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 8 DECEMBER 2022

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 diversification into the proposed new business of active retirement homes, and healthcare and wellness issued on 23 November 2022 (the "**Circular**"); and

(ii) the notice of extraordinary general meeting ("**EGM**") issued on 23 November 2022 informing shareholders that the Company's EGM will be convened and held on Thursday, 8 December 2022 at 10.00 a.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 (http://www.sgx.com/securities/company-announcements) and the Company's website (https://www.ughealthcarecorporation.com/investor-relation).

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

2 December 2022

*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 23 November 2022 (including supplements and modifications thereto) (the "**Circular**").*

1. For the development of the retirement homes, have the relevant approvals been obtained from the authorities?

   Company's response:

   With reference to page 12 of the Circular, the strategic partner, Lumayan Active Life Sdn Bhd ("**LAL**"), shall be responsible for all matters relating to the Active Retirement Home Project including obtaining approvals from the relevant authorities, operational matters and sourcing for financing.

   LAL is preparing to submit the relevant applications to the authorities for the Proposed New Business. Hence, the Company is seeking shareholders' approval at the EGM for the Proposed Diversification, which in turn allows the Company to participate in the Proposed New Business.

2. How long will it take to develop the retirement homes? Will it be in phases, and is there an expected timeline?

   Company's response:

   With reference to page A-11 of the Circular, the subject property comprises several plots of beachfront land located in close proximity to Desaru coast beach fronting the South China Sea. While the blueprint has been drawn up, the timeline of the development is subject to approvals from relevant authorities and the progress in construction.

   The shareholders of LAL (which includes the Vendor) have experience in property development and the management of other companies which are also engaged in property development. The Company believes that the strategic partnership with LAL and its shareholders will enable the Company and the JV Entities to leverage their experience, expertise, and business networks in the property development sector.

3. When can we expect profit (if any) to book in?

   Company's response:

   The Group has always been taking a prudent approach to building sustainable growth together with our stakeholders over the long term. The Proposed Diversification would enable the Group to broaden our business activities in the healthcare related sector, and thereby, balances the risk exposure to the disposable examination gloves business.

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.

Shareholders may wish to refer to 2.6 of the Circular, found on pages 15 to 26, on the risk factors of the Proposed Diversification.

Subject to Shareholders' approval to proceed with the Proposed Diversification, the Company will make the necessary announcements as and when appropriate to update Shareholders on any material developments of the Proposed Diversification and/or the Proposed New Business.

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