UG HEALTHCARE CORPORATION LTD.

(Incorporated in Singapore and Listed on the Singapore Stock Exchange with Stock Code 41A)
(Company Registration No. 201424579Z)
Registered Address: 38 Beach Road, #29-11 South Beach Tower, Singapore 189767

ACQUISITION OF PROPERTY IN BRAZIL

1. INTRODUCTION

The Board of Directors (the "**Board**") of UG Healthcare Corporation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that its subsidiary UGHC Brasil Importadora Ltda ("**UGHC Brazil**" or "**Buyer**"), had on 21 May 2019 entered into a Sale and Purchase Agreement ("**Agreement**") with Stevan Participacoes Ltda ("**Seller**") for the purchase of land and warehouse building located in Avenida das Industrias, Brazil, ("**Property**") for a consideration of R$7,214,978.56 (equivalent to approximately S$2,459,595.88 at an exchange rate of 1 Singapore Dollar : 2.9334 Brazilian Real) ("**Consideration**") ("**Proposed Acquisition**").

The Seller is 100% owned by Mr. Antonio Hamilton Stevan, who currently owns 50% equity interest in UGHC Brazil, a 50% owned subsidiary of the Group held through Uningloves (Singapore) Pte Ltd. Save for the aforementioned, Mr. Antonio Hamilton Stevan is not related to the Chief Executive Officer, Directors and controlling shareholders of the Company and their associates.

2. DESCRIPTION ON AND RATIONALE FOR THE PROPOSED ACQUISITION

The Property comprises ownership of the land and warehouse building located at CNPJ: 25.101.992/0002-55 Avenida Das Industrias, 901 Bairro: Porto Grande, CEP: 89.245-000 Araquari, SC, Brasil. The land size is approximately 14,757.37 square meters with approximately 4,400 square meters of constructed warehouse building and is currently being rented by UGHC Brazil for the storage of its inventory.

The Board is of the view that the Proposed Acquisition is in the Group's best interests and is important to the Group's business strategy and expansion plans to build its own warehouse and logistic infrastructure for its own distribution in Brazil.

3. CONSIDERATION

The Consideration was arrived at after arm's length negotiations on a willing buyer willing seller basis, taking into account, *inter alia*, market condition and prevailing properties prices in the same vicinity. The book value of the Property is S$2,459,595.88. The Consideration will be satisfied by way of cash and funded by the Company's internal resources.

4. SALIENT TERMS OF THE AGREEMENT

The salient terms of the Agreement are, *inter alia*, as follows:

(a) The Consideration will be paid by the Buyer to the Seller quarterly in seven installments. The full ownership of the Property will be transferred from the Seller to the Buyer upon the signing of the Agreement and the payment of the first installment both which will happen simultaneously.

5. RELATIVE FIGURES FOR THE PROPOSED ACQUISITION

The relative figures of the Proposed Acquisition computed on the bases out in Rule 1006 (a) to (e) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") are as follows:

Rule 1006	Bases	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net value asset.	Not applicable
(b)	The net profits attributable to the assets acquired, compared with the Group's consolidated net profits.	Not applicable
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	6.9%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable

Note:

(1) The weighted average price of shares transacted on the market day preceding 21 May 2019, being the date of the sale and purchase agreement is S$0.1844. The resulting market capitalisation of the Company is approximately S$35.64 million.

Based on the relative figure computed above, the Proposed Acquisition is a discloseable transaction for the purposes of Chapter 10 of the Listing Manual of the SGX-ST.

6. FINANCIAL EFFECTS ON THE PROPOSED ACQUSITION

For illustrative purposes only, the financial effects of the Proposed Acquisition on the net tangible assets per share and earnings per share of the Group based on the latest unaudited consolidated financial statements of the Group for 9MFY2019 are as follows:

Effect on the net tangible assets

	Before Proposed Acquisition	**After Proposed Acquisition**
Net tangible assets (S$'000)	42,224	42,224
Number of issued shares	193,297,531	193,297,531
Net tangible assets per share (cents)	21.84	21.84

Effect on earnings

	Before Proposed Acquisition	**After Proposed Acquisition**
Net profit after tax (S$'000)	1,968	1,968
Weighted average number of issued shares	193,297,531	193,297,531
Earnings per share (cents)	1.02	1.02

7. INTEREST OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

8. SERVICE AGREEMENTS

No person will be appointed to the Board of Directors of the Company, and no service agreements will be entered into by the Company, in connection with the Proposed Acquisition.

9. DOCUMENT FOR INSPECTION

A copy of the Agreement will be available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this Announcement.

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By order of the Board
UG Healthcare Corporation Limited

LEE KECK KEONG
Executive Director and CEO

23 May 2019

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 Tay Sim Yee (Telephone no.: (65) 6232 3210) at 1, Robinson Road, #21-00 AIA Tower, Singapore 048542.