UG HEALTHCARE CORPORATION

(Incorporated in Singapore with Unique Entity No.: 201424579Z)
website: www.ughealthcarecorporation.com
SGX stock code: 8K7

RESPONSE TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS PRIOR TO THE COMPANY'S EXTRAORDINARY GENERAL MEETING TO BE HELD ON 23 JUNE 2023

The board of Directors (the "**Board**") of UG Healthcare Corporation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to refer to:

(i) the Company's circular to Shareholders in relation to the proposed acquisition of 40.0% of the total corporate capital of UGHC Brasil Importadora LTDA issued on 8 June 2023 (the "**Circular**"); and

(ii) the notice of extraordinary general meeting ("**EGM**") issued on 8 June 2023 informing shareholders that the Company's EGM will be convened and held on Friday, 23 June 2023 at 12.00 p.m.

The announcement of the EGM comprising the Circular, the notice of EGM, and the proxy form can be found on the Singapore Exchange's website (www.sgx.com) and the Company's website (www.ughealthcarecorporation.com).

The Company would like to thank shareholders for submitting their questions ahead of the EGM. Please refer to the annex of this announcement on the questions received from shareholders, and the Company's responses to the questions.

By Order of the Board
UG Healthcare Corporation Limited

Lee Keck Keong
Executive Director and CEO

16 June 2023

*This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the **"Sponsor"**).*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Ms. Charmian Lim (Telephone no.: (65) 6232 3210) at 1, Robinson Road, #21-00 AIA Tower, Singapore 048542.

ANNEX: Responses to Shareholders' Questions

*All capitalised terms which are not defined herein shall unless the context otherwise requires have the same meanings as ascribed to them in the Company's circular to Shareholders dated 8 June 2023 (the "**Circular**").*

1. Besides Brazil, has Management considered similar JV structures in other key markets?

   Company's response:

   The Company has similar JV structures in other key markets, where the Company generally holds more than 15% and the local partner(s) own the remaining shares. In some JVs, where the Company is of the view of greater potential growth in the long term, it holds the majority stake. Details on the Company's corporate structure can be found on page 9 of the 2022 annual report.

2. What is the expected contribution from Brazil with the Proposed Acquisition?

   Company's response:

   The Company views Brazil as a key strategic market with enormous potential for the long term, given its estimated population of 218.7 million and favourable demographics.[1] With the infrastructure including warehousing, logistics, sales and marketing team, and distribution channels steadily built up over the years, the Company believes that UGHC Brasil will be well positioned to ride on Brazil's economic recovery in time to come.

   As the Company is in control of UGHC Brasil's operations and management (including policies and decision making), UGHC Brasil is considered a subsidiary of the Company for accounting purposes and its financials have been consolidated into the Group's financial results since the financial year ended 30 June 2018. The proposed acquisition of the 40.0% stake in UGHC Brasil from the Vendor will ensure greater flexibility for the Company to pursue expansion in business activities and earnings base.

   (Source: 1 https://www.cia.gov/the-world-factbook/countries/brazil/#people-and-society)

3. Has Management performed due diligence on the Vendor?

   Company's response:

   The Vendor is a long-term business partner of the Company in Brazil. Therefore, the Company is very familiar with the background, competence, and character of the Vendor.

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