UG Healthcare Corporation Limited
(Incorporated in Singapore with Unique Entity No.: 201424579Z)
SGX Stock Code: 41A
website: www.ughealthcarecorporation.com

PROPOSED SHARE SPLIT OF EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF UG HEALTHCARE CORPORATION LIMITED INTO THREE (3) ORDINARY SHARES

1. INTRODUCTION

The board of directors of UG Healthcare Corporation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company is proposing a share split of every one (1) existing ordinary share in the capital of the Company ("**Share**") held by shareholders of the Company (the "**Shareholders**") into three (3) Shares, on a record date (the "**Record Date**") to be determined by the Board in due course (the "**Proposed Share Split**").

2. TERMS OF THE PROPOSED SHARE SPLIT

The Company is proposing to split every one (1) existing Share into three (3) Shares.

As at the date of this announcement, the Company has an issued and paid-up share capital of S$58,686,388.68 (including share issue expenses amounting to S$2,173,860.09) comprising 204,992,856 Shares. Following the completion of the Proposed Share Split, an additional 409,985,712 Shares ("**Additional Shares**") will be allotted and issued, and the Company will have an issued and paid-up share capital of S$58,686,388.68 comprising 614,978,568 Shares.

Shareholders are not required to make any payment to the Company in respect of the Proposed Share Split. All Shares after the Proposed Share Split shall rank *pari passu* with one another, except that the Additional Shares will not be entitled to any dividends, rights, allotments or other distributions, the record date of which falls before the date of issue of the Additional Shares. For this purpose, "record date" means the date fixed by the Company in relation to any dividends, rights, allotments or other distributions on which Shareholders must be registered with the Company or The Central Depository (Pte) Limited ("**CDP**") in order to participate in such dividends, rights, allotments or other distributions.

The Additional Shares will be issued to the Shareholders whose names appear in the register of members of the Company or who have Shares entered against their names in the CDP on the Record Date to be determined in due course in accordance with Rule 837 of the Listing Manual Section B: Rules

of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), on the basis of the number of Shares registered in their names or standing to the credit of their securities accounts on the Record Date. The Company will make a further announcement regarding the Record Date after obtaining all the necessary approvals for the Proposed Share Split.

3. RATIONALE FOR THE PROPOSED SHARE SPILT

The Directors believe that the Proposed Share Split will be beneficial to the Company and its Shareholders for the following reasons:

(a) <u>Reduced price of each Share and increased market liquidity of the Shares</u>

Following the Proposed Share Split, the price of each Share will be reduced, which in turn, will make the Shares more affordable, thus, encouraging greater participation by providing greater flexibility in terms of the size of the trades to investors with different investment profiles. Furthermore, the reduced price of each board lot of Shares will make the Shares more accessible and attractive to both existing and potential investors, thus, enhancing the trading liquidity of the Shares over time.

(b) <u>Broaden the base of Shareholders</u>

Pursuant to the above, the number of Shareholders after the Proposed Share Split may increase with the increase in the number of Shares available for trading purposes. As such, the Proposed Share Spit may broaden the Shareholder base of the Company given that an investment in the Shares would be made more accessible to investors with varying investment profiles.

For illustration purposes only and assuming that the Proposed Share Split had been completed on 31 August 2020, the theoretical price for the Shares traded after the Proposed Share Split would be S$0.75223 (based on the lowest daily weighted average price of the Shares for trades done on the Catalist board (the "**Catalist**") of the SGX-ST from 31 July 2020 to 30 August 2020, being 1 month preceding the date of this announcement.

Shareholders should, however, note that there can be no assurance that the abovementioned can be achieved as a result of the Proposed Share Split, nor can there any assurance that such a result can be sustained in the longer term. Shareholders should also note that there can be no assurance that the market price of the Shares after the completion of the Proposed Share Split would be equal to or higher than the theoretical price following the Proposed Share Split.

4. APPROVALS FOR THE PROPOSED SHARE SPLIT

The Proposed Share Split is subject to:

(i) the approval-in-principle by the SGX-ST for the listing of and the quotation for the Additional Shares arising from the Proposed Share Split; and

(ii) approval from Shareholders by way of an ordinary resolution at a general meeting of the Company to be convened.

A circular to Shareholders will be despatched in due course to provide Shareholders with information relating to the Proposed Share Split together with the notice of the general meeting.

The Company's sponsor, SAC Capital Private Limited, will be submitting an application in due course on behalf of the Company to the SGX-ST for the listing and quotation of the Additional Shares on the Catalist. The Company will make the necessary announcement once the listing and quotation notice has been obtained.

5. FINAL DIVIDEND FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 ("FY2020")

The Board refers to the Company's full year financial statements and dividend announcement for the financial year ended 30 June 2020 made on 11 August 2020 wherein the Board had recommended a final ordinary one-tier tax exempt dividend (the "**Final Dividend**") of S$0.00714 per Share amounting to a total amount of approximately S$1.4 million, subject to Shareholders' approval at the forthcoming annual general meeting of the Company.

Subject to Shareholders' approval being received for the Proposed Share Split, the Final Dividend will be adjusted to S$0.00238 per Share. The total amount of dividends payable will be increased to approximately S$1.5 million after taking into consideration 7,500,000 Shares and 1,400,000 Shares issued pursuant to the placement exercise and the exercise of share options pursuant to the Unigloves Employee Share Option Scheme.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Share Split, other than through their respective shareholdings in the Company.

7. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Share Split, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

8. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board
UG Healthcare Corporation Limited

Lee Keck Keong
Executive Director and CEO

31 August 2020

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*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.