(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 ANNUAL GENERAL MEETING TO BE HELD ON 29 OCTOBER 2024

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 annual report of the Company for the financial year ended 30 June 2024 (the "**Annual Report**"); and

(ii) the notice of annual general meeting ("**AGM**") issued on 14 October 2024 informing shareholders of that the Company's AGM will be convened and held on Tuesday, 29 October 2024 at 9.30 a.m.

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

By Order of the Board
UG Healthcare Corporation Limited

Lee Keck Keong
Executive Director and CEO

23 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.

ANNEX: Responses to Shareholders' Questions

The Company has organised the questions and responses into two broad categories, as follows:

NON-GLOVE HEALTHCARE RELATED BUSINESSES

1. The "Active Retirement Home" project in Desaru, Johor, Malaysia.

(a) Is this in the proposed Singapore-JB Special Economic Zone ("**SEZ**")?

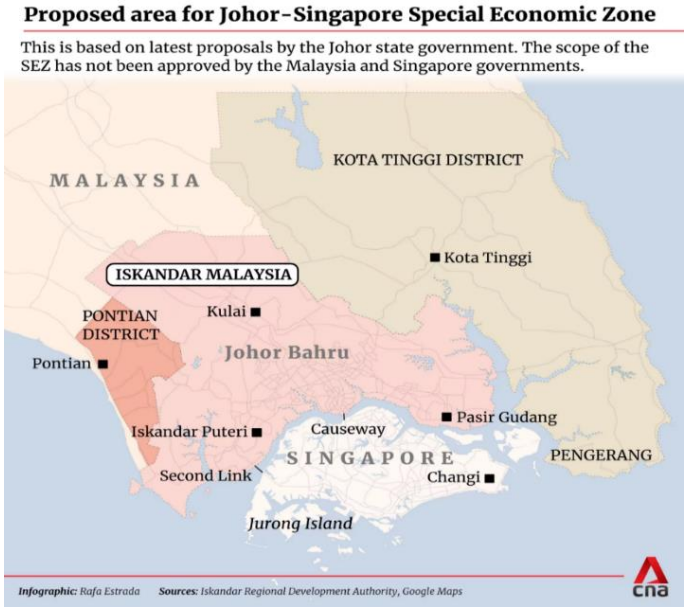
(b) Any further update on the progress?

Company's response:

The Active Retirement Home project is a joint venture partnership between Lumayan Cergas Management Sdn Bhd ("**LCM**") and the wholly-owned subsidiary of the Company, Indigo Teguh Sdn Bhd ("**Indigo**"). LCM holds a 65% stake in the joint venture and will be responsible for all matters relating to the development and management of the Active Retirement Home project, which includes obtaining approvals from the relevant authorities, operational material, and sourcing for financing.

The Active Retirement Home project is conveniently located 21 kilometres south of the Desaru Coast Ferry Terminal in Johor, and it is accessible via a 90-minute direct ferry ride from Singapore's Tanah Merah Ferry Terminal. This project would potentially be supported with healthcare and wellness businesses, including the development of a healthcare and wellness centre.

The Malaysian and Singapore governments have yet to finalise details of the proposed Johor-Singapore SEZ. However, the Company understands that one of the designated areas of the proposed Johor-Singapore SEZ is the Pengerang district, which is the location of the Active Retirement Home project. We will provide an update when details of the Johor-Singapore SEZ is finalised.



Source: https://www.channelnewsasia.com/asia/johor-singapore-sez-foreign-firms-investment-infrastructure-4583266

During FY24, the Group has obtained all essential and relevant approvals from various government ministries for the development of the Active Retirement Home project, and site clearance activities have commenced in preparation for piling and construction.

As this is a property development project, the Group will require time and effort to complete specific milestones before the Active Retirement Home project becomes operational. Barring any unforeseen circumstances, property development projects and construction phases typically take one or more years before positive cash flows may be generated through the sale of units, whether under development or completed.

The Company will update shareholders on the project's progress as and when appropriate.

2. The status of "HF Diagnostics" project in Nigeria.

Company's response:

HF Diagnostics is a joint venture between Health Focus Diagnostics GmbH ("**Health Focus**") and Unigloves Nigeria, the Group's 75% owned subsidiary, to establish and operate a medical diagnostic centre in the state of Enugu, Nigeria. The diagnostic centre will concentrate on laboratory diagnostics, occupational health screenings, and medical imaging.

Health Focus is a German diagnostics company that has extensive experience in establishing diagnostic centres in Africa. The joint venture in HF Diagnostics offers the Group an opportunity to diversify into non-glove healthcare related business in Nigeria, collaborating with a reputable partner. Unigloves Nigeria owns a ready-made and ready-to-use property in Enugu, Nigeria, that will serve as the diagnostic centre.

Following the exit of the private individual investor in FY24, the Group now owns 60%, and Health Focus owns 40% of HF Diagnostics. As this project is part of the Group's long-term strategy, the Group continues to progress cautiously despite the favourable demographics of a huge young population and rising medical awareness in Nigeria.

Currently, the Group is still in the midst of finalising the details of the joint venture and operations have yet to commence. The Company will update shareholders on the project's progress as and when appropriate.

OWN BRAND MANUFACTURING ("OBM") HEALTHCARE RELATED BUSINESS

3. Besides non-glove healthcare related businesses, has the Board/Management identified any other business as part of the diversification strategy?

Company's response:

The Group has consistently demonstrated prudence and management in its approach to market dynamics and challenges, particularly during both the pre- and post-pandemic times, which led to fluctuations in the average selling prices of disposable examination gloves and ancillary products,

such as reusable gloves, personal protective equipment, and a range of hygiene and healthcare products for infection control, hygiene and care, dental and wound care.

The Group's financial performance during both the pre- and post-pandemic times is set out below.

FYE 30 June (S$'000)	FY24	FY23	FY22	FY21	FY20	FY19
Revenue	115,205	101,133	232,598	338,401	144,209	91,712
Gross profit	25,866	1,448	84,386	196,160	42,519	18,716
Net (loss)/profit[(1)]	(6,056)	(20,734)	36,795	118,765	13,402	2,507

Note: (1) Net (loss)/profit refers to net (loss)/profit attributable to owners of the Company.
Source: Financial Highlights on page 10 of Company's annual report 2024 and 2023.

In anticipation of the trend reversal post-pandemic, the Group continues to build on its robust OBM business, which emphasises its proprietary international **UNI**GLOVES® brand, a global downstream distribution network, and the flexibility of outsourcing product production to third-party manufacturers under its own brand.

The strategic diversification into non-glove healthcare related projects is targeted to balance the Group's risk exposure to the OBM healthcare related business in the future. However, these projects are long-term plans that necessitate time and effort to realise and ultimately yield benefits to the Group.

The Group believes that it must implement both short- and long-term strategies simultaneously in order to achieve sustainable growth in business and financial performance. Therefore, the Group seized the opportunity to diversify its geographical footprint and product portfolio with the strategic acquisitions of Unigloves Germany and UG Nitrex, thereby strengthening its OBM business.

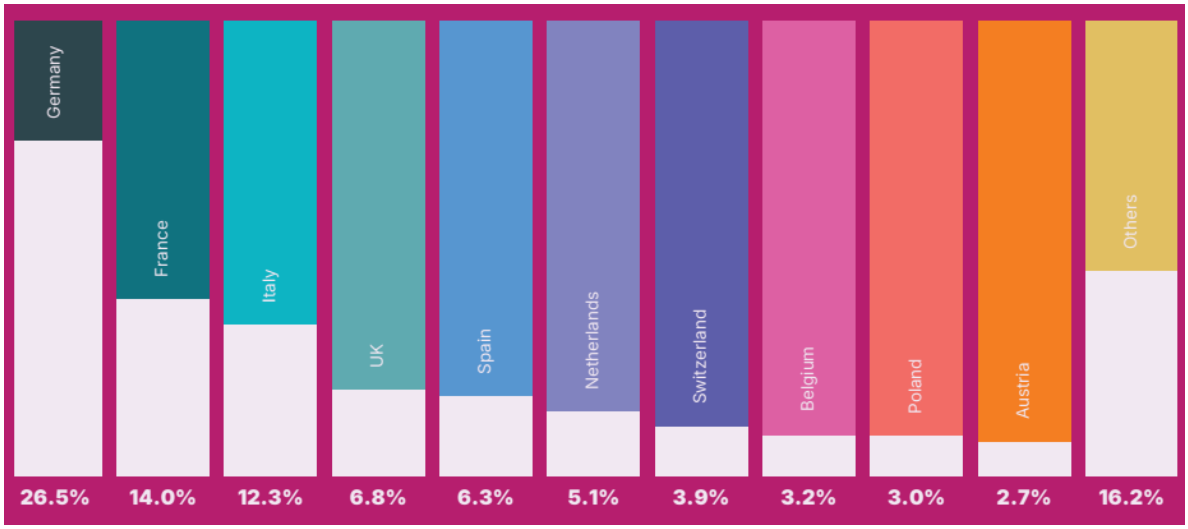
The benefits of expanding its European downstream distribution business are detailed on page 3 of the annual report. For additional information, please see the relevant announcements about the strategic acquisitions of Unigloves Germany and UG Nitrex published on SGXNet and the Company's website.

The Group's market presence in both developed and developing countries, coupled with a diversified range of product lines that extend beyond disposable examination gloves to include reusable gloves for heavy industry applications, safety footwear, and a range of hygiene and healthcare products for infection control, hygiene and care, dental care, and wound care, will enable it to expand its global customer base.

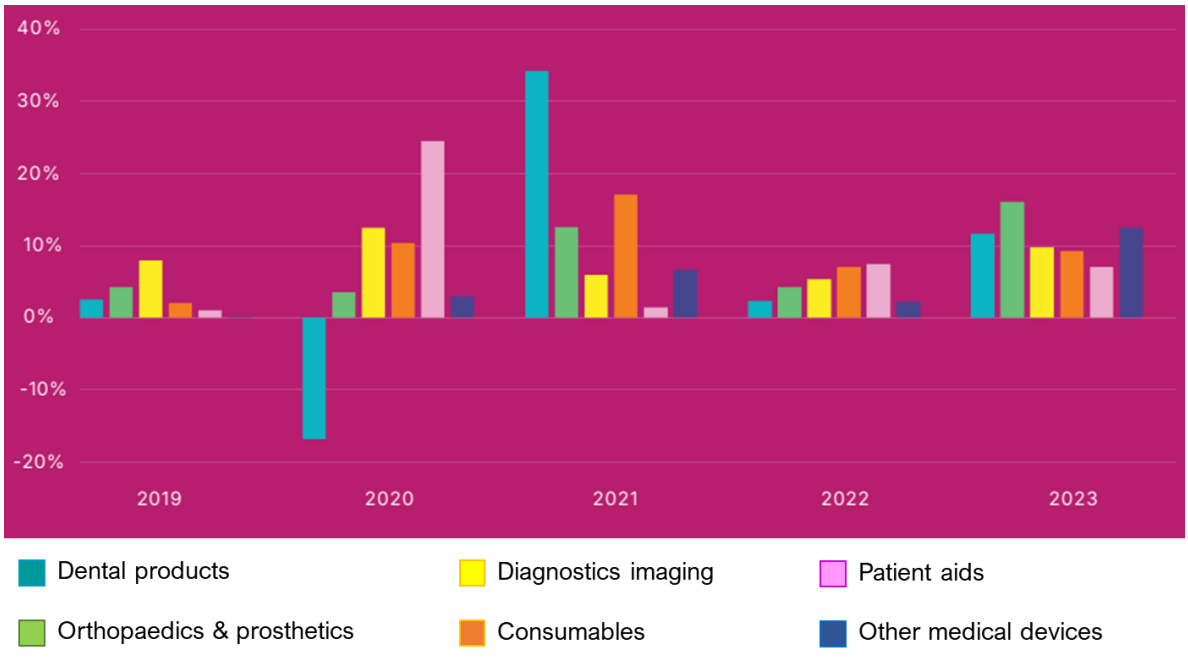
With reference to the report published by MedTech Europe, the European trade association representing the medical technology industries in Europe, the European medical technology market is estimated at roughly €160 billion in 2023. The top five biggest markets are Germany, France, the United Kingdom, Italy, and Spain.
(Reference: https://www.medtecheurope.org/resource-library/medtech-europes-facts-figures-2024/)

Medical technologies ("**MedTech**") comprise everyday objects such as plasters, syringes, surgical masks, and latex gloves, as well as spectacles, wheelchairs, COVID-19 tests, and medical apps, as well as body scanners, gene mutation tests, implantable devices such as heart valves and pacemakers, and replacement joints for knees and hips.

European medical device market by country



European medical technology growth rates by sectors



COVID-19 affected the medical technology industry in several ways. Postponement of elective surgeries across EU countries in 2020 led to deferred patient care within the orthopaedics and dental fields. In 2023, the industry had overcome most of the disruptions caused by the pandemic and returned to pre-COVID-19 growth rates.

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