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

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

The board of Directors (the "**Board**") of UG Healthcare Corporation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's unaudited full-year financial statements announcement for the financial year ended 30 June 2024 ("**FY24**") released via the SGXNet on 29 August 2024 (the "**Unaudited Financial Statements**"). Further reference is made to the audited consolidated financial statements of the Group for FY24 ("**Audited Financial Statements**") and the report thereon by the Company's external auditors, Forvis Mazars LLP ("**Independent Auditor's Report**") included in the Company's annual report for FY24 which has been released on the same day.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Board wishes to highlight that following the finalisation of the audit, the Company's independent auditor has proposed certain adjustments which the management of the Company has adopted accordingly in respect of the statements of financial position and consolidated cash flow statement in the Audited Financial Statements . The details of the material variances are set out in Appendix A as annexed hereto. For the avoidance of doubt, there is no variance on the net profit reported in the Consolidated Statement of Comprehensive Income between the Unaudited Financial Statement and the Audited Financial Statements.

Shareholders are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

The Board confirms that to the best of its knowledge, all material disclosures, facts and information have been provided and announced and are not aware of any facts, information or disclosures, the omission of which would make any statement in this announcement or disclosures misleading.

By order of the Board
UG Healthcare Corporation Limited

LEE KECK KEONG
Executive Director and CEO

14 October 2024

*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.

Appendix A
Statements of Financial Position for the Group

	Note	30 June 2024 (Unaudited) S$'000	30 June 2024 (Audited) S$'000	Variance S$'000
ASSETS				
Non-current assets				
Subsidiaries		-	-	-
Joint venture	**1**	305	732	427
Associates		655	655	-
Property, plant and equipment		57,546	57,546	-
Intangible assets		753	753	-
Goodwill	**1**	17,906	17,479	(427)
Deferred tax assets		3,120	3,120	-
Total non-current assets		80,285	80,285	-
Current assets				
Inventories	**2**	60,208	61,313	1,105
Amounts due from subsidiaries		-	-	-
Trade and other receivables		53,347	53,347	-
Derivative financial assets		10	10	-
Income tax assets		3,500	3,500	-
Cash and cash equivalents		27,998	27,998	-
Total current assets		145,063	146,168	1,105
Total assets		225,348	226,453	1,105
EQUITY AND LIABILITIES				
Equity				
Share capital		59,652	59,652	-
Reserves		(70,951)	(70,951)	-
Retained earnings		174,692	174,692	-
Equity attributable to the owners of the Company		163,393	163,393	-
Non-controlling interests		(2,113)	(2,113)	-
Total equity		161,280	161,280	-
Non-current liabilities				
Deferred tax liabilities		1,742	1,742	-
Lease liabilities		374	374	-
Bank borrowings		24,927	24,927	-
Total non-current liabilities		27,043	27,043	-
Current liabilities				
Bank borrowings		17,907	17,907	-
Amounts due to subsidiaries		-	-	-
Trade and other payables	**2**	18,167	19,272	1,105
Lease liabilities		508	508	-
Derivative financial liabilities		16	16	-
Income tax liabilities		427	427	-
Total current liabilities		37,025	38,130	1,105
Total liabilities		64,068	65,173	1,105
Total equity and liabilities		225,348	226,453	1,105

Note:
1. The variance was due to the reclassification of provisional goodwill arising from the acquisition of UG Nitrex, S.L. to the carrying amount of investment in joint venture.
2. The variance was due to the adjustment for goods in transit as at balance sheet date.

Appendix A (Continued)
Consolidated Statement of Cash Flows for the Group

	Note	FY24		
		(Unaudited) S$'000	(Audited) S$'000	Variance S$'000
Operating activities				
Loss before income tax		(9,089)	(9,089)	-
Adjustments for:				
Amortisation of intangible assets		21	21	-
Property, plant and equipment written off	**1**	231	239	8
Impairment of property, plant and equipment		-	-	-
Gain on disposal of lease		-	-	-
Depreciation of property, plant and equipment		3,851	3,851	-
Loss allowance on trade receivables		28	28	-
Interest expense		1,282	1,282	-
Interest income		(2,009)	(2,009)	-
Share of profits from equity-accounted for associates		77	77	-
Fair value loss on derivative financial instruments		193	193	-
Unrealised exchange differences	**2,6**	(4,440)	(4,620)	(180)
Operating cash flows before movements in working capital		(9,855)	(10,027)	(172)
Movements in working capital				
Inventories	**2,4**	(5,664)	2,480	8,144
Trade and other receivables	**2**	(17,723)	(15,681)	2,042
Trade and other payables	**2,4**	4,096	2,062	(2,034)
Cash used in operations		(29,146)	(21,166)	7,980
Interest paid	**5**	(1,238)	-	1,238
Income taxes refunded	**2**	3,170	3,010	(160)
Net cash used in operating activities		(27,214)	(18,156)	9,058
Investing activities				
Acquisition of property, plant and equipment	**2**	(2,960)	(2,514)	446
Additional of intangible assets	**2**	(162)	(39)	123
Additional of goodwill	**2,3**	(17,906)	-	17,906
Acquisition of a subsidiary	**2**	-	(21,791)	(21,791)
Acquisition of a joint venture	**3**	-	(732)	(732)
Dividend received from an associate		335	335	-
Interest received		2,009	2,009	-
Net cash used in investing activities		(18,684)	(22,732)	(4,048)
Financing activities				
Drawdown of borrowings	**2**	40,241	37,699	(2,542)
Increase in fixed deposits pledged to bank		(10)	(10)	-
Repayment of borrowings	**5**	(27,357)	(28,595)	(1,238)
Repayment of lease liabilities	**1**	(733)	(732)	1
Dividend paid		-	-	-
Net cash generated from financing activities		12,141	8,362	(3,779)
Net decrease in cash and cash equivalents		(33,757)	(32,526)	1,231
Effect on exchange rate changes on cash and cash equivalent	**6**	-	(1,231)	(1,231)
Cash and cash equivalents at beginning of financial period		61,148	61,148	-
Cash and cash equivalents at end of financial period		27,391	27,391	-
Cash and cash equivalents comprised the following:				
Cash and bank balances		27,998	27,998	-
Less: Fixed deposits pledged to bank		(607)	(607)	-
		27,391	27,391	-

Note:

1. Immaterial variances.
2. The variances were due to the reclassifications of net cashflow used to acquire a subsidiary, Unigloves GmbH, based on the provisional fair value of the identifiable assets and liabilities recognised as at date of acquisition.
3. The variances were due to the reclassifications of provisional goodwill arising from the acquisition of UG Nitrex, S.L. from additional of goodwill to net cashflow used to acquire a joint venture.
4. The variance was due to the adjustment for goods in transit as at balance sheet date.
5. The variance was due to the reclassification of interest on borrowings from operating activities to financing activities.
6. The variance was due to the reclassification of unrealised exchange differences under operating activities to effect on exchange differences on cash and cash equivalent.