



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

NEWS RELEASE – FOR IMMEDIATE RELEASE

UG HEALTHCARE CORPORATION LIMITED LAUNCHES INITIAL PUBLIC OFFERING

- **Beneficiary of global healthcare spending with increasing hygiene and healthcare awareness across the world, especially in the emerging markets**
- **Established global distribution channels with growth potential as production capacity increases**
- **Well positioned in a resilient sector**
- **Invitation of 28,800,000 shares at S\$0.215 per share**
- **Invitation opens 6.00 p.m. on Friday, 28 November 2014 and closes at 12.00 p.m. on Thursday, 04 December 2014**

Singapore, 28 November 2014 – UG Healthcare Corporation Limited 优格医疗有限公司 (“UG Healthcare” or the “Company”, and together with its subsidiaries, the “Group”), an established Malaysia-based manufacturer and distributor of examination gloves, announced that it has registered its Offer Document on the Catalodge of Singapore Exchange Securities Trading Limited (“SGX-ST”) today, for an initial public offering (“IPO”).

UG Healthcare manufactures and distributes natural latex and nitrile examination gloves under its own brands including its “Unigloves” brand name as well as third party labels where it is engaged as original equipment manufacturer. The Group also distributes ancillary products such as surgical, vinyl and cleanroom gloves, face masks and other medical disposables. While its gloves are used predominantly in the healthcare industry, they are also used across a diverse range of industries such as laboratories, food handlers, automotive, beauty and cleanroom.

The Group has two manufacturing facilities that are capable of producing up to approximately 1.3 billion pieces of gloves per annum. This is complemented by its extensive global distribution network, established through its own distribution companies based in the USA, UK, Germany, the PRC and Nigeria, as well as through third party distributors. This facilitates the sale of its products to more than 50 countries including Germany, Nigeria, the PRC, USA, UK, France, Italy, Austria, Switzerland, the Netherlands, Japan, South Korea, Canada and Brazil.

Through its international distribution companies, UG Healthcare is able to effectively and efficiently (i) promote its brand name; (ii) provide on-the-ground customer service and technical support to its end-users in each local market; and (iii) enhance its overall value chain management down to the end-users. As a result, the Group is able to (i) identify changing market trends; (ii) facilitate the flow of market information to its manufacturing teams; and (iii) respond swiftly to customers' evolving needs in a cost-efficient manner. This competitive edge has enabled the Group to establish a wide customer network and build a credible track record.

Financial Highlights

FYE 30 June (S\$'000)	FY2012	FY2013	FY2014	CAGR
Revenue	41,583	47,014	49,009	8.6%
Gross profit	6,208	8,107	10,202	28.2%
Profit before taxation	3,508	4,959	6,130	32.2%
Profit for the year	2,861	3,812	4,912	31.0%
<i>GP margin</i>	<i>14.9%</i>	<i>17.2%</i>	<i>20.8%</i>	
<i>PBT margin</i>	<i>8.4%</i>	<i>10.5%</i>	<i>12.5%</i>	
<i>NPAT margin</i>	<i>6.9%</i>	<i>8.0%</i>	<i>10.0%</i>	

In the financial year ended 30 June 2014 (“FY2014”), the Group's revenue increased by 4.3% to S\$49.0 million, from S\$47.0 million in FY2013 on the back of higher sales of natural latex and nitrile examination gloves.

Gross profit grew 25.8% from S\$8.1 million in FY2013 to S\$10.2 million in FY2014, in tandem with higher sales and due to an improvement in its overall gross profit margin. Gross profit margin increased by 3.6% in FY2014, mainly due to lower raw material prices as the Group benefited from bulk purchase on raw materials and achieved economies of scale in production. As a result, gross profit margin improved from 17.2% in FY2013 to 20.8% in FY2014. Net profit for the year increased by 28.9% from S\$3.8 million in FY2013 to S\$4.9 million in FY2014.

Prospects and Future Plans

Usage of disposable gloves in healthcare industries in emerging markets generally lags behind mature markets. With greater awareness of hygiene amongst healthcare professionals and the public, as well as a convergence toward internationally accepted healthcare standards, there is a potential for growth in demand for disposable gloves. Through its distribution network, UG Healthcare is well positioned to capitalise on this trend.

In addition, the outbreak and prevalence of infectious diseases acts as a strong catalyst in the demand for disposable gloves. Gloves act as an effective protective barrier which reduces the risk of cross contamination and transmission of infectious diseases and currently, there is no foreseeable substitute for gloves.

The glove manufacturing industry in Malaysia has a long-standing history and reputation for quality products. This industry is also resilient to economic downturns, as gloves serve as a basic necessity in the healthcare industry to prevent cross contamination and disease transmission.

Mr. Lee Jun-Yih, Executive Director of UG Healthcare, said *“Our proposed listing on the Catalist marks a significant milestone in the Group’s progression. Over the past 26 years, we have grown from a small rubber glove manufacturer with only two production lines to an established latex examination glove manufacturer with an extensive global distribution platform for our products. The successful listing would allow the Group to have a more diverse investor base and enable us to further extend our geographical footprint internationally.*

Capitalising on the rising hygiene and healthcare awareness in the emerging countries, we plan to leverage on our technical know-how and distribution platforms to enhance our production efficiency and capacity, as well as product range to grow the business further.”

To ride on the positive industry trends, UG Healthcare has the following strategies:

- expansion of its production capacity from the current 1.3 billion gloves per annum;
- expansion of sales and distribution network to widen its market reach and venture into new markets; and
- developing new products and engaging in research and development to stay abreast of industry trends.

The Invitation

28,800,000 shares are being offered (the “**Invitation**”) for subscription by way of public offer and placement at the Invitation price of S\$0.215 per share. The Invitation comprises 1,800,000 shares by way of offer to the public in Singapore and 27,000,000 shares by way of placement to retail and institutional investors in Singapore.

Upon completion of the IPO, UG Healthcare’s total issued share capital will be 188,023,530 shares, with its market capitalisation expected to be approximately S\$40.4 million, based on S\$0.215 per share. Following the completion of the Invitation, the promoters and Pre-Invitation Investors will collectively hold approximately 84.68% of the total number of shares in UG Healthcare.

The Invitation opens at 6.00 p.m. on Friday, 28 November 2014 and closes at 12.00 p.m. on Thursday, 04 December 2014.

Use of Proceeds

UG Healthcare plans to use the net proceeds of approximately S\$4.22 million to be raised from the Invitation for the following purposes:

- expansion of the Group’s production capacity;
- expansion of its sales and distribution network;
- research and development of new products;
- general working capital; and
- listing expenses.

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About UG HEALTHCARE CORPORATION LIMITED

UG Healthcare Corporation Limited 优格医疗有限公司 (“**UG Healthcare**”) and together with its subsidiaries (the “**Group**”) is an established Malaysia-based glove manufacturer and distributor. Currently, the Group has two manufacturing facilities located in Seremban, Malaysia. To complement this manufacturing platform, it has established an extensive distribution network globally through its own distribution companies based in the USA, UK, Germany, the PRC and Nigeria, as well as through third party distributors.

Started in 1989, the Group has built its reputation as a reliable manufacturer and distributor of natural latex and nitrile examination gloves under its own brand names including its “Unigloves” brand name as well as third party labels where it is engaged as original equipment manufacturer. UG Healthcare also distributes ancillary products such as surgical, vinyl and cleanroom gloves, face masks and other medical disposables.

The Group’s competitive edge lies in its successful integration of its manufacturing and distribution businesses. The integrated platforms allow the Group to have full control over the entire supply chain, including (1) the production process, where it can carry out stringent quality control checks at every stage to ensure consistent product quality and compliance with various stringent international standards, as well as (2) the distribution of its products to end-users and intermediaries. With its own facilities, the Group is also able to customise products to meet the evolving requirements of customers in a cost effective manner.

Its 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.

For more information, please visit UG Healthcare’s website at www.ughealthcarecorporation.com

For Media and Analysts, please contact

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This News Release does not purport to be complete and is qualified in its entirety by, and should be read in conjunction with, the full text of the Offer Document, including but not limited to the sections entitled “Risk Factors” and “Cautionary Notes Regarding Forward-Looking Statements” of the Offer Document. The information contained in this News Release should not be relied on as any representation or warranty by UG Healthcare Corporation Limited.

Any decision to subscribe for and/or purchase any securities must be made solely on the basis of information contained in the Offer Document. Anyone who wishes to subscribe for and/or purchase the Invitation Shares shall make an application in the manner set out in the Offer Document.

Copies of the Offer Document and the Application Forms 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. A copy of the Offer Document is also available on the SGX-ST website <http://www.sgx.com>.

This News Release includes forward-looking statements provided with respect to the anticipated future performance of UG Healthcare Corporation Limited. Such forward-looking statements reflect various assumptions of the management concerning the future performance of UG Healthcare Corporation Limited. Accordingly, there can be no assurance that such projections and forward-looking statements will be realised. The actual results may vary from the anticipated results and such variation may be material. No representations or warranties are made as to the accuracy or reasonableness of such assumptions or the forward-looking statements based thereon.

This news release has been prepared by the UG Healthcare Corporation Limited (the “**Company**”) and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**Exchange**”). The Sponsor has not independently verified the contents of this news release.

This news release has not been examined or approved by the Exchange. The Sponsor and the Exchange assume no responsibility for the contents of this news release, including the correctness of any of the statements or opinions made or reports contained in this news release.

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