademarks:

Trademark	Class	Country	Application Date
UNIGLOVES	10 ⁽¹⁾	Singapore	20 August 2014
顶端 KOOLTOUCH	10 ⁽¹⁾	PRC	20 January 2014
Unigloves Premium ⁽²⁾	10 ⁽²⁾	Nigeria	—
Unigloves Premium Soft ⁽²⁾	10 ⁽²⁾	Nigeria	—
Unigloves Expert ⁽²⁾	10 ⁽²⁾	Nigeria	—
Unigloves Expert Plus ⁽²⁾	10 ⁽²⁾	Nigeria	—
Unigloves Garrant ⁽²⁾	10 ⁽²⁾	Nigeria	—

Notes:

- (1) Class 10: Surgical, medical, dental and veterinary apparatus and instruments, artificial limbs, eyes and teeth; orthopedic articles; suture materials.
- (2) Pursuant to a trademark assignment agreement entered into between Nigeria Company A and Unigloves Nigeria on 8 September 2014, these trademarks have been assigned to Unigloves Nigeria. Our Group intends to apply for registration of these trademarks under Unigloves Nigeria upon completion of the regularisation of administrative procedures relating to these trademarks by Nigeria Company A.

Our latex examination gloves are marketed under the brand names “Unigloves”, “Unigrip” and “Kooltouch”. We may register these trademarks in the other jurisdictions as we expand our operations.

NW Medical Disposable, our former associated company, had applied for the registration of the trademark “Unigloves” in Malaysia while it was still held by NS Unigloves. Following the disposal of NW Medical Disposable by NS Unigloves, NW Medical Disposable had provided an undertaking to assign the trademark to our Group upon the successful registration for a nominal consideration. In the event that the trademark is not duly assigned to the Group, there will not be any material adverse impact on the Group’s financial performance as the Group’s sales in Malaysia is not material. Please refer to the section entitled “Potential Conflicts of Interests” of this Offer Document for more information on the relationship between the shareholders of NW Medical Disposable and our Directors.

STAFF TRAINING AND DEVELOPMENT

We believe in providing our staff with the necessary training to ensure that they are equipped with the right skill set for proper job performance. We place great emphasis on improving and upgrading our staff’s technical knowledge and skills in their respective fields. As such, staff training is conducted in accordance with the varying requirements of each department to ensure and enhance our quality of service.

BUSINESS

Our staff involved in the manufacturing and production processes are required to undergo in-house operational training sessions so as to familiarise themselves with our operational procedures, policies and practices. Such training focuses on equipping our staff with knowledge of product quality, the mechanics of the manufacturing processes and safety awareness. In addition to in-house training, we also provide on-the-job training to our production staff. Such training are conducted by our senior staff in accordance with ISO standards. All our new production staff will go through a formal briefing before they commence work. After this formal induction, they will spend some time at their respective workstations, where they will be trained by a supervisor, before they formally begin work.

For staff in other departments such as finance, administration and human resource departments, we conduct specific training to equip them with the relevant skills. Such training includes in-house training conducted by our senior staff as well as training conducted by external speakers or consultants. Occasionally, we also send our staff to external courses to upgrade technical knowledge and skills in their respective fields.

The amount of expenditure incurred in relation to staff training for the Periods Under Review as a percentage of our revenue was insignificant.

INSURANCE

We maintain insurance policies in respect of, amongst others, our office and other working premises, our plant and machinery, and our stock-in-trade including our raw materials, semi-finished and finished products. Such insurance policies cover losses due to business interruption, products liability, property damage, as well as public liability. In addition, we have insured our staff in respect of workmen's compensation, hospitalisation and surgery.

Our Directors are of the view that our insurance policies are adequate for our business and operations.

BUSINESS

LICENCES AND PERMITS

Our Group's principal business activities are located in Malaysia and we are subject to regulation by various laws, regulations and government agencies, such as the Ministry of International Trade and Industry of Malaysia. Our subsidiaries located outside of Malaysia are also regulated by the laws and regulations of the respective jurisdictions in which they are conducting their activities. These regulations require us to possess various licenses or approvals to carry out our manufacturing and distribution activities.

Our material permits and licenses obtained as at the Latest Practicable Date are as follows:

License/ Permit/ Approval	Description	Licensing body	Validity
Malaysia			
Manufacturing licence for examination gloves	For the production of examination gloves at the site Lot 3 & 4/4510, Lorong Senawang 4/1, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan	Ministry of International Trade and Industry of Malaysia	<p>The licence is valid unless revoked under the Industrial Co-ordination Act 1975. The licence may be revoked where the licensee:</p> <p>(a) has not complied with any condition imposed in the licence;</p> <p>(b) is no longer engaged in the manufacturing activity in respect of which the licence is issued; or</p> <p>(c) has made a false statement in its application for the licence.</p>
People's Republic of China, Registration Certificate for Medical Device	Certification that the latex examination gloves manufactured have been inspected and are permitted to register on the Chinese market ⁽¹⁾	Ministry of International Trade and Industry of Malaysia	14 October 2016
People's Republic of China, Registration Certificate for Medical Device	Certification that the powder-free nitrile examination gloves manufactured have been inspected and are permitted to register on the Chinese market ⁽¹⁾	State Food and Drug Administration of the People's Republic of China	29 May 2018

BUSINESS

License/ Permit/ Approval	Description	Licensing body	Validity
Manufacturing licence for surgical gloves	For the production of surgical gloves at the site Lot 3 & 4/4510, Lorong Senawang 4/1, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan	Ministry of International Trade and Industry of Malaysia	<p>The licence is valid unless revoked under the Industrial Co-ordination Act 1975. The licence may be revoked where the licensee:</p> <ul style="list-style-type: none"> (a) has not complied with any condition imposed in the licence; (b) is no longer engaged in the manufacturing activity in respect of which the licence is issued; or (c) has made a false statement in its application for the licence.
Manufacturing licence for examination gloves	For the production of examination gloves at the site Lot 62 & 63, Lorong Senawang 3/2, Kawasan Perindustrian Senawang, 70450 Seremban, Negeri Sembilan	Ministry of International Trade and Industry of Malaysia	<p>The licence is valid unless revoked under the Industrial Co-ordination Act 1975 ("ICA"). The licence may be revoked where the licensee:</p> <ul style="list-style-type: none"> (a) has not complied with any condition imposed in the licence; (b) is no longer engaged in the manufacturing activity in respect of which the licence is issued; or (c) has made a false statement in its application for the licence.
Certificate of Approval	Approval for the company to use manufacturing equipment which may emit pollutant gas and other infrastructure controlled by the air pollution scrubber system	Department of Environment Negeri Sembilan	N.A.

BUSINESS

License/ Permit/ Approval	Description	Licensing body	Validity
Permit to purchase, store and use sodium hydroxide	To purchase up to a maximum of 20,000 kg of liquid and a maximum of 30,000 kg of solid sodium hydroxide for the processing of effluent and gas scrubber system for use by NS Unigloves	Health Department of Negeri Sembilan.	31 December 2014
Permit to purchase, store and use of sodium hydroxide	To purchase up to a maximum of 130,000 kg of solid or 180,000 kg of liquid sodium hydroxide for the processing of effluent and gas scrubber system for use by UG Global Resources	Ministry of Health, Negeri Sembilan Department	31 December 2014

PRC

Enterprise Person Licence	Legal Business	Incorporation and operation of the company	Shanghai Administrative Bureau for Industry and Commerce, Pudong New Area Sub-bureau (上海市工商行政管理局浦东新区分局)	30 October 2002 to 29 October 2052
---------------------------------	-------------------	--	--	------------------------------------

Note:

- (1) The certifications are typically granted by the relevant PRC authority to the glove manufacturers, which in this case are the Malaysian subsidiaries.

The products we export to the USA have been granted 510(k) Notification of Intent to Market from the FDA. This 510(k) approval is required before introducing a new product/device or a significantly modified product/device for commercial distribution in the USA.

As part of the Restructuring Exercise, pursuant to various agreements dated 8 September 2014 entered into with Unigloves Nigeria, Nigeria Company A and Nigeria Company B agreed to procure in favour of Unigloves Nigeria the issuance of NAFDAC licences, 90 days before the expiry date of the licences. In addition, Unigloves Nigeria sought, and was granted powers of attorney by Nigeria Company B which give Unigloves Nigeria the right to use licences from NAFDAC for the importation of natural latex examination gloves. The power of attorney arrangement is acceptable to NAFDAC and is a more efficient process as a new application by Unigloves Nigeria for the NAFDAC licences would require more time. To the best of their knowledge, our Directors are not aware of any circumstances that may result in the non-issuance of such licences in favour of Unigloves Nigeria. The details of the NAFDAC Examination Glove Licences are set out below:

BUSINESS

License/ Permit/ Approval	Description	Licensing body	Validity
Certificate of Registration in respect of Unigloves Nitrile Powder-free Examination Gloves	For importation of Unigloves Nitrile Powder-free Examination Gloves	NAFDAC	8 November 2016
Certificate of Registration in respect of Unigloves Pre-Powdered Disposables Latex Examination Gloves	For importation of Unigloves Pre-Powdered Disposables Latex Examination Gloves	NAFDAC	8 November 2016
Certificate of Registration in respect of Unigloves Powder-free Disposables Latex Examination Gloves	For importation of Unigloves Powder-free Disposables Latex Examination Gloves	NAFDAC	8 November 2016

As at the Latest Practicable Date, our Group has obtained all material permits and licenses for our business operations. Please refer to the section entitled “Risk Factors - We require various permits, business licences and certificates for our operations” of this Offer Document for the implication of the non-renewal of the permits and business licenses.

In addition, we have not experienced any adverse effect on our business in complying with applicable government regulations and we have obtained all the necessary material licences and permits which would materially affect our business operations. Save as disclosed, no specific licences are required for our Group’s operations.

COMPETITION

We operate in a competitive and export-oriented industry. Competition is based on factors such as pricing, brand recognition, and operating history. We face intense competition from multinational companies to medium and smaller-sized manufacturers in Malaysia. In addition, we also face competition from manufacturers in countries such as Thailand and Indonesia. We believe we are able to compete against other manufacturers due to our established reputation as a reliable manufacturer, the characteristics and consistent quality of our products, our competitive pricing and our relationships with existing customers.

To the best of our knowledge, our key competitors (in alphabetical order) include:

- Careplus Group Berhad
- Green Prospect Sdn Bhd
- Hartalega Holdings Berhad
- Integrated Rubber Corporation Berhad
- Kossan Rubber Industries Berhad
- Latexx Partners Berhad
- Smart Glove Corporation Sdn Bhd
- Supermax Corporation Berhad
- Top Glove Corporation Berhad

BUSINESS

To the best of our Directors' knowledge, there are no published statistics that can be used to accurately measure our market share.

To the best of our Directors' knowledge, none of our Directors, Substantial Shareholders or any of their respective Associates has any interest, direct or indirect, in any of our competitors.

Please refer to the section entitled "Risk Factors — Risks Relating to our Industry and Business – We are subject to intense competition and may not be able to compete successfully" of this Offer Document for further details on the competitive risks we face in our business.

COMPETITIVE STRENGTHS

Our Directors have identified several key factors that have and will continue to enable us to compete effectively. We believe our competitive strengths are as follows:

Extensive distribution channels and an integrated manufacturing business and distribution business

Through our international distribution platforms comprising our subsidiaries and associated companies, we are able to effectively and efficiently (a) promote our brand name; (b) provide on-the-ground customer service and technical support to our end-users in each local market; and (c) enhance our Group's overall management of the value chain down to the end-users. In addition, as a result of our on-the-ground presence at our key markets and the seamless integration of our manufacturing and distribution units, we are able to (i) identify changing market needs and trends through our front-line sales force and local management teams who have direct access to end-users of our products; (ii) facilitate the swift flow of market information to our manufacturing teams; and (iii) respond swiftly to the changing needs by producing the desired gloves to meet the needs of our end-users.

Knowledgeable and experienced management

Our key management and operations personnel have extensive knowledge and experience in the manufacture and distribution of gloves. Our management team comprising the Executive Directors and Executive Officers has played an instrumental role in promoting our growth in the past few years, and is expected to continue to play an important role in the future.

Ang Beng Teck, our Chief Executive Officer, and Lee Keck Keong, our Non-Executive Officer, founded our Group in 1988 and have been responsible for laying down our key growth strategies over the past decades. Our Group has enjoyed steady growth under their leadership and are now poised for the next stage of our development. Wong See Keong, our Executive Director who is responsible for oversight and management of our Group's manufacturing and operations department, has played an invaluable role in our manufacturing and product development functions for over 20 years. With his technical expertise, our Group has accumulated considerable experience and has forged a reputation for high quality examination gloves that provides us with a competitive advantage over other companies in our industry.

We believe that the experience and expertise of our key management and operations personnel accumulated in the past few years will enable our Group to operate more effectively in the businesses we are pursuing.

Established customer network and track record

We have established a credible track record in the rubber gloves industry. Since we commenced operations in 1989, we have gradually increased our customer base and have established a significant presence internationally. During the Periods Under Review, a significant proportion of our customers comprised repeat customers and this is a testimony of the strong relationships we maintain with our customers and the quality of our service. We believe that over the years, customers have come to associate our "Unigloves" brand name with reliable products which are of a consistently high quality with competitive pricing.

BUSINESS

We are confident that our established track record will help us secure new customers in our existing market segments and place us at an advantage when we enter into new geographical markets or seek to expand our operations.

Ability to meet the unique and evolving requirements of our customers

We believe that one of the distinguishing features of our business is that we seek to understand our customers' requirements before commencing our production to ensure that the products we manufacture meet the unique and evolving requirements of our customers in a cost-effective manner.

We are able to re-configure our production lines to customise our products. We can customise features such as physical properties (surface finishing, length and durability) and adjust for contamination considerations (depending on the type of products that the gloves come into contact with) based on the needs and expectations of our customers. This has helped us retain our existing customer base while securing new customers. In addition, the ability to customise our products to meet the evolving requirements of our customers allows us to adjust our prices and margins of the products to remain competitive in the market.

Focus on high quality control and production standards

We believe that our emphasis on high quality control and production standards ensure that the products we sell to our customers are of good quality and distinguishes us from our competitors. Our dedication to quality is evident from the certifications and awards from recognised international organisations. For example, we have been awarded ISO 13485:2003 and ISO 9001:2008 certification in relation to our quality management system for the manufacture of natural latex examination gloves and nitrile examination gloves. We have also been certified by the MRB to produce Standard Malaysian Glove (SMG) as our gloves are primarily exported to various countries. Our products also conform to various international standards and requirements, such as the ASTM, EN455 (European standard for medical gloves) and AQL requirements under the FDA.

In addition, our integrated manufacturing facilities give us full control over the entire production process. Stringent quality control checks are carried out at all stages of the manufacturing process to ensure strict adherence to internal operational procedures. Please refer to the section entitled "Business – Quality Assurance" of this Offer Document for further details. As a result of our consistent product quality and our ability to comply with various stringent international standards, we are able to retain many of our long-standing customers.

Cost efficient operating structure

With our integrated manufacturing facilities and extensive distribution chain, we are able to manage the entire value chain from the sourcing of raw materials, formulation and customisation of products to quality assurance, testing, packing and delivery of finished products to our customers seamlessly and cost-effectively. In addition, we have the necessary scale to centralise the purchase of raw materials and components for our manufacturing facilities in Malaysia and enjoy bulk discounts or more competitive pricing for raw material purchases. This enables us to operate effectively and manage our costs more efficiently.

Research and development capabilities

Our Group carries out research and development activities to improve our production processes and products to better meet the needs of our customers. For instance, we started the manufacture of gloves with moisturising and scented properties to provide greater comfort to our end-users. In addition, we constantly keep abreast of developments in technology and process improvements as well as developments in latex compounding formulations to attain certain desired properties and characteristics such as tensile strength, elongation, permeation, chemical and solvent resistance, tactility, improved fit and comfort, and minimum protein content.

BUSINESS

Ability to manufacture both natural latex examination gloves and nitrile examination gloves

Our Group first started operations as a manufacturer of natural latex examination gloves. We subsequently developed the technical know-how to produce nitrile examination gloves to expand our product range. With our ability to manufacture both types of examination gloves, we can effectively meet the varying needs of different customers and cater to their specific preferences.

PROPERTIES AND FIXED ASSETS

As at the Latest Practicable Date, our Group owns the following properties:

Owner / Location	Approximate land area (sq m)	Use	Tenure	Encumbrances
UG Global Resources / Lot 62, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan	10,302	Production and office	facility 99-year leasehold expiring on 17 July 2074	Charged in favour of United Overseas Bank (Malaysia) Berhad
UG Global Resources / Lot 63, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan	15,359	Production and office	facility 99-year leasehold expiring on 17 July 2074	Charged in favour of United Overseas Bank (Malaysia) Berhad
UG Glovetech / Lot 1/4510, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan	2,360	Production and office	facility 99-year leasehold expiring on 14 September 2074	Charged in favour of United Overseas Bank (Malaysia) Berhad
UG Glovetech / Lot 2/4510, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan	2,360	Production and office	facility 99-year leasehold expiring on 14 September 2074	Charged in favour of United Overseas Bank (Malaysia) Berhad
NS Unigloves/ Lot 3/4510, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan	2,360	Production and office	facility 99-year leasehold expiring on 20 March 2093	Charged in favour of United Overseas Bank (Malaysia) Berhad
NS Unigloves/ Lot 4/4510, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan	2,360	Production and office	facility 99-year leasehold expiring on 14 September 2074	Charged in favour of United Overseas Bank (Malaysia) Berhad
NS Unigloves/ Lot 5/4510, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan	3,084	Production and office	facility 99-year leasehold expiring on 14 September 2074	Charged in favour of United Overseas Bank (Malaysia) Berhad

BUSINESS

Owner / Location	Approximate land area (sq m)	Use	Tenure	Encumbrances
NS Unigloves/ Lot 8/4510, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan	2,417	Production facility and office	99-year leasehold expiring on 14 September 2074	Charge and caveat in favour of United Overseas Bank (Malaysia) Berhad
NS Unigloves/ No. 309, Taman Senawang Jaya, 70450 Negeri Sembilan	241.5	Staff accommodation	99-year leasehold expiring on 25 April 2075	N.A.

To the best of our Directors' knowledge, the Company has legal and valid title to the above properties.

As at the Latest Practicable Date, our Group leases the following properties:

Lessor	Location	Approximate gross land area (sq m)	Use	Tenure	Annual rental
NS Unigloves					
Chong Chin Huat	No. 308 (down), Taman Senawang Jaya, 70450 Seremban, Negeri Sembilan	111.5	Staff accommodation	1 January 2013 to 31 December 2014	RM6,000
Leong Mee Queen	No. 211, Kawasan Perusahaan Ringgan, Jalan Tampin, Senawang	153.3	Staff accommodation	1 January 2013 to 31 December 2014	RM8,400
Leong San	No. 1167, Taman Marida, Senawang, 70450 Seremban, Negeri Sembilan	241.5	Staff accommodation	1 January 2013 to 31 December 2014.	RM6,000
Chong Kim Swee	No. 774, Jalan Teratai 5, Taman Marida, 70450 Seremban, Negeri Sembilan	104.5	Staff accommodation	1 January 2013 to 31 December 2014	RM4,800
Ramasamy @ Kaliannan A/L Karuppannan	No. 1147, Taman Marida, Senawang, 70450 Seremban, Negeri Sembilan	241.5	Staff accommodation	1 February 2013 to 31 January 2015	RM7,200
Yong Chong Choy	No. 1201, Taman Marida, Senawang, 70450 Seremban, Negeri Sembilan	241.5	Staff accommodation	1 February 2013 to 31 January 2015	RM12,000

BUSINESS

Lessor	Location	Approximate gross land area (sq m)	Use	Tenure	Annual rental
Yap Kio @ Yap Sow Lain	No., 1158, Taman Marida, Senawang, 70450 Seremban, Negeri Sembilan	241.5	Staff accommodation	1 January 2013 to 31 December 2014	RM6,600
Yap Kwai Chai	No. 439 (1 st Floor), Jalan Cempaka, Taman Senawang Jaya, 70450 Seremban, Negeri Sembilan	130.1	Staff accommodation	1 September 2013 to 31 August 2015	RM12,000
Wong Choy Meng	No. 307, Taman Senawang Jaya, 70450 Seremban, Negeri Sembilan	241.5	Staff accommodation	1 June 2013 to 31 May 2016	RM12,000
Chong Chin Fatt	No. 308 (up), Taman Senawang Jaya, Senawang, 70450 Seremban, Negeri Sembilan	130.1	Staff accommodation	1 September 2013 to 31 August 2015	RM4,200
Yong Keat Leong	No. 57, Jalan Perniagaan Senawang 1/5, Pusat Perniagaan Senawang, 70450 Senawang, Negeri Sembilan	130.1	Staff accommodation	1 December 2013 to 30 November 2014	RM18,000
Ng Ah Onn @ Goh Yeoung Shoung	No. 315 and 316, Taman Senawang Jaya, 70450 Seremban, Negeri Sembilan	483.1	Staff accommodation	1 January 2012 to 31 December 2014	RM26,400
Ah Moy @ Leong Yoke Lan	No. 1176, Taman Marida, Senawang, 70450 Negeri Sembilan	241.5	Staff accommodation	5 November 2012 to 4 November 2014	RM12,000
Lee Keen Wah	4-1, Jalan MSJ 1, Medan Perniagaan Senawang Jaya, 70450 Negeri Sembilan	130.1	Staff accommodation	1 January 2013 to 31 December 2014	RM14,400

BUSINESS

Lessor	Location	Approximate gross land area (sq m)	Use	Tenure	Annual rental
Gan Cheng Sooi	No. 1203, Taman Marida, 70450 Seremban, Negeri Sembilan	241.5	Staff accommodation	1 April 2014 to 31 March 2016	RM11,616
Lim Fui Lian	585, Taman Marida Senawang, 70450 Seremban	92.9	Staff accommodation	Renewable monthly	RM4,800
UG Global Resources					
Lai Yuen Leong	1 st Floor, 21 Jalan Cattleya 11, Pusat Perniagaan Senawang Jaya 2, Taman Senawang Jaya, 70450 Seremban	130.1	Staff accommodation	1 July 2014 to 30 June 2015	RM9,600
Wong Soong Yen	33, 1 st Floor Jalan Cattleya 11, Pusat Perniagaan Senawang Jaya 2, Taman Senawang Jaya, 70450 Seremban	139.4	Staff accommodation	From 1 July 2014 to 20 June 2016	RM14,400
Kang Chong Kiat	20-1, Jalan PPSJ 3-1, Pusat Perniagaan Senawang Jaya, 70450 Seremban	130.1	Staff accommodation	From 1 June 2014 to 31 May 2016	RM10,800
Lee Mui Yoon	50-2A, Floor 1 Medan Perniagaan Senawang Jaya 1, Taman Senawang Jaya, 70450 Seremban	111.5	Staff accommodation	From 1 August 2014 to 31 July 2016	RM12,000
Yee Thian Lai	18-1 (1 st Floor) Jalan Cattleya 11, Pusat Perniagaan Senawang 70450 Seremban	130.1	Staff accommodation	1 December 2013 to 30 November 2014	RM10,800
Unigloves UK					
B.S. Pension Fund Trustee Limited	Units C9 & C10, Lakeside Park, Neptune Close, Medway City Estate, Rochester, ME2 4LT	1207.7	Principal place of business of the company	10 July 2012 to 9 July 2022	£67,567

BUSINESS

Lessor	Location	Approximate gross land area (sq m)	Use	Tenure	Annual rental
Unigloves Shanghai					
Shanghai Rainbow Photoelectric Material Co., Ltd. (上海藍寶光電材料有限公司)	Room 304A, 3F, East Building of 1# Building, 29 Jiatai Road, Waigaoqiao Free Trade Zone, Shanghai	100.0	Storage	1 July 2014 to 30 June 2015	RMB20,000
Zhou Ji Fang (周计方)	Room 12D, 5#, 1365 Lane, Dongfang Road, Pudong New Area, Shanghai	135.0	Office	9 April 2014 to 8 April 2015	RMB108,000
Unigloves Nigeria					
Godwin Mbatu	7A, Ajibade Oke Street, Ajao Estate, Lagos	472.0	Office and storage	8 September 2014 to 31 March 2015	N2,800,000.00
Chief Onuorah Ezekwesili	Suite 111, plot 14, Waziri Ibrahim Crescent, Gudo District, Garki, Abuja	21.1	Office and storage	8 September 2014 to 21 August 2015	N322,500.00

As at the Latest Practicable Date, the fixed assets of our Group, comprising leasehold land and buildings, plant, machinery and equipment, and other assets have a net book value of approximately S\$13.0 million.

To the best of our Directors' knowledge, there are no regulatory requirements or environmental issues that may materially affect our utilisation of the above properties and fixed assets, save as disclosed under the section entitled "Government Regulations" of this Offer Document.

SEASONALITY

We do not experience any significant seasonality in the course of our business.

ENVIRONMENTAL POLICY

Our Group places a strong emphasis on environmental conservation and is committed to operating in a manner that minimises our potential impact on the environment. We operate in compliance with all relevant environmental regulations and strive to adopt pollution prevention and environmental best practices. Our Group believes in and adheres to the following policies:

- (a) we integrate the consideration of environmental concerns and impact into all of our decision-making and activities;
- (b) we promote environmental awareness among our employees and encourage them to work in an environmentally responsible manner;
- (c) we reduce waste through re-using and recycling where possible and purchase recycled, recyclable or re-furnished products and materials where these alternatives are available, economical and suitable;

BUSINESS

- (d) we promote efficient use of materials and resources including water, electricity, and raw materials, particularly those that are non-renewable;
- (e) we avoid unnecessary use of hazardous materials and products, seek environmentally friendly substitutes when feasible, and take all reasonable steps to protect human health and the environment when such materials must be used, stored or disposed of; and
- (f) we strive to continually improve our environmental performance and minimise the social impact and damage of our activities by periodically reviewing our environmental policy in light of our current and future activities.

We undertake the following environmental conservation and protection measures:

(a) Wastewater treatment

We have invested significantly in wastewater treatment plants. This is to ensure that the water discharged from our production facilities is within the acceptable environmental standards. Furthermore, we undertake regular in-house as well as external testing to ensure that discharged water is adequately treated and is within the acceptable environmental standards.

(b) Solid waste disposal

All solid waste generated at our manufacturing facilities (including sludge) is properly disposed at authorised dumping grounds by authorised sub-contractors. In addition, we undertake proper waste segregation to ensure that solid waste will be properly treated. Where possible, our waste products are recycled either internally or become raw materials for other products which are sold to recyclers. We have also set up facilities to process our coagulum, which is coagulated rubber, into recycled compound rubber for further use by other industries.

PROSPECTS

Our Directors believe that our Group will continue to enjoy growth in the coming years for the following reasons:

(a) Increase in demand from emerging markets arising from improved hygiene and healthcare awareness

Usage of disposable gloves in healthcare industries in emerging markets (including the PRC, South America and Africa) generally lags behind mature markets. With greater awareness of hygiene and cleanliness concerns in these markets amongst healthcare professionals and the public, as well as increasing convergence toward internationally accepted healthcare standards, there is significant potential for growth in demand for disposable gloves which our Group, with its distribution network in these emerging markets, is well positioned to capitalise on.

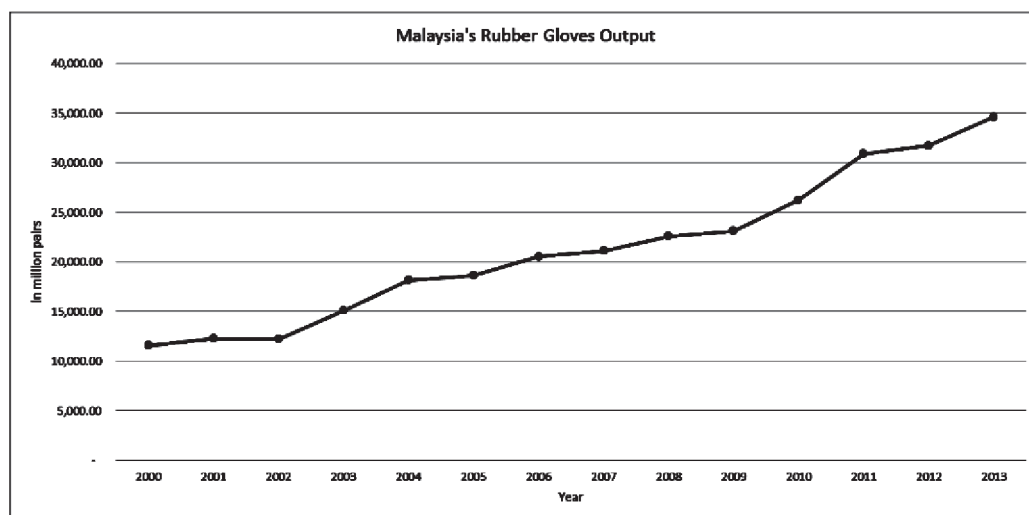
(b) Increase in demand from transmission risk of infectious diseases

The outbreak and prevalence of infectious diseases such as AIDS, avian flu, West Nile virus and Ebola are increasing global menaces, with potentially catastrophic consequences for both mature and emerging markets. Gloves act as an effective protective barrier which reduces the risk of cross contamination and transmission of infectious diseases. The adoption of such protective measures is generally encouraged by health authorities and increasingly practiced worldwide. This acts as a strong catalyst in the demand for gloves, which our Group expects to capitalise on.

BUSINESS

(c) Resilience and reputation of the Malaysia glove manufacturing industry

The glove manufacturing industry is resilient to economic downturns, as gloves serve as a basic necessity in the healthcare industry to prevent cross contamination and transmission of infectious diseases. At present, there is no foreseeable substitute for gloves. We expect Malaysia to remain a dominant player in the glove manufacturing industry due to its long-standing history and market reputation for quality products. The volume of glove production from Malaysia has also seen a steady increase since 2000 as shown in the graph below.



Malaysia's Rubber Gloves Output Trend⁽¹⁾

Note:

- (1) This information was extracted from a table on "Malaysia's output of selected rubber products" from the internet website of the Malaysian Rubber Board at <http://www.lgm.gov.my/nrstat/nrstats.pdf>. The source of the information is the Department of Statistics, Malaysia. None of these organisations has consented to the inclusion of the information above in this Offer Document for the purposes of Section 249 of the SFA and is thereby not liable for the relevant statement under Sections 253 and 254 of the SFA. While our Directors have taken reasonable effort to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not conducted an independent review, or verified the accuracy, of the above information.

TREND INFORMATION

Based on the revenue and operations of our Group as at the Latest Practicable Date, our Directors observed the following trends for FY2015:

- (a) We intend to expand our production capacity by installing additional production lines. In line with our expansion plan, we expect to incur more capital expenditure.
- (b) As we were not able to fulfil our orders in full in the past due to, *inter alia*, our production capacity limitations, we expect the volume of our sales to increase in tandem with our larger production capacity and the steady growth in demand for latex examination gloves.
- (c) We have observed an increase in the market prices of nitrile latex and natural gas, two of our key raw materials, in the period commencing 1 July 2014 up to 30 September 2014.
- (d) We expect to be able to maintain our gross profit margin taking into consideration the increase in production capacity.
- (e) We expect to be less dependent on manual labour as our new production lines are more automated.

BUSINESS

Save as disclosed above and in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of the Results of Operations and Financial Position”, “Business – Prospects” and “Business – Business Strategies and Future Plans” of this Offer Document, and barring any unforeseen circumstances, our Directors believe that there are no other significant recent known trends in the prices and costs of our products and services, or any known uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity and capital resources. They are also not aware of any such trends that would cause the financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition. Please also refer to the section entitled “Cautionary Notes Regarding Forward-Looking Statements” of this Offer Document for more information.

ORDER BOOK

We have established a diversified pool of more than 450 customers globally. Customers in our industry do not typically commit to definite and/or long-term purchase orders for gloves and other medical disposables. Accordingly, due to the nature of our business, the concept of an order book is not meaningful to us.

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans entail the following:

Expansion of production capacity

As at the Latest Practicable Date, our manufacturing plants located in Seremban, Malaysia, are capable of producing up to 1.3 billion gloves per annum and we expect our total production capacity to double once our second manufacturing plant operated by UG Global Resources is fully utilised and fully equipped with new production lines. We intend to expand our current manufacturing facilities by installing additional production lines in one of our existing manufacturing plants, which was acquired with a view to facilitate this expansion. The expansion plan will be carried out in phases with the first two phases expected to be completed by January 2015 and July 2015 respectively. With the completion of the first and second phases, our total production capacity should increase to approximately 1.5 billion and 1.9 billion gloves per annum respectively. We intend to fund the capital expenditure for the first phase with internal resources while approximately S\$3.2 million of the net proceeds raised from the Invitation will be used to fund the capital expenditure for the second phase. Please refer to the section entitled “Use of Proceeds from the Invitation and Listing Expenses Incurred” of this Offer Document for further details on a breakdown of the proceeds from the Invitation.

We believe that the expansion of our production capacity remains our foremost priority. With our established distribution network, an enhanced manufacturing platform will allow us to accept more orders from our customers and meet increasing market demands.

Expansion of sales and distribution network

We will continue to widen our market reach by strengthening our existing customer relationships and distribution network, and venturing into new markets. We intend to use our Subsidiaries and associated companies as key platforms to execute our distribution and marketing strategies. To further enhance our market presence, we will also leverage on existing independent intermediaries as well as appoint new independent intermediaries to undertake the marketing and distribution of our products. In addition, we will actively participate in international trade fairs and exhibitions, and hire new sales personnel.

Our marketing efforts will be targeted at increasing our inroads in our core developed markets in Europe and in the USA, as well as to significantly increase our market share in key developing markets where we see greater growth opportunities, including the PRC, Africa, South America, the Middle East and India.

Developing new products and engaging in research and development

We constantly seek ways to expand our product range to meet our customers’ needs and to stay abreast of industry trends to strengthen our competitive position. The new products we are researching and bringing to market would fall within the sphere of natural latex and nitrile examination gloves, with a focus

BUSINESS

on special features such as new coatings and different colours. We are also in the midst of setting up manufacturing operations for surgical gloves and expect construction of those manufacturing lines to be completed in the second half of 2015. We will also set up a dedicated research and development department to take a more proactive approach in this arena. Our research and development efforts will also be focused on product efficacy, productivity gains and cost efficiency, through the development of new products and improving our manufacturing processes and supply chain.

Inorganic expansion of our business

We may also expand our business through acquisitions, joint ventures and strategic partnerships that we believe will expand our current business and/or complement our current and future business. We believe that suitable acquisitions, joint ventures and strategic partnerships outside the countries of our existing markets will give us access to new markets and customers as well as new businesses.

GOVERNMENT REGULATIONS

Permits, Licenses, Approvals, Certifications and Government Regulations

We are subject to all relevant laws and regulations of the countries where our business operations are located and may be affected by policies which may be introduced by the relevant governments from time to time. Our Directors believe that, as at the Latest Practicable Date, we have obtained all requisite approvals and are in compliance with all approvals, licences, permits, laws and regulations that would materially affect our business operations. The following sets out the relevant laws and regulations which are generally applicable to our business:

MALAYSIA

Please refer to the section entitled “Business – Licences and Permits” for information on the licences and permits material to our operations in Malaysia.

Industrial Co-Ordination Act 1975

Pursuant to section 3(1) of the Industrial Co-Ordination Act 1975 (“ICA”), no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity by MITI. The Industrial Co-Ordination (Exemption) Order 1976 provides that the Minister of International Trade and Industry exempts from all provisions of the ICA, manufacturing activities with shareholders’ funds of less than RM2.5 million and with less than 75 employees.

The ICA defines “manufacturing activity” as “the making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade”.

Malaysian Rubber Board (Licensing) Regulations 2014

The Malaysian Rubber Board (Licensing) Regulations 2014 (“MRBLR”) regulates the planting, transporting, buying and selling of rubber, licensing of such activities, packing, shipping and export of rubber, rubber plants, and rubber planting materials.

Regulation 3(1) of the MRBLR prohibits a person from:–

- (a) buying, storing, selling, processing or packing, or exporting rubber;
- (b) buying and storing rubber for the manufacturing of rubber products;
- (c) exporting rubber gloves;
- (d) buying, storing or selling, or germinating, growing, planting or transplanting rubber planting materials for commercial purposes,

unless the person holds a valid licence issued under Regulation 4 to carry on such activity. Regulation 3(2) provides that a person who contravenes Regulation 3(1) shall be guilty of an offence and shall on conviction, be liable to a fine not exceeding RM100,000 or imprisonment for a term not exceeding three (3) years or to both.

Regulation 43(1) of the MRBLR prohibits a person from packing rubber for export or shipping rubber or rubber gloves for export unless the person has obtained a written approval of Minister or the officer authorised in writing by the Minister. A person who contravenes Regulation 43(1) shall be guilty of an offence and shall on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding three (3) years or to both.

GOVERNMENT REGULATIONS

Sales Tax Act, 1972

Section 13 of the Sales Tax Act, 1972 provides that no person shall manufacture taxable goods in the course of business unless such person is in possession of a licence issued under sections 13(3).

Section 10 of the Sales Tax Act, 1972 provides that the Minister of Finance may, in any particular case, subject to such conditions as he may deem fit to impose, exempt any person or class of persons from the payment of the whole or any part of the sales tax which otherwise would have been payable by such person or such class of persons.

Environmental Quality Act 1974 (“EQA”)

The EQA and the regulations and orders made thereunder are legislation related to the prevention, abatement, control of pollution and enhancement of the environment in Malaysia. The EQA states, *inter alia*, that the acceptable conditions for the emission, discharge or deposit of environmentally hazardous substances, pollutants or waste, or the emission of noise into any area, segment or element of the environment may be specified by regulations. The Director General of Environment (“**Director General**”) has been appointed to administer the EQA and any regulations and orders made thereunder through the Department of Environment.

Our Group is subject to the Environmental Quality (Clean Air) Regulations 2014 (the “**Clean Air Regulations**”), Environmental Quality (Sewage) Regulations 2009 and Environment Quality (Industrial Effluent) Regulations 2009 made under the EQA. Pursuant to the Clean Air Regulations, our Group has obtained the approval of the Department of Environment Negeri Sembilan to use manufacturing equipment which may emit pollutant gas and other infrastructure controlled by the air pollution scrubber system.

The Minister charged with the responsibility of environmental protection may also issue a prohibition order to the owner or occupier of any industrial plant or process to prevent its continued operation and the release of environmentally hazardous substances, pollutants or wastes either absolutely or conditionally or for such period as he may direct or until requirements to make remedy as directed by him have been complied with.

Factories and Machinery Act 1967

The Factories and Machinery Act 1967 relates to the control of factories with respect to matters regarding safety, health and welfare of persons therein, registration and machinery currently under operation. Some high risk machinery such as boilers, unfired pressure vessels, passenger lifts and other lifting equipment such as mobile cranes, tower cranes, passenger hoists, overhead travelling cranes and gondolas, must be certified and inspected by the Department of Occupational Safety and Health (“**DOSH**”). All factories and general machinery must be registered with DOSH before they can be installed and operated in Malaysia. Our Group is required to obtain certificates of fitness in respect of its steam boilers, unfired pressure vessels and air receivers for so long as the machines are in service. Our Group has obtained the necessary certificates and approvals for its operations under the Factories and Machinery Act 1967 material to our business.

Occupational Safety and Health Act 1994

The Occupational Safety and Health Act (“**OSHA 1994**”) came into force in February 1994. It covers all economic sectors, including the public services and statutory authorities, except those subject to the Merchant Shipping Ordinance and the armed forces. It was formulated with the intention of achieving a comprehensive legislation relating to the safety, health and welfare of the nation’s workforce. The DOSH is responsible for enforcing compliance with OSHA 1994.

The OSHA 1994 and the accompanying regulations oblige employers to provide and maintain safe plants, work systems, workplaces and working environments. Employers are also required to provide information, instruction, training and supervision to enable employees to perform the work in a safe manner and without risk to health.

GOVERNMENT REGULATIONS

It is the obligation of the employer to establish an occupational safety and health committee where there are more than 40 employees. The committee's main function is to review the safety and health measures and investigate any matters arising. There must always be consultation between the employer and the committee on safety and health matters. Manufacturing activities employing more than 500 employees are required to employ a competent person to act as a safety and health officer at the place of work.

Breaches of the OSHA 1994 are punishable by fines, imprisonment or both.

Our Group is subject to the requirements to establish an occupational safety and health committee and to employ a safety and health officer at the place of work as it currently employs more than 600 employees. The occupational safety and health committee was set up over 20 years ago and a safety and health officer has also been appointed since 2008.

UK

Unigloves UK imports a range of products into the UK. Where products are supplied to it from within the EU, the manufacturer or supplier is usually responsible for regulatory requirements. However, where products are supplied to Unigloves UK from outside the EU, Unigloves UK is generally responsible for compliance with EU regulations and in certain circumstances a CE mark will need to be included on the products sold. This applies, for example, to the glove products which Unigloves UK imports from Malaysia. There are two regimes that potentially apply to such glove products:

- (a) the medical device directive (Council Directive 93/42/EEC of 14 June 1993 [1] concerning medical devices, OJ No L 169/1 of 1993-07-12, as amended), which will apply if the glove products are used for certain medical purposes including diagnosis, treatment and prevention; and
- (b) the directive relating to personal protective equipment ("**PPE**") (Directive 89/686/EEC, as amended), which will apply if the medical devices regime does not apply or if the gloves products are used for certain protective functions.

In the majority of instances, the glove products will be "Class I" products if they are classified as medical devices under the medical device directive. If the products are Class I medical devices or PPE, Unigloves UK must draw up a declaration of conformity. Unigloves UK will then be entitled to self-certify the products and affix the CE mark which is required before the glove products may be put on the EU market. Such a declaration should include certain information such as the identity of Unigloves UK, a description of the products and confirmation that the relevant directive has been complied with. This declaration must be signed. Certain technical information should also be gathered and made available if the competent authority should require it.

Glove products which claim certain qualities relating to resistance to and protection against certain hazards must in addition comply with the relevant European Standard and such compliance must be certified by an approved inspection body. This applies where Unigloves UK or a customer of Unigloves UK wishes to make certain claims about the resistance of the glove products in its advertising materials and catalogues.

The maximum penalty for failure to comply with the CE requirements for PPE is an unlimited fine.

As at the Latest Practicable Date, the Group's business operations in the UK are not subject to any special legislation or regulatory controls other than those described above and those generally applicable to companies (including foreign invested enterprises) and businesses operating in the UK, and do not require any specific licences, permits, government approvals or certifications relating to its business there.

GOVERNMENT REGULATIONS

PRC

As at the Latest Practicable Date, our business operations in the PRC are not subject to any special legislation or regulatory controls other than those generally applicable to companies (including the foreign invested enterprises) and businesses operating in the PRC. Please refer to the section entitled “Business – Licences and Permits” for information on the licences and permits material to our operations in the PRC.

NIGERIA

As at the Latest Practicable Date, our business operations in Nigeria are not subject to any special legislation or regulatory controls other than those generally applicable to companies (including the foreign invested enterprises) and businesses operating in Nigeria. Please refer to the section entitled “Business – Licences and Permits” for information on the licences and permits material to our operations in Nigeria.

EXCHANGE CONTROLS

The following is a description of the exchange controls that exist in the jurisdictions our Group operate.

Malaysia

There are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange control framework in Malaysia is governed by the Financial Services Act 2013 and the Malaysian foreign exchange policies and rules administered by the Central Bank of Malaysia, Bank Negara Malaysia. These regulations regulate both residents and non-residents of Malaysia.

Under the current Exchange Control Notices of Malaysia and Foreign Exchange Administration Policies issued by Bank Negara Malaysia, non-residents of Malaysia are free to repatriate any amount of their own funds in Malaysia any time, including capital, divestment proceeds, profits, dividends, rental, fees and interest arising from investment in Malaysia, provided that such repatriation is made in foreign currency except in the currency of Israel. The repatriation of funds is subject to the applicable reporting requirements, and any withholding tax.

In respect of borrowings, a resident company is free to borrow in foreign currency (other than the currency of Israel) as follows (a) any amount from licensed onshore banks; (b) any amount from its resident or non-resident entities within its group of entities; (c) any amount its resident or non-resident direct shareholder; (d) any amount through the issuance of foreign currency debt securities to another resident; or (e) up to RM100 million equivalent in aggregate from other non-residents (the RM100 million equivalent is based on the aggregate borrowing of the resident entity and other resident entities within its group of entities with parent-subsidiary relationship). Items (b) and (c) above do not apply to borrowings in foreign currency by a resident entity from a non-resident financial institution or a non-resident special purpose vehicle which is set-up to obtain borrowing from any person which is not part of the resident entity's group of entities.

For the purpose of the Exchange Control Notices of Malaysia, "group of entities" means a resident entity's: (a) ultimate holding entity; (b) parent or head office; (c) branch; (d) subsidiary where the resident entity owns more than 50% of shares in the subsidiary; (e) associate company where the resident entity owns between 10% and 50% of shares in the associate company; or (f) sister company where the resident entity and its sister company have common shareholder.

UK

As at the Latest Practicable Date, there are no foreign exchange control restrictions in the UK.

PRC

Foreign exchange controls imposed in the PRC may limit our Group's ability to utilise our revenue effectively and affect our ability to receive dividends and other payments from Unigloves Shanghai and Unigloves Beijing.

In the PRC, SAFE regulates the conversion of RMB into foreign currencies, and *vice versa*. Currently, Foreign Investment Enterprises (the "**FIEs**") are required to apply to SAFE for Foreign Exchange Registration Certificate. Such registration certificates are renewable annually and allow FIEs to open foreign currency accounts for the payment of:

- (a) recurring items, including the distribution of dividends and profits after tax to foreign investors of FIEs upon presentation of board resolutions which authorise the distribution of profits or dividends ("**Current Account**"); and
- (b) capital items, such as repatriation of capital, repayment of loans and for securities investment ("**Capital Account**").

EXCHANGE CONTROLS

Under existing PRC foreign currency regulations, currency transactions within the scope of the “Current Account”, including profit distributions, interest payments and expenditures from trade-related transactions can be effected without requiring the approval of SAFE while the conversion of currency in the “Capital Account” still requires the approval of SAFE.

The Foreign Enterprise Law provides that after payment of taxes, a Wholly Foreign-owned Enterprises (“WFOE”) must allocate at least 10% of the after tax profits to a reserve fund. If the cumulative amount of allocated reserve funds reaches 50% of an enterprise’s registered capital, the WFOE will not be required to make any additional contribution. The WFOE is prohibited from distributing dividends unless the losses (if any) of previous years have been made up.

As 50% of the equity interests of Unigloves Beijing are held by Unigloves Shanghai, 50% of the profits of Unigloves Beijing that are denominated in RMB shall be distributed to Unigloves Shanghai. As Unigloves Shanghai is a FIE with Foreign Exchange Registration Certificate, it is able to convert RMB revenue into foreign currency and repatriate dividends and profits to our Group’s Singapore Subsidiary, namely, Unigloves Singapore, and eventually to our Company. Therefore, as long as Unigloves Shanghai holds a valid Foreign Exchange Registration Certificate, the ability of Unigloves Shanghai to repatriate dividends and profits to our Group will not be affected.

However, in the event the PRC government imposes further restrictions or requirements on the conversion of RMB for repatriation as dividends overseas, we may be affected in our ability to repatriate dividends or distributions from our PRC Subsidiary.

Singapore

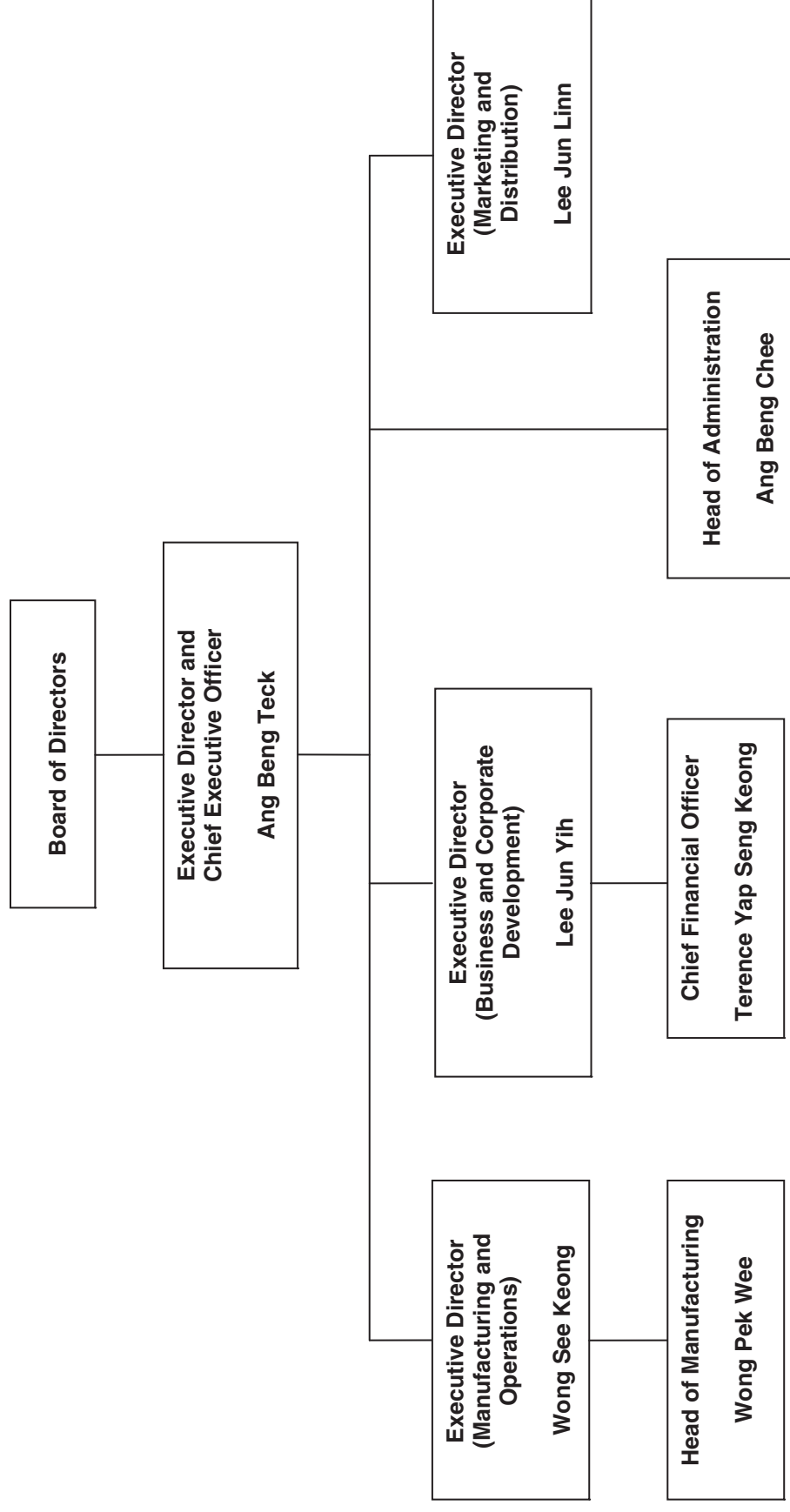
As at the Latest Practicable Date, there are no foreign exchange control restrictions in Singapore.

Nigeria

There is no longer any materially restrictive currency control legislation in Nigeria. The FOREX Act was enacted to deregulate the foreign exchange regime in the country. The FOREX Act created the Autonomous Foreign Exchange Market (“AFEM”) and paved the way for foreign exchange transactions in the AFEM through licensed banks subject to the control of the Central Bank. The FOREX Act dispenses with the need to obtain approvals from the Federal Ministry of Finance in order to engage in foreign exchange transactions as was required under the now repealed Exchange Control Act, 1962. Except for prohibited transactions, the FOREX Act guarantees capital imported into Nigeria by way of equity or loan, unconditional convertibility and transferability out of the country.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

MANAGEMENT REPORTING STRUCTURE



DIRECTORS, EXECUTIVE OFFICERS AND STAFF

DIRECTORS

Our Directors are entrusted with the responsibility for the overall management of our Group. The particulars of our Directors as at the date of this Offer Document are set out below:

Name	Age	Address	Position
Yip Wah Pung	60	Lot 3 & 4/4510, Lorong Senawang 4/1, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus, Malaysia	Non-Executive Chairman and Independent Director
Ang Beng Teck	67	Lot 3 & 4/4510, Lorong Senawang 4/1, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus, Malaysia	Executive Director and Chief Executive Officer
Lee Keck Keong	60	Lot 3 & 4/4510, Lorong Senawang 4/1, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus, Malaysia	Non-Executive Director
Lee Jun Yih	32	Lot 3 & 4/4510, Lorong Senawang 4/1, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus, Malaysia	Executive Director
Wong See Keong	53	Lot 3 & 4/4510, Lorong Senawang 4/1, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus, Malaysia	Executive Director
Lee Jun Linn	29	Lot 3 & 4/4510, Lorong Senawang 4/1, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus, Malaysia	Executive Director
Lim Teck Chai, Danny	41	21 Merchant Road #04-01 Royal Merukh S.E.A. Building Singapore 058267	Independent Director
Ng Lip Chi, Lawrence	43	21 Merchant Road #04-01 Royal Merukh S.E.A. Building Singapore 058267	Independent Director

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of our Directors are set out below:

Yip Wah Pung

Yip Wah Pung was appointed to our Board on 20 November 2014 and is our Non-Executive Chairman and the Chairman of our Audit Committee. Yip Wah Pung graduated from Tunku Abdul Rahman College with a Diploma in Commerce in June 1977. He has over 37 years of experience in the audit and tax industry. Upon graduation, he started his career as a tax examiner at the Income Tax Department of Malaysia in February 1977, where he worked for 12 years. From February 1989 to August 1989, he joined W.M Lam & Co, an audit firm, as a senior associate. Subsequently, he joined K.W. Chong & Co as an audit manager from September 1989 to November 1994 before he started his own audit firm, W.P. Yip & Co in 1994, where he is currently a partner. The audit firm is principally engaged in the provision of tax and audit services. Yip Wah Pung has been a member of (i) the Malaysian Institute of Accountants since 1980, (ii) the Association of Chartered Certified Accountants since 1980, (iii) the Malaysian Institute of Chartered Secretaries and Administrators since 1980, and (iv) the Chartered Tax Institute of Malaysia since 1995.

Ang Beng Teck

Ang Beng Teck was appointed to our Board on 30 September 2014 and is our Chief Executive Officer and Executive Director. Ang Beng Teck undertook a training course for teachers at the Regional Teachers' Centre, Kota Bharu, Kelantan from 1966 to 1967. Together with Lee Keck Keong, our Non-Executive Director, Ang Beng Teck co-founded our Group. He has over 26 years of experience in the glove industry and has been instrumental to our Group's growth. Ang Beng Teck oversees (i) the formulation of the overall business and corporate policies and strategies of our Group; (ii) the overall management of the business and operations of our Group; and (iii) our Group's overall business development. Ang Beng Teck started his career as a teacher at Chung Hwa Secondary School, Kelantan in September 1968. Thereafter, he taught at Undang Jelebu Secondary School, Negeri Sembilan from 1971 to 1981, before he joined Sekolah Rendah Jenis Kebangsaan Yuk Hua, Negeri Sembilan as a teacher from 1981 to 1988. He has been the managing director of NS Unigloves since 1988.

Ang Beng Teck also serves as a director on the boards of our subsidiaries and associated companies. He was appointed a Justice of the Peace by His Royal Highness (HRH) The Yang Di Pertuan Besar of Negeri Sembilan in 1998.

Lee Keck Keong

Lee Keck Keong was appointed to our Board on 20 November 2014 and is our Non-Executive Director. Together with Ang Beng Teck, our Chief Executive Officer, Lee Keck Keong co-founded our Group. Lee Keck Keong has been instrumental in successfully leading our Group to become an established player in the glove industry. Lee Keck Keong graduated from the University of Surrey in 1977 with a degree in chemical engineering. Upon graduation, Lee Keck Keong started his career as a chemical engineer in a state owned company. Thereafter, he entered into various business ventures in diverse industries, including mining, saw milling, property development and timber development. Lee Keck Keong also serves as a non-executive director on the boards of our subsidiaries and associated companies.

Lee Jun Yih

Lee Jun Yih was appointed to our Board on 10 November 2014 and is our Executive Director. He is primarily responsible for oversight and management of the Group's business and corporate development, and works together with our Chief Executive Officer to formulate the overall business and corporate policies and strategies of our Group. Lee Jun Yih graduated from Pembroke College, University of Cambridge with a Bachelor of Arts (Law) in June 2004. He began his career as a solicitor with Freshfields Bruckhaus Deringer, an international law firm, in its Hong Kong, London and Beijing offices in 2005 before joining JP Morgan, London as an analyst in its Investment Banking Division in August 2007. Lee Jun Yih joined UBS AG, Hong Kong in April 2008 as an analyst in its Investment Banking Division before joining an asset management firm, AEGON Asset Management, as an associate in January 2010. Lee Jun Yih joined our Group in July 2011 as a director of Unigloves Shanghai, focusing on business and corporate development. He was subsequently appointed as a director of Unigloves UK in April 2013, and

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

NS Unigloves and Unigloves Nigeria in May 2014 and August 2014 respectively. Lee Jun Yih was admitted as a Solicitor of the High Court of the Hong Kong Special Administrative Region in September 2007.

Wong See Keong

Wong See Keong was appointed to our Board on 20 November 2014 and is our Executive Director. He is responsible for oversight and management of our Group's manufacturing and operations department, and spearheads our Group's research and development efforts. Wong See Keong has been with our Group for approximately 26 years and played a crucial role in our expansion of manufacturing capacity and development of new products over the years. Wong See Keong graduated from Universiti Pertanian Malaysia with a Bachelor of Science (Chemistry and Education) in August 1986. Upon graduation, Wong See Keong taught chemistry as a self-employed tuition teacher. He started his career with our Group in November 1988 as a Technologist. He was promoted to Manufacturing Manager in July 1994 and later became our General Manager of Operations in September 2007.

Lee Jun Linn

Lee Jun Linn was appointed to our Board on 20 November 2014 and is our Executive Director. He is responsible for directing our Group's sales, marketing and distribution platforms, and focuses on developing our Group's marketing strategies and expanding our distribution network. Lee Jun Linn graduated from University College London with a Bachelor of Science (Economics) in August 2006 and subsequently obtained a master's degree (MSc International Management (China)) from the School of Oriental & African Studies in London in December 2007. He started his career with our Group as the assistant general manager of Unigloves Shanghai in April 2008, and was promoted to general manager of Unigloves Shanghai in 2012. He was also appointed as a director of Unigloves Shanghai in July 2011.

Lim Teck Chai, Danny

Lim Teck Chai, Danny was appointed to our Board on 21 August 2014 and is our Independent Director and Chairman of our Nominating Committee. Lim Teck Chai, Danny graduated with a Bachelor of Law (Honours) degree from the National University of Singapore in July 1998 and a Master of Science (Applied Finance) degree from Nanyang Technological University in April 2006. He is currently an equity partner in Rajah & Tann Singapore LLP. Lim Teck Chai, Danny joined Rajah & Tann Singapore LLP in May 1998 and has since been practising and advising on all aspects of corporate legal advisory and transactional work, both locally and regionally. He has a wide range of experience in acquisitions, investments, takeovers, initial public offerings and restructurings, amongst others, and his clients include multi-national corporations, small medium enterprises, private equity and institutional investors, Singapore and foreign listed companies, financial institutions and others. Lim Teck Chai, Danny has been admitted as an advocate and solicitor of the Supreme Court of Singapore since 1999. He is also a member of the Law Society of Singapore and the Singapore Academy of Law.

Ng Lip Chi, Lawrence

Ng Lip Chi, Lawrence was appointed to our board on 20 November 2014 and is our Independent Director and Chairman of our Remuneration Committee. Ng Lip Chi, Lawrence graduated from the National University of Singapore with a Bachelor of Business Administration and is also a Chartered Financial Analyst. He is currently an executive director of Credence Corporate Advisors Pte. Ltd., a firm that provides corporate advisory services. He has more than 18 years of experience in international mergers and acquisitions and corporate finance, having worked in a professional services firm and investment banks, such as Arthur Andersen, Credit Agricole Indosuez Merchant Bank Asia Ltd and DBS Bank Ltd., as well as in-house corporate finance for an Asian natural resources conglomerate. Ng Lip Chi, Lawrence has advised companies on a wide range of transactions including acquisitions, divestitures, joint ventures, spin-offs, buyouts, reverse takeovers and capital raisings. His previous clients included multi-national companies, local and overseas listed companies, private enterprises and private equity firms.

All of our Directors possess the relevant experience and expertise to act as Directors of our Company, as evidenced by their business and working experience as set out above.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Pursuant to Rule 406(3) of the Catalist Rules, all of our Directors, save for Lim Teck Chai, Danny, do not have prior experience as a director of public listed company in Singapore. Notwithstanding that our Directors do not have prior experience as directors of a public listed company in Singapore, each of our Directors has undergone courses held by the Singapore Institute of Directors to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore.

Relationships between our Directors, Executive Officers and Substantial Shareholders

Our Executive Directors, Lee Jun Yih and Lee Jun Linn, are brothers. Lee Keck Keong, our Non-Executive Director, is their father, and Sim Ai Cheng, our Substantial Shareholder, is their mother.

Ang Beng Teck, our Chief Executive Officer, Ang Beng Chee, our Executive Officer, and Ang Beng Yong, our Substantial Shareholder, are brothers.

Save as disclosed above, none of our Directors and Executive Officers are related to one another or to any Substantial Shareholder of our Group.

Save as disclosed below and excluding the directorship held in our Company, none of our Directors currently holds or has held any directorships in any company in the past five (5) years preceding the date of this Offer Document:

Name	Present directorships	Past directorships
Yip Wah Pung	<u>Within our Group</u>	<u>Within our Group</u>
	–	–
	<u>Outside our Group</u>	<u>Outside our Group</u>
	–	–
Ang Beng Teck	<u>Within our Group</u>	<u>Within our Group</u>
	NS Unigloves UG Global Resources UG Glovetech Unigloves UK	NW Medical Disposable Products Sdn. Bhd.
	<u>Outside our Group</u>	<u>Outside our Group</u>
	Unigloves USA UG Development Sdn. Bhd.	–

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Name	Present directorships	Past directorships
Lee Keck Keong	<p><u>Within our Group</u></p> <p>NS Unigloves UG Global Resources UG Glovetech Unigloves Shanghai Unigloves UK</p> <p><u>Outside our Group</u></p> <p>Anvest Corporation Sdn. Bhd. Asli Permai Sdn. Bhd. Crest Energy Sdn. Bhd. Effective Potential Sdn. Bhd. Gantang Prestasi Sdn. Bhd. Generasi Mahir (M) Sdn. Bhd. Giant Empire Sdn. Bhd. Gigih Capai Sdn. Bhd. Greentech Corporation Sdn. Bhd. Iramasains Sdn. Bhd. Jade Victory Sdn. Bhd. Jari Manis Sdn. Bhd. Karinga Corporation Sdn. Bhd. Ling Wah Press Sdn. Bhd. LWP Publishing (M) Sdn. Bhd. Mazly Development Sdn. Bhd. Metro Angkasa Sdn. Bhd. Palembang Usahaniaga Sdn. Bhd. Perniagaan Jaswira Sdn. Bhd. Saverpack Express Courier Services Sdn. Bhd. Sri Kenaboi Holdings Sdn. Bhd. Sujima Management Sdn. Bhd. Sure Reliance Sdn. Bhd. Syarikat Ozah Sdn. Bhd. UG Development Sdn. Bhd. Unique View (M) Sdn. Bhd.</p>	<p><u>Within our Group</u></p> <p>–</p> <p><u>Outside our Group</u></p> <p>Lee Moi Sam Sawmill Sdn. Bhd. (dissolved) Leek Engineering Sdn. Bhd. (dissolved) Tupai Engineering Sdn. Bhd. (dissolved) NW Medical Disposable Products Sdn. Bhd.</p>
Lee Jun Yih	<p><u>Within our Group</u></p> <p>NS Unigloves Unigloves Nigeria Unigloves Shanghai Unigloves Singapore Unigloves UK</p> <p><u>Outside our Group</u></p> <p>Glorious Bloom Group Limited Vast Capital Investment Limited Gantang Prestasi Sdn. Bhd. Zen UG Pte. Ltd.</p>	<p><u>Within our Group</u></p> <p>–</p> <p><u>Outside our Group</u></p> <p>UG Healthcare Equipments Ltd</p>
Wong See Keong	<p><u>Within our Group</u></p> <p>–</p> <p><u>Outside our Group</u></p> <p>–</p>	<p><u>Within our Group</u></p> <p>UG Global Resources</p> <p><u>Outside our Group</u></p> <p>–</p>

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Name	Present directorships	Past directorships
Lee Jun Linn	<u>Within our Group</u>	<u>Within our Group</u>
	Unigloves Shanghai	–
	<u>Outside our Group</u>	<u>Outside our Group</u>
Lim Teck Chai, Danny	Glorious Bloom Group Limited	–
	<u>Within our Group</u>	<u>Within our Group</u>
	–	–
Ng Lip Chi, Lawrence	<u>Outside our Group</u>	<u>Outside our Group</u>
	TEE Land Limited	–
	Trans-Cab Holdings Pte. Ltd.	–
	<u>Within our Group</u>	<u>Within our Group</u>
	–	–
	<u>Outside our Group</u>	<u>Outside our Group</u>
	Credence Corporate Advisors Pte. Ltd.	–

EXECUTIVE OFFICERS

Our day-to-day operations are entrusted to our Executive Directors who are assisted by a management team of experienced Executive Officers. The particulars of our Executive Officers are set out below:

Name	Age	Address	Position
Wong Pek Wee	45	Lot 3 & 4/4510, Lorong Senawang 4/1, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan, Malaysia	Head of Manufacturing
Terence Yap Seng Keong	42	Lot 3 & 4/4510, Lorong Senawang 4/1, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan, Malaysia	Chief Financial Officer
Ang Beng Chee	60	Lot 3 & 4/4510, Lorong Senawang 4/1, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan, Malaysia	Head of Administration

Information on the business and working experience, educational and professional qualifications, if any, and areas of responsibilities of our Executive Officers are set out below:

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Wong Pek Wee

Wong Pek Wee is our Head of Manufacturing. She is responsible for oversight and management of our entire glove manufacturing process, which includes planning for the whole glove manufacturing and production process, quality assessment as well as research and development focusing on cost efficiency. Wong Pek Wee graduated from University of Malaya with a Bachelor of Science (Chemistry) in July 1993. Upon graduation, she started her career as a chemist with Cospac Sdn Bhd from June 1993 to May 1995 before joining Sekolah Menengah Chung Ching, Raub Pahang as a temporary teacher from July 1995 to December 1996. Subsequently, in January 1997, Wong Pek Wee joined our Group as a chemist. Thereafter, Wong Pek Wee was promoted to executive (manufacturing) in January 1998 and as production manager in January 2000 before she became our manufacturing manager in September 2007.

Terence Yap Seng Keong

Terence Yap Seng Keong joined our Group in April 2014 as our Chief Financial Officer. He is responsible for the oversight and control of our Group's overall accounting and finance function, including monitoring and coordinating our Group's statutory financial accounts, consolidation and financial reporting to the SGX-ST. Terence Yap Seng Keong graduated from Kolej Tunku Abdul Rahman with a Diploma in Commerce (Financial Accounting), ACCA, in May 1995. Upon graduation, he started his career with BDO Binder in July 1995 where he was promoted to the position of senior audit manager before leaving in April 2006. He then joined KPMG (Melaka Branch) as the branch head from May 2006 to August 2006. Thereafter, he returned to BDO Binder as the senior manager where he was in charge of auditing and administrative matters until November 2010. He then joined Silverlake Structured Services Sdn Bhd as a finance manager in December 2010, before moving to Sunrich Resources Sdn Bhd in May 2011 as a finance manager. In May 2012, he joined Mustapha, Khoo & Co as a Chief Audit Executive responsible for performing audit on the firm's clients. In March 2013, he was appointed as the head of governance at New Hoong Fatt Holdings Berhad, a company listed on Bursa Malaysia. During his employment with New Hoong Fatt Holdings Berhad, his areas of responsibilities include internal audit, secretarial matters, Bursa reporting and investor relations. He then moved to MTD ACPI Engineering Berhad as its chief financial officer overseeing finance and accounting functions before joining our Group in April 2014. Terence Yap Seng Keong is a Chartered Accountant (Malaysia) and a member of the Malaysian Institute of Accountants.

Ang Beng Chee

Ang Beng Chee is our Head of Administration. He is responsible for oversight of our Group's logistics, administration, compliance and human resource functions. He has been with our Group since the commencement of our operations in 1988. Ang Beng Chee completed his education in Sekolah Menengah Undang Jelebu in August 1973. Upon graduation, he worked as a general assistant at Ang Choon Swee Trading Agency in charge of issuing workman and motor vehicle cover notes from January 1974 to September 1977. He then worked with Geological Survey Department of Malaysia as a geological assistant from September 1977 to June 1985. Subsequently, Ang Beng Chee joined the Malaysia Mining Corporation as a geological assistant from August 1985 to September 1988 before joining our Group as a factory manager in October 1988. Thereafter, he was promoted to our General Manager (Administration) in September 2007.

Save as disclosed in the section entitled "General Information on our Group – Shareholders" and "Directors, Executive Officers and Staff" of the Offer Document, none of our Directors and Executive Officers has any family relationship with each other or with any Substantial Shareholder of our Company.

There is no arrangement or understanding with any Substantial Shareholder, customer or supplier of our Group or any other person, pursuant to which any of our Directors or Executive Officers was selected as a Director or Executive Officer of our Group.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Saved as disclosed below, none of our Executive Officers currently holds or has held any directorships in any company in the past five (5) years preceding the date of this Offer Document:

Name	Present directorships	Past directorships
Wong Pek Wee	<u>Within our Group</u>	<u>Within our Group</u>
	–	–
	<u>Outside our Group</u>	<u>Outside our Group</u>
Terence Yap Seng Keong	<u>Within our Group</u>	<u>Within our Group</u>
	–	–
	<u>Outside our Group</u>	<u>Outside our Group</u>
Ang Beng Chee	<u>Within our Group</u>	<u>Within our Group</u>
	–	UG Global Resources
	<u>Outside our Group</u>	<u>Outside our Group</u>
	–	–

EMPLOYEES

As at 30 June 2014, we had 628 employees. The table below shows the breakdown of the full-time employees of our Group by functions as of the end of the last three (3) financial years:

Segmented by functions	As at 30 June		
	2012	2013	2014
Support and General workers	333	473	547
Procurement	8	10	11
Administrative and Finance	16	18	18
Management/Executive	9	11	16
Manufacture/Production	23	27	29
Sales and Marketing	6	6	7
Total	395	545	628

The number of our employees increased in line with the growth of our business operations. As at the Latest Practicable Date, we do not have a significant number of employees who are hired on a temporary basis.

We believe that our working relationship with our employees is good. None of our employees belong to labour unions. There has not been any incidence of work stoppages or labour disputes that affected our operations.

The geographical breakdown of our full-time employees is as follows:

Segmented by geography	As at 30 June		
	2012	2013	2014
Malaysia	379	527	609
PRC	7	8	8
UK	9	10	11
Total	395	545	628

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Save for CPF contributions and other statutory contributions in accordance with the respective jurisdiction's requirement, we have not set aside or accrued any amounts to provide for pension, retirement or similar benefits for any of our employees.

REMUNERATION OF DIRECTORS, EXECUTIVE OFFICERS AND RELATED EMPLOYEES

Directors and Executive Officers

The compensation paid to our Directors and Executive Officers (which includes benefits-in-kind and bonuses) for services rendered to our Group on an aggregate basis and in remuneration bands of S\$250,000 during FY2013 and FY2014 (being the two most recent completed financial years) and the estimated remuneration to be paid for FY2015, excluding bonuses and any profit sharing plan or any other profit-linked agreement(s), is as follows:

Names	FY2013	FY2014	FY2015 (Estimated)
Directors			
Yip Wah Pung	N.A.	N.A.	Band A
Ang Beng Teck	Band A	Band A	Band A
Lee Keck Keong	Band A	Band A	Band A
Lee Jun Yih	Band A	Band A	Band A
Wong See Keong	Band A	Band A	Band A
Lee Jun Linn	Band A	Band A	Band A
Lim Teck Chai, Danny	N.A.	N.A.	Band A
Ng Lip Chi, Lawrence	N.A.	N.A.	Band A
Executive Officers			
Wong Pek Wee	Band A	Band A	Band A
Terence Yap Seng Keong	N.A.	Band A	Band A
Ang Beng Chee	Band A	Band A	Band A

Remuneration band:

Band A: Compensation from S\$0 to S\$250,000 per annum.

As at the Latest Practicable Date, save for the Unigloves ESOS and the Unigloves PSP, no compensation has been paid or will be paid in the form of stock options or new shares to any of our Directors, Executive Officers or employees.

Save for amounts set aside or accrued in respect of mandatory employee provident funds required under relevant laws and regulations, no amounts have been set aside or accrued by our Group to provide for pension, retirement or similar benefits for any of our employees.

Employees who are related to our Directors and Substantial/Controlling Shareholders

For FY2013 and FY2014, the aggregate remuneration (including CPF or such equivalent contributions thereon and bonus) of employees (excluding Executive Officers) who are related to our Directors and Substantial Shareholders/Controlling Shareholders (including related employees who have since left our Group) amounted to approximately S\$48,227 and S\$46,422 respectively.

For the current financial year ending 30 June 2015, the estimated aggregate remuneration (including CPF or such equivalent contributions thereon and bonus) of employees (excluding Executive Officers) who are related to our Directors and Substantial Shareholders/Controlling Shareholders is S\$48,800.

These employees are namely:

- (a) Ang Chien Hway, our finance manager, who is responsible for the day-to-day financial and accounting matters of our Malaysia subsidiaries and reports to our Chief Financial Officer. He is the nephew of Ang Beng Teck and Ang Beng Chee; and

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

- (b) Kenny Hoo Khai Meng, an officer in our logistics department. He is the nephew of Lee Keck Keong, and cousin of Lee Jun Yih and Lee Jun Linn.

Save as disclosed above, as at the date of this Offer Document, none of our full-time employees are related to our Directors and Substantial Shareholder/Controlling Shareholders.

None of our Directors or Executive Officers has any arrangement or understanding with any of our Substantial Shareholders, customers or suppliers or other person pursuant to which such Director or Executive Officer was appointed as a Director or as an Executive Officer of our Company.

The remuneration of employees who are related to our Directors and Substantial Shareholders will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In addition, any new employment of related employees and the proposed terms of their employment will also be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from the review.

SERVICE AGREEMENTS

Our Company entered into separate service agreements ("**Service Agreements**") with Ang Beng Teck, Wong See Keong, Lee Jun Yih, and Lee Jun Linn (the "**Appointees**") respectively for an initial period of three (3) years and renewable thereafter unless otherwise terminated by either party giving not less than six (6) months' notice in writing to the other. The Service Agreements will take effect from the date our Company is admitted to Catalist.

The Appointees shall be entitled to all travelling and travel-related expenses, entertainment expenses and other out-of-pocket expenses reasonably incurred by the Appointees in the course of discharging their duties on behalf of our Group in line with the applicable staff policy.

Pursuant to the terms of their respective Service Agreements, the Appointees are entitled to an annual basic salary as follows:

Executive Director	Annual basic salary
Ang Beng Teck	Band A
Wong See Keong	Band A
Lee Jun Yih	Band A
Lee Jun Linn	Band A

Remuneration band:

Band A: Compensation from S\$0 to S\$250,000 per annum.

In addition, the Appointees are also entitled to a discretionary bonus to be recommended and determined by the Remuneration Committee. The compensation package, including changes to annual salary and/or the inclusion of suitable profit sharing terms, may be adjusted as the Remuneration Committee may, subject to compliance with the provisions of the Articles of Association and applicable law and regulation, determine from time to time in its absolute discretion.

Pursuant to their respective Service Agreements, each Appointee undertakes that he shall not at any time during the period of his employment with our Group (the "**Employment**") and for a period of one (1) year after the expiry or termination of his Employment, *inter alia*, be engaged or interested directly or indirectly in any business in Singapore or any other country in which our Group conducts its business which is in competition with the business of our Group, provided that nothing therein contained shall prevent such Appointee from holding equity interest in any company the share capital of which is quoted and dealt in upon any recognised stock exchange to the extent of the aggregate of such holdings and the

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

holdings of such shares by his associates does not exceed 5% of the total issued share capital of that Company nor does he or any of his associates participate or be involved in the management of such company.

Our Group will enter into employment contracts with our Executive Officers, which typically provide for the remuneration payable to them, annual leave entitlement and termination arrangements.

Had the Service Agreements been in existence in FY2014 and assuming that no discretionary bonus was paid to any of our Executive Directors, the aggregate remuneration paid to our Executive Directors would have been approximately S\$324,400 instead of S\$132,894 and our profit before tax and profit for the year attributable to owners of the Company would have been S\$5,938,736 and S\$4,747,250 (instead of S\$6,130,242 and S\$4,900,705) respectively.

Save as disclosed above, there are no existing or proposed service agreements between our Company, our subsidiaries and any of our Directors. There are no existing or proposed service agreements entered or to be entered into by our Directors with our Company or our subsidiaries which provide for benefits upon termination of employment.

CORPORATE GOVERNANCE

Our Directors recognise the importance of corporate governance and offering high standards of accountability to our Shareholders. Accordingly, we intend to follow the guidelines as set out in the Code of Corporate Governance 2012 (the “**Code**”). Our Board of Directors has formed three (3) committees: (i) the Audit Committee, (ii) the Remuneration Committee and (iii) the Nominating Committee. We have eight (8) Directors on our Board of Directors, three (3) of whom are Independent Directors.

Our Independent Directors do not have any existing business or professional relationship of a material nature with our Group, our other Directors or Substantial Shareholders. Our Independent Directors are also not related to our other Directors and/or Substantial Shareholders.

Audit Committee

Our Audit Committee comprises Yip Wah Pung, Lee Keck Keong, Lim Teck Chai, Danny, and Ng Lip Chi, Lawrence. The Chairman of the Audit Committee is Yip Wah Pung.

Our Audit Committee will assist our Board of Directors in discharging their responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group.

Our Audit Committee will provide a channel of communication between our Board of Directors, our management and our external auditors on matters relating to audit.

Our Audit Committee shall meet periodically to perform the following functions:

- (a) assist our Board in the discharge of its responsibilities on financial reporting matters;
- (b) review the external auditor’s audit plan and results of the external audit, including the evaluation of the internal accounting controls and its cost effectiveness, and the review of the extent of non-audit services provided by the external auditors;
- (c) review the scope and results of the internal audit procedures and the internal auditor’s evaluation of the adequacy of our internal control and accounting system;

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

- (d) review the interim and annual financial statements and results announcements before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major financial risk areas, significant adjustments resulting from the audit, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements;
- (e) ensure co-ordination between our internal and external auditors and our management, including considering the level of assistance given by our management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);
- (f) review the scope and results of the external audit, and the independence and objectivity of the external auditors;
- (g) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;
- (h) make recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (i) review significant financial reporting issues and judgments with the Chief Financial Officer and the external auditors so as to ensure the integrity of our financial statements and any formal announcements relating to our Group's financial performance before submission to our Board of Directors;
- (j) review the adequacy and effectiveness of our Group's internal controls systems with the Chief Financial Officer and the internal and external auditors including financial, operational, compliance and information technology controls and report to the Board at least annually;
- (k) review interested person transactions and monitor the procedures established to regulate interested person transactions to ensure compliance with our internal control system and the relevant provisions of the Catalist Rules, as well as to ensure that proper measures to mitigate such conflicts of interests have been put in place;
- (l) review and approve all hedging policies and instruments implemented by our Group;
- (m) undertake such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (n) review and establish procedures for receipt, retention and treatment of complaints received by our Group, *inter alia*, criminal offences involving our Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on our Group;
- (o) review arrangements by which our staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and
- (p) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Apart from the duties listed above, the Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our Group's operating results and/or financial position. In the event a member of the Audit Committee is interested in any matter being considered by our Audit Committee, he shall abstain from reviewing and deliberation on that particular transaction or voting on that particular transaction.

Our Board of Directors noted that no material internal control weakness has been raised by our Auditors and Reporting Accountants in the course of their audit of the financial statements of our Group for the most recent financial year ended 30 June 2014.

Our Audit Committee will meet, at a minimum, once every six months. Apart from the duties listed above, the Audit Committee shall commission an annual internal controls audit until such time it is satisfied that the internal controls of our Group are sufficiently robust and effective in mitigating any key internal control weaknesses our Group may have. Prior to decommissioning such an internal controls audit, our Board shall report to the Sponsor and the SGX-ST (if necessary) on the basis to decide to decommission the annual internal controls audit, as well as the measures taken to rectify key weaknesses in and/or strengthen the internal controls of our Group. Thereafter, our Audit Committee shall commission such audits as and when it deems fit for the purposes of satisfying itself that the internal controls of our Group have remained robust and effective. Upon the completion of an internal controls audit, our Board shall make the appropriate disclosure via the SGXNET of any weaknesses in our Group's internal controls which may be material or of a price-sensitive nature, as well as any follow-up actions to be taken by our Board.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, our Board of Directors and our Audit Committee, after making all reasonable enquiries and to the best of their knowledge and belief, with the concurrence of our Audit Committee, is of the opinion that the internal controls of our Group are adequate to address the financial, operational and compliance risks.

Our Chief Financial Officer

Our Audit Committee conducted an interview with Terence Yap Seng Keong, our Chief Financial Officer, and considered the following:

- (a) reviewed his qualifications and past work experience including his 18 years of past external audit and accounting experience in various companies of different industries, as described in the section entitled "Directors, Executive Officers and Staff – Executive Officers", which are compatible with his position as Chief Financial Officer of the Group;
- (b) observed his abilities, familiarity, diligence and competency in relation to the financial matters and information of our Group in connection with the preparation of our listing on Catalist;
- (c) noted the absence of negative feedback on him from our Auditors and Reporting Accountants; and
- (d) in respect of his involvement in the investigation as described in the section entitled "General and Statutory Information", it was noted that the investigation had no bearing on his character and integrity.

Accordingly, our Audit Committee is of the opinion that Terence Yap Seng Keong is suitable for the role of Chief Financial Officer of our Group and he will be able to discharge his duties satisfactorily.

Our Audit Committee confirms that, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to their attention to cause them to believe that Terence Yap Seng Keong does not have the competence, character and integrity expected of a chief financial officer of a listed issuer.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Remuneration Committee

Our Remuneration Committee comprises Ng Lip Chi, Lawrence, Lee Keck Keong and Yip Wah Pung. The Chairman of the Remuneration Committee is Ng Lip Chi, Lawrence.

Our Remuneration Committee will review and recommend to our Board of Directors a framework of remuneration for our Directors and Executive Officers and determine specific remuneration packages for each Executive Director and Executive Officer. The recommendations of our Remuneration Committee shall be submitted for endorsement by the entire Board of Directors. The scope of responsibilities of our Remuneration Committee encompasses all aspects of remuneration, including but not limited to our Directors' fees, salaries, allowances, bonuses, the Awards to be granted under the Unigloves PSP, the Options to be issued under the Unigloves ESOS and benefits-in-kind. The remuneration, bonuses, pay increases or promotions of employees who are related to our Directors, Executive Officers and Substantial Shareholders will also be reviewed and approved annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities.

Our Remuneration Committee will also review our obligations arising in the event of termination of service contracts entered into between our Group and our Executive Directors or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly onerous to our Group. Each member of our Remuneration Committee shall abstain from voting on any resolutions in respect of his own remuneration package.

If necessary, our Remuneration Committee shall seek expert advice inside and/or outside our Company on remuneration matters. Our Remuneration Committee shall ensure that existing relationships, if any, between our Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. Our Remuneration Committee will also perform an annual review of the remuneration packages in order to maintain their attractiveness to retain and motivate our Directors and Executive Officers and to align the interests of our Directors and Executive Officers with the long-term interests of our Company.

Nominating Committee

Our Nominating Committee comprises Lim Teck Chai, Danny, Lee Keck Keong and Ng Lip Chi, Lawrence. The Chairman of the Nominating Committee is Lim Teck Chai, Danny.

Our Nominating Committee will:

- (a) make recommendations to the Board on board appointments including the appointment of alternate directors, if any, and recommend to the Board re-nominations of existing directors for re-election in accordance with our Articles of Association, taking into account the director's competencies, commitment, contribution and performance;
- (b) review and approve any new employment of related persons and the proposed terms of their employment;
- (c) determine on an annual basis whether or not a director of our Company is independent having regard to the Code and any other salient factors;
- (d) in respect of a Director who has multiple board representations on various companies, if any, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the director when serving on multiple boards and discharging his duties towards other principal commitments;
- (e) review training and professional development programs for the Board; and
- (f) decide whether or not a Director of our Company is able to and has been adequately carrying out his duties as a Director.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

Additionally, our Nominating Committee will decide how our Board's performance is to be evaluated and subject to the approval of our Board, propose objective performance criteria to address how our Board has enhanced long-term shareholders' value. Our Board will also implement a process to be carried out by our Nominating Committee for assessing the effectiveness of our Board as a whole and for assessing the contribution by each individual Director to the effectiveness of our Board. Our Chairman will act on the results of the performance evaluation, and in consultation with the Nominating Committee, will propose, where appropriate, new members to be appointed to the Board or seek the resignation of Directors.

Each member of our Nominating Committee shall abstain from voting on resolutions in respect of the assessment of his performance or re-nomination as Director of our Company. In the event that any member of our Nominating Committee has an interest in a matter being deliberated upon by our Nominating Committee, he will abstain from participating in the review and approval process relating to that matter.

Corporate Social Responsibility

We are committed to enhancing the well-being of the community and maintaining an environmentally sustainable way of conducting our business.

We consciously minimise the potential impact of our operations on the environment by having proper processes for the waste reduction and management. We also promote efficient use of materials and resources including water, electricity, and raw materials, particularly those that are non-renewable. We reduce waste through re-using and recycling where possible and purchase recycled, recyclable or re-furnished products and materials where these alternatives are feasible and available. We have invested significantly in wastewater treatment plants to ensure that the water discharged from our production facilities are within the acceptable environmental standards and we undertake regularly in-house as well as external testing to ensure that discharged water is adequately treated and is within the acceptable standards.

Please refer to the section entitled "Business – Environmental Policy" of this Offer Document for further details on our efforts at conserving the environment and maintaining the well-being of the community.

Apart from our environmental efforts, we are also committed to enhancing the career development of our employees and we endeavour to attract, employ, develop and retain capable employees by fostering a corporate culture that allows and encourages each individual employee to realise his potential. In order to develop the potential of our employees and to attract dedicated and experienced human capital, we believe in providing, and actively provide, further training and education to our employees.

In addition, we strive to be socially responsible and endeavour to enhance the well-being of the community by donating our gloves on an on-going basis to certain hospitals and charitable organisations in Malaysia. We have also been responsive to global needs and causes and have made glove donations to Liberia during the recent Ebola outbreak and to Sichuan after the devastating earthquake in 2008.

DIRECTORS, EXECUTIVE OFFICERS AND STAFF

BOARD PRACTICES

Term of office

The period of which each of our Directors has served in office in our Company as at the Latest Practicable Date are as follows:

Name	Date of commencement
Yip Wah Pung	20 November 2014
Ang Beng Teck	30 September 2014
Lee Keck Keong	20 November 2014
Lee Jun Yih	10 November 2014
Wong See Keong	20 November 2014
Lee Jun Linn	20 November 2014
Lim Teck Chai, Danny	21 August 2014
Ng Lip Chi, Lawrence	20 November 2014

Our Directors have no fixed terms of office. Our Articles of Association provide that our Board of Directors will consist of not less than two (2) Directors. Our Directors are appointed by our Shareholders at general meeting, and an election of Directors takes place annually. One-third (or the number nearest one-third) of our Directors, are required to retire from office at each annual general meeting. Every Director must retire from office at least once every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires.

We have also put in place a Nominating Committee, a Remuneration Committee and an Audit Committee, the details of the duties of the committees are set out in the section entitled “Directors, Executive Officers and Staff – Corporate Governance” of this Offer Document.

UNIGLOVES ESOS

On 11 November 2014, our Shareholders approved a share option scheme known as the Unigloves Employee Share Option Scheme (the “**Unigloves ESOS**”), the rules of which are set out in Appendix E of this Offer Document. The Unigloves ESOS complies with the relevant rules as set out in Chapter 8 of the Catalist Rules. The Unigloves ESOS will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The Unigloves ESOS, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain Executive Directors, Non-Executive Directors and employees whose services are vital to our well-being and success. As at the Latest Practicable Date, no options have been granted under the Unigloves ESOS.

Objectives of the Unigloves ESOS

The objectives of the Unigloves ESOS are as follows:

- (a) to motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;
- (b) to retain key employees and Directors whose contributions are essential to the long-term growth and profitability of our Group;
- (c) to instil loyalty to, and a stronger identification by participants with the long-term prosperity of, our Group;
- (d) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and
- (e) to align the interests of participants with the interests of our Shareholders.

Summary of the Unigloves ESOS

A summary of the rules of the Unigloves ESOS is set out as follows:

1. Participants

Under the rules of the Unigloves ESOS, Executive Directors and employees of our Group and our associated companies (“**Group Employees**”) and Non-Executive Directors (including our Independent Directors) of our Group, are eligible to participate in the Unigloves ESOS. For this purpose, a company is our “associated company” if we and/or our subsidiaries hold at least 20% but not more than 50% of the issued shares in that company and provided our Company has control (as defined in the Catalist Rules) over the associated company.

Controlling Shareholders of our Company or Associates of such Controlling Shareholders are eligible to participate in the Unigloves ESOS if their participation and grants of Options are approved by independent Shareholders in separate resolutions for each such person and for each such grant of Options.

2. Scheme administration

The Unigloves ESOS shall be administered by our Remuneration Committee with powers to determine, *inter alia*, the following:

- (a) persons to be granted Options;
- (b) number of Options to be granted; and
- (c) recommendations for modifications to the Unigloves ESOS.

Our Remuneration Committee may consist of Directors (including Directors or persons who may be participants of the Unigloves ESOS). A member of our Remuneration Committee who is also a participant of the Unigloves ESOS must not be involved in its deliberation in respect of Options granted or to be granted to him.

3. Size of the Unigloves ESOS

The aggregate number of shares over which our Remuneration Committee may grant Options on any date, when added to the number of Shares issued and issuable or transferred and to be transferred in respect of all Options granted under the Unigloves ESOS and the number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of our Company, shall not exceed 15% of the total number of issued Shares (excluding Shares held by our Company as treasury shares) on the day immediately preceding the date on which an offer to grant an Option is made.

Our Company believes that this 15% limit gives our Company sufficient flexibility to decide the number of Option Shares to offer to our existing and new employees. The number of eligible participants is expected to grow over the years. Our Company, in line with its goals of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of our talent pool which may involve employing new employees. The employee base, and thus the number of eligible participants, will increase as a result. If the number of Options available under the Unigloves ESOS is limited, our Company may only be able to grant a small number of Options to each eligible participant which may not be a sufficiently attractive incentive. Our Company is of the opinion that it should have sufficient number of Options to offer to new employees as well as to existing employees. The number of Options offered must also be significant enough to serve as a meaningful reward for contributions to our Group. However, it does not necessarily mean that our Remuneration Committee will definitely issue Option Shares up to the prescribed limit. Our Remuneration Committee shall exercise its discretion in deciding the number of Option Shares to be granted to each employee, which will depend on the performance and value of the employee to our Group.

The aggregate number of Shares which may be issued or transferred pursuant to Options under the Unigloves ESOS to participants who are Controlling Shareholders and their Associates collectively shall not exceed 25% of the Shares available under the Unigloves ESOS. The number of Shares which may be issued or transferred pursuant to Options under the Unigloves ESOS to each participant who is a Controlling Shareholder or his Associates shall not exceed 10% of the Shares available under the Unigloves ESOS.

4. Maximum entitlements

The aggregate number of Shares comprised in any Options to be offered to a grantee shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account (where applicable) criteria such as rank, past performance, years of service and potential for future development of that grantee.

5. Options, exercise period and exercise price

The Options that are granted under the Unigloves ESOS may have exercise prices that are, at our Remuneration Committee's discretion, set at a price (the "**Market Price**") equal to the average of the last dealt prices for a Share on the Catalist for the five (5) consecutive market days immediately preceding the date on which an offer to grant an Option is made or at a discount to the Market Price (subject to a maximum discount of 20%). Options which are fixed at the Market Price ("**Market Price Option**") may be exercised after the first anniversary of the date on which an offer to grant that Option is made while options exercisable at a discount to the Market Price may be exercised after the second anniversary from the date on which an offer to grant that Option is made ("**Incentive Option**"). Options granted under the Unigloves ESOS will have a life span of up to 10 years.

6. Grant of Options

Under the rules of the Unigloves ESOS, there are no fixed periods for the grant of Options. As such, offers of the grant of Options may be made at any time from time to time at the discretion of our Remuneration Committee. However, no Option shall be granted during the period of 30 days immediately preceding the date of announcement of our Company's interim or final results (as the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made on or after the third market day from the date on which the aforesaid announcement is made.

7. Termination of Options

Special provisions in the rules of the Unigloves ESOS deal with the lapse or earlier exercise of Options in circumstances which include the termination of the participant's employment in our Group, the bankruptcy of the participant, the death of the participant, a take-over of our Company, and the winding-up of our Company.

8. Acceptance of Options

The grant of Options shall be accepted within 30 days from the date of the offer. Offers of Options made to grantees, if not accepted before the closing date, will lapse. Upon acceptance of the offer, the grantee must pay our Company a consideration of S\$1.00 or such amount as the Remuneration Committee may decide.

9. Rights of shares arising

Subject to the prevailing legislation, our Company will deliver Shares to participants upon exercise of their Options by way of either (i) an issue of new Shares; or (ii) a transfer of Shares then held by our Company in treasury.

In determining whether to issue new Shares to participants upon exercise of their Options, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of issuing new Shares or delivering existing Shares.

The financial effects of the above methods are discussed below.

New Shares arising from the exercise of Options are subject to the provisions of the Articles of Association of our Company. New Shares allotted and issued, and existing Shares procured by our Company for transfer, upon the exercise of an Option shall rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or distributions, the record date ("**Record Date**") for which is prior to the relevant exercise date of the Option. "**Record Date**" means the date as at the close of business on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be).

10. Duration of the Unigloves ESOS

The Unigloves ESOS shall continue in operation for a maximum duration of 10 years commencing from the date of listing of our Company on Catalist and may be continued for any further period thereafter with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

11. Abstention from voting

Shareholders who are eligible to participate in the Unigloves ESOS are to abstain from voting on any shareholders' resolution relating to the Unigloves ESOS and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, all Shareholders who are eligible to participate in the Unigloves ESOS shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Unigloves ESOS; (b) the maximum discount which may be given in respect of any Option; and (c) participation by and grant of Options to Controlling Shareholders and their Associates.

UNIGLOVES ESOS

12. Reporting requirements

Under the Catalist Rules, an immediate announcement must be made on the date of grant of an Option and the announcement must provide details of the grant, including the following:

- (a) date of grant;
- (b) exercise price of the Options granted;
- (c) number of Options granted;
- (d) market price of the Shares on the date of grant;
- (e) number of Options granted to each Director and Controlling Shareholder (and each of their Associates), if any; and
- (f) the validity period of the Options.

The following disclosures (as applicable) will be made by our Company in our annual report for so long as the Unigloves ESOS continues in operation:

- (a) the names of the members of the committee administering the Unigloves ESOS;
- (b) the information required in the table below for the following participants of the Unigloves ESOS:
 - (i) Directors of our Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in paragraphs (b)(i) and (ii) above) who have received 5.0% or more of the total number of Shares available under the Unigloves ESOS:

Name of participant	Options granted under the Unigloves ESOS during the financial year under review (including terms)	Aggregate Options granted since commencement of the Unigloves ESOS to end of financial year under review	Aggregate Options exercised since commencement of the Unigloves ESOS to the end of the financial year under review	Aggregate Options outstanding as at the end of the financial year under review

- (c) the number and proportion of Options granted at a discount during the financial year under review in respect of every 10.0% discount range, up to the maximum quantum of discount granted; and
- (d) such other information as may be required by the Catalist Rules or the Companies Act,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included herein.

Grant of Options with a discounted exercise price

The ability to offer options to participants of the Unigloves ESOS with exercise prices set at a discount to the prevailing market prices of the Shares will operate as a means to recognise the performance of participants as well as to motivate them to continue to excel while encouraging them to focus more on improving the profitability and return of our Group above a certain level which will benefit all Shareholders when these are eventually reflected through share price appreciation. The Unigloves ESOS will also serve to recruit new group employees whose contributions are important to the long-term growth and profitability of our Group. Discounted Options would be perceived in a more positive light by the participants, inspiring them to work hard and produce results in order to be offered Options at a discount as only employees who have made outstanding contributions to the success and development of our Group would be granted Options at a discount.

At present, our Company foresees that Options may be granted with a discount principally in the following circumstances:

- (a) Firstly, where it is considered more effective to reward and retain talented employees by way of an Incentive Option rather than a Market Price Option. This is to reward the outstanding performers who have contributed significantly to our Group's performance and the Incentive Option serves as additional incentives to such group employees. Options granted by our Company on the basis of market price may not be attractive and realistic in the event of an overly buoyant market and inflated share prices. Hence, during such period, the ability to offer such Options at a discount would allow our Company to grant Options on a more realistic and economically feasible basis. Furthermore, Options granted at a discount will give an opportunity to employees to realise some tangible benefits even if external events cause the share price to remain largely static.
- (b) Secondly, where it is more meaningful and attractive to acknowledge a participant's achievements through an Incentive Option rather than paying him a cash bonus. For example, Options granted at a discount may be used to compensate employees and to motivate them during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements. Accordingly, it is possible that merit-based cash bonuses or rewards may be combined with grants of Market Price Options or Incentive Options, as part of eligible employees' compensation packages. The Unigloves ESOS will provide employees with an incentive to focus more on improving the profitability of our Group thereby enhancing shareholder value when these are eventually reflected through the price appreciation of the Shares after the vesting period.
- (c) Thirdly, where due to speculative forces and having regard to the historical performance of the Share price, the market price of the Shares at the time of the grant of the Options may not be reflective of financial performance indicators such as return on equity and/or earnings growth.

Our Remuneration Committee will have the absolute discretion to grant Options where the exercise price is discounted, to determine the level of discount (subject to a maximum discount of 20% of the Market Price) and the grantees to whom, and the Options to which, such discount in the exercise price will apply provided that our Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Unigloves ESOS at a discount not exceeding the maximum discount as aforesaid.

In deciding whether to give a discount and the quantum of such discount (subject to the aforesaid limit), our Remuneration Committee will have regard to the financial and other performance of our Company and our Group, the years of service and individual performance of the grantee, the contribution of the grantee to the success and development of our Group and the prevailing market conditions.

Our Company may also grant Options without any discount to the market price. Additionally, our Company may, if it deems fit, impose conditions on the exercise of the Options (whether such options are granted at the market price or at a discount to the market price), such as restricting the number of Shares for which the Option may be exercised during the initial years following its vesting.

Rationale for participation of Executive Directors and employees of our associated companies and Non-Executive Directors (including our Independent Directors) of our Group in the Unigloves ESOS

The extension of the Unigloves ESOS to Executive Directors and employees of our associated companies and Non-Executive Directors (including our Independent Directors) of our Group allows our Group to have a fair and equitable system to reward Directors and employees who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the Unigloves ESOS will also enable us to attract, retain and provide incentives to its participants to achieve higher standards of performance as well as encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

Although the Non-Executive Directors are not involved in the day-to-day running of our Group's business, they nonetheless play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by the Non-Executive Directors in the Unigloves ESOS will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment.

In order to minimise any potential conflict of interests and not to compromise the independence of the Non-Executive Directors, our Company intends to grant only a nominal number of Options under the Unigloves ESOS to such Non-Executive Directors.

Rationale for participation of Controlling Shareholders and their associates in the Unigloves ESOS

Our Company acknowledges that the services and contributions of employees who are Controlling Shareholders and their Associates are important to the development and success of our Group. The extension of the Unigloves ESOS to confirmed full-time employees who are Controlling Shareholders and their Associates allows our Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of our Group. The participation of Controlling Shareholders and their Associates in the Unigloves ESOS will serve both as a reward to them for their dedicated services to our Group and a motivation for them to take a long-term view of our Group.

Although participants who are Controlling Shareholders and their Associates may already have shareholding interests in our Company, the extension of the Unigloves ESOS to include them ensures that they are equally entitled as the other employees of our Group who are not Controlling Shareholders or their Associates, to take part and benefit from this system of remuneration. We are of the view that a person who would otherwise be eligible should not be excluded from participating in the Unigloves ESOS solely by reason that he/she is a Controlling Shareholder or an Associate of our Controlling Shareholders.

The specific approval of our independent Shareholders is required for the participation of such persons as well as the actual number of and terms of such Options. A separate resolution must be passed for each of such participant. In seeking such approval from our independent Shareholders, clear justification as to the participation of our Controlling Shareholders and/or their Associates, the number of and terms (including the exercise price) of the Options to be granted to the Controlling Shareholder and/or their Associates shall be provided. Accordingly, we are of the view that there are sufficient safeguards against any abuse of the Unigloves ESOS resulting from the participation of employees who are Controlling Shareholders and their Associates.

Financial effects of the Unigloves ESOS

(a) Cost of Options

The Unigloves ESOS will increase our issued share capital to the extent of the new Shares that will be issued and allotted pursuant to the exercise of Options. Under the Financial Reporting Standard 102 on Share-based Payment ("**FRS 102**"), the fair value of employee services received in exchange for the grant of the Options would be recognised as an expense. For equity-settled share-based payment transactions, the total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each Option granted at the grant date and the number of Options vested by vesting date, with a corresponding increase in equity.

Before the end of the vesting period, at each balance sheet date, the entity revises its estimates of the number of Options that are expected to vest by the vesting date and recognises the impact of this revision in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement would be made. The proceeds net of any directly attributable transaction costs are credited to the share capital when the Options are exercised.

During the vesting period, the consolidated earnings per share would be reduced by both the expenses recognised and the potential ordinary shares to be issued under Unigloves ESOS. When the Options are exercised, the consolidated NTA will be increased by the amount of cash received for exercise of the Options. On a per share basis, the effect is accretive if the exercise price is above the net tangible assets per share but dilutive otherwise.

There will be no cash outlay expended at the time of grant of such Options as compared to the payment of cash bonuses. However, as Shareholders may be aware, any Options granted to subscribe for new shares (whether the exercise price is set at the market price of the shares at the date of grant or otherwise) have a fair value at the time of grant. The fair value of an Option is an estimate of the amount that a willing buyer would pay a willing seller for the Option on the grant date. Options are granted to participants at a nominal consideration of S\$1.00. Insofar as such Options are granted at a consideration that is less than their fair value at the time of grant, there will be a cost to our Company in that we will receive from the participant upon the grant of the option a consideration that is less than the fair value of the Option.

(b) Share capital

The Unigloves ESOS will result in an increase in our Company's issued share capital when new Shares are issued to participants. The number of new Shares issued will depend on, *inter alia*, the size of the Options granted under the Unigloves ESOS. Whether and when the Options granted under the Unigloves ESOS will be exercised will depend on the exercise price of the options, when the Options will vest as well as the prevailing trading price of the Shares. In any case, the Unigloves ESOS provides that the number of Shares to be issued or transferred under the Unigloves ESOS, when aggregated with the aggregate number of Shares over which Options or awards are granted under any other share option schemes or share schemes of our Company, will be subject to the maximum limit of 15% of our Company's total number of issued Shares (excluding Shares held by our Company as treasury shares) from time to time. If instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the Unigloves ESOS will have no impact on our Company's issued share capital.

(c) NTA

As described in paragraph (d) below on EPS, the grant of Options will be recognised as an expense, the amount of which will be computed in accordance with FRS 102. When new Shares are issued pursuant to the exercise of Options, there would be no effect on the NTA due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the NTA would be impacted by the cost of the Shares purchased.

UNIGLOVES ESOS

(d) EPS

Without taking into account earnings that may be derived by our Company from the use of the proceeds from the issuance of Shares pursuant to the exercise of Options granted under the Unigloves ESOS, any new Shares issued pursuant to any exercise of the Options will have a dilutive impact on our Company's EPS.

(e) Dilutive impact

The issuance of new Shares under the Unigloves ESOS will have a dilutive impact on our consolidated EPS.

We have made an application to the SGX-ST for permission to deal in and for quotation of the Option Shares which may be issued upon the exercise of the Options to be granted under the Unigloves ESOS. The approval of the SGX-ST is not to be taken as an indication of the merits of our Company, our Subsidiaries, our Shares or the Option Shares.

UNIGLOVES PSP

On 11 November 2014, our Shareholders approved a share scheme known as the Unigloves Performance Share Plan (the “**Unigloves PSP**”), the rules of which are set out in Appendix F of this Offer Document. The Unigloves PSP complies with the relevant rules as set out in Chapter 8 of the Catalyst Rules.

Rationale for the Unigloves PSP

Our Directors have implemented the Unigloves PSP to increase our Company’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees and Non-Executive Directors to achieve increased performance. Our Directors believe that, in addition to the Unigloves ESOS, the plan will further strengthen our Company’s competitiveness in attracting and retaining superior local and foreign talent.

The Unigloves PSP allows our Company to target specific performance objectives and to provide an incentive for participants to achieve these targets. Our Directors believe that the plan will provide our Company with a flexible approach to provide performance incentives to our employees and Non-Executive Directors and, consequently, to improve performance and achieve sustainable growth for our Company in the changing business environment, and to foster a greater ownership culture amongst key senior management, senior executives and Non-Executive Directors.

Operation of the Unigloves PSP

Awards granted under the Unigloves PSP will be principally performance-based, incorporating an element of stretched targets for senior executives and significantly stretched targets for key senior management and Non-Executive Directors aimed at delivering long-term shareholder value.

The Unigloves PSP uses methods fairly common among major local and multinational companies to incentivise and motivate senior executives and key senior management to achieve predetermined targets which create and enhance economic value for Shareholders. Our Company believes that the Unigloves PSP will be an effective tool in motivating senior executives, key senior management and Non-Executive Directors to work towards stretched goals.

The Unigloves PSP contemplates the award of fully paid Shares, when and after pre-determined performance or service conditions are accomplished.

A participant’s Award under the Unigloves PSP will be determined at the sole discretion of our Remuneration Committee. In considering an Award to be granted to a participant who is an employee, our Remuneration Committee may take into account, *inter alia*, the participant’s capability, creativity, entrepreneurship, innovativeness, scope of responsibility and skills set. In considering an Award to be granted to a participant who is a Non-Executive Director, our Remuneration Committee may take into account, *inter alia*, the services and contributions made to the growth of our Group, attendance and participation in meetings and the years of service.

Awards granted under the Unigloves PSP are principally performance-based with performance targets to be set over a performance period and may vary from one performance period to another performance period and from one grant to another grant. Performance targets set by our Remuneration Committee are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. Such performance targets and performance periods will be set according to the specific roles of each participant, and may differ from participant to participant. The performance targets are stretched targets aimed at sustaining long-term growth. These targets will be tied in with our Company’s corporate key performance indicators.

Currently, it is envisaged that only key Executive Directors and Executive Officers may be granted Awards under the Unigloves PSP which will have certain of their performance targets that are market conditions, such as performance of our Company’s share price during the performance period. This is because key Executive Directors and Executive Officers are responsible in formulating, driving and executing our Group’s strategy which is one of the factors affecting a company’s market valuation.

UNIGLOVES PSP

Examples of non-market performance targets which may be included as a performance target for a grant of Award include, *inter alia*, profitability and safety record of a particular project of our Group.

Under the Unigloves PSP, participants are encouraged to continue serving our Group beyond the achievement date of the pre-determined performance targets. Our Remuneration Committee has the discretion to impose a further vesting period after the performance period to encourage the participant to continue serving our Group for a further period of time.

Maximum Limits on Shares

In order to reduce the dilutive impact of the Unigloves PSP, the maximum number of Shares issuable or to be transferred by our Company under the Unigloves PSP, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of our Company, will be 15% of our Company's total number of issued Shares (excluding Shares held by our Company as treasury shares) from time to time.

Summary of Unigloves PSP

A summary of the rules of the Unigloves PSP is set out as follows:

1. Eligibility

Executive Directors and employees of our Group and our associated companies who have attained the age of twenty-one (21) years and hold such rank as may be designated by our Remuneration Committee from time to time, and Non-Executive Directors (including our Independent Directors) of our Group, shall be eligible to participate in the Unigloves PSP. For this purpose, a company is our "associated company" if we and/or our subsidiaries hold at least 20% but not more than 50% of the issued shares in that company and provided our Company has control (as defined in the Catalyst Rules) over the associated company.

Controlling Shareholders of our Company or Associates of such Controlling Shareholders are eligible to participate in the Unigloves PSP if their participation and awards are approved by independent Shareholders in separate resolutions for each such person and for each such Award.

2. Awards

Awards represent the right of a participant to receive fully paid Shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

Shares which are allotted and issued or transferred to a participant pursuant to the release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during a specified period (as prescribed by our Remuneration Committee in the award letter), except to the extent approved by our Remuneration Committee.

3. Participants

The selection of a participant and the number of Shares which are the subject of each Award to be granted to a participant in accordance with the Unigloves PSP shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account criteria such as his rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, his contribution to the success and development of our Group and, if applicable, the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period.

4. Details of Awards

Our Remuneration Committee shall decide, in relation to each Award to be granted to a participant:

- (a) the date on which the Award is to be granted;
- (b) the number of Shares which are the subject of the Award;
- (c) the performance target(s) and the performance period during which such performance target(s) are to be satisfied, if any;
- (d) the extent to which Shares, which are the subject of that Award, shall be released on each prescribed performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period; and
- (e) any other condition which our Remuneration Committee may determine in relation to that Award.

Our Remuneration Committee may consist of Directors (including Directors or persons who may be participants of the Unigloves PSP). A member of our Remuneration Committee who is also a participant of the Unigloves PSP must not be involved in its deliberation in respect of Awards granted or to be granted to him.

5. Timing

While our Remuneration Committee has the discretion to grant Awards at any time in the year, it is currently anticipated that Awards would in general be made once a year. An award letter confirming the Award and specifying, *inter alia*, the number of Shares which are the subject of the Award, the prescribed performance target(s), the performance period during which the prescribed performance target(s) are to be attained or fulfilled and the schedule setting out the extent to which Shares will be released on satisfaction of the prescribed performance target(s), will be sent to each participant as soon as reasonably practicable after the making of an Award.

6. Events Prior to Vesting

Special provisions for the vesting and lapsing of Awards apply in certain circumstances including the following:

- (i) any misconduct on the part of a participant as determined by our Remuneration Committee in its discretion;
- (ii) the participant ceasing to be in the employment of our Group for any reason whatsoever (other than as specified in paragraph (v) below);
- (iii) an order being made or a resolution passed for the winding-up of our Company on the basis, or by reason, of its insolvency;
- (iv) the bankruptcy of a participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;
- (v) the participant ceases to be in the employment of our Group by reason of:
 - (a) ill health, injury or disability (in each case, evidenced to the satisfaction of our Remuneration Committee);
 - (b) redundancy;
 - (c) retirement at or after the legal retirement age;

UNIGLOVES PSP

- (d) retirement before the legal retirement age with the consent of our Remuneration Committee;
 - (e) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within our Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within our Group, as the case may be;
 - (f) any other event approved by our Remuneration Committee;
- (vi) any other event approved by our Remuneration Committee; or
- (vii) a take-over, reconstruction or amalgamation of our Company or an order being made or a resolution passed for the winding-up of our Company (other than as provided in paragraph (iii) above or for amalgamation or reconstruction).

Upon the occurrence of any of the events specified in paragraphs (i), (ii) and (iii), an Award then held by a participant shall, subject as provided in the rules of the Unigloves PSP and to the extent not yet released, immediately lapse without any claim whatsoever against our Company.

Upon the occurrence of any of the events specified in paragraphs (iv), (v) and (vi) above, our Remuneration Committee may, in its absolute discretion, preserve all or any part of any Award and decide either to vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the relevant performance period. In exercising its discretion, our Remuneration Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that participant and, in the case of performance-related Awards, the extent to which the applicable performance conditions and targets have been satisfied.

Upon the occurrence of the events specified in paragraph (vii) above, our Remuneration Committee will consider, at its discretion, whether or not to release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that participant. If our Remuneration Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, our Remuneration Committee will have regard to the proportion of the performance period which has elapsed and the extent to which the applicable performance conditions and targets have been satisfied.

7. Size and Duration of the Unigloves PSP

The total number of Shares which may be issued or transferred pursuant to Awards granted under the Unigloves PSP, when aggregated with the aggregate number of Shares over which options are granted under any other share option schemes of our Company, shall not exceed 15% of the total number issued Shares (excluding Shares held by our Company as treasury shares) from time to time.

The Unigloves PSP shall continue in force at the discretion of our Remuneration Committee, subject to a maximum period of 10 years commencing from the date of Listing of our Company on Catalist provided always that the Unigloves PSP may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Unigloves PSP, any Awards made to participants prior to such expiry or termination will continue to remain valid.

8. Operation of the Unigloves PSP

Subject to the prevailing legislation, our Company will deliver Shares to participants upon vesting of their Awards by way of either (i) an issue of new Shares; or (ii) a transfer of Shares then held by our Company in treasury.

In determining whether to issue new Shares to participants upon vesting of their Awards, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of issuing new Shares or delivering existing Shares.

New Shares allotted and issued and existing Shares procured by our Company for transfer on the release of an Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant date of issue or, as the case may be, delivery, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Our Remuneration Committee shall have the discretion to determine whether the performance condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, our Remuneration Committee shall have the right to make computational adjustments to the audited results of our Company or our Group, to take into account such factors as our Remuneration Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if our Remuneration Committee decides that a properly adjusted performance target would be a fairer measure of performance.

9. Abstention from voting

Shareholders who are eligible to participate in the Unigloves PSP are to abstain from voting on any shareholders' resolution relating to the Unigloves PSP and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, all Shareholders who are eligible to participate in the Unigloves PSP shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Unigloves PSP; and (b) participation by and grant of Awards to Controlling Shareholders and their Associates.

10. Reporting Requirements

Under the Catalist Rules, an immediate announcement must be made on the date of grant of an Award and the announcement must provide details of the grant, including the following:

- (a) date of grant;
- (b) market price of the Shares on the date of grant of the Award;
- (c) number of Shares granted under the Award;
- (d) number of Shares granted to each Director and Controlling Shareholder (and each of their associates) under the Award, if any; and
- (e) vesting period in relation to the Award.

UNIGLOVES PSP

The following disclosures (as applicable) will be made by our Company in our annual report for so long as the Unigloves PSP continues in operation:

- (a) the names of the members of the Committee administering the Unigloves PSP;
- (b) the information required in the table below for the following Participants of the Unigloves PSP:
 - (i) Directors of our Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in paragraphs (b)(i) and (ii) above) who have received 5.0% or more of the total number of Shares available under the Unigloves PSP:

Name of participant	Aggregate number of Shares comprised in Awards under the Unigloves PSP during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards vested to such Participant since commencement of Unigloves PSP to end of financial year under review	Aggregate number of Shares comprised in Awards issued since commencement of the Unigloves PSP to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have not been released as at the end of the financial year under review

- (c) such other information as may be required by the Catalist Rules or the Companies Act,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included herein.

11. Costs and expenses of the Unigloves PSP

Participants shall be responsible for all CDP fees relating to the issue and allotment or transfer of any Shares pursuant to Awards. Save as described, all fees, costs and expenses incurred by the Company in relation to the Unigloves PSP shall be borne by the Company.

Adjustments and Alterations under the Unigloves PSP

The following describes the adjustment events under, and provisions relating to alterations of, the Unigloves PSP.

1. Adjustment events

If a variation in the issued ordinary share capital of our Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution, or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Shares over which future Awards may be granted under the Unigloves PSP,

shall be adjusted in such manner as our Remuneration Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the participant receives a benefit that a Shareholder does not receive.

The issue of securities as consideration for an acquisition or a private placement of securities or the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force shall not normally be regarded as a circumstance requiring adjustment, unless our Remuneration Committee considers an adjustment to be appropriate.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by our Company's auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

2. **Modifications or alterations to the Unigloves PSP**

The Unigloves PSP may be modified and/or altered from time to time by a resolution of our Remuneration Committee subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of participants under the Unigloves PSP who, if their Awards were released to them, would thereby become entitled to not less than three-quarters in number of all the Shares which would be issued or transferred in full of all outstanding awards under the Unigloves PSP.

No alteration shall be made to particular rules of the Unigloves PSP to the advantage of the holders of the Awards except with the prior approval of Shareholders in general meeting.

Rationale for participation of Executive Directors and employees of our associated companies and Non-Executive Directors (including our Independent Directors) of our Group in the Unigloves PSP

The extension of the Unigloves PSP to Executive Directors and employees of our associated companies and Non-Executive Directors (including our Independent Directors) of our Group allows our Group to have a fair and equitable system to reward Directors and employees who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the Unigloves PSP will also enable us to attract, retain and provide incentives to its participants to achieve higher standards of performance as well as encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

Although the Non-Executive Directors are not involved in the day-to-day running of our Group's business, they, nonetheless, play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by the Non-Executive Directors in the Unigloves PSP will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment.

In order to minimise any potential conflict of interests and not to compromise the independence of the Non-Executive Directors, our Company intends to grant only a nominal number of Awards under the Unigloves PSP to such Non-Executive Directors.

Rationale for participation of Controlling Shareholders and their Associates in the Unigloves PSP

Our Company acknowledges that the services and contributions of employees who are Controlling Shareholders or Associates of our Controlling Shareholders are important to the development and success of our Group. The extension of the Unigloves PSP to confirmed full-time employees who are Controlling Shareholders and their Associates allows our Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of our Group. The participation of the Controlling Shareholders and their Associates in the Unigloves PSP will serve both as a reward to them for their dedicated services to our Group and a motivation for them to take a long-term view of our Group.

Although participants who are Controlling Shareholders or their Associates may already have shareholding interests in our Company, the extension of the Unigloves PSP to include them ensures that they are equally entitled, as the other employees of our Group, who are not Controlling Shareholders or their Associates, to take part and benefit from this system of remuneration. We are of the view that a person who would otherwise be eligible should not be excluded from participating in the Unigloves PSP solely by reason that he/she is a Controlling Shareholder or an Associate of our Controlling Shareholders.

The specific approval of our independent Shareholders is required for the participation of such persons as well as the actual number of and terms of such Awards. A separate resolution must be passed for each of such participant. In seeking such approval from our independent Shareholders, clear justification as to the participation of our Controlling Shareholders and their Associates, the number of and terms of the Awards to be granted to the Controlling Shareholders and their Associates shall be provided. Accordingly, we are of the view that there are sufficient safeguards against any abuse of the Unigloves PSP resulting from the participation of employees who are our Controlling Shareholders or their Associates.

Financial effects of the Unigloves PSP

(a) Cost of Awards

The Unigloves PSP is considered a share-based payment that falls under FRS 102 where participants will receive Shares and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the income statement over the period between the grant date and the vesting date of an Award. The fair value per share of the Awards granted will be determined using an option pricing model. The significant input into the option pricing model will include, *inter alia*, the share price as at the date of grant of the Award, the risk free interest rate, the vesting period, volatility of the share and dividend yield. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the grant date and the number of Shares vested at the vesting date, with a corresponding credit to the reserve account. Before the end of the vesting period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement is made.

The amount charged to the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met. However, if the performance target is not a market condition, the fair value per share of the Awards granted at the grant date is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment by our Chief Financial Officer at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative charge to the income statement if the Awards do not ultimately vest.

UNIGLOVES PSP

(b) Share capital

The Unigloves PSP will result in an increase in our Company's issued share capital when new Shares are issued to participants. The number of new Shares issued will depend on, *inter alia*, the size of the Awards granted under the Unigloves PSP. In any case, the Unigloves PSP provides that the number of Shares to be issued or transferred under the Unigloves PSP, when aggregated with the aggregate number of Shares over which options are granted under any other share option schemes of our Company, will be subject to the maximum limit of 15% of our Company's total number of issued Shares (excluding Shares held by our Company as treasury shares) from time to time. If instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the Unigloves PSP will have no impact on our Company's issued share capital.

(c) NTA

As described in paragraph (d) below on EPS, the Unigloves PSP is likely to result in a charge to our Company's income statement over the period from the grant date to the vesting date of the Awards. The amount of the charge will be computed in accordance with FRS 102. When new Shares are issued under the Unigloves PSP, there would be no effect on the NTA due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the NTA would be impacted by the cost of the Shares purchased. It should be noted that the delivery of Shares to participants under the Unigloves PSP will generally be contingent upon the eligible participants meeting prescribed performance targets and conditions.

(d) EPS

The Unigloves PSP is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with FRS 102.

It should again be noted that the delivery of Shares to participants of the Unigloves PSP will generally be contingent upon the participants meeting the prescribed performance targets and conditions.

(e) Dilutive impact

The issuance of new Shares under the Unigloves PSP will have a dilutive impact on our consolidated EPS.

We have made an application to the SGX-ST for permission to deal in and for quotation of the Award Shares which may be issued upon the release of the share awards to be granted under the Unigloves PSP. The approval of the SGX-ST is not to be taken as an indication of the merits of our Company, our Subsidiaries, our Shares or the Award Shares.

INTERESTED PERSON TRANSACTIONS

In general, transactions between our Group and any of our interested persons (namely, our Directors, Controlling Shareholder and their respective Associates (as defined in the Catalist Rules)) (“**Interested Persons**” and each, an “**Interested Person**”) would constitute interested person transactions for the purposes of Chapter 9 of the Catalist Rules.

In line with the rules set out in Chapter 9 of the Catalist Rules, transactions valued less than S\$100,000 are not considered material in the context of the Invitation and is not taken into account for the purposes of aggregation in this section.

The following represents transactions we have undertaken with our Interested Persons and their respective Associates (as applicable) during the Periods Under Review and for the period from 1 July 2014 up to the Latest Practicable Date.

Save as disclosed under the section entitled “Restructuring Exercise” of this Offer Document and below, none of the Interested Persons was or is interested in any transaction undertaken by our Group which is considered material in itself during the Periods Under Review and for the period from 1 July 2014 to the Latest Practicable Date (the “**Relevant Period**”). Investors, upon subscription of the Invitation Shares, are deemed to have specifically approved these transactions with our Interested Persons and as such, these transactions are not subject to Rules 905 and 906 of the Catalist Rules to the extent that there are no subsequent changes to the terms of the agreements in relation to each of these transactions.

PAST INTERESTED PERSON TRANSACTIONS

Loans to Lee Keck Keong, Ang Beng Teck, and Ang Beng Yong

Interested Persons

Lee Keck Keong and Ang Beng Teck are our Directors. Ang Beng Yong is the brother of Ang Beng Teck and our Substantial Shareholder. Ang Beng Yong is also a non-executive director of our subsidiaries, NS Unigloves and UG Global Resources.

Transactions

From time to time, we extended unsecured loans to Lee Keck Keong, Ang Beng Teck and Ang Beng Yong. These loans had no fixed terms of repayment. The loans outstanding as at the end of each of the last three (3) financial years and as at the Latest Practicable Date were as follows:

	FY2012	FY2013	FY2014	As at the Latest Practicable Date
Lee Keck Keong	RM3,145	—	—	—
Ang Beng Teck	RM96,604	RM98,332	—	—
Ang Beng Yong	—	—	—	—

The largest amounts outstanding under these loans during the Periods Under Review and the Relevant Period, based on the amounts outstanding as at the end of each calendar month, are as follows:

- (a) Lee Keck Keong: RM729,521;
- (b) Ang Beng Teck: RM166,332; and
- (c) Ang Beng Yong: RM60,000.

The loans were not made on an arm's length basis as they were unsecured and our Group did not receive any interest for the loans provided. As at the Latest Practicable Date, the loans have been fully repaid. Our Group does not intend to enter into any transactions of the above nature with our Executive Directors or their Associates after our listing on Catalist.

INTERESTED PERSON TRANSACTIONS

Transactions with Nigeria Company A

Background

Nigeria Company A is a company incorporated in Nigeria in 2012. Nigeria Company A was initially founded by Lee Jun Yih and Lee Jun Linn, and Kevin Emeka Onah, with a view to providing a marketing and distribution platform for our Group in Africa. As part of the Restructuring Exercise, Unigloves Nigeria and Nigeria Company A entered into agreements dated 8 September 2014 to transfer the assets, trademarks, other interest of Nigeria Company A and debts owed by Nigeria Company A to Lee Jun Yih and Kevin Emeka Onah to Unigloves Nigeria at a purchase consideration of approximately S\$700,000. Please refer to the section entitled “General Information on our Group – Restructuring Exercise” of this Offer Document for details. As at the Latest Practicable Date, Kevin Emeka Onah and Franklin Nnaemeka Ugwoke own 95% and 5% respectively of Nigeria Company A.

Interested Persons

During the Periods Under Review, our Group entered into transactions with Nigeria Company A. At the time of the transactions, our Executive Directors, Lee Jun Yih and Lee Jun Linn, were interested in 75% of the share capital of Nigeria Company A, with the remaining 25% equity interest held by Kevin Emeka Onah. Kevin Emeka Onah is a director of Unigloves UK and Unigloves Nigeria. Save as disclosed, none of our Directors, Executive Officers or Substantial Shareholders is related to Kevin Emeka Onah.

Transactions

The following transactions were entered into between our Group and Nigeria Company A during the Periods Under Review:

Purchases from our Group

Nigeria Company A purchased examination gloves from our Group amounting to RM425,231, RM1,268,408 and RM2,095,564 in FY2012, FY2013 and FY2014 respectively. As the transactions were entered into based on terms that were not more favourable than those offered to unrelated third parties, such transactions were conducted on an arm’s length basis and were not prejudicial to the interests of our Company and our minority Shareholders.

Provision of certain computer equipment and warehouse equipment

In FY2013, our Group provided certain computer equipment that would otherwise have been destroyed and warehouse equipment to Nigeria Company A for its business operations. As no consideration was provided to our Group, the transaction was not conducted on an arm’s length basis but was not prejudicial to the interests of our Group as the computer equipment and warehouse equipment had no significant book value. The computer that was transferred to Nigeria Company A was a used computer, while the warehouse equipment was a small scale forklift that was given by a supplier to Unigloves UK as a gift which was not recorded in our books. As Unigloves UK had no use of the forklift back then, it was given to Nigeria Company A for its use.

Provision of loans

From time to time, we extended loans to Nigeria Company A for general working capital purposes. The largest amount outstanding during the Periods Under Review and the Relevant Period, based on the amounts outstanding as at the end of each calendar month, is £26,627.94. As the loans were unsecured, interest-free and had no fixed terms of repayment, the transactions were not conducted on an arm’s length basis. As at the Latest Practicable Date, all amounts owing from Nigeria Company A have been fully repaid. The Directors believe that the loans were not prejudicial to the interests of our Company and minority Shareholders as they were granted during the period when Nigeria Company A was a related party and intended to be the marketing and distribution platform for our Group in Africa, and the loans have been fully repaid.

INTERESTED PERSON TRANSACTIONS

As we are taking over the business of Nigeria Company A, we do not intend to enter into any transactions of the above nature with Nigeria Company A after our listing on Catalist. In addition, each of Kevin Emeka Onah and Nigeria Company A has undertaken that for as long as Kevin Emeka Onah or any of his Associates remains directly or indirectly a shareholder or director of Unigloves Nigeria or any other subsidiary of our Company, Nigeria Company A shall remain dormant. In addition, Kevin Emeka Onah has undertaken, *inter alia*, to procure a change of name of Nigeria Company A and ensure that the new name does not contain words or phrases that could reasonably associated with our Group after (i) the issuance of certain NAFDAC licences to Unigloves Nigeria or (ii) the registration of certain trademarks in the name of Unigloves Nigeria, whichever is the later.

Payment of management service fees to Lee Khék Ken

Lee Khék Ken is the brother of our Non-Executive Director, Lee Keck Keong, and is the uncle of our Executive Directors, Lee Jun Yih and Lee Jun Linn. Lee Khék Ken was a director of NS Unigloves from 1996 to 2008, during which he was in charge of sales and business development. Our Group paid Lee Khék Ken RM40,000, RM56,000 and RM40,000 in FY2012, FY2013 and FY2014 respectively. The payments were *ex gratia* payments in respect of his past contributions.

The *ex gratia* payments were not made on an arm's length basis and have ceased with effect from FY2015.

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

Guarantees by Ang Beng Teck, Lee Keck Keong and Ang Beng Yong to secure credit facilities for our Group

During the Periods Under Review and the Relevant Period, Ang Beng Teck, Lee Keck Keong, and Ang Beng Yong (Ang Beng Teck's brother) provided personal guarantees to secure our Group's obligations under certain credit facilities, details of which are set out below:

Lender	Borrower/ Type of Facilities	Amount of facilities granted	Amount guaranteed as at the Latest Practicable Date	Largest amount guaranteed during the Periods Under Review and the Relevant Period
United Overseas Bank (Malaysia) Bhd.	NS Unigloves/ term loan, overdraft and trade facilities ⁽¹⁾	RM8,550,000	RM3,002,000	RM4,015,000
United Overseas Bank (Malaysia) Bhd.	UG Global Resources/ term loan, overdraft and trade facilities ⁽¹⁾	RM22,187,000	RM12,453,857	RM13,077,000
CIMB Bank Bhd	NS Unigloves/ term loan, overdraft and trade facilities ⁽¹⁾	RM2,400,000	RM573,000	RM573,000
Am Bank Bhd	NS Unigloves/ overdraft and trade facilities ⁽¹⁾	RM2,200,000	RM916,000	RM916,000
United Overseas Bank (Malaysia) Bhd.	UG Glovetech/ overdraft and trade facilities ⁽¹⁾	RM600,000	—	RM400,000

Note:

(1) Excludes foreign exchange facilities which are not secured by guarantee.

INTERESTED PERSON TRANSACTIONS

The interest rates charged for the facilities ranged from 4.32% to 8.1% per annum.

This transaction was not conducted on an arm's length basis as Ang Beng Teck, Lee Keck Keong and Ang Beng Yong did not receive any compensation for the provision of such guarantees. Our Directors are of the view that the guarantees were provided on terms that are favourable and are not prejudicial to the interests of our Company and our minority Shareholders.

Following our listing on Catalist, we intend to request that the respective financial institutions release the above personal guarantees and to replace them with corporate guarantees provided by our Group on terms similar to our existing facilities or on terms acceptable to us. In the event that the financial institutions do not agree to discharge the personal guarantees or to replace with corporate guarantees on comparable or better terms, each of the above personal guarantors has undertaken to continue to provide the aforesaid guarantees until such time when we are able to source alternative financing at no less favourable terms from other financial institutions. Each of them has further confirmed that he will not receive any consideration, monetary or otherwise, for the provision of the above guarantees in the future.

REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

To ensure that future transactions with Interested Persons are undertaken on normal commercial terms and are not prejudicial to our interests and the interests of our minority Shareholder which is to say that the transactions are conducted on terms not more favourable than if they were entered into with unrelated third parties, the following procedures will be implemented by our Group:

- (a) In relation to any purchase of products or procurement of services from Interested Persons, quotes from at least two (2) unrelated third parties in respect of the same or substantially the same type of transactions, contemporaneous in time, will be used as comparison wherever possible. The purchase price or procurement price shall not be higher than the most competitive price or fee of the two (2) quotations from the two (2) unrelated third parties. The Audit Committee will review all pertinent factors, including but not limited to, quality, timeliness in delivering, pricing of the product or service, and the track record and reliability of the supplier; and
- (b) In relation to any sale of products or provision of services to Interested Persons, the price and terms of two (2) other completed transactions of the same or substantially the same type conducted with unrelated third parties around the same time, will be used for comparison wherever possible. The selling price or fees shall not be lower than the lowest price or fee of the two (2) other successful transactions with unrelated third parties.

All interested person transactions above S\$100,000 are to be approved by a Director who shall not be an Interested Person in respect of the particular transaction. Any transaction to be entered into with an Interested Person shall not be approved unless the pricing is determined in accordance with our usual business practices and policies, consistent with the usual margin given or price received by us for the same or substantially similar type of transactions between us and unrelated third parties and the terms are no more favourable than those extended to or received from unrelated third parties.

For the purposes above, where applicable, transactions for the same or substantially similar type of transactions entered into with unrelated third parties will be used as a basis for comparison to determine whether the price, fees and terms offered to or received from the Interested Person are no more favourable than those extended to unrelated third parties. In the event that it is not possible to compare against the terms of other transactions with unrelated third parties, the matter will be referred to our Audit Committee and our Audit Committee will determine whether the relevant price, fees and terms are fair and reasonable, consistent with our Group's usual business practices and the usual margin given or price received for the same or substantially similar type of transactions to determine whether the transactions are entered into on normal commercial terms.

INTERESTED PERSON TRANSACTIONS

In addition, we shall monitor all interested person transactions entered into by categorising the transactions as follows:

- (i) a “category one” interested person transaction is one where the value thereof is in excess of 3.0% of the latest audited NTA of our Group; and
- (ii) a “category two” interested person transaction is one where the value thereof is below or equal to 3.0% of the latest audited NTA of our Group.

All “category one” interested person transactions must be approved by our Audit Committee prior to entry. All “category two” interested person transactions need not be approved by our Audit Committee prior to entry but shall be reviewed on a quarterly basis by our Audit Committee.

Before any agreement or arrangement with an Interested Person that is not in the ordinary course of business of our Group is transacted, prior approval must be obtained from our Audit Committee. In the event that a member of our Audit Committee is interested in any interested person transactions, he will abstain from reviewing that particular transaction. Any decision to proceed with such an agreement or arrangement would be recorded for review by our Audit Committee. We shall maintain a register to record all interested person transactions which are entered into by our Group, including any quotations obtained from unrelated third parties to support the terms of the interested person transactions.

All interested person transactions shall be subject to review by our Audit Committee on a quarterly basis. We will prepare relevant information to assist our Audit Committee in its review. Our Audit Committee will include the review of interested person transactions as part of its procedures while examining the adequacy of our internal controls. We will disclose in our annual report the aggregate value of interested person transactions conducted during the financial year.

Furthermore, if during these periodic reviews, our Audit Committee believes that the review procedures as stated above are not sufficient to ensure that the interests of minority Shareholders are not prejudiced, we will adopt new guidelines and procedures. Our Audit Committee may request for an independent financial adviser's opinion as it deems fit.

We shall ensure that all interested person transactions comply with the provisions in Chapter 9 of the Catalist Rules and if required, we will seek independent Shareholders' approval for such transactions. In accordance with Rule 919 of the Catalist Rules, interested persons and their associates shall abstain from voting on resolutions approving interested person transactions involving themselves and our Group. In addition, such interested persons shall not act as proxies in relation to such resolutions unless voting instructions have been given by the relevant shareholders.

Internal auditors have been appointed and their internal audit plan will incorporate a review of all the interested person transactions at least on an annual basis. The internal audit report will be reviewed by our Audit Committee to ascertain whether the guidelines and procedures established to monitor interested person transactions have been complied with.

Our Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules and accounting standards are complied with.

In addition, all our business dealings with (i) NW Products and (ii) NW Medical Disposable Products Sdn. Bhd. will be subject to procedures similar to those implemented for future interested person transactions. For further details on NW Products and NW Medical Disposable and their dealings with our Group, please refer to the section entitled “Potential Conflicts of Interests” of this Offer Document.

POTENTIAL CONFLICTS OF INTERESTS

INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS OR THEIR ASSOCIATES

All our Directors have a duty to disclose their interests in respect of any transaction in which they have any personal material interest or any actual or potential conflicts of interest (including a conflict that arises from their directorship, employment or personal investment in any corporation). Upon such disclosure, such Directors will not participate in any proceedings of the Board and shall abstain from voting in respect of any such transaction where the conflict arises.

NW Products and NW Medical Disposable

Background

NW Products is a sole proprietorship established in Malaysia, engaged in the trading of gloves and other disposable products in Malaysia. NW Medical Disposable is a private limited company incorporated in Malaysia principally engaged in the manufacturing and export of facemasks. In addition, NW Medical Disposable also imports other disposable products such as vinyl gloves and caps for distribution in Malaysia through NW Products.

Relationship between the NW Group and our Group

Ang Beng Teck (our Chief Executive Officer), Ang Beng Chee (our Executive Officer), and Ang Beng Yong (our Substantial Shareholder and a director of our subsidiaries NS Unigloves and UG Global Resources), are related to the owners of NW Products and NW Medical Disposable (collectively, the “**NW Group**”). NW Products is owned by Ang Chien Heong. NW Medical Disposable is owned by Ang Chien Heong (30%) and Ang Chien Su (70%). Ang Chien Heong and Ang Chien Su are the nephews of Ang Beng Teck and Ang Beng Chee, and the sons of Ang Beng Yong. Save as disclosed, none of our Directors, Executive Officers or Substantial Shareholders or any of their Associates has any interest, direct or indirect, in the NW Group.

Transactions - NW Products

During the Periods Under Review, our Group purchased protective clothing such as face masks, caps, and shoe covers for use by our workers at our production facilities from NW Products amounting to approximately S\$0.01 million, S\$0.01 million, and S\$0.02 million in FY2012, FY2013 and FY2014 respectively, and NW Products also purchased gloves from our Group amounting to approximately S\$0.02 million, S\$0.01 million, and S\$0.06 million in FY2012, FY2013 and FY2014 respectively.

All transactions entered into with NW Products are conducted on an arm's length basis and on terms not more favourable than those entered into with unrelated third parties. As such, the transactions are not prejudicial to the interests of our Company and our minority Shareholders.

Transactions - NW Medical Disposable

NS Unigloves was a former shareholder of NW Medical Disposable with an equity interest of 45.0%. In FY2012, NS Unigloves disposed of its entire equity interest in NW Medical Disposable for a consideration of RM185,000 to Ang Chien Su, Lee Keck Keong, and Ang Beng Teck. Subsequently, Lee Keck Keong and Ang Beng Teck disposed of their respective shareholdings in NW Medical Disposable to Ang Chien Su and Ang Chien Heong respectively. While NW Medical Disposable was still held by NS Unigloves, it applied for the registration of the trademark “UNIGLOVES” in Malaysia. Following the disposal of NW Medical Disposable by NS Unigloves, NW Medical Disposable gave an undertaking to assign the trademark to our Group upon its successful registration for a nominal consideration. Nevertheless, in the event that the trademark is not duly assigned to our Group, there will not be any material adverse impact on our Group's financial performance as our Group's sales in Malaysia is not material.

Save as disclosed above, there were no business transactions between NW Medical Disposable and our Group during the Periods Under Review.

POTENTIAL CONFLICTS OF INTERESTS

Our Directors are of the view that any conflict of interests that may arise in the course of business dealings between our Group and NW Group is mitigated as follows:

- (a) NW Group does not compete with the business of our Group as (i) NW Products is engaged in the trading of gloves and other disposable products in Malaysia; and (ii) NW Medical Disposable is engaged in the manufacture and export of face masks and also the import of other disposable products such as vinyl gloves and caps for distribution in Malaysia through NW Products, whereas our Group is engaged in the manufacturing and export of gloves;
- (b) NW Group operates in Malaysia and derives a substantial amount of its revenue from sales in Malaysia, while our Group's sales to customers in Malaysia (excluding sales for export) is not significant, comprising S\$0.9 million or 1.9% of our Group's revenue in FY2014;
- (c) Ang Beng Yong, Ang Beng Teck and their Associates (including Ang Chien Hway, the finance manager of our Group) will abstain from any of the decision-making processes relating to the transactions entered into between our Group and NW Group, and our non-interested directors, including Lee Jun Yih, Lee Jun Linn, and Wong See Keong will be responsible for decision-making;
- (d) all transactions with NW Group will be subject to review procedures similar to those implemented for future interested person transactions. Transactions with NW Group above S\$100,000 will be approved by a Director who is not related to Ang Beng Yong. In addition, all "category one" transactions (transactions where the value thereof is in excess of 3.0% of the latest audited NTA of our Group) and "category two" transactions (transactions where the value thereof is below or equal to 3.0% of the latest audited NTA of our Group) shall be approved or reviewed by our Audit Committee in the manner set out in the section entitled "Interested Person Transactions – Review Procedures for Future Interested Person Transactions" of this Offer Document. For the avoidance of doubt, Chapter 9 of the Catalist Rules will not apply to future on-going transactions with NW Group for as long as the NW Group is not an "interested person" in relation to our Group under Chapter 9 of the Catalist Rules; and
- (e) Ang Beng Yong has undertaken that he will, and will procure that his Associates, not do or permit any of the following to occur for as long as he or any of his Associates (whether directly or indirectly) remain a Substantial Shareholder or Director of our Group:
 - (i) directly or indirectly carry on or be engaged or interested in any capacity in or provide any financial assistance to any other business, trade or occupation in competition with the business of our Group, save for interests in the nature of investment in quoted or listed securities of up to 5.0% of the total amount of issued securities of the same class in a corporation listed on any stock exchange, with no executive or management role, control or influence over such entity;
 - (ii) directly or indirectly solicit or entice away or attempt to solicit or entice away the custom of any person who is a customer of our Group for the purpose of offering to such customer goods or services in competition with those of the business of our Group;
 - (iii) intentionally take action to cause, induce, or encourage, whether directly or indirectly, any person who is a supplier of our Group to cease conducting or substantially reduce business activities or transactions with our Group, except in the discharge of his/her duties to our Group;
 - (iv) directly or indirectly solicit or entice away or attempt to solicit or entice away from our Group any person who is an officer or employee of our Group, whether or not such person would commit a breach of his contract of employment by reason of leaving such employment;
 - (v) cause or procure or otherwise assist any person or permit any of his or its Associates to do any of the foregoing acts or things; or
 - (vi) divulge any information in relation to our Group's business that is not publicly disclosed.

POTENTIAL CONFLICTS OF INTERESTS

In addition, Ang Beng Yong has further undertaken that he will inform our Company immediately should he be aware that any breach of any terms of his undertaking is imminent.

Save as set out above and in the sections entitled “General Information on our Group – Restructuring Exercise”, “Business – Major Customers”, and “Interested Person Transactions” of this Offer Document,

- (a) none of our Directors, Executive Officers, Controlling Shareholders or any of their Associates has any interest, direct or indirect, in any transactions to which our Group was or is to be a party;
- (b) none of our Directors, Executive Officers, Controlling Shareholders or any of their Associates has any interest, direct or indirect, in any company carrying on the same business or a similar trade which competes materially and directly with the existing business of our Group; and
- (c) none of our Directors, Executive Officers, Controlling Shareholders or any of their Associates has any interest, direct or indirect, in any company that is our customer or supplier of goods and services.

INTERESTS OF EXPERTS

None of the experts, if any, named in this Offer Document:

- (i) is employed on a contingent basis by our Company or our subsidiaries;
- (ii) has a material interest, whether direct or indirect, in our Shares or in the shares of our subsidiaries; or
- (iii) has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Invitation.

INTERESTS OF THE SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT

In the reasonable opinion of our Directors, SAC Capital does not have a material relationship with our Company, save as disclosed below and in the section entitled “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document:

- (i) SAC Capital is the Sponsor, Issue Manager, Underwriter and Placement Agent in relation to the Invitation; and
- (ii) SAC Capital will be the continuing Sponsor of our Company for a period of three (3) years from the date our Company is admitted and listed on Catalist.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of our Shares through Catalist will be effected in accordance with the terms and conditions for the operation of Securities Accounts with CDP, as amended, modified or supplemented from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and Depository Agents in the Depository Register maintained by CDP, rather than CDP itself, will be treated, under our Articles of Association and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding our Shares in Securities Accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist, although they will be *prima facie* evidence of title and may be transferred in accordance with our Articles of Association. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing our Shares from the book entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of S\$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S\$0.20 per S\$100.00 or part thereof of the last transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10.00 is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such charges as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time. Pursuant to announced rules effective from 1 June 2014, transfers and settlements pursuant to on-exchange trades will be charged a fee of S\$30.00 and transfers and settlements pursuant to off-exchange trades will be charged a fee of 0.015% of the value of the transaction, subject to a minimum of S\$75.00.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer of stamp duty is currently payable for our Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.04% of the transaction value subject to a maximum of S\$600.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at the prevailing rate of 7% (or such other rate prevailing from time to time). Pursuant to announced rules effective from 1 June 2014, clearing fees will be reduced to 0.0325% of the transaction value and the cap of S\$600.00 per transaction will be removed.

Dealing in our Shares will be carried out in Singapore Dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the third (3rd) Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a CDP Depository Agent. The CDP Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

Save as disclosed below, none of our Directors, Executive Officers or Controlling Shareholder is or was involved in any of the following events:

- (a) had at any time during the last ten (10) years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two (2) years from the date he ceased to be a partner;
- (b) had at any time during the last ten (10) years, an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two (2) years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
- (c) has any unsatisfied judgment against him;
- (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty, which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
- (e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
- (f) had at any time during the last ten (10) years, judgment entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (i) has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;
- (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

GENERAL AND STATUTORY INFORMATION

- (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

- (k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or elsewhere.

Lee Keck Keong

Anvest Corp Sdn. Bhd. (“Anvest”)

Lee Keck Keong is a shareholder (holding 50% beneficial interest) and director of Anvest, a private company incorporated in Malaysia on 22 February 1982. In 1989, Anvest entered into an agreement to purchase a piece of land from Wong Siew Choong Sdn Bhd (the “**Petitioner**”). Certain disputes arose between the parties in relation to the sale of the land. Anvest and the Petitioner then commenced a series of legal proceedings in Malaysia over the disputed land. The Petitioner served a statutory demand on Anvest for payment of certain taxed legal costs due to it. The Petitioner then presented a winding up petition against Anvest. The parties subsequently reached a settlement, and the winding up order was set aside. As at the Latest Practicable Date, Anvest is a dormant company.

Assisting the Securities Commission Malaysia in investigations

In 2014, Lee Keck Keong was called by the Securities Commission Malaysia to assist with an investigation in relation to unusual market activities observed in respect of the shares of Naim Indah Corporation Berhad over a few months in 2012. Lee Keck Keong was asked to assist in the investigations as a company in which he was a 50% shareholder had disposed of its shares in Naim Indah Corporation Berhad prior to the relevant period. To the best of his knowledge and belief, he was not the subject of the investigations and was only required to assist with the investigations.

Terence Yap Seng Keong

In January 2003, while Terence Yap Seng Keong was working as an audit manager at a professional accounting firm in Malaysia, the Securities Commission Malaysia conducted investigations on a client of his employer. The Securities Commission Malaysia requested information from the auditors in charge of that client’s file. As the audit manager then, Terence Yap Seng Keong assisted in the investigation and provided the information as requested. Apart from the provision of information, he was not involved in the investigations in any other manner. In addition, Terence Yap Seng Keong was not the subject of the investigation and no disciplinary or regulatory action was taken against him.

MATERIAL CONTRACTS

The following contracts not being contracts entered into in the ordinary course of business or in connection with the Restructuring Exercise, have been entered into by our Company and our subsidiaries within the two (2) years preceding the date of lodgement of this Offer Document and are or may be material:

- (a) the Convertible Loan Agreement dated 22 August 2014 among our Company, Tommie Goh Thiam Poh and Jeremy Lee Sheng Poh;
- (b) Sponsorship and Management Agreement between the Company and SAC Capital dated 28 November 2014; and
- (c) Underwriting and Placement Agreement between the Company and SAC Capital dated 28 November 2014.

GENERAL AND STATUTORY INFORMATION

LITIGATION

As at the Latest Practicable Date, we were not involved in, nor have we been involved in, any legal or arbitration proceedings, including those that are pending or known to be contemplated, which may have, or have had in the 12 months preceding the lodgement of this Offer Document, a material effect on our financial position or profitability.

MISCELLANEOUS

There has been no previous issue of Shares by our Company or offer for sale of our Shares to the public since its incorporation.

Application monies received in respect of all successful applications (including successfully balloted applications which are subsequently rejected) will be placed in a separate non-interest bearing account with The Bank of East Asia, Limited (the **"Receiving Bank"**). There is no sharing arrangement between the Receiving Bank and our Company in respect of interest or revenue or any other benefit in respect of the deployment of application monies in the inter-bank monies market, if any. Any refund of the application monies to unsuccessful or partially successful applicants will be made without any interest or share of such revenue or other benefit arising therefrom.

Save as disclosed in this Offer Document, our Directors are not aware of any event which has occurred since 1 July 2014 up to the Latest Practicable Date, which may have a material effect on the financial information provided in the "Independent Auditors' Report and the Audited Combined Financial Statements for the Financial Years Ended 30 June 2012, 2013 and 2014" in Appendix A of this Offer Document.

Save as disclosed in this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:

- (a) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;
- (b) material commitments or capital expenditures;
- (c) unusual or infrequent events or transactions or any significant economic changes that will materially affect the amount of reported income from operations; and
- (d) known trends or uncertainties that have had or that our Group reasonably expects to have a material favourable or unfavourable impact on revenues or operating income.

Details, including the name, address and professional qualifications (including membership in a professional body) of the auditor of our Company are as follows:

Name and address	Professional body	Partner-in-charge/ Professional qualification
Mazars LLP 133 Cecil Street #15-02 Keck Seng Tower Singapore 069535	Institute of Singapore Chartered Accountants	Chan Hock Leong Rick/ A member of the Institute of Singapore Chartered Accountants

We currently have no intention of changing the auditors of our Company and our Subsidiaries after the admission of our Company to Catalist.

GENERAL AND STATUTORY INFORMATION

CONSENTS

The Independent Auditors and Reporting Accountants, Mazars LLP, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto and the “Independent Auditors’ Report and the Audited Combined Financial Statements for the Financial Years Ended 30 June 2012, 2013 and 2014” in the form and context in which they appear in this Offer Document and to act in such capacities in relation to this Offer Document.

The Sponsor, Issue Manager, Underwriter and Placement Agent, SAC Capital Private Limited, has given and has not withdrawn its written consent to the issue of this Offer Document, with the inclusion herein of its name and all references thereto in the form and context in which it appears in this Offer Document and to consent to act in such capacities in relation to this Offer Document.

Each of the Solicitors to the Invitation and to the Company on Singapore Law, the Solicitors to the Sponsor, Issue Manager, Underwriter and Placement Agent, each of the Solicitors to the Company on Malaysian law, UK law, US law, German law, PRC Law and Nigeria law, the Share Registrar, the Receiving Banker and the Principal Banker do not make or purport to make any statement in this Offer Document and are not aware of any statement in this Offer Document which purports to be based on a statement made by it and each of them makes no representation regarding any statement in this Offer Document and, to the extent permitted by law, takes no responsibility for any statement in or omission from this Offer Document.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during normal business hours for a period of six (6) months from the date of registration by the SGX-ST acting as agent on behalf of the Authority of this Offer Document:

- (a) the Memorandum and Articles of Association of our Company;
- (b) the material contracts referred to in this Offer Document;
- (c) the Service Agreements;
- (d) the “Independent Auditors’ Report and the Audited Combined Financial Statements for the Financial Years Ended 30 June 2012, 2013 and 2014” as set out in Appendix A of this Offer Document; and
- (e) the letters of consent referred to in this Offer Document.

RESPONSIBILITY STATEMENT BY THE DIRECTORS OF OUR COMPANY

This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Invitation and our Group, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Offer Document in its proper form and context.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

**COMBINED FINANCIAL STATEMENTS OF
UG HEALTHCARE CORPORATION LIMITED AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2012, 2013 AND 2014**
(Registration Number: 201424579Z)

MAZARS LLP
Public Accountants and
Chartered Accountants
Singapore

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

STATEMENT BY DIRECTORS

In the opinion of the directors, the combined financial statements of UG Healthcare Corporation Limited and its subsidiaries (the “Group”) as set out on pages A-5 to A-46 are drawn up so as to give a true and fair view of the state of affairs of the Group as at 30 June 2012, 2013 and 2014, and of the results, changes in equity and cash flows of the Group for the corresponding financial years then ended.

On behalf of the directors

Lee Keck Keong
Director

Ang Beng Teck
Director

Singapore
28 November 2014

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

The Board of Directors
UG Healthcare Corporation Limited
21 Merchant Road
#04-01 Royal Merukh S.E.A. Building
Singapore 058267

Dear Sirs,

INDEPENDENT AUDITORS’ REPORT ON THE COMBINED FINANCIAL STATEMENTS

We have audited the accompanying combined financial statements of UG Healthcare Corporation Limited (the “Company”) and its subsidiaries (the “Group”) which comprise the combined statements of financial position of the Group as at 30 June 2012, 2013 and 2014, and the combined statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the corresponding financial years then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages A-5 to A-46.

As described in Note 2 to the combined financial statements, the combined financial statements for the reporting years ended 30 June 2012, 2013 and 2014 were presented in a manner similar to a “pooling-of-interest” method to give retrospective applications involving entities under common control, as a result of a Restructuring Exercise undertaken.

Management’s Responsibility for the Combined Financial Statements

Management is responsible for the preparation of these combined financial statements that give a true and fair view in accordance with the Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors’ Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity’s preparation of combined financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

Opinion

In our opinion, for the purpose of this report and on the basis of presentation set out in Note 3 below, the combined financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards to present fairly, in all material respects, the state of affairs of the Group as at 30 June 2012, 2013 and 2014 and the combined results, changes in equity and cash flows of the Group for the corresponding financial years ended 30 June 2012, 2013 and 2014.

Restriction of Distribution and Use

This report has been prepared for inclusion in the Offer Document of the Company in connection with the Initial Public Offering of the shares of the Company on Catalist of Singapore Exchange Securities Trading Limited and for no other purposes.

MAZARS LLP

Public Accountants and
Chartered Accountants
Singapore

28 November 2014

Partner in charge: Chan Hock Leong Rick
A member of the Institute of Singapore Chartered Accountants

**APPENDIX A – INDEPENDENT AUDITORS' REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

**COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE FINANCIAL YEARS ENDED 30 JUNE 2012, 2013 AND 2014**

	Note	2014 \$'000	2013 \$'000	2012 \$'000
Revenue	5	49,009	47,014	41,583
Cost of sales		(38,807)	(38,907)	(35,375)
Gross profit		10,202	8,107	6,208
Other items of income				
Other income	6	500	494	473
Other items of expense				
Marketing and distribution expenses		(343)	(291)	(194)
Administrative expenses		(4,275)	(3,685)	(3,410)
Other expenses		(233)	(6)	(39)
Finance costs	7	(285)	(266)	(51)
Share of profits from associates		564	606	521
Profit before income tax	8	6,130	4,959	3,508
Income tax expense	9	(1,218)	(1,147)	(647)
PROFIT FOR THE YEAR		4,912	3,812	2,861
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations		(598)	159	(49)
Other comprehensive income for the year, net of tax		(598)	159	(49)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,314	3,971	2,812
Profit attributable to:				
Owners of the Company		4,900	3,764	2,853
Non-controlling interests		12	48	8
		4,912	3,812	2,861
Total comprehensive income attributable to:				
Owners of the Company		4,292	3,925	2,804
Non-controlling interests		22	46	8
		4,314	3,971	2,812
Earnings per share attributable to owners of the Company (cents)				
Basic and diluted	10	3.08	2.36	1.79

**APPENDIX A – INDEPENDENT AUDITORS' REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

**COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2012, 2013 AND 2014**

	Note	2014 \$'000	2013 \$'000	2012 \$'000
ASSETS				
Non-current assets				
Associates	11	4,555	1,772	1,530
Property, plant and equipment	12	12,853	11,849	10,268
Total non-current assets		17,408	13,621	11,798
Current assets				
Inventories	13	9,019	6,739	5,486
Amount due from a director	14	–	40	40
Derivative financial instruments	21	95	–	–
Trade and other receivables	15	10,065	10,513	7,831
Cash and bank balances	16	3,781	3,591	3,305
Total current assets		22,960	20,883	16,662
Total assets		40,368	34,504	28,460
EQUITY AND LIABILITIES				
Equity				
Share capital	17	3,988	1,281	1,420
Reserve	18	38	646	485
Retained earnings		25,957	21,120	17,356
Equity attributable to owners of the Company		29,983	23,047	19,261
Non-controlling interests		101	99	53
Total equity		30,084	23,146	19,314
Non-current liabilities				
Deferred tax liabilities	19	388	188	98
Bank borrowings	20	4,300	4,457	2,780
Total non-current liabilities		4,688	4,645	2,878
Current liabilities				
Income tax payable		18	283	186
Derivative financial instruments	21	–	310	307
Trade and other payables	22	4,102	4,704	3,433
Bank borrowings	20	1,476	1,416	2,342
Total current liabilities		5,596	6,713	6,268
Total liabilities		10,284	11,358	9,146
Total equity and liabilities		40,368	34,504	28,460

**APPENDIX A – INDEPENDENT AUDITORS' REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

**COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2012, 2013 AND 2014**

	Attributable to owners of the Company					
	Share capital \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 July 2011	1,420	534	14,503	16,457	45	16,502
Profit for the year	–	–	2,853	2,853	8	2,861
Other comprehensive income/(loss):						
Exchange differences on translating foreign operations, representing total other comprehensive loss, net of tax	–	(49)	–	(49)	*	(49)
Total comprehensive income/(loss) for the year	–	(49)	2,853	2,804	8	2,812
Balance at 30 June 2012	1,420	485	17,356	19,261	53	19,314
Profit for the year	–	–	3,764	3,764	48	3,812
Other comprehensive income/(loss):						
Exchange differences on translating foreign operations, representing total other comprehensive income/(loss), net of tax	–	161	–	161	(2)	159
Total comprehensive income for the year	–	161	3,764	3,925	46	3,971
Issuance of shares (Note 17)	256	–	–	256	–	256
Distributions (Note 17)	(395)	–	–	(395)	–	(395)
Balance at 30 June 2013	1,281	646	21,120	23,047	99	23,146
Profit for the year	–	–	4,900	4,900	12	4,912
Other comprehensive income:						
Exchange differences on translating foreign operations, representing total other comprehensive income/(loss), net of tax	–	(608)	–	(608)	10	(598)
Total comprehensive income/(loss) for the year	–	(608)	4,900	4,292	22	4,314
Issuance of shares (Note 17)	2,824	–	–	2,824	–	2,824
Distributions (Note 17)	(117)	–	–	(117)	–	(117)
Dividends (Note 32)	–	–	(63)	(63)	(20)	(83)
Balance at 30 June 2014	3,988	38	25,957	29,983	101	30,084

* Denotes amount less than \$1,000

**APPENDIX A – INDEPENDENT AUDITORS' REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2012, 2013 AND 2014**

	Note	<u>2014</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
Operating activities				
Profit before income tax		6,130	4,959	3,508
Adjustments for:				
Share of profits from associates		(564)	(606)	(521)
Bad debts write off		1	1	4
Depreciation expense		832	848	631
Fair value (gain) loss of derivative financial instruments		(394)	1	439
Gain on disposal of property, plant and equipment		–	(18)	–
Gain on disposal of associate		–	–	(2)
Interest expense		285	266	51
Interest income		(48)	(48)	(47)
Unrealised exchange differences		(364)	56	(75)
Operating cash flows before movements in working capital		5,878	5,459	3,988
<i>Movements in working capital</i>				
Inventories		(2,280)	(1,253)	(241)
Trade and other receivables		611	(2,679)	(117)
Amount due from a director		40	–	284
Trade and other payables		(602)	1,271	452
Cash generated from operations		3,647	2,798	4,366
Interest paid		(285)	(266)	(51)
Income taxes paid		(1,435)	(964)	(564)
Net cash from operating activities		1,927	1,568	3,751
Investing activities				
Additional investment in associates		(2,303)	–	–
Acquisition of property, plant and equipment	12	(1,144)	(1,214)	(3,103)
Fixed deposits pledged to bank		(24)	(24)	(38)
Interest received		48	48	47
Proceeds from disposal of property, plant and equipment		–	63	–
Proceeds from disposal of associate		–	–	75
Net cash used in investing activities		(3,423)	(1,127)	(3,019)
Financing activities				
Dividend paid		(83)	–	–
Proceeds from borrowings		–	122	–
Repayment of borrowings		(894)	(303)	(1,044)
Proceeds from issuance of shares		2,824	256	–
Net cash from/(used in) financing activities		1,847	75	(1,044)
Net increase/(decrease) in cash and cash equivalents		351	516	(312)
Cash and cash equivalents at beginning of year		2,394	1,857	2,113
Effect of currency translation on cash and cash equivalents		(67)	21	56
Cash and cash equivalents at end of year	16	2,678	2,394	1,857

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2012, 2013 AND 2014**

These notes form an integral part of and should be read in conjunction with the accompanying combined financial statements.

1. General

UG Healthcare Corporation Pte. Ltd. (the “Company”) (Registration Number 201424579Z) was incorporated on 21 August 2014 and is domiciled in Singapore with its principal place of business at Lot 3 & 4/4150 Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus, Malaysia and registered office at 21 Merchant Road #04-01 Royal Merukh S.E.A. Building Singapore 058267. The Company was incorporated for the purpose of acquiring the existing operating entities pursuant to the restructuring exercise as disclosed in Note 2. In connection with its conversion into a public company limited by shares, the Company changed its name from UG Healthcare Corporation Pte. Ltd. to UG Healthcare Corporation Limited.

The principal activity of the Company is that of investment holding.

The principal activities of the respective subsidiaries are disclosed in Note 23 to the financial statements.

The combined financial statements of the Group for the financial years ended 30 June 2012, 2013 and 2014 were authorised for issue by the Board of Directors on 28 November 2014.

2. Restructuring exercise

The Company was incorporated on 21 August 2014 under the name of UG Healthcare Corporation Pte. Ltd.. On incorporation, the issued and paid-up share capital of the Company was \$1 comprising 1 ordinary shares.

To consolidate the business activities of the Group, a restructuring exercise was undertaken as follows.

2.1 Acquisition of Unigloves (Singapore) Pte Ltd

The Company acquired 100% of the share capital of Unigloves (Singapore) Pte Ltd which was incorporated on 24 May 2014 for a consideration of \$1 which was determined based on the net asset value of Unigloves (Singapore) Pte Ltd as at 30 June 2014. The consideration was satisfied by the issue of 1 ordinary shares in the capital of the Company to the then shareholder of Unigloves (Singapore) Pte Ltd as follows:

Name	Number of Shares
Lee Jun Yih	1

2.2 Acquisition of Unigloves GmbH

Pursuant to a sale and purchase agreement dated 7 October 2014, the Company acquired 20% of the share capital of Unigloves GmbH for a consideration of \$3,926,167 which was determined based on the net asset value of Unigloves GmbH and its subsidiaries as at 30 June 2014. The consideration was satisfied by the issue of 3,926,167 ordinary shares in the capital of the Company to the then shareholders of Unigloves GmbH as follows:

Name	Number of Shares
Ang Beng Teck	1,963,083
Lee Keck Keong	1,963,084
	3,926,167

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

2. Restructuring exercise (Continued)

2.3 Acquisition of N.S. Uni-Gloves Sdn. Bhd.

Pursuant to a sale and purchase agreement dated 2 October 2014, the Company acquired 100% of the share capital of N.S. Uni-Gloves Sdn. Bhd. for a consideration of \$24,321,785 which was determined based on the net asset value of N.S. Uni-Gloves Sdn. Bhd. and its subsidiaries as at 30 June 2014. The consideration was satisfied by the issue of 24,321,785 ordinary shares in the capital of the Company to the then shareholders of N.S. Uni-Gloves Sdn. Bhd. as follows:

Name	Number of Shares
Ang Beng Wei	243,218
Phang Ai Sim	486,436
Ang Beng Yong @ Ang Tian Soo	1,520,111
Ang Beng Chee	729,653
Cinzing Beauty Products (M) Sdn Bhd	8,877,452
Lee Keck Keong	1,702,525
Ang Beng Hoon	243,218
Ang Bing Wan	486,436
Tean @ Ang Beng Choo	1,337,698
Ang Beng Teck	3,266,075
Wong See Keong	1,824,134
Gantang Prestasi Sdn Bhd	3,604,829
	24,321,785

2.4 Acquisition of Unigloves (UK) Limited

Pursuant to a sale and purchase agreement dated 9 October 2014, the Company acquired 55% of the share capital of Unigloves (UK) Limited for a consideration of \$221,493 which was determined based on the net asset value of Unigloves (UK) Limited as at 30 June 2014. The consideration was satisfied by the issue of 221,493 ordinary shares in the capital of the Company to the then shareholders of Unigloves (UK) Limited as follows:

Name	Number of Shares
Ang Beng Teck	110,747
Lee Keck Keong	110,746
	221,493

2.5 Acquisition of Shanghai Full-10 International Trading Co. Ltd.

Pursuant to a share transfer agreement dated 1 September 2014, the Company acquired 100% of the share capital of Shanghai Full-10 International Trading Co. Ltd. for a consideration of \$929,299 which was determined based on the net asset value of Shanghai Full-10 International Trading Co. Ltd. as at 30 June 2014. The consideration was satisfied by the issue of 929,299 ordinary shares in the capital of the Company to the then shareholders of Shanghai Full-10 International Trading Co. Ltd. as follows:

Name	Number of Shares
Lee Keck Keong	560,783
Lee Jun Yih	368,516
	929,299

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

2. Restructuring exercise (Continued)

2.6 Acquisition of UG Healthcare (USA) Inc

Pursuant to a sale and purchase agreement dated 9 October 2014, the Company acquired 50% of the share capital of UG Healthcare (USA) Inc for a consideration of \$578,472 which was determined based on the net asset value of UG Healthcare (USA) Inc as at 30 June 2014. The consideration was satisfied by the issue of 578,472 ordinary shares in the capital of the Company to the then shareholders of UG Healthcare (USA) Inc as follows:

Name	Number of Shares
Ang Beng Teck	289,236
Lee Keck Keong	289,236
	<hr/> 578,472 <hr/>

2.7 Acquisition of Uni-Medical Healthcare Limited

Pursuant to a sale and purchase agreement dated 9 October 2014, the Company acquired 75% of the share capital of Uni-medical Healthcare Limited which was only incorporated on 1 August 2014 for a consideration of \$525,000 which was determined based on the net asset value of Uni-medical Healthcare Limited as at 13 September 2014. The consideration was satisfied by the issue of 525,000 ordinary shares in the capital of the Company to the then shareholders of Uni-medical Healthcare Limited as follows:

Name	Number of Shares
Lee Jun Yih	525,000

The above restructuring exercise is considered to be acquisitions of equity interests by entities under common control and therefore the entities acquired by the Group pursuant to the restructuring have been accounted for in a manner similar to the pooling-of-interests method. Accordingly, the assets and liabilities of these entities have been included in the combined financial statements at their historical carrying amounts. Although the master restructuring agreement was entered into on subsequent to the year end the combined financial statements present the financial condition, results of operations and cash flows as if the restructuring has occurred as of the beginning of the earliest period presented. No adjustments are made to reflect fair values or recognise any new assets or liabilities as a result of the restructuring exercise.

All intra-group transactions and balances have been eliminated on combination.

3. Summary of significant accounting policies

3.1 Basis of preparation

The combined financial statements of the Group have been drawn up in accordance with Singapore Financial Reporting Standards (“FRS”) including related Interpretations of FRS (“INT FRS”) and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The combined financial statements of the Group are presented in Singapore dollar (“\$”) which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand (“\$’000”), unless otherwise indicated.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

3. Summary of significant accounting policies (Continued)

3.1 Basis of preparation (Continued)

During the financial years ended 30 June 2012, 2013 and 2014, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the respective reporting periods. The adoption of these new/revised FRS and INT FRS did not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior years.

FRS and INT FRS issued but not yet effective

At the date of authorisation of these combined financial statements, the following FRS and INT FRS that are relevant to the Group were issued but not yet effective:

		Effective date (annual periods beginning on or after)
FRS 19	Amendments to FRS 19 – Defined Benefit Plans: Employee Contributions	1 July 2014
FRS 27	Separate financial statements	1 January 2014
FRS 28	Investments in associates and joint ventures	1 January 2014
FRS 32	Amendments to FRS 32 – Offsetting of financial assets and financial liabilities	1 January 2014
FRS 36	Amendments to FRS 36: Recoverable amount disclosures for non-financial assets	1 January 2014
FRS 39	Amendments to FRS 39: Novation of derivatives and continuation of hedge accounting	1 January 2014
FRS 110	Consolidated financial statements	1 January 2014
FRS 110, FRS 111, FRS 112, FRS 27 & FRS 28	Amendments to FRS 110, FRS 111, FRS 112, FRS 27 (2011) and FRS 28 (2011): Mandatory effective date	1 January 2014
FRS 110, FRS 111 & FRS 112	Amendments to FRS 110, FRS 111 and FRS 112: Transition guidance	1 January 2014
FRS 111	Joint arrangements	1 January 2014
FRS 110, FRS 112 and FRS 27	Amendments to FRS 110, FRS 112 and FRS 27: Investment entities	1 January 2014
FRS 112	Disclosure of interests in other entities	1 January 2014
Various	Improvements to FRSs (January 2014)	
Various	Improvements to FRSs (February 2014)	

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above FRS and INT FRS in future periods will not have a material impact on the financial statements, and in particular, to the financial position and financial performance of the Group in the period of their initial adoption.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

3. Summary of significant accounting policies (Continued)

3.2 Basis of combination

Common Control Business Combination Outside the Scope of FRS 103 *Business Combinations* “FRS 103”

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. A business combination involving common control entities, are outside the scope of FRS 103. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the combined financial statements.

In applying merger accounting, financial statement items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the combined financial statements of the combined entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties.

A single uniform set of accounting policies is adopted by the combined entity. Therefore, the combined entity recognises the assets, liabilities and equity of the combining entities or businesses at the carrying amounts in the combined financial statements of the controlling party or parties prior to the common control combination. The carrying amounts are included as if such combined entity’s accounting policies and applying those policies to all periods presented. There is no recognition of any goodwill or excess of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the combined financial statements of the combined entity.

Non-controlling interests are identified separately from the Group’s equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree’s identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests’ share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The combined financial statements were prepared based on the audited financial statements of subsidiaries which were prepared in accordance with FRS for the purpose of combination. The subsidiaries maintain their accounting records and prepare the relevant statutory financial statements in accordance with the accounting standards and legislations of the Generally Accepted Accounting Principle (GAAP) in the respective countries.

In line with the objective of the restructuring exercise and to reflect the financial position and performance of UG Healthcare Corporation Pte. Ltd., all the Group’s associates are assumed to have been held from the date the entity had been under common control despite the Group acquiring the shareholding of the associates from the directors of the Company only on after the end of the reporting period.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

3. Summary of significant accounting policies (Continued)

3.3 Subsidiary

A subsidiary is an entity over which the Company, has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Company generally has such power when it directly or indirectly controls more than half of the voting power, or controls the composition of the board of directors.

In the Company’s separate financial statements, investments in subsidiary companies are accounted for at cost less any accumulated impairment losses, if any.

3.4 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group’s activities. Revenue is shown net of estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods; retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; is able to reliably measure the amount of revenue and the costs incurred or to be incurred in respect of the transaction; and assesses that it is probable for the economic benefits associated with the transaction to flow to the entity.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.6 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group’s obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

3.7 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

3. Summary of significant accounting policies (Continued)

3.8 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

3. Summary of significant accounting policies (Continued)

3.9 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities’ respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Exchange differences relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting combined financial statements, the assets and liabilities of the Group’s foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group’s translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

3.10 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

3. Summary of significant accounting policies (Continued)

3.10 Property, plant and equipment (Continued)

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

■ Leasehold land	over the lease period of 50 to 73 years
■ Leasehold buildings	2%
■ Plant, machinery and equipment	5% to 20%
■ Motor vehicles	20%
■ Furniture and fittings	10% to 12%

No depreciation is charged on construction-in-progress as they are not yet in use as at the end of the financial year.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

3.11 Associate

An associate is an entity over which the Group has significant influence, but not control, and generally accompanying a shareholding of between 20% and 50% of the voting rights.

The results and assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group’s share of the net assets of the associate, less any impairment loss of individual investments. Losses in an associate in excess of the Group’s interest in that associate (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the Group’s interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2012, 2013 AND 2014

3. Summary of significant accounting policies (Continued)

3.12 Impairment of tangible assets

The Group reviews the carrying amounts of its tangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset’s carrying amount exceeds the recoverable amount is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.13 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets

All financial assets are recognised on a trade date - the date on which the Group commits to purchase or sell the asset. They are initially measured at fair value, plus transaction costs.

The Group’s financial assets consists only loans and receivables.

Loans and receivables

The Group’s loans and receivables comprise trade and other receivables, amount due from a director, bank balances and fixed deposits.

Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

3. Summary of significant accounting policies (Continued)

3.13 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

3. Summary of significant accounting policies (Continued)

3.13 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group’s accounting policy for borrowing costs (see above).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk, comprising foreign exchange forward contracts.

Derivatives are initially recognised at their fair values at the date the derivative contract is entered into and are subsequently re-measured to their fair values at the end of each financial year. The method of recognising the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

3.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is measured based on standard cost which approximates actual cost. The cost is determined using weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

3. Summary of significant accounting policies (Continued)

3.15 Cash and bank balances

Cash and bank balances comprise cash on hand and demand deposits, bank overdrafts and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

3.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Operating leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.17 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

3.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2012, 2013 AND 2014

4. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group’s accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

4.1 Critical judgements made in applying the Group’s accounting policies

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entity in the Group, judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on the local management’s assessment of the economic environment in which the entities operate and the respective entities’ process of determining sales prices.

4.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of financial instruments

Where the fair values of financial instruments recorded on the statement of financial position cannot be derived from active markets, they are determined using valuation techniques, including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values. The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in more details in Note 21.

Allowance for trade and other receivables

The provision policy for doubtful debts of the Group is based on the ageing analysis and management’s continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Group’s trade and other receivables as at 30 June 2014 were \$10,065,000 (2013: \$10,513,000 and 2012: \$7,831,000) respectively (Note 15).

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

4. Critical accounting judgements and key sources of estimation uncertainty (Continued)

4.2 Key sources of estimation uncertainty (Continued)

Property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives. The estimated useful life reflects management’s estimate of the period that the Group intends to derive future economic benefits from the use of the Group’s property, plant and equipment. Changes in the expected level of usage and technological developments could affect the economics and useful lives of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group’s property, plant and equipment at 30 June 2014 were \$12,853,000 (2013: \$11,849,000 and 2012: \$10,268,000) respectively (Note 12).

Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group’s inventory levels in order to identify slow-moving and obsolete merchandise and identifies items of inventory which have a market price, being the merchandise’s selling price quoted from the market of similar items that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group’s results, cash flows and financial position. The carrying amount of the Group’s inventories as at 30 June 2014 was \$9,019,000 (2013: \$6,739,000 and 2012: \$5,486,000) respectively (Note 13).

Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Group’s current tax payable as at 30 June 2014 was \$18,000 (2013: \$283,000 and 2012: \$186,000) respectively.

5. Revenue

	2014	2013	2012
	\$’000	\$’000	\$’000
Latex examination gloves	28,921	27,774	28,869
Nitrile examination gloves	17,292	16,305	10,904
Other ancillary products	2,796	2,935	1,810
	49,009	47,014	41,583

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

6. Other income

	2014 \$'000	2013 \$'000	2012 \$'000
Foreign exchange gain, net	–	349	294
Fair value gain of derivative financial instrument (Note 21)	394	–	–
Gain on disposal of property, plant and equipment	–	11	–
Interest income	48	48	47
Gain on disposal of associate	–	–	2
Others	58	86	130
	500	494	473

7. Finance costs

	2014 \$'000	2013 \$'000	2012 \$'000
Interest expenses on:			
- Finances leases	5	2	2
- Bank loans and overdrafts	280	264	49
	285	266	51

8. Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the combined financial statements, the following charges/(credit) were included in the determination of profit before income tax:

	2014 \$'000	2013 \$'000	2012 \$'000
Cost of inventories recognised as expense in cost of sales	28,722	28,899	25,923
Audit fees paid to auditors:			
- Auditors of the Company	19	20	14
Directors’ fees of the Company	70	73	83
Directors’ remuneration other than fees of the Company:			
- Salary	37	39	39
- Bonus and profit sharing	69	43	43
- Defined contribution plans	6	6	6
Staff costs (excluding directors’ remuneration)			
- Salary	4,833	3,855	2,914
- Defined contribution plans	160	178	117
- Other benefits	71	64	53
Bad debts write off	1	1	4
Foreign exchange loss, net	168	–	–
Fair value loss of derivative financial instrument (Note 21)	–	1	439

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

9. Income tax expense

	2014 \$'000	2013 \$'000	2012 \$'000
Current income tax			
- Current	1,033	995	743
- (Over)/Under provision in prior years	(20)	63	(91)
Deferred income tax			
- Current	201	39	(18)
- Under provision in prior years	4	50	13
Total income tax expense in combined income statement	1,218	1,147	647

The reconciliation of the tax expense and the product of accounting profit/(loss) multiplied by the applicable statutory rate is as follows:

	2014 \$'000	2013 \$'000	2012 \$'000
Profit before income tax	6,130	4,959	3,508
Income tax at statutory rate of 17%	1,042	843	596
Add/(Less):			
Tax effect of share of results of associates	(127)	(103)	(88)
Change in tax rate in overseas operations	(10)	(10)	(12)
Effect of different tax rates of overseas operations	447	336	237
Effect of income not subject to tax	(180)	(123)	(143)
Utilisation of previously unrecognised deferred tax benefits	–	(35)	–
(Over)/Under provision in prior years	(16)	113	(78)
Effect of non-allowable items	36	148	159
Others	26	(22)	(24)
Total tax expense	1,218	1,147	647

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

10. Earnings per share

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	<u>2014</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
<u>Earnings</u>			
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to the Company)	4,900	3,764	2,853
<u>Number of shares</u>			
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	159,223,530	159,223,530	159,223,530
<u>Earnings per share (cents)</u>			
Basic and diluted	3.08	2.36	1.79

The calculation of the basic and diluted earnings per share are calculated by dividing the profit for the year attributable to owners of the Company by the applicable weighted average number of ordinary shares. These profit and share data are presented in the tables above.

11. Associates

	<u>2014</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
Unquoted equity shares, at cost	2,466	163	163
Exchange differences	64	31	–
Share of post-acquisition results	2,537	1,973	1,367
Dividend received	(512)	(395)	–
Carrying amount	4,555	1,772	1,530

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

11. Associates (Continued)

The details of the associates are as follows:

<u>Name of associates (Country of incorporation / operation)</u>	<u>Principal activities</u>	<u>Effective equity interest held by the Company</u>		
		<u>2014</u> %	<u>2013</u> %	<u>2012</u> %
<u>Held through Unigloves (Singapore) Pte Ltd</u> Unigloves GmbH ⁽¹⁾ / Germany	Investment holding	20	–	–
UG Healthcare (USA) Inc. ⁽²⁾ / United States	Distribution of gloves and other medical disposables	50	50	50
<u>Held through Unigloves GmbH</u> Unigloves Arzt- und Klinikbedarf- Handelsgesellschaft mbH ⁽³⁾ / Germany	Import and export of medical treatment utilities and one way articles	20	20	20
<u>Held through Unigloves Arzt- Und</u> Unigloves Service & Logistik ⁽¹⁾ / Germany	Purchase and sale of consumable goods for medical and industrial purposes	20	20	20
<u>Held through Shanghai Full-10 International Trading Co. Ltd.</u> Beijing You Li Fu Ming Commercial Trading Co., Ltd ⁽²⁾ / Beijing	Distribution of gloves and other medical disposables	50	–	–

(1) The unaudited management accounts have been reviewed by Mazars LLP, Singapore for equity accounting purposes, as they are not material to the Group's combined financial statements.

(2) The unaudited management accounts have been reviewed by Mazars LLP, Singapore for equity accounting purposes, as they are not material to the Group's combined financial statements. The board of directors of the entities are controlled by the other 50% shareholders. The Company does not participate in active management nor strategic decisions of the entities.

(3) Audited by Mazars GmbH, Germany and reviewed by Mazars LLP, Singapore for equity accounting purposes.

**APPENDIX A – INDEPENDENT AUDITORS' REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

11. Associates (Continued)

Summarised financial information in respect of the Group's associates

	2014	2013	2012
	\$'000	\$'000	\$'000
Assets and liabilities:			
Total assets	41,049	13,160	12,238
Total liabilities	20,211	5,950	6,024
Net assets	20,838	7,210	6,214
Group's share of associates' net assets	4,555	1,772	1,530
Results			
Revenue	39,017	36,534	35,101
Profit for the year	2,360	2,621	2,298
Group's share of associates' profit for the year	564	606	521

12. Property, plant and equipment

	Leasehold land \$'000	Leasehold buildings \$'000	Plant, machinery and equipment \$'000	Motor vehicles \$'000	Furniture and fittings \$'000	Construction- in-progress \$'000	Total \$'000
Cost							
Balance at 1 July 2011	2,126	1,931	6,369	239	424	–	11,089
Additions	–	1,671	461	37	42	3,338	5,549
Exchange translation differences	76	31	216	5	9	(75)	262
Balance at 30 June 2012	2,202	3,633	7,046	281	475	3,263	16,900
Additions	–	80	350	246	100	1,601	2,377
Transfer	–	–	4,522	–	–	(4,522)	–
Exchange translation differences	16	27	89	6	2	3	143
Disposals	–	(40)	–	(64)	–	–	(104)
Balance at 30 June 2013	2,218	3,700	12,007	469	577	345	19,316
Additions	–	77	1,494	149	259	231	2,210
Exchange translation differences	(72)	(119)	(383)	(14)	(6)	(12)	(606)
Transfer	–	–	333	–	–	(333)	–
Balance at 30 June 2014	2,146	3,658	13,451	604	830	231	20,920

**APPENDIX A – INDEPENDENT AUDITORS' REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

12. Property, plant and equipment (Continued)

	Leasehold land \$'000	Leasehold buildings \$'000	Plant, machinery and equipment \$'000	Motor vehicles \$'000	Furniture and fittings \$'000	Construction- in-progress \$'000	Total \$'000
Accumulated depreciation							
Balance at 1 July 2011	(150)	(288)	(4,921)	(163)	(292)	–	(5,814)
Depreciation	(40)	(57)	(366)	(42)	(126)	–	(631)
Exchange translation differences	(4)	(9)	(167)	(3)	(4)	–	(187)
Balance at 30 June 2012	(194)	(354)	(5,454)	(208)	(422)	–	(6,632)
Depreciation	(39)	(82)	(649)	(50)	(28)	–	(848)
Exchange translation differences	(2)	(3)	(39)	(2)	–	–	(46)
Disposals	–	8	–	52	(1)	–	59
Balance at 30 June 2013	(235)	(431)	(6,142)	(208)	(451)	–	(7,467)
Depreciation	(38)	(57)	(503)	(61)	(173)	–	(832)
Exchange translation differences	8	14	197	6	7	–	232
Balance at 30 June 2014	(265)	(474)	(6,448)	(263)	(617)	–	(8,067)
Carrying amount							
At 30 June 2012	2,008	3,279	1,592	73	53	3,263	10,268
At 30 June 2013	1,983	3,269	5,865	261	126	345	11,849
At 30 June 2014	1,881	3,184	7,003	341	213	231	12,853

During the year, the Group acquired property, plant and equipment for an aggregated amount of \$2,210,000 (2013: \$2,377,000 and 2012: \$5,549,000) of which \$1,066,000 (2013: \$1,163,000 and 2012: \$2,446,000) was acquired by means of finance lease (Note 20). Cash used in the acquisition of property, plant and machinery amounted to \$1,144,000 (2013: \$1,214,000 and 2012: \$3,103,000). In addition, the leasehold land and buildings of the Group with net book value of \$5,065,000 (2013: \$5,252,000 and 2012: \$5,287,000) are pledged to secure the bank borrowings (Note 20).

Certain motor vehicles with net book value of \$212,271 (2013: \$118,584 and 2012: \$31,217) were acquired under finance lease arrangements (Note 20) and are registered under the name of a director and third parties who hold the assets in trust on behalf of the Group.

Borrowing costs of \$Nil (2013: \$38,240 and 2012: \$152,373) which arose on the financing specifically entered into for the construction of the machinery were capitalised during the financial year.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

13. Inventories

	2014 \$'000	2013 \$'000	2012 \$'000
Finished goods	3,742	1,919	2,477
Work-in-progress	3,857	3,687	2,364
Raw materials	1,420	1,133	645
	<u>9,019</u>	<u>6,739</u>	<u>5,486</u>

14. Amount due from a director

The amount due from a director is non-trade in nature, interest free, repayable on demand and denominated in Malaysian ringgit.

15. Trade and other receivables

	2014 \$'000	2013 \$'000	2012 \$'000
Trade receivables			
third parties	6,795	6,175	3,815
associates	2,507	4,027	3,541
related party	–	–	73
Other receivables			
third parties	763	311	402
Total trade and other receivables	<u>10,065</u>	<u>10,513</u>	<u>7,831</u>
Add:			
Amount due from a director (Note 14)	–	40	40
Cash and bank balances (Note 16)	<u>3,781</u>	<u>3,591</u>	<u>3,305</u>
Total loans and receivables	<u>13,846</u>	<u>14,144</u>	<u>11,176</u>

Trade and other receivables are unsecured, non-interest bearing and subject to normal credit terms.

The average credit period on sale of goods is 30 to 90 days (2013: 30 to 90 days and 2012: 30 to 90 days).

The currency profiles of the Group’s trade and other receivables as at 30 June are as follows:

	2014 \$'000	2013 \$'000	2012 \$'000
United States dollar (“USD”)	6,883	8,430	5,698
Malaysian ringgit (“RM”)	987	546	805
British pound (“GBP”)	1,958	1,164	1,027
Others	237	373	301
	<u>10,065</u>	<u>10,513</u>	<u>7,831</u>

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

16. Cash and bank balances

	<u>2014</u>	<u>2013</u>	<u>2012</u>
	\$'000	\$'000	\$'000
Cash and bank balances	1,984	1,775	2,025
Fixed deposits	1,797	1,816	1,280
	<u>3,781</u>	<u>3,591</u>	<u>3,305</u>

Fixed deposits bear interest at an average rate of 2.8% (2013: 2.8% and 2012: 2.8%) per annum and are for a tenure of period ranging from 30 to 365 days (2013 and 2012: 30 to 365 days).

Fixed deposits of the Group amounting to \$841,916 (2013: \$852,216 and 2012: \$822,301) were pledged to bank to secure credit facilities granted to certain subsidiaries.

The currency profiles of the Group’s cash and bank balances as at 30 June are as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
	\$'000	\$'000	\$'000
USD	184	744	791
RM	3,188	2,460	2,212
Euro	33	45	40
Others	376	342	262
	<u>3,781</u>	<u>3,591</u>	<u>3,305</u>

For the purpose of the combined statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
	\$'000	\$'000	\$'000
Cash and bank balances	3,781	3,591	3,305
Less: Fixed deposits pledged to bank	(848)	(852)	(822)
Less: Unsecured bank overdrafts (Note 20)	(255)	(345)	(626)
Cash and cash equivalents	<u>2,678</u>	<u>2,394</u>	<u>1,857</u>

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

17. Share capital

	<u>2014</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
At beginning of year	1,281	1,420	1,420
Issuance of shares	2,824	256	–
Distributions	(117)	(395)	–
At end of year	3,988	1,281	1,420

Issuance of shares pertains to the increase in combined share capital to finance the Group's working capital and additional investment in associates.

Distributions represent the dividends from an associate that have been distributed to the shareholders.

For the purpose of the preparation of the combined statement of financial position, issued share capital as of 30 June 2012, 2013 and 2014 represent the aggregated number of issued share capital of all the subsidiaries within the Group.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The newly issued shares rank pari passu in all respects with the previously issued shares.

18. Reserve

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations where functional currencies are different from that of the Group's presentation currency.

19. Deferred tax liabilities

	<u>2014</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
Deferred tax liabilities	388	188	98

The movements for the year in deferred tax position is as follows:

	<u>2014</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
At 1 July	188	98	103
Exchange translation differences	(5)	1	–
Credit/(Charge) to profit or loss	205	89	(5)
At 30 June	388	188	98

**APPENDIX A – INDEPENDENT AUDITORS' REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

19. Deferred tax liabilities (Continued)

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the year.

	Accelerated tax depreciation \$'000	Unabsorbed capital allowances \$'000	Total \$'000
Group			
Deferred tax liabilities			
At 1 July 2011	103	–	103
Credit to profit or loss	(5)	–	(5)
At 30 June 2012	98	–	98
Exchange translation differences	1	–	1
Charge/(Credit) to profit or loss	428	(339)	89
At 30 June 2013	527	(339)	188
Exchange translation differences	(5)	–	(5)
Charge to profit or loss	175	30	205
At 30 June 2014	697	(309)	388

20. Bank borrowings

	2014 \$'000	2013 \$'000	2012 \$'000
Secured bank loans ⁽¹⁾	5,079	4,663	3,818
Secured finance lease payables ⁽²⁾	144	81	21
Unsecured export credit refinancing	298	784	657
Unsecured bank overdrafts ⁽³⁾	255	345	626
Total	5,776	5,873	5,122
Less :			
Amount due for settlement within 12 months ⁽⁴⁾	(1,476)	(1,416)	(2,342)
Amount due for settlement after 12 months	4,300	4,457	2,780

(1) The weighted average effective interest rates of the Group's secured bank loans are ranging from 5.7% to 6.14% (2013: 5% to 7.6% and 2012: 7.6% to 8.1%) and are secured as follows:

- (i) legal charges on the leasehold land and buildings; and
- (ii) guarantees from the Company, certain subsidiaries, related parties and directors of the Company.

(2) The finance lease terms range from 1 to 5 years. All leases are on a fixed repayment basis and are secured by motor vehicles of a subsidiary (Note 12). The minimum lease payment of the finance lease is as follows:

	2014 \$'000	2013 \$'000	2012 \$'000
Minimum hire purchase payments:			
– less than a year	45	26	22
– within one to five years	112	63	–
	157	89	22
Less: Future finance charges	(13)	(8)	(1)
Present value of hire purchase payables	144	81	21

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

20. Bank borrowings (Continued)

- (3) The unsecured bank overdrafts are repayable on demand. The weighted average effective interest rate of 8.1% (2013: 8.1% and 2012: 8.1%) are determined based on 1.5% plus base lending rate.
- (4) The amount, shown under current liabilities, consists of secured banks loans of \$887,032 (2013: \$264,416 and 2012: \$1,038,615), secured finance lease payables of \$36,669 (2013: \$22,487 and 2012: \$20,855), unsecured export credit refinancing of \$297,887 (2013: \$783,759 and 2012: \$657,237) and unsecured bank overdrafts of \$254,849 (2013: \$345,093 and 2012: \$625,644).

The weighted average effective interest rate for bank borrowings is 5.88% (2013: 5.88% and 2012: 6.58%).

The carrying amounts of the Group’s borrowings approximate their fair values.

The bank borrowings of the Group as at 30 June 2014, 2013 and 2012 are all denominated in Malaysian ringgit.

21. Derivative financial instruments

	<u>2014</u> \$’000	<u>2013</u> \$’000	<u>2012</u> \$’000
Forward foreign exchange contracts			
Beginning balance	310	307	(245)
Changes in fair value	(394)	1	439
Exchange translation differences	(11)	2	113
Closing balance	(95)	310	307

Forward foreign exchange contract

The Group utilises currency derivatives to hedge its sales denominated in USD for which firm commitments existed at the end of the reporting period. The settlement dates on forward currency contracts range between 3 to 270 days (2013: 8 to 350 days and 2012: 6 to 256 days).

At the end of the financial year, the total notional amount of outstanding forward foreign exchange contract to which the Group is committed is as follows:

	<u>2014</u> USD	<u>2013</u> USD	<u>2012</u> USD
Forward foreign exchange contract	2,748,006	11,286,331	8,909,443

The fair values are measured using quoted forward exchange rates by financial institutions.

Changes in the fair value of currency derivative amounting to \$394,062 (2013: \$1,204 and 2012: \$439,271) has been credited (2013: debited and 2012: debited) to profit or loss in the financial year.

**APPENDIX A – INDEPENDENT AUDITORS' REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

21. Derivative financial instruments (Continued)

The following table details the forward foreign currency contract outstanding as at the end of the reporting period.

	Average exchange rate			Foreign currency			Contract value			Fair value		
	2014 RM	2013 RM	2012 RM	2014 USD'000	2013 USD'000	2012 USD'000	2014 \$'000	2013 \$'000	2012 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
Sell USD more than a year	3.27	3.19	3.19	3,163	11,286	8,909	4,038	14,147	11,014	(95)	310	307

22. Trade and other payables

	<u>2014</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
Trade payables - third parties	2,492	2,997	1,772
Other payables - third parties	1,377	920	1,121
- associate	—	164	162
Accrued expenses	233	623	378
Total trade and other payables	4,102	4,704	3,433
Add: Bank borrowings (Note 20)	5,776	5,873	5,122
Total financial liabilities carried at amortised cost	9,878	10,577	8,555

Trade payables are unsecured, interest-free and with the credit term ranging from 21 to 90 days (2013 and 2012: 30 to 90 days).

Other payables to third parties represent payables to utility supplies. Other payables are unsecured, interest-free and repayable on demand.

The currency profiles of the Group's trade and other payables as at 30 June are as follows:

	<u>2014</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
USD	259	419	540
RM	3,619	4,050	2,674
Others	224	235	219
	4,102	4,704	3,433

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

23. Subsidiaries

The details of the subsidiaries are as follows:

Name of subsidiaries (Country of incorporation / operation)	Principal activities	Effective equity interest held by the Company		
		2014 %	2013 %	2012 %
Held directly by the Company				
N.S. Uni-Gloves Sdn Bhd ⁽¹⁾ / Malaysia	Manufacturing of rubber gloves	100	100	100
Unigloves (Singapore) Pte Ltd ⁽²⁾ / Singapore	Investment holding and business and management consultancy services	100	—	—
Held through N.S. Uni-Gloves Sdn Bhd				
UG Global Resources Sdn Bhd ⁽¹⁾ / Malaysia	Manufacturing of rubber gloves	100	100	100
UG Glovetech Sdn Bhd ⁽³⁾ / Malaysia	Investment holding	100	100	100
Held through Unigloves (Singapore) Pte Ltd				
Unigloves (UK) Limited ⁽⁴⁾ / United Kingdom	Distribution of gloves and other medical disposables	75	75	75
Shanghai Full-10 International Trading Co. Ltd. ⁽⁴⁾ / China	Distribution of gloves and other medical disposables	100	100	100

(1) Audited by another firm of auditors, Crowe Horwath, Malaysia and reviewed by Mazars LLP, Singapore for group combination purposes.

(2) The unaudited management accounts have been used for group combination purposes as they are not material to the Group’s combined financial statements.

(3) Audited by another firm of auditors, Lee Soo Pin & Co. and reviewed by Mazars LLP, Singapore for group combination purposes.

(4) The unaudited management accounts have been reviewed by Mazars LLP, Singapore for combination purposes, as they are not material to the Group’s combined financial statements.

24. Operating lease commitments

At the end of the financial year, the Group do not have any operating lease commitments.

25. Capital commitments

	<u>2014</u> \$’000	<u>2013</u> \$’000	<u>2012</u> \$’000
Capital expenditure contracted but not provided for			
- Commitments for the acquisition of property, plant and equipment	1,386	765	–

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

26. Contingent liabilities, unsecured

As at 30 June 2014, a subsidiary had given bank guarantees amounting to \$958,311 (2013: \$1,587,536 and 2012: \$760,562) to third parties for utility supplies to the subsidiary.

27. Significant related party transactions

A related party is defined as follows:

- (a) A person or a close member of that person’s family is related to the Group and Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Associates are related parties and include those that are associates of the holding and/or related companies.

Many of the Group’s and Company’s transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

27. Significant related party transactions (Continued)

During the year, in addition to those disclosed elsewhere in these financial statements, the Group entities and the Company entered into the following transactions with related parties:

	<u>2014</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
Sales to a related party	–	509	173
Sales to associates	15,917	15,057	16,570

Key management personnel remuneration

	<u>2014</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
Short-term benefits	182	161	171

Included in the key management personnel’s remuneration are costs of defined contribution plans of \$6,000 (2013: \$6,000 and 2012: \$6,000).

28. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker.

Management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in these primary geographic areas: Malaysia, Germany, United Kingdom, China and United States which are engaged in the manufacturing, distribution and trading of latex and nitrile examination gloves.

The Group has three reportable segments being latex examination gloves, nitrile examination gloves and other ancillary products.

The Group’s reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

Management monitors the operating results of the segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on gross profit. The other operating expenses which include interest income, finance costs, depreciation, share of profit of associate and income tax were not monitored by segment.

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for intersegment sales and transfer as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on combination.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

28. Segment information (Continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	<u>2014</u> \$'000	<u>2013</u> \$'000	<u>2012</u> \$'000
Revenues			
Total revenue for reportable segments	55,147	51,056	44,974
Elimination of inter-segment revenue	(6,138)	(4,042)	(3,391)
	<u>49,009</u>	<u>47,014</u>	<u>41,583</u>
Profit or loss			
Total profit or loss for reportable segments	5,566	4,353	2,987
Share of profit of associates	564	606	521
	<u>6,130</u>	<u>4,959</u>	<u>3,508</u>
Assets			
Total assets for reportable segments	35,813	32,732	26,930
Investments in associates	4,555	1,772	1,530
	<u>40,368</u>	<u>34,504</u>	<u>28,460</u>
Liabilities			
Total liabilities for reportable segments	10,284	11,358	9,146
	<u>10,284</u>	<u>11,358</u>	<u>9,146</u>

Business Segments

Revenue	<u>FY2014</u>		<u>FY2013</u>		<u>FY2012</u>	
	\$'000	(%)	\$'000	(%)	\$'000	(%)
Latex examination gloves	28,921	59	27,774	59	28,869	69
Nitrile examination gloves	17,292	35	16,305	35	10,904	26
Other ancillary products	2,796	6	2,935	6	1,810	5
Total	<u>49,009</u>	<u>100</u>	<u>47,014</u>	<u>100</u>	<u>41,583</u>	<u>100</u>
Gross profit						
	<u>FY2014</u>		<u>FY2013</u>		<u>FY2012</u>	
	\$'000	(%)	\$'000	(%)	\$'000	(%)
Latex examination gloves	5,959	59	4,455	55	3,863	62
Nitrile examination gloves	3,667	35	3,199	40	2,031	33
Other ancillary products	576	6	453	5	314	5
Total	<u>10,202</u>	<u>100</u>	<u>8,107</u>	<u>100</u>	<u>6,208</u>	<u>100</u>

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

28. Segment information (Continued)

Business Segments (Continued)

Gross profit margin	<u>FY2014</u> (%)	<u>FY2013</u> (%)	<u>FY2012</u> (%)
Latex examination gloves	21	16	13
Nitrile examination gloves	21	20	19
Other ancillary products	21	15	17
Total	21	17	15

Geographic information

Revenues from external customers

	<u>FY2014</u> \$'000	<u>FY2013</u> \$'000	<u>FY2012</u> \$'000
Germany	13,488	12,851	14,007
United Kingdom	10,266	9,558	6,557
United States of America & Canada	9,716	9,392	9,788
China, Hong Kong & Taiwan	2,286	2,204	1,641
Japan	1,071	1,598	1,032
Malaysia	7,793	7,909	4,933
Others	4,389	3,502	3,625
	49,009	47,014	41,583

The revenue information above is based on the location of the customers.

Location of non-current assets

	<u>Malaysia</u> \$'000	<u>Germany</u> \$'000	<u>United Kingdom</u> \$'000	<u>China</u> \$'000	<u>United States of America</u> \$'000	<u>Total</u> \$'000
2014						
Non-current assets	12,728	3,926	44	131	579	17,408
2013						
Non-current assets	11,728	1,221	32	89	551	13,621
2012						
Non-current assets	10,240	1,051	11	17	479	11,798

Non-current assets consist of property, plant and equipment and investments in Germany and United States of America associates.

Major customers

Revenue from one major customer amounted to approximately \$13,477,603 (2013:\$12,232,843 and 2012: \$14,007,383) which is derived from mixture of segments.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

29. Financial instruments and financial risks

The Group’s activities expose it to credit risks, market risks (including foreign currency risks and interest rate risks) and liquidity risks. The Group’s overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group’s financial performance.

The Group uses financial instruments such as foreign currency forward contracts to hedge certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

Financial risk management is carried out by a central treasury department (“Group Treasury”) in accordance with the policies set by the management. The trading team of Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating units. The reporting team of Group Treasury measures actual exposures against the limits set and prepares daily reports for review by the Heads of Group Treasury and each operating unit. Regular reports are also submitted to the management and the Board of Directors.

There have been no changes to the Group’s exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Credit risks

Credit risks refer to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties’ financial condition and generally does not require a collateral.

At the end of the reporting period, 25% (2013: 39% and 2012: 48%) of trade receivables relates to 3 associates which were not past due nor impaired. The Group has not recognised an allowance for doubtful receivables as the director is of the view that there has not been any significant change in credit quality and the amounts are still considered recoverable.

The Group’s major classes of financial assets are bank deposits and trade and other receivables.

Bank deposits are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies.

Trade and other receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group.

The age analysis of trade receivables past due but not impaired is as follows:

	2014	2013	2012
	\$’000	\$’000	\$’000
Past due for 1 to 90 days	2,010	1,007	1,055
Past due for 91 to 180 days	1,524	233	445
Over 181 days	1	515	1,273
	3,535	1,755	2,773

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

29. Financial instruments and financial risks (Continued)

Market risks

The Group’s activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risks, including foreign currency forward contracts to hedge against foreign currency risks.

Foreign currency risks

The Group transacts business in various foreign currencies, including USD and Euro, other than the respective functional currencies of the Group, and hence is exposed to foreign currency risks. These risks are managed either by foreign currency forward contracts in respect of actual or forecast currency exposures through natural hedges arising from a matching sale, purchase or a matching of assets and liabilities of the same currency and amount.

The carrying amounts of the Group’s major foreign currency denominated monetary assets and monetary liabilities as at the end of the financial year are as follows:

	<u>2014</u> \$’000	<u>2013</u> \$’000	<u>2012</u> \$’000
<u>Group</u>			
Monetary assets			
USD	7,067	9,174	6,489
Monetary liabilities			
USD	(259)	(419)	(540)
Less: Forward foreign currency contracts (USD)	(4,038)	(8,430)	(5,698)
	2,770	325	251

Foreign currency sensitivity analysis

The Group is mainly exposed to USD.

The following table details the Group’s sensitivity to a 5% change in USD against the respective functional currencies of the Group entities. The sensitivity analysis assumes an instantaneous 5% change in the foreign currency exchange rates from the end of the financial year, with all variables held constant.

	Increase/(Decrease) Profit/(Loss) before income tax and Equity		
	<u>2014</u> \$’000	<u>2013</u> \$’000	<u>2012</u> \$’000
<u>USD</u>			
Strengthens against \$	139	16	13
Weakens against \$	(139)	(16)	(13)

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

29. Financial instruments and financial risks (Continued)

Market risks (Continued)

Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group’s interest rate risks relate to interest bearing liabilities.

The Group’s policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short term borrowings.

The Group’s exposure to interest rate risks is set out in a table below under Liquidity risks.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risks of bank borrowings at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 1% change in the interest rates from the end of the financial year, with all variables held constant.

	<u>Increase/(Decrease)</u> <u>Profit/(Loss) before income tax</u> <u>and Equity</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
	\$’000	\$’000	\$’000
Bank borrowings			
Increase	(58)	(58)	(51)
Decrease	58	58	51

Liquidity risks

Liquidity risks refer to the risks in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The following table details the Group’s remaining contractual maturity for its financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

**APPENDIX A – INDEPENDENT AUDITORS' REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

29. Financial instruments and financial risks (Continued)

Liquidity risks (Continued)

	Effective interest rate %	Carrying amount \$'000	Contractual Undiscounted Cash Flows \$'000	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
<u>Financial liabilities and derivative financial instrument</u>						
Trade and other payables	–	4,102	4,102	4,102	–	–
Bank borrowings	5.88	5,776	6,629	1,750	4,369	510
Foreign currency forward contracts	–	(95)	(95)	(95)	–	–
As at 30 June 2014		9,783	10,636	5,757	4,369	510
Trade and other payables	–	4,704	4,704	4,704	–	–
Bank borrowings	5.88	5,873	6,293	1,511	1,847	2,935
Foreign currency forward contracts	–	310	310	310	–	–
As at 30 June 2013		10,887	11,307	6,525	1,847	2,935
Trade and other payables	–	3,433	3,433	3,433	–	–
Bank borrowings	6.58	5,122	6,739	1,694	2,122	2,923
Foreign currency forward contracts	–	307	307	307	–	–
As at 30 June 2012		8,862	10,479	5,434	2,122	2,923

The Group's operations are financed mainly through equity, retained profits and bank borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required. The repayment terms of the bank borrowings are disclosed in Notes 20 to these combined financial statements.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

30. Fair value of assets and liabilities

The carrying amounts of cash and bank balances, trade and other receivables and payables, approximate their respective fair values due to the relative short term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair values of applicable financial assets and financial liabilities are determined as follows:

- (a) the fair values of financial assets and financial liabilities with standard terms and conditions and which trade in active liquid markets that the Group can access at the measurement date markets are determined with reference to quoted market prices (unadjusted) (Level 1 of fair value hierarchy);
- (b) in the absence of quoted market prices, the fair values of the other financial assets and financial liabilities (excluding derivative instruments) are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets, quoted prices for identical or similar assets/liabilities in non-active markets or inputs other than quoted prices that are observable for the asset or liability (Level 2 of fair value hierarchy).
- (c) in the absence of observable inputs, the fair values of the remaining financial assets and financial liabilities (excluding derivatives instruments) are determined in accordance with generally accepted pricing models (Level 3 of fair value hierarchy).
- (d) the fair value of derivative instruments are calculated using quoted prices (Level 1 of fair value hierarchy). Where such prices are unavailable, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives (Level 3 of fair hierarchy).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<u>Recurring fair value measurements</u>				
As at 30 June 2014				
Derivative financial instruments asset	21	95	—	—
As at 30 June 2013				
Derivative financial instruments liability	21	310	—	—
As at 30 June 2012				
Derivative financial instruments liability	21	307	—	—

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
30 JUNE 2012, 2013 AND 2014**

31. Capital management policies and objectives

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders’ value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2014, 2013 and 2012.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank balances. Total capital is calculated as equity plus net debts.

	<u>2014</u> <u>\$’000</u>	<u>2013</u> <u>\$’000</u>	<u>2012</u> <u>\$’000</u>
Net debt	6,097	6,986	5,251
Total equity	30,084	23,146	19,314
Total capital	36,181	30,132	24,565
Gearing ratio	17%	23%	21%

The Group is in compliance with all externally imposed capital requirements for the financial years ended 30 June 2014, 2013 and 2012.

32. Dividends

During the financial year ended 30 June 2014, a subsidiary of the Group declared and paid an interim tax exempt dividend of \$2.36 per ordinary share of that subsidiary totalling \$82,435 in respect of the financial year ended 30 June 2014.

The subsidiary did not recommend any dividend in respect of the financial year ended 30 June 2013 and 2012.

33. Subsequent events

On 22 August 2014, the Company issued a convertible loan amounting to S\$1,000,000 to finance the Group’s working capital requirements.

On 8 September 2014, our shareholders Lee Keck Keong and Ang Beng Teck, who collectively owned 75% of Unigloves (UK) Limited, disposed of an aggregate of 20% of the shares of Unigloves (UK) Limited. As a result of the disposal, the Group’s shareholding in Unigloves (UK) Limited was deemed to have decreased from 75% as at 30 June 2014 to 55% subsequent to the reporting period.

Pursuant to the restructuring exercise as mentioned in Note 2 to the combined financial statements, the Company acquired 75% of the share capital of Uni-medical Healthcare Limited which was only incorporated on 1 August 2014 for the purpose of the Group’s glove distribution business in Nigeria.

APPENDIX B – SUMMARY OF MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY

The discussion below provides a summary of the principal objects of our Company as set out in our Memorandum of Association and certain provisions of our Articles of Association and the laws of Singapore. This discussion is only a summary and is qualified by reference to Singapore law and our Memorandum and Articles of Association.

MEMORANDUM OF ASSOCIATION AND REGISTRATION NUMBER

We are registered in Singapore with the ACRA. Our company registration number is 201424579Z. Our Memorandum of Association sets out the objects for which our Company was formed, including taking, or otherwise acquiring, and holding shares, debentures, or other securities of any other company.

SUMMARY OF OUR ARTICLES OF ASSOCIATION

1. Directors

(a) Ability of interested directors to vote

A Director shall not vote in respect of any contract, proposed contract or arrangement in which he has any personal material interest, and he shall not be counted in the quorum present at the meeting.

(b) Remuneration

Fees payable to non-executive Directors shall be a fixed sum (not being a commission on or a percentage of profits or turnover of our Company) as shall from time to time be determined by our Company in general meeting. Fees payable to Directors shall not be increased except at a general meeting convened by a notice specifying the intention to propose such increase.

Any Director who holds any executive office, or who serves on any committee of our Directors, or who performs services outside the ordinary duties of a Director, may be paid extra remuneration by way of salary, commission or otherwise, as our Directors may determine.

The remuneration of a Managing Director shall be fixed by our Directors and may be by way of salary or commission or participation in profits or by any or all of these modes but shall not be by a commission on or a percentage of turnover.

Our Directors shall have power to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits, to contribute to any scheme or fund or to pay premiums.

(c) Borrowing

Our Directors may exercise all the powers of our Company to raise or borrow money, to mortgage or charge its undertaking, property and uncalled capital, and to secure any debt, liability or obligation of our Company.

(d) Retirement Age Limit

There is no retirement age limit for Directors under our Articles of Association. Section 153(1) of the Act however, provides that no person of or over the age of 70 years shall be appointed a director of a public company, unless he is appointed or re-appointed as a director of the company or authorised to continue in office as a director of the company by way of an ordinary resolution passed at an annual general meeting of the company.

(e) Shareholding Qualification

There is no shareholding qualification for Directors in the Memorandum and Articles of Association of our Company.

APPENDIX B – SUMMARY OF MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY

2. Share rights and restrictions

Our Company currently has one class of shares, namely, ordinary shares. Only persons who are registered on our register of members and in cases in which the person so registered is CDP, the persons named as the depositors in the depository register maintained by CDP for the ordinary shares, are recognised as our shareholders.

(a) Dividends and distribution

We may, by ordinary resolution of our shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. We must pay all dividends out of our profits. All dividends are paid *pro-rata* amongst our shareholders in proportion to the amount paid up on each shareholder's ordinary shares, unless the rights attaching to an issue of any ordinary share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a shareholder whose name is entered in the depository register shall, to the extent of payment made to CDP, discharge us from any liability to that shareholder in respect of that payment.

The payment by our Directors of any unclaimed dividends or other monies payable on or in respect of a share into a separate account shall not constitute our Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by our Directors for the benefit of our Company. Any dividend unclaimed after a period of six (6) years after having been declared may be forfeited and shall revert to our Company but our Directors may thereafter at their discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.

Our Directors may retain any dividends or other monies payable on or in respect of a share on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) Voting rights

A holder of our ordinary shares is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a shareholder. A person who holds ordinary shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a shareholder if his name appears on the depository register maintained by CDP 48 hours before the general meeting. Except as otherwise provided in our Articles of Association, two or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Articles of Association, on a show of hands, every shareholder present in person and by proxy shall have one vote, and on a poll, every shareholder present in person or by proxy shall have one vote for each ordinary share which he holds or represents. A poll may be demanded in certain circumstances, including by the Chairman of the meeting or by any shareholder present in person or by proxy and representing not less than one-tenth of the total voting rights of all shareholders having the right to attend and vote at the meeting or by any two shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or a poll, the Chairman of the meeting shall be entitled to a casting vote.

3. Change in capital

Changes in the capital structure of our Company (for example, an increase, consolidation, cancellation, sub-division or conversion of our share capital) require shareholders to pass an ordinary resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to each of our shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting. However, we are required to obtain our shareholders' approval by way of a special resolution for any reduction of our share capital, subject to the conditions prescribed by law.

APPENDIX B – SUMMARY OF MEMORANDUM AND ARTICLES OF ASSOCIATION OF OUR COMPANY

4. Variation of rights of existing shares or classes of shares

Subject to the Act, whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of our Articles of Association relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. These provisions shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied or abrogated.

The relevant Article does not impose more significant conditions than the Act in this regard.

5. Limitations on foreign or non-resident shareholders

There are no limitations imposed by Singapore law or by our Articles of Association on the rights of our shareholders who are regarded as non-residents of Singapore, to hold or vote their shares.

APPENDIX C – DESCRIPTION OF OUR SHARES

The following statements are brief summaries of the rights and privileges of our Shareholders conferred by the laws of Singapore, the Catalist Rules and our Articles of Association (“**Articles**”). These statements summarise the material provisions of our Articles but are qualified in entirety by reference to our Articles, a copy of which is available for inspection at our registered office during normal business hours for a period of six months from the date of this Offer Document.

Ordinary Shares

As at the date of this Offer Document, all the Shares have been issued and fully paid. All of our shares are in registered form. We may, subject to the provisions of the Act and the listing rules of the SGX-ST, purchase our own Shares. However, we may not, except in circumstances permitted by the Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

New Shares

New Shares may only be issued with the prior approval of our Shareholders in a general meeting. The aggregate number of Shares to be issued pursuant to a share issue mandate may not exceed 100% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital, of which the aggregate number of Shares to be issued other than on a pro rata basis to our Shareholders may not exceed 50% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital (the percentage of issued share capital being based on our Company’s issued share capital at the time such authority is given after adjusting for new shares arising from the conversion of convertible securities or employee share options on issue at the time such authority is given and any subsequent consolidation or subdivision of Shares). The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted or the date by which the annual general meeting is required by law to be held, whichever is the earlier. Subject to the foregoing, the provisions of the Act and any special rights attached to any class of shares currently issued, all new Shares are under the control of our Board of Directors who may allot and issue the same with such rights and restrictions as it may think fit.

Shareholders

Only persons who are registered on our register of shareholders and, in cases in which the person so registered is CDP, the persons named as the depositors in the depository register maintained by CDP for our Shares, are recognised as our Shareholders. We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the depository register for that share. We may close our register of members for any time or times if we provide the Accounting and Corporate Regulatory Authority of Singapore with at least 14 days’ notice and the SGX-ST at least 10 clear Market Days’ notice. However, the register may not be closed for more than 30 days in aggregate in any calendar year. We typically close the register to determine our shareholders’ entitlement to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer of fully paid Shares except where required by law or the listing rules or the rules or by-laws of the SGX-ST. Our Directors may, in their discretion, decline to register any transfer of Shares which are not fully paid or Shares on which we have a lien. Shares may be transferred by a duly signed instrument of transfer in a form approved by the SGX-ST. Our Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. We will replace lost or destroyed certificates for shares if we are properly notified and the applicant pays a fee which will not exceed S\$2 and furnishes any evidence and indemnity that our Directors may require.

APPENDIX C – DESCRIPTION OF OUR SHARES

General Meetings of Shareholders

We are required to hold an annual general meeting every year. Our Directors may convene an extraordinary general meeting whenever they think fit and must do so if our Shareholders representing not less than 10.0% of the total voting rights of all our Shareholders, request in writing that such a meeting be held. In addition, two or more of our Shareholders holding not less than 10.0% of our issued share capital may call a meeting. Unless otherwise required by law or by our Articles, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of Directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to our Memorandum and Articles of Association, a change of our corporate name and a reduction in our share capital or capital redemption reserve fund. We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to each of our shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A holder of our Shares is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy does not need to be a Shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the depository register maintained by CDP 48 hours before the general meeting. Except as otherwise provided in our Articles, two or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Articles, on a show of hands, every Shareholder present in person and by proxy shall have one vote (provided that in the case of a Shareholder who is represented by two proxies, only one of the two proxies as determined by that Shareholder or, failing such determination, by the Chairman of the meeting in his sole discretion shall be entitled to vote on a show of hands), and on a poll, every Shareholder present in person or by proxy shall have one vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the Chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 10.0% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by not less than five members having the right to vote at the meeting. In the case of a tie vote, whether on a show of hands or a poll, the Chairman of the meeting shall be entitled to a casting vote.

Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. We must pay all dividends out of our profits. We may satisfy dividends by the issue of Shares to our shareholders. Please refer to the section entitled "Bonus and Rights Issue" below. All dividends are paid pro-rata amongst our shareholders in proportion to the amount paid-up on each shareholder's shares, unless the rights attaching to an issue of any Share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a shareholder whose name is entered in the depository register shall, to the extent of payment made to CDP, discharge us from any liability to that shareholder in respect of that payment.

Bonus and Rights Issue

Our Board may, with the approval of our Shareholders at a general meeting, capitalise any reserves or profits (including profits or monies carried and standing to any reserve) and distribute the same as bonus shares credited as paid-up to our Shareholders in proportion to their shareholdings. Our Board may also issue rights to take up additional Shares to other Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which we are listed.

APPENDIX C – DESCRIPTION OF OUR SHARES

Takeovers

Under the Singapore Code on Take-overs and Mergers (“**Singapore Take-over Code**”), issued by the Authority pursuant to section 321 of the Securities and Futures Act, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting Shares must extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Take-over Code. In addition, a mandatory takeover offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30% and 50% of the voting shares acquires additional voting shares representing more than 1% of the voting shares in any 6-month period. Under the Singapore Take-over Code, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:

- (a) the following companies:
 - (i) a company
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of (i), (ii), (iii) or (iv); and
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v);
- (b) 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);
- (c) a company with any of its pension funds and employee share schemes;
- (d) 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;
- (e) a financial or other professional adviser, including a stockbroker, with its customer in respect of the shareholdings of:
 - (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and
 - (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the customer total 10% or more of the customer’s equity share capital;
- (f) 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;
- (g) partners; and
- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);

APPENDIX C – DESCRIPTION OF OUR SHARES

- (iii) the related trusts of (i);
- (iv) any person who is accustomed to act in accordance with the instructions of (i); and
- (v) companies controlled by any of (i), (ii), (iii) or (iv).

Under the Singapore Take-over Code, a mandatory offer made with consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert within the preceding 6 months.

Liquidation or Other Return of Capital

If we liquidate or in the event of any other return of capital, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

Indemnity

As permitted by Singapore law, our Articles provide that, subject to the Act, our Board of Directors and officers shall be entitled to be indemnified by us against any liability incurred in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to have been done as an officer, director or employee and in which judgement is given in their favour or in which they are acquitted or in connection with any application under any statute for relief from liability in respect thereof in which relief is granted by the court. We may not indemnify our Directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to us.

Limitations on Rights to Hold or Vote Shares

Except as described in “Voting Rights” and “Takeovers” above, there are no limitations imposed by Singapore law or by our Articles on the rights of non-resident shareholders to hold or vote in respect of our Shares.

Minority Rights

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Act, which gives the Singapore courts a general power to make any order, upon application by any of our shareholders, as they think fit to remedy any of the following situations where:

- (a) our affairs are being conducted or the powers of our Board of Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of our shareholders; or
- (b) we take an action, or threaten to take an action, or our shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our shareholders, including the applicant.

Singapore courts have a wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Act itself. Without prejudice to the foregoing, the Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in our name of, or on behalf of, by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority shareholder's Shares by our other shareholders or by us and, in the case of a purchase of Shares by us, a corresponding reduction of our share capital; or
- (e) provide that we be wound up.

APPENDIX D – TAXATION

The summary below of certain taxes in Singapore that may be applicable to our operations in Singapore are of a general nature. The summary is based on laws, regulations, interpretations, rulings and decisions in effect as at the Latest Practicable Date. These laws, regulations, interpretations, rulings and decisions, however, may change at any time, and any change could be retrospective. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the comments herein.

The summary is not intended to constitute a complete analysis of the taxes mentioned nor of all the taxes that may be applicable to our operations in Singapore. It is not intended to be and does not constitute legal or tax advice.

Shareholders should consult their own tax advisors regarding taxation in Singapore and other consequences of owning and disposing of the Shares. It is emphasised that neither the Company, the Directors nor any other persons involved in this Invitation accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of our Shares.

Singapore Income Tax

Corporate income tax

Singapore imposes tax on a modified territorial basis i.e. income is subject to tax only when it is accrued in or derived from Singapore (i.e. Singapore-sourced) and when it is received in Singapore from outside Singapore (i.e. foreign-sourced income received or deemed received in Singapore). This applies to both resident and non-resident companies.

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on foreign-sourced income received or deemed received in Singapore, unless otherwise exempted. Foreign-sourced income in the form of branch profits, dividends and service fee income ("**specified foreign income**") received or deemed received in Singapore by a Singapore tax resident company are exempted from Singapore tax provided certain qualifying conditions are met.

A company is regarded as a tax resident in Singapore if the control and management of the company's business is exercised in Singapore. In general, control and management of the company is vested in its board of directors and the place of residence of the company is generally where its directors meet.

The prevailing corporate income tax rate in Singapore is 17% with the first S\$300,000 of chargeable income of a company being partially exempt from tax as follows:

- (a) 75% of the first S\$10,000 of chargeable income; and
- (b) 50% of the next S\$290,000 of chargeable income.

For the Years of Assessment ("**YA**") 2013 to 2015, companies will be granted a 30% corporate income tax rebate capped at \$30,000 for each YA.

Individual income tax

An individual taxpayer (both resident and non-resident) is subject to Singapore income tax on income accrued in or derived from Singapore, subject to certain exceptions. Foreign-sourced income received or deemed received by a Singapore tax resident individual is generally exempt from income tax in Singapore except for such income received through a partnership in Singapore. Certain Singapore-sourced investment income received or deemed received by individuals is also exempt from tax.

Currently, a Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0% to 20%, after deductions of qualifying personal reliefs where applicable. All resident individual taxpayers will be given a personal income tax rebate for the tax payable for YA2013. The rate of tax rebate granted depends on the age of the resident individual as at 31 December 2012, subject to a cap of S\$1,500:

- (a) 30% for resident individuals aged below 60; and
- (b) 50% for resident individuals aged 60 and above.

APPENDIX D – TAXATION

A non-Singapore tax resident individual is generally taxed at the tax rate of 20% except that Singapore employment income is taxed at a flat rate of 15% or at progressive resident rates, whichever yields a higher tax.

An individual is regarded as a tax resident in Singapore if in the calendar year preceding the year of assessment, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

Dividend Distributions

Under the one-tier corporate tax system, the tax paid by a resident company is a final tax and the distributable profits of the company can be paid to shareholders as tax exempt (one-tier) dividends, regardless of the tax residence status or the legal form of the shareholders. However, foreign shareholders receiving tax exempt (one-tier) dividends are advised to consult their own tax advisors to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their country of residence may have with Singapore.

Capital Gains Tax

Singapore currently does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains. In general, gains or profits derived from the disposal of our Shares acquired for long-term investment purposes are considered as capital gains and not subject to Singapore tax.

On the other hand, where such gains or profits arise from activities which the Comptroller of Income Tax regards as the carrying on of a trade or business of dealing in shares in Singapore, gains or profits will be taxed as income.

Gains derived by a resident company from the disposal of ordinary shares, made during the period 1 June 2012 to 31 May 2017 (both dates inclusive), are not taxable if immediately prior to the date of the disposal, the divesting company had held at least 20% of the ordinary share capital of the company in the investment for a continuous period of at least 24 months.

Bonus Shares

Any bonus shares received by our Shareholders are not taxable.

Stamp Duty

There is no stamp duty payable on the subscription, allotment or holding of our Shares.

Stamp duty is payable on the instrument of transfer of our Shares at the rate of S\$0.20 for every S\$100 or any part thereof, computed on the consideration paid or market value of our Shares registered in Singapore, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require instruments of transfer to be executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

The stamp duty described above is not applicable to electronic transfers of our Shares through the scripless trading system operated by the CDP.

Goods and Services Tax

The sale of our Shares by a GST-registered investor to another person belonging in Singapore is an exempt supply that is not subject to GST.

APPENDIX D – TAXATION

Where our Shares are sold by a GST-registered investor in the course of a business to a person belonging outside Singapore, and that person is outside Singapore when the sale is executed, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at zero-rate. Subject to the normal rules for input tax recovery, any GST incurred by a GST-registered investor in the making of this supply in the course of or furtherance of a business carried on by him is recoverable from the Comptroller of GST as input tax.

Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the current rate of 7%. Similar services rendered to an investor belonging outside Singapore is generally subject to GST at zero-rate, provided that the investor is outside Singapore when the services are performed and the services provided do not benefit any Singapore persons.

Estate Duty

Singapore estate duty has been abolished with effect from 15 February 2008.

MALAYSIA TAX

The following is a summary of the principal Malaysia tax consequences relevant to the prospective investor based on Malaysia tax laws and their implementing regulations in force as of the date of this offering memorandum. The summary does not address any laws other than the tax laws of Malaysia.

Corporate Income Tax

The Income Tax Act 1967 imposes corporate income tax on our businesses in Malaysia. A resident or non-resident company is assessable on income accrued or derived from Malaysia.

The applicable income tax rate for companies with paid-up capital of RM2.5 million and below is 20% for the first chargeable income of RM500,000.00 and 25% in the excess chargeable income of RM500,000.00. Companies with paid up capital exceeding RM2.5 million is taxed at a rate of 25% on chargeable income.

Business and non-business deductions on certain contributions are available under the Income Tax Act 1967. Such deductions include contributions made to the government, state government, local authorities, institutions or organisations approved by the Director General of Inland Revenue Board Malaysia, sports activities approved by the Minister of Finance or Commissioner of Sports, or project of national interest approved by the Minister of Finance.

Investment incentives under the Promotion of Investments Act 1986

The Promotion of Investments Act 1986 and Promotion of Investments (Amendment) Act 2007 provide a number of incentives for companies participating in a promoted activity. "Promoted activity" is defined as a manufacturing, agricultural, integrated agricultural, hotel, tourist or other industrial or commercial activity and includes an activity which is of national and strategic importance to Malaysia. The various types of incentives given include, amongst others:

(a) **Pioneer status**

A pioneer status company has the advantage of partial exemption (or full exemption in limited cases) from paying income tax for a period of five (5) years. Only 70% of the statutory income from the pioneer business for each of the five (5) years will be exempt from tax. The balance of the statutory income will be taxable at the normal corporate tax rate.

APPENDIX D – TAXATION

(b) Investment tax allowances

A company receiving this incentive will be given allowances on capital expenditure incurred on industrial buildings, plant and machinery directly used for the purpose of the promoted activities. The amount of the allowance for each year of assessment is restricted to a maximum of 70% of the statutory business income. The tax allowance will only be given on capital expenditure incurred within five (5) years or ten (10) years from the date of approval of this incentive.

Dividend Distributions

Effective from the year assessment 2008 and onwards, where a dividend is paid or credited by a company to any of its shareholders in the basis period for a year of assessment, the company shall not be entitled to deduct tax from such dividend paid or credited.

Malaysia has introduced a single tier dividend system with effect from year assessment 2008 under which tax paid by a company would be a final tax and dividends paid by the company to its shareholders will no longer be liable to tax. The six-year transitional period for companies to move onto this tax system ended on 31 December 2013. During this transitional period, the imputation system will continue to apply on the company until its existing tax credit account is fully utilised or until 31 December 2013, whichever is the earlier. The single tier dividend system has commenced fully in 1 January 2014 and the tax credit account will be deemed as nil at the end of 31 December 2013.

Capital Gains

Capital gains from the sale of investments such as the sale of shares or capital assets other than those related to land and buildings are not subject to tax. Income tax may be payable if the seller is considered as trading in shares.

Sale of land, any interest, option or other right in or over such land in Malaysia may be subject to real property gains tax. Real property gains tax is imposed on a scale of rates depending on the length of time such asset is held.

To curb speculative activities in the real property market, the Government has proposed the following revisions to the real property gains tax ("RPGT") rates for disposal of properties and shares in real property companies with effect from 1 January 2014.

Disposal of properties

Disposal within 2 years
Disposal in the 3rd year
Disposal in the 4th year
Disposal in the 5th year
Disposal in the 6th year and onwards

RPGT rates for different categories

From 15% to 30%
From 10% to 30%
From 10% to 20% or 30%
From 10% to 15% or 30%
From 0% to 5%

Gains from the sale of shares in a "real property company" are also subject to real property gains tax. Under the Real Property Gains Tax Act 1976, a real property company is a controlled company (one with not more than fifty members and controlled by no more than five persons) whose holdings of real property or shares in a real property company amounts to 75% or more of its total tangible assets.

Stamp Duty

Stamp duty is levied on the transfer of certain assets and shares on an ad valorem basis under the Stamp Act 1949. The stamp duty payable on transfers of shares is currently fixed at a rate of 0.3% of the consideration price or the value of the shares, whichever is greater. The duty payable on a transfer of land is on a graduated scale. Stamp duty payable is calculated on the purchase price, or the market value of the land, whichever is higher.

APPENDIX D – TAXATION

Under section 52 of the Stamp Act 1949, no instrument chargeable with duty shall be admitted in evidence for any purpose by any person having by law or consent of parties authority to receive evidence, or shall be acted upon, registered, or authenticated by any such person or by any public officer, unless such instrument is duly stamped. In addition, any person who has executed or signed (otherwise than as a witness) any instrument chargeable with duty without the same being duly stamped, shall be liable to a fine not exceeding RM1,500.00.

Withholding Tax

The Income Tax Act, 1967 provides that where a person is liable to make certain types of payment to a non-resident person, he shall deduct withholding tax at the prescribed rate from such payment and (whether such tax has been deducted or not) pay that tax to the Director General of Inland Revenue within one month after such payment has been paid or credited to the non-resident.

Interest, royalties and payment for services under a contract and certain other classes of income are subject to withholding tax when paid to non-residents.

Under section 109A of the Income Tax Act 1967, contract payments made to non-residents is subject to a withholding tax of 10%. Where a non-resident has stationed employees in Malaysia who are involved in the contract a further 3% of withholding tax is to be deducted. Where the income of the non-resident consists of interest (other than interest on an approved loan) derived from Malaysia, withholding tax shall be at a rate of 15% pursuant to section 109 of the Income Tax Act 1967. There is no withholding tax on dividends paid by Malaysian resident companies.

Inheritance Tax

There is no inheritance tax in Malaysia since its abolishment with effect from 1 November 1991.

APPENDIX E – RULES OF THE UNIGLOVES ESOS

RULES OF THE UNIGLOVES EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

The Scheme shall be called the “Unigloves Employee Share Option Scheme”.

2. DEFINITIONS

In this Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

<i>“Act”</i>	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
<i>“Associate”</i>	:	Shall have the meaning assigned to it in the Catalist Rules
<i>“Associated Company”</i>	:	A company in which at least 20% but not more than 50% of its issued shares are held by the company or the Group and over which the Company has Control.
<i>“Associated Company Employee”</i>	:	Any confirmed employee (including directors) of an Associated Company selected by the Committee to participate in the Scheme.
<i>“Auditors”</i>	:	The auditors of the Company for the time being
<i>“Board”</i>	:	The board of Directors of the Company for the time being.
<i>“Catalist Rules”</i>	:	The rules constituted in Section B of the Listing Manual of the SGX-ST
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Committee”</i>	:	The Remuneration Committee of the Company
<i>“Company”</i>	:	UG Healthcare Corporation Limited
<i>“Control”</i>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
<i>“Controlling Shareholder”</i>	:	A shareholder who: (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding Shares held by the Company as treasury shares) (unless otherwise determined by the SGX-ST that a person who satisfies this subparagraph is not a controlling shareholder); or (b) in fact exercises Control over the Company.
<i>“Date of Grant”</i>	:	The date on which an Option is granted to a Participant pursuant to Rule 7
<i>“Director”</i>	:	A person holding office as a director for the time being of the Company
<i>“EGM”</i>	:	Extraordinary General Meeting

APPENDIX E – RULES OF THE UNIGLOVES ESOS

<i>“Executive Director”</i>	:	A director who is an employee of the Group and who performs an executive function
<i>“Exercise Price”</i>	:	The price at which a Participant shall acquire each Share upon the exercise of an Option, as determined in accordance with Rule 9, or such adjusted price as may be applicable pursuant to Rule 10
<i>“Financial Year”</i>	:	Each period of twelve (12) months or more or less than twelve (12) months, at the end of which the balance of accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company
<i>“Grantee”</i>	:	The person to whom an offer of an Option is made
<i>“Group”</i>	:	The Company, its Subsidiaries and Associated Companies (as they may exist from time to time)
<i>“Group Employee”</i>	:	Any confirmed employee of the Group (including an Executive Director) selected by the Committee to participate in the Scheme in accordance with Rule 4
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading of securities
<i>“Market Price”</i>	:	The average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offer Date Provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
<i>“Non-executive Director”</i>	:	A director of the Company and/or its subsidiaries, other than one who performs an executive function
<i>“Offer Date”</i>	:	The date on which an offer to grant an Option is made pursuant to the Scheme
<i>“Option”</i>	:	The right to acquire Shares granted or to be granted to a Group Employee or a Non-executive Director pursuant to the Scheme and for the time being subsisting
<i>“Option Period”</i>	:	Subject as provided in Rules 11 and 15, the period for the exercise of an Option being: (a) in the case of an Option granted with the Exercise Price set at Market Price, a period beginning one (1) year from the Offer Date of that Option and expiring on the tenth year from the relevant Offer Date or such earlier date as may be determined by the Committee, subject as provided in Rules 11 and 15, and any other conditions as may be determined by the Committee from time to time; and

APPENDIX E – RULES OF THE UNIGLOVES ESOS

- (b) in the case of an Option granted with the Exercise Price set at a discount to the Market Price, a period beginning two (2) years from the Offer Date of that Option and expiring on the tenth year from the relevant Offer Date or such earlier date as may determined by the Committee, subject as provided in Rules 11 and 15, and any other conditions as may be determined by the Committee from time to time

<i>“Participant”</i>	:	The holder of an Option
<i>“Record Date”</i>	:	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
<i>“Scheme”</i>	:	The Unigloves Employee Share Option Scheme
<i>“S\$”</i>	:	Singapore dollars
<i>“SGX-ST”</i>	:	The Singapore Exchange Securities Trading Limited
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company
<i>“Shareholders”</i>	:	The registered holders for the time being of the Shares (other than CDP) or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
<i>“Subsidiary”</i>	:	A company which is for the time being a subsidiary of the Company as defined by Section 5 of the Act

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

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

Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in this Scheme shall, where applicable, have the same meaning assigned to it under the Act. Any reference in this Scheme to a time of day shall be a reference to Singapore time unless otherwise stated.

3. OBJECTIVES OF THE SCHEME

The Scheme will provide an opportunity for Group Employees who have contributed significantly to the growth and performance of the Group and Non-executive Directors and who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company.

APPENDIX E – RULES OF THE UNIGLOVES ESOS

The Scheme is primarily a share incentive scheme. It recognises the fact that the services of Group Employees and Non-executive Directors are important to the success and continued well-being of the Group. Implementation of the Scheme will enable the Company to give recognition to the contributions made by such Group Employees and Non-executive Directors. At the same time, it will give such Group Employees and Non-executive Directors an opportunity to have a direct interest in the Company at no direct cost to its profitability and will also help to achieve the following positive objectives:

- (a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and prosperity of the Group;
- (c) to instill loyalty to, and a stronger identification by Participants with the long-term prosperity of the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
- (e) to align the interests of Participants with the interests of the Shareholders.

4. ELIGIBILITY

4.1 The following persons shall be eligible to participate in the Scheme at the absolute discretion of the Committee:

- (a) Group Employees (including Executive Directors) who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have, as of the Date of Grant, been in the employment of the Group for a period of at least twelve (12) months, or such shorter period as the Committee may determine; and
- (b) Non-executive Directors who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors.

Directors and employees of the Company's parent company and its Subsidiaries (other than the Company and the Company's Subsidiaries) are not entitled to participate in the Scheme.

There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group.

4.2 Controlling Shareholders and their Associates who satisfy the criteria set out in Paragraph 4.1 above shall be eligible to participate in the Scheme provided that:

- (a) their participation; and
- (b) the actual or maximum number of Shares and terms of any Options to be granted to them,

have been approved by independent shareholders of the Company at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the actual or maximum number of Shares and terms of any Options to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent shareholders of the Company for the participation in the Scheme of a Controlling Shareholder or his Associate who is, at the relevant time, already a Participant.

APPENDIX E – RULES OF THE UNIGLOVES ESOS

5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for acquisition in accordance with the Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as rank, past performance, years of service and potential development of the Grantee.

6. LIMITATION ON THE SIZE OF THE SCHEME

- 6.1 The aggregate number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable or transferred and to be transferred in respect of all Options granted under the Scheme and the number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day immediately preceding the Offer Date of the Option.
- 6.2 The aggregate number of Shares which may be issued or transferred pursuant to Options under the Scheme to Participants who are Controlling Shareholders and their Associates shall not exceed 25% of the Shares available under the Scheme.
- 6.3 The number of Shares which may be issued or transferred pursuant to Options under the Scheme to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the Scheme.

7. OFFER DATE

- 7.1 The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that no Options shall be granted during the period of thirty (30) days immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers to grant Options may only be made on or after the third Market Day on which such announcement is released.

An offer to grant the Option to a Grantee shall be made by way of a letter (the “**Letter of Offer**”) in the form or substantially in the form set out in Annex 1, subject to such amendments as the Committee may determine from time to time.

8. ACCEPTANCE OF OFFER

- 8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within thirty (30) days after the relevant Offer Date and not later than 5.00 p.m. on the thirtieth (30th) day from such Offer Date (a) by completing, signing and returning to the Company the Acceptance Form in or substantially in the form set out in Annex 2, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Committee may require and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.
- 8.2 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the thirty (30) day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- 8.3 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice (as defined in Rule 12) given pursuant to Rule 12 which does not strictly comply with the terms of the Scheme.

APPENDIX E – RULES OF THE UNIGLOVES ESOS

- 8.4 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 11.6 in the event of the death of such Grantee.
- 8.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares. The Committee shall, within fifteen (15) Market Days of receipt of the Acceptance Form and consideration, acknowledge receipt of the same.
- 8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 8.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period; or
 - (b) the Participant dies prior to his acceptance of the Option; or
 - (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
 - (d) the Grantee, being a Group Employee, ceases to be in the employment of the Group or (being an Executive Director) ceases to be a director of the Company, in each case, for any reason whatsoever prior to his acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. EXERCISE PRICE

- 9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and shall be fixed by the Committee at:
- (a) the Market Price; or
 - (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the Market Price in respect of that Option.
- 9.2 In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:
- (a) the performance of the Company, its Subsidiaries and Associated Companies, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
 - (b) the years of service and individual performance of the eligible Group Employee;
 - (c) the contribution of the eligible Group Employee to the success and development of the Company and/or the Group; and
 - (d) the prevailing market conditions.

APPENDIX E – RULES OF THE UNIGLOVES ESOS

10. ALTERATION OF CAPITAL

10.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:

- (a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised; and/or
- (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (c) the maximum entitlement in any one Financial Year; and/or
- (d) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate, including retrospective adjustments, where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made (a) if as a result, the Participant receives a benefit that a Shareholder does not receive; and (b) unless the Committee after considering all relevant circumstances considers it equitable to do so.

10.3 The issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Catalist Rules, undertaken by the Company on the SGX-ST during the period when a share repurchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10.

10.4 The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares or Options over additional Shares issued or transferred by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.

10.5 Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised and the maximum entitlement in any one Financial Year.

11. OPTION PERIOD

11.1 Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by a Participant after the first anniversary of the Offer Date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

APPENDIX E – RULES OF THE UNIGLOVES ESOS

- 11.2 Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by a Participant after the second anniversary from the Offer Date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against the Company:
- (a) subject to Rules 11.4, 11.5 and 11.6, upon the Participant ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever; or
 - (b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
 - (c) in the event of misconduct on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

- 11.4 If a Participant ceases to be employed by the Group by reason of his:
- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
 - (b) redundancy;
 - (c) retirement at or after a normal retirement age; or
 - (d) retirement before that age with the consent of the Committee,

or for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

- 11.5 If a Participant ceases to be employed by a Subsidiary:
- (a) by reason of the Subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary, being transferred otherwise than to another company within the Group; or
 - (b) for any other reason, provided the Committee gives its consent in writing,

he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

- 11.6 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of the Participant within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

APPENDIX E – RULES OF THE UNIGLOVES ESOS

- 11.7 If a Participant, who is also an Executive Director or a Non-executive Director (as the case may be), ceases to be a director for any reason whatsoever, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

12. EXERCISE OF OPTIONS, ALLOTMENT OR TRANSFER AND LISTING OF SHARES

- 12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Annex 3 (the “**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

- 12.2 Subject to:

- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
- (b) compliance with the Rules of the Scheme and the Memorandum and Articles of Association of the Company,

the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot the Shares or, as the case may be, procure the transfer of existing Shares (which may include, where desired, any Shares held by the Company as treasury shares), in respect of which such Option has been exercised by the Participant and where required, or as the case may be, within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to CDP for the credit of the securities account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

- 12.3 The Company shall as soon as practicable after the exercise of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.
- 12.4 Shares which are all allotted or transferred on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of, or transferred to, CDP to the credit of the securities account of the Participant maintained with CDP or the Participant's securities sub-account with a Depository Agent.
- 12.5 Shares allotted and issued, and existing Shares procured by the Company for transfer, upon the exercise of an Option shall be subject to all provisions of the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects with the then existing issued Shares except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.
- 12.6 Except as set out in Rule 12 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.

APPENDIX E – RULES OF THE UNIGLOVES ESOS

13. ALTERATIONS AND AMENDMENTS TO THE SCHEME

13.1 Any or all of the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee except that:

- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration, may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all the Shares which would fall to be issued and allotted or transferred upon exercise in full of all outstanding Options;
- (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

13.3 Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants.

14. DURATION OF THE SCHEME

14.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date on which the Scheme is adopted by Shareholders in the EGM. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

14.2 The Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.

14.3 The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

APPENDIX E – RULES OF THE UNIGLOVES ESOS

15. TAKE-OVER AND WINDING-UP OF THE COMPANY

15.1 In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6)-month period, at the recommendation of the offeror and with the approvals of the Committee and (if so required) the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
- (b) the date of the expiry of the Option Period relating thereto;

whereupon any Option(s) then remaining unexercised shall immediately lapse and become null and void.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option(s) not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11, remain exercisable until the expiry of the Option Period.

15.2 If, under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and Rule 11.2) shall notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, Provided always that the date of exercise of any Option shall be before the tenth anniversary of the Offer Date.

15.3 If an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.

15.4 In the event of a members' solvent voluntary winding-up (other than for amalgamation or reconstruction), Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and Rule 11.2) shall, subject to Rule 15.5, be entitled within thirty (30) days of the passing of the resolution of such winding-up (but not after the expiry of the Option Period relating thereto) to exercise in full any unexercised Option, after which such unexercised Option shall lapse and become null and void.

15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding-up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.

APPENDIX E – RULES OF THE UNIGLOVES ESOS

- 15.6 To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall lapse and become null and void.

16. ADMINISTRATION OF THE SCHEME

- 16.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.
- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.
- 16.3 Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Scheme).
- 16.4 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Options to be granted to him.

17. NOTICES

- 17.1 Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.
- 17.2 Any notice or documents given by the Company to a Participant shall be sent to the Participant by hand or sent to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

- 18.1 The Scheme or any Option shall not form part of any contract of employment between the Company, any Subsidiary or Associated Company (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may have to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- 18.2 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company, any Subsidiary and/or Associated Company directly or indirectly or give rise to any cause of action at law or in equity against the Company, any Subsidiary or Associated Company.

19. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by the Participant.

20. COSTS AND EXPENSES OF THE SCHEME

- 20.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's security account with CDP or the Participant's securities sub-account with his Depository Agent and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.

APPENDIX E – RULES OF THE UNIGLOVES ESOS

- 20.2 Save for such costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs, and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment or transfer of the Shares pursuant to the exercise of any Option shall be borne by the Company.

21. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the Scheme including but not limited to the Company's delay or failure in issuing and allotting, or procuring the transfer of, the Shares or in applying for or procuring the listing of and quotation for the Shares on the SGX-ST or any other stock exchanges on which the Shares are quoted or listed.

22. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Scheme are to abstain from voting on any shareholders' resolution relating to the Scheme and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, Shareholders who are eligible to participate in the Scheme shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Scheme; (b) the maximum discount which may be given in respect of any Option; and (c) participation by and grant of Options to Controlling Shareholders and their Associates.

23. DISPUTES

Any disputes or differences of any nature in connection with the Scheme shall be referred to the Committee and its decision shall be final and binding in all respects.

24. CONDITION OF OPTION

Every Option shall be subject to the condition that no Shares shall be issued or transferred pursuant to the exercise of an Option if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.

25. GOVERNING LAW

The Scheme shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Company and the Participants, by accepting the offer of the grant of Options in accordance with the Scheme, shall submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

26. DISCLOSURE IN ANNUAL REPORT

The Company shall make the following disclosure in its annual report:

- (a) The names of the members of the Committee;
- (b) The information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular Financial Year):
 - (i) Participants who are Directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates; and

APPENDIX E – RULES OF THE UNIGLOVES ESOS

- (iii) Participants, other than those in (i) and (ii) above, who receive 5% or more of the total number of Options available under the Scheme; and

Name of Participant	Options granted under the Unigloves ESOS during financial year under review (including terms)	Aggregate Options granted since commencement of the Unigloves ESOS to end of financial year under review	Aggregate Options exercised since commencement of the Unigloves ESOS to end of financial year under review	Aggregate Options outstanding as at end of financial year under review

- (c) The number and proportion of Options granted at the following discounts to the Market Price in the financial year under review:
- (i) options granted at up to 10% discount; and
 - (ii) options granted at between 10% but not more than 20% discount.
- (d) such other information as may be required by the Catalist Rules or the Companies Act,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included herein.

UNIGLOVES EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No.: _____

PRIVATE AND CONFIDENTIAL

Date:

To: [Name]
[Designation]
[Address]

Dear Sir / Madam

We are pleased to inform you that you have been nominated by the Remuneration Committee of the Board of Directors of UG Healthcare Corporation Limited (the “**Company**”) to participate in the Unigloves Employee Share Option Scheme (the “**Scheme**”). Terms as defined in the Scheme shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$1.00, to acquire _____ ordinary shares in the capital of the Company at the price of S\$_____ per ordinary share. The Option shall be subject to the terms of this Letter of Offer and the Scheme (as the same may be amended from time to time pursuant to the terms and conditions of the Scheme), a copy of which is enclosed herewith.

The Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than _____ a.m./p.m. on the _____ day of _____ failing which this offer will forthwith lapse.

Yours faithfully

For and on behalf of

UG HEALTHCARE CORPORATION LIMITED

Name:
Designation:

UNIGLOVES EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No.: _____

To: The Remuneration Committee
Unigloves Employee Share Option Scheme
c/o The Company Secretary
UG Healthcare Corporation Limited
21 Merchant Road
#04-01 Royal Merukh
S.E.A. Building
Singapore 058267

Closing Time and Date for Acceptance of Option : _____

No. of Shares in respect of which Option is offered : _____

Exercise Price per Share : S\$ _____

Total Amount Payable on Acceptance of Option : S\$ _____
(exclusive of the relevant CDP charges)

I have read your Letter of Offer dated _____ (the “**Offer Date**”) and agree to be bound by the terms thereof and of the Unigloves Employee Share Option Scheme stated therein. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to acquire such shares.

I hereby accept the Option to acquire _____ ordinary shares in the capital of UG Healthcare Corporation Limited (the “**Shares**”) at S\$_____ per Share and enclose cash/ banker's draft/ cashier's order/ postal order no. _____ for S\$1.00 being payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I also understand that I shall be responsible for all the fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares in CDP's name, the deposit of share certificates with CDP, my securities account with CDP or my securities sub-account with a Depository Agent (as the case may be) (collectively, the “**CDP charges**”).

I confirm that as at the date hereof:

- (a) I am not less than 21 years old, nor an undischarged bankrupt, nor have I entered into a composition with any of my creditors;
- (b) I satisfy the eligibility requirements to participate in the Scheme as defined in Rule 4 of the Scheme; and
- (c) I satisfy the other requirements to participate in the Scheme as set out in the Rules of the Scheme.

I hereby acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

I agree to keep all information pertaining to the grant of the Option to me confidential.

APPENDIX E – RULES OF THE UNIGLOVES ESOS

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* Delete as appropriate

Notes:

- (1) Option must be accepted in full or in multiples of 1,000 Shares.
- (2) The Acceptance Form must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".
- (3) The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

UNIGLOVES EMPLOYEE SHARE OPTION SCHEME

EXERCISE NOTICE

To: The Remuneration Committee
Unigloves Employee Share Option Scheme
c/o The Company Secretary
UG Healthcare Corporation Limited
21 Merchant Road
#04-01 Royal Merukh
S.E.A. Building
Singapore 058267

Total Number of ordinary shares (the “**Shares**”)
at S\$_____ per Share under an option
granted on _____ (the “**Offer Date**”) : _____

Number of Shares previously allotted and issued or
transferred thereunder : _____

Outstanding balance of Shares which may be
allotted and issued or transferred thereunder : _____

Number of Shares now to be acquired
(in multiples of 1,000) : _____

1. Pursuant to your Letter of Offer dated (the “**Offer Date**”) and my acceptance thereof, I hereby exercise the Option to acquire Shares in UG Healthcare Corporation Limited (the “**Company**”) at S\$_____ per Share.

2. I hereby request the Company to allot and issue or transfer to me the number of Shares specified in paragraph 1 in the name of The Central Depository (Pte) Limited (“**CDP**”) to the credit of my Securities Account with the CDP/Securities Sub-Account with a Depository Agent specified below and to deliver the share certificates relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP (the “**CDP charges**”) and any stamp duties in respect thereof:

*(a) Direct Securities Account Number : _____

*(b) Securities Sub-Account Number : _____

(c) Name of Depository Agent : _____

3. I enclose a cheque/cashier's order/bank draft/postal order no. _____ for S\$_____ in payment for the Exercise Price of S\$_____ for the total number of the said Shares and the CDP charges of S\$_____.

4. I agree to acquire the Shares subject to the terms of the Letter of Offer, the Unigloves Employee Share Option Scheme (as the same may be amended pursuant to the terms thereof from time to time) and the Memorandum and Articles of Association of the Company.

5. I declare that I am acquiring the Shares for myself and not as a nominee for any other person.

APPENDIX E – RULES OF THE UNIGLOVES ESOS

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* Delete as appropriate

Notes:

1. An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof.
2. The form entitled "Exercise Notice" must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".

APPENDIX F – RULES OF THE UNIGLOVES PSP

RULES OF THE UNIGLOVES PERFORMANCE SHARE PLAN

1. NAME OF THE PLAN

- 1.1 The Plan shall be called the “Unigloves Performance Share Plan”.

2. DEFINITIONS

- 2.1 In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

<i>“Act”</i>	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
<i>“Adoption Date”</i>	:	The date on which the Plan is adopted by the Company in general meeting
<i>“Associate”</i>	:	Shall have the meaning assigned to it in the Catalist Rules
<i>“Associated Company”</i>	:	A company in which at least 20% but not more than 50% of its issued shares are held by the company or the Group and over which the Company has Control
<i>“Auditors”</i>	:	The auditors of the Company for the time being
<i>“Award”</i>	:	A contingent award of Shares under Rule 5
<i>“Award Date”</i>	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5
<i>“Award Letter”</i>	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Committee”</i>	:	The Remuneration Committee of the Company
<i>“Company”</i>	:	UG Healthcare Corporation Limited
<i>“Control”</i>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
<i>“Controlling Shareholder”</i>	:	A shareholder who: (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding Shares held by the Company as treasury shares) (unless otherwise determined by the SGX-ST that a person who satisfies this subparagraph is not a controlling shareholder); or (b) in fact exercises Control over the Company
<i>“Group Executive Director”</i>	:	A director of the Company and/or any of its subsidiaries and/or any of its Associated Companies, as the case may be, who performs an executive function

APPENDIX F – RULES OF THE UNIGLOVES PSP

<i>“Group”</i>	:	The Company, its Subsidiaries and Associated Companies (as they may exist from time to time)
<i>“Group Executive”</i>	:	Any employee of the Group (including any Group Executive Director who meet the relevant criteria and who shall be regarded as a Group Executive for the purposes of the Plan) selected by the Committee to participate in the Plan in accordance with Rule 4
<i>“Catalist Rules”</i>	:	The rules constituted in Section B of the Listing Manual of the SGX-ST
<i>“Non-executive Director”</i>	:	A director of the Company and/or its subsidiaries, other than one who performs an executive function
<i>“Participant”</i>	:	A Group Executive or a Non-executive Director who has been granted an Award
<i>“Performance Condition”</i>	:	In relation to an Award, the condition specified on the Award Date in relation to that Award
<i>“Performance Period”</i>	:	The period, as may be determined by the Committee at its discretion, during which the Performance Condition is to be satisfied
<i>“Plan”</i>	:	The Unigloves Performance Share Plan, as the same may be modified from time to time
<i>“Release”</i>	:	In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and <i>“Released”</i> shall be construed accordingly
<i>“Release Schedule”</i>	:	In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period
<i>“Released Award”</i>	:	An Award which has been released in accordance with Rule 7
<i>“Retention Period”</i>	:	Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company
<i>“SGX-ST”</i>	:	The Singapore Exchange Securities Trading Limited
<i>“Trading Day”</i>	:	A day on which the Shares are traded on the SGX-ST

APPENDIX F – RULES OF THE UNIGLOVES PSP

“*Vesting*” : In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “*Vest*” and “*Vested*” shall be construed accordingly

“*Vesting Date*” : In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7

2.2 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

2.3 Any reference to a time of a day in the Plan is a reference to Singapore time.

2.4 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

3. OBJECTIVES OF THE PLAN

The Plan has been proposed in order to:

- (a) foster an ownership culture within the Group which aligns the interests of Group Executives and Non-executive Directors with the interests of shareholders;
- (b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business units; and
- (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company’s ambition to become a world class company.

4. ELIGIBILITY OF PARTICIPANTS

4.1 (a) Group Executives who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time and who have, as of the Award Date, been in full time employment of the Group for a period of at least twelve (12) months (or in the case of any Group Executive Director, such shorter period as the Committee may determine); and

(b) Non-executive Directors,

shall be eligible to participate in the Plan at the absolute discretion of the Committee.

4.2 Controlling Shareholders and their Associates who satisfy the criteria set out in Paragraph 4.1 above shall be eligible to participate in the Plan provided that:

(a) their participation; and

(b) the actual or maximum number of Shares and terms of any Awards to be granted to them,

APPENDIX F – RULES OF THE UNIGLOVES PSP

have been approved by independent shareholders of the Company at a general meeting in separate resolutions for each such person and, in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the actual or maximum number of Shares and terms of any Awards to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent shareholders of the Company for the participation in the Plan of a Controlling Shareholder or his Associate who is, at the relevant time, already a Participant.

5. GRANT OF AWARDS

- 5.1 Subject as provided in Rule 8, the Committee may grant Awards to Group Executives and Non-executive Directors as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.
- 5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance and potential for future development, his contribution to the success and development of the Group and the extent of effort with which the Performance Condition may be achieved within the Performance Period.
- 5.3 The Committee shall decide in relation to an Award:
- (a) the Participant;
 - (b) the Award Date;
 - (c) the Performance Period;
 - (d) the number of Shares which are the subject of the Award;
 - (e) the Performance Condition;
 - (f) the Release Schedule; and
 - (g) any other condition which the Committee may determine in relation to that Award.
- 5.4 The Committee may amend or waive the Performance Period, the Performance Condition and/or the Release Schedule in respect of any Award:
- (a) in the event of a take-over offer being made for the Shares or if under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or
 - (b) if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Condition and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) the Performance Condition and/or Release Schedule should be waived,and shall notify the Participants of such change or waiver.
- 5.5 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:
- (a) the Award Date;

APPENDIX F – RULES OF THE UNIGLOVES PSP

- (b) the Performance Period;
- (c) the number of Shares which are the subject of the Award;
- (d) the Performance Condition;
- (e) the Release Schedule; and
- (f) any other condition which the Committee may determine in relation to that Award.

5.6 Participants are not required to pay for the grant of Awards.

5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING DATE

6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (b) subject to Rule 6.2(b), upon the Participant ceasing to be in the employment of the Group for any reason whatsoever; or
- (c) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 6.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

6.2 In any of the following events, namely:

- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
- (b) where the Participant ceases to be in the employment of the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee;
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be;

APPENDIX F – RULES OF THE UNIGLOVES PSP

- (vi) (where applicable) his transfer of employment between companies within the Group;
 - (vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
 - (viii) any other event approved by the Committee;
- (c) the death of a Participant;
- (d) any other event approved by the Committee,

the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act; or
- (c) an order being made or a resolution being passed for the winding-up of the Company (other than as provided in Rule 6.1(c) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7.

7. RELEASE OF AWARDS

7.1 Review of Performance Condition

7.1.1 As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition specified in respect of each Award and determine at its discretion whether it has been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be a Group Executive or a Non-executive Director from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

APPENDIX F – RULES OF THE UNIGLOVES PSP

If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Executive or a Non-executive Director from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.4 shall be of no effect.

The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

7.1.2 Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1.1 and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.

7.1.3 Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares.

7.2 Release of Award

Shares which are allotted or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

7.3 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Memorandum and Articles of Association of the Company; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

For the purposes of this Rule 7.3, “**Record Date**” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

7.4 Moratorium

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

APPENDIX F – RULES OF THE UNIGLOVES PSP

8. LIMITATION ON THE SIZE OF THE PLAN

- 8.1 The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date, when aggregated with the aggregate number of Shares over which Options or Awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day preceding that date.
- 8.2 The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan to Participants who are Controlling Shareholders and their Associates shall not exceed twenty-five (25) per cent. of the Shares available under the Plan.
- 8.3 The number of Shares which may be issued or transferred pursuant to Awards under the Plan to each Participant who is a Controlling Shareholder or his Associate shall not exceed ten (10) per cent. of the Shares available under the Plan.
- 8.4 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

9. ADJUSTMENT EVENTS

- 9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a shareholder of the Company does not receive.

- 9.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.
- 9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.

10. ADMINISTRATION OF THE PLAN

- 10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the board of directors of the Company, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.

APPENDIX F – RULES OF THE UNIGLOVES PSP

- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.
- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing of any Awards pursuant to any provision of the Plan; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.
- 10.5 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Awards to be granted to him.

11. NOTICES AND COMMUNICATIONS

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of dispatch.

12. MODIFICATIONS TO THE PLAN

- 12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:
- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Conditions for their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;

APPENDIX F – RULES OF THE UNIGLOVES PSP

- (b) the definitions of “**Associated Company**”, “**Group Executive**”, “**Group Executive Director**”, “**Non-executive Director**”, “**Participant**”, “**Performance Period**” and “**Release Schedule**” and the provisions of Rules 4, 5, 6, 7, 8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Company's shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive.

For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

14. DURATION OF THE PLAN

14.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

14.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.

14.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

15. TAXES

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

16. COSTS AND EXPENSES OF THE PLAN

16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent.

APPENDIX F – RULES OF THE UNIGLOVES PSP

- 16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 7.1.3.

18. DISCLOSURES IN ANNUAL REPORTS

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

- (a) the names of the members of the Committee administering the Plan;
- (b) in respect of the following Participants of the Plan:
 - (i) directors of the Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent five (5) per cent. or more of the aggregate of the total number of Shares available under the Plan,

the following information:

- (aa) the name of the Participant;
 - (bb) the number of new Shares issued and the number of existing Shares transferred to such Participant during the financial year under review; and
- (c) In relation to the Plan, the following particulars:
 - (i) the aggregate number of Shares comprised in Awards granted under the Plan since the commencement of the Plan to the end of the financial year under review;
 - (ii) the aggregate number of Shares comprised in Awards which have Vested under the Plan during the financial year under review and in respect thereof, the proportion of:
 - a. new Shares issued; and
 - b. existing Shares transferred and where existing Shares were purchased for delivery, the range of prices at which such Shares were purchased,upon the Release of the Vested Awards granted under the Plan; and
 - (iii) the aggregate number of Shares comprised in Awards granted under the Plan which have not been Released, as at the end of the financial year under review.

APPENDIX F – RULES OF THE UNIGLOVES PSP

(d) Such other information as may be required by the Catalist Rules or the Companies Act,

Provided that if any of the above requirements are not applicable, an appropriate negative statement should be included herein.

19. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Plan are to abstain from voting on any shareholders' resolution relating to the Plan and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, all Shareholders who are eligible to participate in the Plan shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Plan; and (b) participation by and grant of Awards to Controlling Shareholders and their Associates.

20. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

21. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

You are invited to apply to subscribe for the Invitation Shares at the Invitation Price for each Invitation Share subject to the following terms and conditions set out below and in the relevant printed application forms to be used for the purpose of the Invitation and which forms part of the Offer Document (the “**Application Forms**”) or, as the case may be, the Electronic Applications (as defined herein):

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 INVITATION SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF INVITATION SHARES WILL BE REJECTED.**
2. Your application for Offer Shares may be made by way of printed **WHITE** Offer Shares Application Forms or by way of Electronic Applications through ATMs belonging to the Participating Banks (“**ATM Electronic Applications**”) or through Internet Banking (“**IB**”) websites of the relevant Participating Banks (“**Internet Electronic Applications**”), or through mobile banking interface of DBS Bank Ltd. (“**mBanking Applications**”, which together with ATM Electronic Applications and Internet Electronic Applications, shall be referred to as “**Electronic Applications**”). The Participating Banks are DBS Bank Ltd. (including POSB) (“**DBS Bank**”), Overseas-Chinese Banking Corporation Limited (“**OCBC**”) and United Overseas Bank Limited and its subsidiary Far Eastern Bank Limited (“**UOB**”).

Your application for the Placement Shares may only be made by way of printed **BLUE** Placement Shares Application Forms or other such forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent deem appropriate.

YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE INVITATION SHARES.

3. You (not being an approved nominee company) are allowed to submit only one (1) application in your own name for the Offer Shares or the Placement Shares. If you submit an application for Offer Shares by way of an Offer Shares Application Form, you **MAY NOT** submit another application for Offer Shares by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

If you submit an application for Offer Shares by way of an ATM Electronic Application, you **MAY NOT** submit another application for Offer Shares by way of an Internet Electronic Application, or mBanking Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

If you, not being an approved nominee company, have submitted an application for Offer Shares in your own name, you should not submit any other application for Offer Shares, whether by way of an Offer Shares Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

If you have made an application for Placement Shares, you should not make any application for Offer Shares either by way of an Offer Shares Application Form or by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

Conversely, if you have made an application for Offer Shares either by way of an Electronic Application or by way of an Offer Shares Application Form, you may not make any application for Placement Shares. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

Joint or multiple applications for the Invitation Shares shall be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent. If you submit or procure submissions of multiple share applications for Offer Shares, Placement Shares or both Offer Shares and Placement Shares, you may be deemed to have committed an offence under the Penal Code (Chapter 224) of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple shall may be rejected at the discretion of our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

4. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole-proprietorships, partnerships, or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks, as the case may be) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name.
5. We will not recognise the existence of a trust. Any application by a trustee or trustees must therefore be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or companies after complying with paragraph 6 below.
6. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** "Approved nominee companies" are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.
7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality and permanent residence status provided in your Application Form or in the case of an Electronic Application, contained in records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one (1) individual direct Securities Account with CDP, your application shall be rejected.
8. If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.
9. Our Company, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Offer Document or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

Our Company further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the instructions for Electronic Applications or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

Without prejudice to the rights of our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent, as agent of our Company, has been authorised to accept, for and on behalf of our Company such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent deem appropriate.

10. Our Company reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company will be entertained. This right applies to applications made by way of Application Forms and by way of Electronic Applications and by such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may, in consultation with our Company, deem appropriate. In deciding the basis of allotment, which shall be at our discretion, due consideration will be given to the desirability of allotting the Invitation Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
11. Subject to your provision of a valid and correct CDP Securities Account number, share certificates will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, and subject to the submission of valid applications and payment for the Invitation Shares, a statement of account stating that your Securities Account has been credited with the number of Invitation Shares allotted to you if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company. You irrevocably authorise CDP to complete and sign on your behalf, as transferee or renounee, any instrument of transfer and/or other documents required for the issue and/or transfer of the Invitation Shares allotted to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.
- 11A. In the event that our Company lodges a supplementary or replacement offer document ("**Relevant Document**") pursuant to the SFA or any applicable legislation in force from time to time prior to the close of the Invitation, and the Invitation Shares have not been issued and/or transferred, we will (as required by law and subject to the SFA), at our sole and absolute discretion, either:
 - (a) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to withdraw your application and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document;
 - (b) within seven (7) days from the date of lodgement of the Relevant Document give you a copy of Relevant Document and provide you with an option to withdraw your application; or
 - (c) deem your application as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and we shall, within seven (7) days from the date of lodgement of the Relevant Document, return all monies paid in respect of any application, without interest or any share of revenue or benefit arising therefrom and at your own risk.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

Where you have notified us within fourteen (14) days from the date of lodgement of the Relevant Document of your wish to exercise your option under Paragraph 11A(a) or (b) above to withdraw your application, we shall pay to you all monies paid by you on account of your application for the Invitation Shares without interest or any share of revenue or other benefit arising therefrom and at your own risk, within seven (7) days from the receipt of such notification and you will not have any claim against our Company, or the Sponsor, Issue Manager, Underwriter and Placement Agent.

In the event that at the time of the lodgement of the Relevant Document, the Invitation Shares have already been issued and/or transferred but trading has not commenced, we will (as required by law and subject to the SFA), at our sole and absolute discretion, either:

- (d) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to return to our Company the Invitation Shares which you do not wish to retain title in and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document;
- (e) within seven (7) days from the date of lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to return the Invitation Shares which you do not wish to retain title in; or
- (f) in the case of the Invitation Shares, deem the issue and/or transferred as void and refund all monies paid in respect of any application, for the Invitation Shares (without interest or any share of revenue or other benefits arising therefrom and at your own risk) within seven (7) days from the date of lodgement of the Relevant Document,

and you shall not have any claim against our Company, or the Sponsor, Issue Manager, Underwriter and Placement Agent.

Any applicant who wishes to exercise his option under paragraph 11A(d) or (e) above to return the Invitation Shares issued and/or transferred to him shall, within fourteen (14) days from the date of lodgement of the Relevant Document, notify our Company of this and return all documents, if any, purporting to be evidence of title of those Invitation Shares to us, whereupon we shall, subject to compliance with applicable laws and the Articles of Association of our Company, within seven (7) days from the receipt of such notification and documents, pay to him all monies paid by him for the Invitation Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the Invitation Shares issued and/or transferred to him shall be void. You shall not have any claim whatsoever against our Company, or the Sponsor, Issue Manager, Underwriter and Placement Agent.

Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw your application or return the Invitation Shares allotted to you, may be found in such Relevant Document.

12. In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for shall be made available to satisfy excess applications for the Placement Shares to the extent that there is an over-subscription for Placement Shares as at the close of the Application List.

In the event of an under-subscription for Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for Offer Shares to the extent that there is an over-subscription for Offer Shares as at the close of the Application List.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

In the event of an over-subscription for Offer Shares as at the close of the Application List and/or Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Company after consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the SGX-ST (if required).

In all the above instances, the basis of allotment of the Invitation Shares as may be decided by our Directors in ensuring a reasonable spread of shareholders of our Company, shall be made public as soon as practicable through an announcement through the SGX-ST website at <http://www.sgx.com> and through an advertisement in a local English newspaper.

You hereby consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent residency status, CDP Securities Account number, CPF Investment Account number (if applicable) and shares application amount from your account with the relevant Participating Bank to the Share Registrar and Share Transfer Agent, SCCS, SGX-ST, CDP, our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

13. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Invitation Shares allotted to you pursuant to your application, to our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent and any other parties so authorised by the foregoing persons. CDP shall not be liable for any delays, failures, or inaccuracies in the recording, storage, transmission or delivery of data relating to Electronic Applications.
14. Any reference to “you” or the “applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Offer Shares by way of an **WHITE** Offer Shares Application Form or by way of an Electronic Application and a person applying for the Placement Shares through the Placement Agent by way of a **BLUE** Placement Shares Application Form or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may, in consultation with our Company, deem appropriate.
15. By completing and delivering an Application Form or by making and completing an Electronic Application by (in the case of an ATM Electronic Application) pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application or mBanking Application) clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other relevant button on the IB website screen of the relevant Participating Banks or the mobile banking interface of DBS Bank (as the case may be) in accordance with the provisions of this Offer Document, you:
 - (a) irrevocably offer, agree and undertake to subscribe for the number of Invitation Shares specified in your application (or such smaller number for which the application is accepted) at the Invitation Price for each Invitation Share and agree that you will accept such Invitation Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and the Memorandum and Articles of Association of our Company;
 - (b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Offer Document and those set out in the IB websites or ATMs or mobile banking interface of the relevant Participating Banks, the terms and conditions set out in this Offer Document shall prevail;
 - (c) agree that the aggregate Invitation Price for the Invitation Shares applied for is due and payable to the Company upon application;

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

- (d) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company in determining whether to accept your application and/or whether to allot any Invitation Shares to you;
 - (e) (i) consent to the collection, use, processing and disclosure of your name/NRIC/passport number or company registration number, address, nationality, permanent resident status, CDP Securities Account number, share application amount, the outcome of your application (including the number of Invitation Shares allotted to you pursuant to your application) and other personal data (“**Personal Data**”) by the Share Registrar, CDP, SCCS, the SGX-ST, the Participating Banks, our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or other authorised operators (the “**Relevant Parties**”) for the purpose of the processing of your application for the Invitation Shares, and in order for the Relevant Parties to comply with any applicable laws, listing rules and/or guidelines (collectively, the “**Purposes**”) and warrant that such Personal Data is true, accurate and correct; (ii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) for the collection, use, processing and disclosure by the Relevant Parties of the Personal Data of such beneficial owner(s) for the Purposes; (iii) agree that the Relevant Parties may do anything or disclose any Personal Data or matters without notice to you if the Sponsor, Issue Manager, Underwriter and Placement Agent considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body; and (iv) agree that you will indemnify the Relevant Parties in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Parties shall be entitled to enforce this indemnity (collectively, the “**Personal Data Privacy Terms**”); and
 - (f) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and neither our Company nor the Sponsor, Issue Manager, Underwriter and Placement Agent will infringe any such laws as a result of the acceptance of your application.
16. Our acceptance of applications will be conditional upon, *inter alia*, our Company being satisfied that:
- (a) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares, the Invitation Shares, the Award Shares and the Option Shares on Catalist;
 - (b) the Sponsorship and Management Agreement and the Underwriting and Placement Agreement referred to in the section entitled “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine; and
 - (c) the SGX-ST, acting as an agent on behalf of the Authority, has not served a stop order (“**Stop Order**”) which directs that no or no further shares to which this Offer Document relates be allotted or issued and/or transferred.
17. In the event that a Stop Order in respect of the Invitation Shares is served by the SGX-ST, acting as an agent on behalf of the Authority or other competent authority, and
- (a) in the case where the Invitation Shares have not been issued and/or transferred, we will (as required by law), and subject to the SFA, deem all applications withdrawn and cancelled and our Company shall refund all monies paid on account of your application for the Invitation Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk) to you within fourteen (14) days from the date of the Stop Order and you shall not have any claim whatsoever against our Company, or the Sponsor, Issue Manager, Underwriter and Placement Agent; or

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

- (b) in the case where the Invitation Shares have already been issued and/or transferred but trading has not commenced, the issue and/or transfer (as required by law) of the Invitation Shares shall be deemed to be void and our Company shall, within fourteen (14) days from the date of the Stop Order, refund all monies paid on account of your application for the Invitation Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk) and you shall not have any claim whatsoever against our Company, or the Sponsor, Issue Manager, Underwriter and Placement Agent.

This shall not apply where only an interim Stop Order has been served.

18. In the event that an interim Stop Order in respect of the Invitation Shares is served by the SGX-ST, acting as an agent on behalf of the Authority, or other competent authority, no Invitation Shares shall be issued and/or transferred to you during the time when the interim Stop Order is in force.
19. The SGX-ST, acting as an agent on behalf of the Authority or other competent authority, is not able to serve a Stop Order in respect of the Invitation Shares if the Invitation Shares have been issued and/or transferred and listed on the SGX-ST and trading in the Invitation Shares has commenced.

In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same through a SGXNET announcement to be posted on the internet at the SGX-ST website, <http://www.sgx.com> and through a paid advertisement in a local newspaper.

20. We will not hold any application in reserve.
21. We will not allot Shares on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.
22. Additional terms and conditions for applications by way of Application Forms are set out below.
23. Additional terms and conditions for applications by way of Electronic Applications are set out below.
24. All payments in respect of any application for the Invitation Shares, and all refunds where (a) an application is rejected or accepted in part only, or (b) the Invitation does not proceed for any reason, shall be made in Singapore dollars.

CDP shall not be liable for any delays, failures or inaccuracies in the recording or storage or in the transmission or delivery of data relating to the Electionic Applications.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out under the section entitled “Terms, Conditions and Procedures for Applications and Acceptance” of this Offer Document, as well as the Memorandum and Articles of Association of our Company.

1. Your application for the Invitation Shares must be made using the **WHITE** Application Forms and **WHITE** official envelopes “A” and “B” for Offer Shares, or the **BLUE** Application Forms for Placement Shares, accompanying and forming part of this Offer Document or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent deem appropriate without prejudice to the rights of our Company.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

We draw your attention to the detailed instructions contained in the respective Application Forms and this Offer Document for the completion of the Application Forms which must be carefully followed. **Our Company, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittance.**

2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms except those under the heading **“FOR OFFICIAL USE ONLY”** must be completed and the words **“NOT APPLICABLE”** or **“N.A.”** should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears in your identity card (if you have such an identification document) or in your passports and, in the case of a corporation, in your full name as registered with a competent authority. If you are a non-individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with our Company's Share Registrar and Share Transfer Office. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.
5.
 - (a) You must complete Sections A and B and sign on page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporations.

If you are an approved nominee company, you are required to declare whether the beneficial owner of the Invitation Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Invitation Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**UG HEALTHCARE SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", and with your name, address and CDP Securities Account number written clearly on the reverse side. **Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted.** No combined Banker's Draft or Cashier's Order for different CDP Securities Accounts shall be accepted. We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. No acknowledgement of receipt will be issued by our Company, or the Sponsor, Issue Manager, Underwriter and Placement Agent for applications and application monies received.
8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of balloting of applications at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within fourteen (14) days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. In the event that the Invitation does not proceed for any reason, the full amount of the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within five (5) Market Days of the termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of a Stop Order by the SGX-ST, acting as an agent on behalf of the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within fourteen (14) days from the date of the Stop Order.
9. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
10. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of the Participating Banks, our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or any other party involved in the Invitation, and if, in any such event, our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank do not receive your Application Form, you shall have no claim whatsoever against our Company, the Sponsor, Issue Manager, Underwriter, Placement Agent, the relevant Participating Bank and/or any other party involved in the Invitation for the Invitation Shares applied for or for any compensation, loss or damage.
11. By completing and delivering the Application Form, you agree that:
 - (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 4 December 2014** or such other time or date as our Company may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent in their absolute discretion decide, subject to any limitation under all applicable laws and regulations and the rules of the SGX-ST and by completing and delivering the Application Form:
 - (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

- (b) neither our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent nor any other party involved in the Invitation shall be liable for any delays, failures or inaccuracies in the recording or storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
- (c) all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
- (d) in respect of the Invitation Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
- (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
- (f) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent or any other person involved in the Invitation shall have any liability for any information not so contained;
- (g) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document;
- (h) you consent to the collection, use and disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, and share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent or other authorised operators; and
- (i) you irrevocably agree and undertake to subscribe for the number of Invitation Shares applied for as stated in the Application Form or any smaller number of such Invitation Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot a smaller number of Invitation Shares or not to allot any Invitation Shares to you, you agree to accept such decision as final.

Applications for Offer Shares

1. Your application for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Forms and **WHITE** official envelopes “A” and “B”. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. You must:
 - (a) enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with the correct remittance in accordance with the terms and conditions of this Offer Document in the **WHITE** official envelope “A” provided;
 - (b) in the appropriate spaces on **WHITE** official envelope “A”:
 - (i) write your name and address;
 - (ii) state the number of Offer Shares applied for;
 - (iii) tick the relevant box to indicate the form of payment; and
 - (iv) affix adequate Singapore postage;

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

- (c) Seal the **WHITE** official envelope “A”;
 - (d) write, in the special box provided on the larger **WHITE** official envelope “B” addressed to **UG Healthcare Corporation Limited c/o B.A.C.S. Private Limited, 63 Cantonment Rd, Singapore 089758**, the number of Offer Shares for which the application is made; and
 - (e) insert **WHITE** official envelope “A” into **WHITE** official envelope “B”, seal **WHITE** official envelope “B”, affix adequate Singapore postage on **WHITE** official envelope “B” (if despatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND**, at your own risk to **UG Healthcare Corporation Limited c/o B.A.C.S. Private Limited, 63 Cantonment Rd, Singapore 089758**, to arrive by **12.00 noon on 4 December 2014 or such other date and time as our Company may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

Applications for Placement Shares

- 1. Your application for Placement Shares **MUST** be made using the **BLUE** Placement Shares Application Forms. **ONLY ONE APPLICATION** should be enclosed in each envelope.
- 2. The completed and signed **BLUE** Placement Shares Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND** at your own risk to **UG Healthcare Corporation Limited c/o B.A.C.S. Private Limited, 63 Cantonment Rd, Singapore 089758**, to arrive by **12.00 noon on 4 December 2014 or such other date and time as our Company may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
- 3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications), IB website screens (in the case of Internet Electronic Applications) and the mobile banking interface (in the case of mBanking Applications). Currently, DBS Bank is the only Participating Bank through which mBanking Applications may be made. For illustration purposes, the procedures for Electronic Applications through ATMs and the IB website of the UOB Group are set out respectively in the “Steps for an ATM Electronic Application through ATMs of the UOB Group” and the “Steps for an Internet Electronic Application through the IB website of the UOB Group” (collectively, the “**Steps**”) appearing below.

The Steps set out the actions that you must take at an ATM or the IB website of the UOB Group to complete an Electronic Application. Please read carefully the terms of this Offer Document, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to “you” or the “applicant” in this section “Additional Terms and Conditions for Electronic Applications” and the Steps shall refer to you making an application for Offer Shares through an ATM or the IB website of a relevant Participating Bank.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at the ATMs. An ATM card issued by one (1) Participating Bank cannot be used to apply for Offer Shares at an ATM belonging to other Participating Banks. For an Internet Electronic Application, you must have an existing bank account with an IB User Identification (“**User ID**”) and a Personal Identification Number/Password (“**PIN**”) given by the relevant Participating Bank. The Steps set out the actions that you must take at ATMs or the IB website of the UOB Group to complete an Electronic Application. The actions that you must take at ATMs or the IB websites of other Participating Banks are set out on the ATM screens or the IB website screens of the relevant Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of your Electronic Application. Upon completion of your Internet Electronic Application, there will be an on-screen confirmation (“**Confirmation Screen**”) of the application which can be printed for your record. The Transaction Record or your printed record of the Confirmation Screen is for your retention and should not be submitted with any Application Form.

You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or if you do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.

You must ensure, when making an Internet Electronic Application, that your mailing address for the account selected for the application is in Singapore and the application is being made in Singapore and you will be asked to declare accordingly. Otherwise your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time when you make the application.

You shall make an Electronic Application in accordance with and subject to the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below and those set out under the section entitled “Terms, Conditions and Procedures for Applications and Acceptance” of this Offer Document as well as the Memorandum and Articles of Association of our Company.

1. In connection with your Electronic Application for Offer Shares, you are required to confirm statements to the following effect in the course of activating your Electronic Application:
 - (a) that you have received a copy of this Offer Document (in the case of ATM Electronic Applications only) and have read, understood and agreed to all the terms and conditions of application for Offer Shares and this Offer Document prior to effecting the Electronic Application and agree to be bound by the same;
 - (b) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent residence status, share application amount, CPF Investment Account number (if applicable) and CDP Securities Account number and application details (the “Relevant Particulars”) with the relevant Participating Bank to the CDP, CPF, SCCS, SGX-ST, Share Registrar, our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent or other authorised operators (the “Relevant Parties”); and
 - (c) that this is your only application for Offer Shares and it is made in your own name and at your own risk.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

Your application will not be successfully completed and cannot be recorded as a completed transaction in the ATM or on the IB website unless you press the “Enter” or “Confirm” or “Yes” or “OK” or any other relevant key in the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen or the mobile banking interface of DBS Bank. By doing so, you shall be treated as signifying your confirmation of each of the above three (3) statements. In respect of statement 1(b) above, such confirmation shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act (Chapter 19) of Singapore to the disclosure by the relevant Participating Bank of the Personal Data to the Relevant Parties.

2. **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS THE BENEFICIAL OWNER.**

YOU SHOULD MAKE ONLY ONE (1) ELECTRONIC APPLICATION FOR OFFER SHARES AND SHOULD NOT MAKE ANY OTHER APPLICATION FOR OFFER SHARES OR PLACEMENT SHARES, WHETHER AT THE ATMS, OR THE IB WEBSITES OR THE MBANKING INTERFACE OF THE RELEVANT PARTICIPATING BANK OR ON THE APPLICATION FORMS. IF YOU HAVE MADE AN APPLICATION FOR OFFER SHARES OR PLACEMENT SHARES ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR OFFER SHARES AND VICE VERSA.

3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed or accepted. **Any Electronic Application which does not conform strictly to the instructions set out in this Offer Document or on the screens of the ATM or the IB website or the mbanking interface of the relevant Participating Bank through which your Electronic Application is being made shall be rejected.**

You may make an ATM Electronic Application at the ATM of any Participating Bank or an Internet Electronic Application at the IB website or the mbanking interface of the relevant Participating Bank for the Offer Shares using only cash by authorising such Participating Bank to deduct the full amount payable from your account with such Participating Bank.

4. You irrevocably agree and undertake to subscribe for and/or to accept the number of Offer Shares applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of Offer Shares that may be allotted to you in respect of your Electronic Application.

In the event that our Company decides to allot any lesser number of such Offer Shares or not to allot any Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “Confirm” or “Yes” or “OK” or any other relevant key on the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen) of the number of Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Offer Shares that may be allotted to you and your agreement to be bound by the Memorandum and Articles of Association of our Company. You also irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or documents required for the transfer of the Offer Shares that may be allotted to you.

5. **Our Company will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 24 hours of balloting of the applications provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account. **Trading on a “WHEN ISSUED” basis, if applicable, is expected to commence after such refund has been made.**

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within fourteen (14) days after the close of the Application List provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account.

If the Invitation does not proceed for any reason, the full amount of the application monies received will be refunded (without interest or any share of revenue arising therefrom) to you within five (5) Market Days of the termination of the Invitation.

Responsibility for timely refund of application monies from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any monies to you from unsuccessful or partially successful Electronic Application, to determine the exact number of Offer Shares allotted to you before trading the Offer Shares on Catalist. You may also call CDP Phone at 6535 7511 to check the provisional results of your application by using your T-pin (issued by CDP upon your application for the service) and keying in the stock code (that will be made available together with the results of the allotment and/or allocation via an announcement through the SGX-ST and by advertisement in a generally circulating daily press). To sign up for the service, you may contact CDP customer service officers. Neither the SGX-ST, the CDP, the SCCS, the Participating Banks, our Company, nor the Sponsor, Issue Manager, Underwriter and Placement Agent assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

6. **If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Banks.**

If you make Electronic Applications through the ATMs or the IB websites of the following Participating Banks, you may check the provisional results of your Electronic Applications as follows:

Bank	Telephone	ATM/Internet	Operating Hours	Service Expected From
UOB Group	1 800 222 2121	ATM (Other Transactions – “IPO Results Enquiry”)/ Internet Banking ⁽¹⁾ http://www.uobgroup.com ⁽¹⁾	24 hours a day	Evening of the balloting day
DBS Bank	1 800 339 6666 (for POSB account holders) 1 800 111 1111 (for DBS account holders)	Internet Banking http://www.dbs.com ⁽²⁾	24 hours a day	Evening of the balloting day
OCBC	1 800 363 3333	ATM / Phone Banking / Internet Banking http://www.ocbc.com ⁽³⁾	24 hours a day	Evening of the balloting day

Notes:

- (1) If you have made your Electronic Application through the ATMs or IB website of UOB Group, you may check the results of your application through UOB Personal Internet Banking, UOB Group ATMs or UOB Phone Banking Services.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

- (2) If you have made your Electronic Application through the ATMs or IB website of DBS Bank or through the mobile banking interface of DBS Bank, you may check the results of your application through the channel listed above in relation to ATM Electronic Applications made at the ATM of DBS Bank.
 - (3) If you have made your Electronic Application through the ATMs or IB websites of OCBC Bank, you may check the results of your application through OCBC Bank Personal Internet Banking, OCBC Bank ATMs or OCBC Bank Phone Banking Service.
7. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks, our Company, and the Sponsor, Issue Manager, Underwriter and Placement Agent and if, in any such event, our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank do not receive your Electronic Application, or data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank for Offer Shares applied for or for any compensation, loss or damage.
8. **Electronic Applications shall close at 12.00 noon on 4 December 2014 or such other date and time as our Company may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide.** Subject to the paragraph above, an Internet Electronic Application is deemed to be received when it enters the designated information system of the relevant Participating Bank, that is, when there is an on-screen confirmation of the application.
9. You are deemed to have irrevocably requested and authorised our Company to:
- (a) register the Offer Shares allotted to you in the name of CDP for deposit into your Securities Account;
 - (b) send the relevant Share certificate(s) to CDP;
 - (c) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application monies, should your Electronic Application be unsuccessful, by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours of the balloting of applications or within five (5) Market Days of the termination of the Invitation if the Invitation does not proceed for any reason (as the case may be); and
 - (d) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within fourteen (14) days after the close of the Application List.
10. We do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in your own name and without qualification. Our Company will reject any application by any person acting as nominee except those made by approved nominee companies only.
11. All your particulars in the records of your relevant Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after the time of the making of your Electronic Application, you shall promptly notify your relevant Participating Bank.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

12. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, or otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment and/or allocation will be sent to your address last registered with CDP.
13. By making and completing an Electronic Application, you are deemed to have agreed that:
- (a) in consideration of our Company making available the Electronic Application facility, through the Participating Banks as the agents of our Company, at the ATMs and IB websites of the relevant Participating Banks and mobile banking interface of DBS Bank:
 - (i) your Electronic Application is irrevocable; and
 - (ii) your Electronic Application, our acceptance and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (b) neither our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent, the Participating Banks nor CDP shall be liable for any delays, failures or inaccuracies in the recording or storage or in the transmission or delivery of data relating to your Electronic Application to our Company or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 7 above or to any cause beyond our respective controls;
 - (c) in respect of Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any payment received by or on behalf of our Company;
 - (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - (e) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent or any other person involved in the Invitation shall have any liability for any information not so contained;
 - (f) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document; and
 - (g) you irrevocably agree and undertake to subscribe for the number of Invitation Shares applied for as stated in your Electronic Application or any smaller number of such Invitation Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot a smaller number of Invitation Shares or not to allot any Invitation Shares to you, you agree to accept such decision as final.

Steps for Electronic Applications through ATMs and the IB website of UOB Group

The instructions for Electronic Applications will appear on the ATM screens and the IB website screens of the respective Participating Banks. For illustrative purposes, the steps for making an Electronic Application through the ATMs or IB website of UOB Group are shown below. Instructions for Electronic Applications appearing on the ATM screens and the IB website screens (if any) of the relevant Participating Banks (other than UOB Group) may differ from that represented below.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

Owing to space constraints on UOB's ATM screens, the following terms will appear in abbreviated form:

"&"	:	and
"A/C" and "A/CS"	:	ACCOUNT AND ACCOUNTS, respectively
"ADDR"	:	ADDRESS
"AMT"	:	AMOUNT
"APPLN"	:	APPLICATION
"CDP"	:	THE CENTRAL DEPOSITORY (PTE) LIMITED
"CPF"	:	CENTRAL PROVIDENT FUND
"CPFINVT A/C"	:	CPF INVESTMENT ACCOUNT
"ESA"	:	ELECTRONIC SHARE APPLICATION
"IC/PSS PT"	:	NRIC or PASSPORT NUMBER
"NO"	:	NUMBER
"PIN"	:	PERSONAL IDENTIFICATION NUMBER
"REGISTRARS"	:	SHARE REGISTRARS
"SCCS"	:	SECURITIES CLEARING & COMPUTER SERVICES (PTE) LTD
"UOB/ICB CPFIS"	:	UOB OR ICB CPF INVESTMENT SCHEME
"YR"	:	YOUR

Steps for an ATM Electronic Application through ATMs of UOB Group

- Step 1 : Insert your personal Unicaard, Uniplus card or UOB VISA/MASTER card and key in your personal identification number.
- 2 : Select "CASHCARD/OTHER TRANSACTIONS".
- 3 : Select "SECURITIES APPLICATION".
- 4 : Select "ESA-Fixed".
- 5 : Select the share counter which you wish to apply for.
- 6 : Read and understand the following statements which will appear on the screen:
- THIS OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENTS. ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) WILL NEED TO MAKE AN APPLICATION IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT
(Press "ENTER" key to continue)

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

- PLEASE CALL 1800 222 2121 IF YOU WOULD LIKE TO FIND OUT WHERE YOU CAN OBTAIN A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/ DOCUMENT OR SUPPLEMENTARY DOCUMENT
 - WHERE APPLICABLE, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT (Press “ENTER” key to confirm that you have read and understood the above statements)
- 7 : Read and understand the following terms which will appear on the screen:
- YOU HAVE READ, UNDERSTOOD & AGREED TO ALL TERMS OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/ DOCUMENT/ SUPPLEMENTARY DOCUMENT & THIS ELECTRONIC APPLICATION
(Press “ENTER” key to continue)
 - YOU CONSENT TO DISCLOSE YR NAME, IC/PSST, NATIONALITY, ADDR, APPLN AMT, CPFINVT A/C NO & CDP A/C NO FROM YOUR A/CS TO CDP, CPF, SCCS, REGISTRARS, SGX-ST AND ISSUER/VENDOR
 - THIS IS YOUR ONLY FIXED PRICE APPLN & IS IN YOUR NAME & AT YOUR RISK
(Press “ENTER” key to continue)
- 8 : Screen will display:
- NRIC/Passport No. XXXXXXXXXXXX**
- IF YOUR NRIC NO/PASSPORT NO IS INCORRECT, PLEASE CANCEL THE TRANSACTION AND NOTIFY THE BRANCH PERSONALLY.**
(Press “CANCEL” or “CONFIRM”)
- 9 : Select mode of payment i.e. “CASH ONLY”. You will be prompted to select Cash Account type to debit (i.e. “CURRENT ACCOUNT/I-ACCOUNT”, “CAMPUS” OR “SAVINGS ACCOUNT/TX ACCOUNT”). Should you have a few accounts linked to your ATM card, a list of linked account numbers will be displayed for you to select.
- 10 : After you have selected the account, your Securities Account number will be displayed for you to confirm or change (This screen with your CDP Securities Account number will be shown if your Securities Account number is already stored in the ATM system of UOB). If this is the first time you are using UOB’s ATM to apply for Shares, your Securities Account number will not be stored in the ATM system of UOB, and the following screen will be displayed for your input of your CDP Securities Account number.
- 11 : Read and understand the following terms which will appear on the screen:
1. **PLEASE DO NOT APPLY FOR JOINT A/C HOLDER OR OTHER THIRD PARTIES.**
 2. **PLEASE USE YOUR OWN ATM CARD.**
 3. **DO NOT KEY IN THE CDP A/C NO. OF YOUR JOINT A/C HOLDER OR OTHER THIRD PARTIES.**

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

4. KEY IN YOUR CDP A/C NO. (12 DIGITS) 1681-XXXX-XXXX

5. PRESS ENTER KEY

- 12 : Key in your Securities Account number (12 digits) and press the “ENTER” key
- 13 : Select your nationality status
- 14 : Key in the number of Shares you wish to apply for and press the “ENTER” key
- 15 : Check the details of your Electronic Application on the screen and press the “ENTER” key to confirm your Electronic Application
- 16 : Select “NO” if you do not wish to make any further transactions and remove the Transaction Record. You should keep the Transaction Record for your own reference only

Steps for an Internet Electronic Application through the Internet Banking website of UOB

Owing to space constraints on UOB Group’s IB website screen, the following terms will appear in abbreviated form:

- “CDP” : The Central Depository (Pte) Limited
- “CPF” : The Central Provident Fund
- “NRIC” or “I/C” : National Registration Identity Card
- “PR” : Permanent Resident
- “SGD” or “S\$” : Singapore Dollars
- “SCCS” : Securities Clearing & Computer Services (Pte) Ltd
- “SGX-ST” : Singapore Exchange Securities Trading Limited

- Step 1 : Connect to UOB’s website at <http://www.uobgroup.com>
- 2 : Locate the UOB Online Services Login icon on the top right hand side next to “Internet Banking”
- 3 : Click on UOB Online Services Login and at drop list select “UOB Personal Internet Banking”
- 4 : Enter your Username and Password and click “Submit”
- 5 : Click on “Proceed” under the Full Access Mode
- 6 : You will receive a SMS One-Time Password. Enter the SMS One-Time Password and click “Proceed”
- 7 : Click on “EPS/Securities/CPFIS”, follow by “Securities”, follow by “Securities Application”
- 8 : Read the IMPORTANT notice and complete the declarations found on the bottom of the page by answering Yes/No to the questions
- 9 : Click “Continue”
- 10 : Select your country of residence (you must be residing in Singapore to apply), and click “Continue”

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

- 11 : Select the “Securities Counter” from the drop list (if there are concurrent IPOs) and click “Submit”
- 12 : Check the “Securities Counter”, select the mode of payment and account number to debit and click on “Submit”
- 13 : Read the important instructions and click on “Continue” to confirm that:
1. **You have read, understood and agreed to all the terms of this application and Prospectus/Offer Document or Supplementary Document.**
 2. **For the purposes of facilitating your application, you consent to disclose your name, NRIC/passport number, CDP Securities Account Number, CPF investment account number, application details and other personal data and disclosing the same from our records to CDP, CPF, SCCS, share registrars, SGX-ST & Issuer/Vendor(s), the Sponsor, Issue Manager, Underwriter and Placement Agent.**
 3. **This application is made in your own name, for your own account and at your own risk.**
 4. **For FIXED/MAX price securities application, this is your only application. For TENDER price shares application, this is your only application at the selected tender price.**
 5. **For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: The application monies will be debited from your bank account in SGD, based on the Bank’s exchange rate, or application monies may be debited and refunds credited in SGD at the same exchange rate.**
 6. **For 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to the availability at the point of application.**
- 14 : Check your personal details, details of the share counter you wish to apply for and account to debit:
- Select (a) Nationality;
- Enter (b) your CDP Securities Account Number; and
- (c) the number of shares applied for.
- 15 : Check the details of your application, your NRIC/Passport number, Securities Account Number and the number of shares applied for, share counter, payment mode and account to debit
- 16 : Click “Submit”, “Clear” or “Home” as applicable
- 17 : Print the Confirmation Screen (optional) for your own reference and retention only



UG HEALTHCARE CORPORATION LIMITED

(Company Registration Number: 201424579Z)

Visit us at www.ughealthcarecorporation.com