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 – SUPPLEMENTAL AGREEMENT

1. INTRODUCTION

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 announcement dated 23 May 2019 (the "**Prior Announcement**") in relation to the entry into a Sale and Purchase Agreement ("**Agreement**"), for the proposed purchase of land and warehouse building located in Avenida das Industrias, Brazil, ("**Property**") by the Company's subsidiary, UGHC Brasil Importadora Ltda ("**UGHC Brazil**")(**"Proposed Acquisition**").

All capitalised terms used and not defined herein shall have the same meanings ascribed to them in the Prior Announcement.

2. SUPPLEMENTAL AGREEMENT

Further to the Prior Announcement, UGHC Brazil had on 4 October 2019 entered into a supplemental agreement ("**Supplemental Agreement**") to amend and vary the terms of the Agreement, as describe below.

The Consideration for the Property under the Agreement was stated to be 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).

Under the Supplemental Agreement, the revised consideration is stated as R$10,283,449.23 (equivalent to approximately S$3,505,641.65 at an exchange rate of 1 Singapore Dollar: 2.9334 Brazilian Real) ("**Revised Consideration**"). The initial Consideration stated in the Agreement did not take into account the borrowings incurred by the Group in respect of the Proposed Acquisition. Hence, the Consideration was revised to reflect the actual amount paid by the Group to the Sellers in respect of the Property.

Save as amended and varied by the Supplemental Agreement, the Agreement shall continue in full force and effect in all other respects.

3. OTHER UPDATES

The Company would also like to update shareholders that for the purposes of audit for the full year ended 30 June 2019 ("**FY2019**"), a valuation on the Property was completed. Based on the valuation report dated 9 September 2019 by an independent professional valuation firm, Castegnaro Imoveis Ltda, the fair value of the Property is R$16,930,113.79 (equivalent to approximately S$5,771,498.53 at an exchange rate of 1 Singapore Dollar: 2.9334 Brazilian Real) ("**Valuation**"). The Valuation is based on market prices of recent transactions for similar properties.

4. RELATIVE FIGURES FOR THE PROPOSED ACQUISITION

To account for the actual amount of consideration paid by UGHC Brazil to the Sellers in respect of the Property, the revised relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006 (a) to (e) of the Listing Manual Section B : Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**")("**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(1)
(b)	The net profits attributable to the assets acquired, compared with the Group's consolidated net profits.	Not applicable(2)
(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.	9.8%(3)
(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(4)
(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(5)

Note:

(1) Not applicable as this is in relation to a proposed acquisition.
(2) Not applicable as the Property does not generate any profits.
(3) The weighted average price of shares transacted on the market day preceding 21 May 2019, being the date of the Agreement is S$0.1844. The resulting market capitalisation of the Company is approximately S$35.64 million.
(4) No equity securities issued in respect of the Proposed Acquisition.
(5) Not applicable as the Company is not a mineral, oil and gas company.

Based on the Revised Consideration, the Proposed Acquisition still constitutes a "discloseable transaction" for the purposes of Chapter 10 of the Catalist Rules.

5. FINANCIAL EFFECTS ON THE PROPOSED ACQUSITION

For illustrative purposes only, the Company has represented the financial effects stated in the Prior Announcement, taking into account (i) the Revised Consideration; and (ii) the Valuation. The financial effects of the Proposed Acquisition on the net tangible assets per share and earnings per share of the Group presented below are based on the latest unaudited consolidated financial statements of the Group for 9MFY2019 as at the date of the Agreement.

Effect on the net tangible assets

	Before Proposed Acquisition	After Proposed Acquisition
Net tangible assets (S$'000)	42,224	43,766
Number of issued shares	193,297,531	193,297,531
Net tangible assets per share (cents)	21.84	22.64

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

6. 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.

7. 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.

8. DOCUMENT FOR INSPECTION

A copy of the Agreement and Supplemental 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

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.