UG HEALTHCARE CORPORATION LIMITED

Company Registration No. 201424579Z

ANNOUCEMENT PURSUANT TO RULE 704(5) OF THE CATALIST RULES – ADJUSTMENTS TO PRELIMINARY FINANCIAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

The Board of Directors (the **"Board"**) of UG Healthcare Corporation Limited (the **"Company"** and together with its subsidiaries, the **"Group"**) refers to its unaudited financial results announcement for the financial year ended 30 June 2019 (**"FY2019"**) dated 26 August 2019 (the **"Unaudited Results"**). Pursuant to Rule 704(5)of the Listing manual Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**) (the **"Catalist Rules"**), the Board wishes to announce the material variances and the reasons for the material variances between the audited financial statements of the Group for FY2019 (the **"Audited Results"**) and the Unaudited Results following the finalisation of the audit.

Below are the details of the material variances between the Audited Results and the Unaudited Results:

Consolidated Statement of Financial Position

	Per Unaudited Results	Per Audited Results	Change Increase / Decrease		Explanation for the variances
	S$'000	S$'000	S$'000	%	
Property, plant and equipment	31,336	32,043	707	2.3	Refer to A
Trade and other receivables	25,643	24,052	(1,591)	(6.2)	Refer to B
Income tax assets	0	1591	1,591	n.m.	Refer to B
Non-controlling interests	822	1,036	216	26.0	Refer to C
Deferred tax liabilities	2,406	3,201	795	33.0	Refer to D
Long-term bank borrowings	6,444	6,100	(344)	(5.3)	Refer to E
Short-term bank borrowings	32,197	32,239	42	0.1	n.m.

Consolidated Statement of Cash Flows

	Per Unaudited Results	Per Audited Results	Change Increase / Decrease		Explanation for the variances
	S$'000	S$'000	S$'000	%	
Net cash used in operating activities	(5,794)	(6,367)	573	9.9	Refer to F
Net cash used in investing activities	(7,616)	(6,889)	(727)	(9.5)	Refer to G
Net cash generated from financing activities	11,698	11,396	(302)	(2.6)	n.m.

n.m. – not meaningful / not material

Explanatory notes:

A. Property, plant and equipment increased due to adjustments arising from the completion of a valuation ("**Valuation**") on the land and warehouse building in Brazil ("**Property**") purchased by the Company's subsidiary, UGHC Brasil Importadora Ltda during FY2019. In the Unaudited Results, the Property was recorded at a fair value of BRL15.0 million (approximately S$5.2 million). Subsequent to the Valuation, which was completed after the release of the Unaudited Results, the fair value of the Property was valued at BRL16.9 million (approximately S$5.9 million).

B. Reclassification of S$1,591,000 from trade and other receivables to income tax assets.

C. Non-controlling interest increased due to same reason mentioned in Note A. The variance between the consideration of the Property amounting to BRL10.3 million (approximately S$3.5 million) as stated in the Company's announcement dated 8 October 2019 and the fair value of the Property determined by the Valuation is recognised as capital contribution from non-controlling interests.

D. Deferred tax liabilities increased due to the acquisition of the Property mentioned in Note A which gave rise to a temporary taxable timing difference at Brazil's income tax rate of 34%.

E. Long-term borrowings decreased due to an overstatement of borrowings in the Unaudited Results which include interest cost.

F. The net cash used in operating activities increased mainly due to reclassification of formers (glove moulds) under inventories to property, plant and equipment.

G. The net cash used in investing activities decreased due to reason stated in Note F.

By order of the Board
UG Healthcare Corporation Limited

LEE KECK KEONG
Executive Director and CEO

8 October 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.