**UG Healthcare Corporation Limited**
(Incorporated in Singapore with Unique Entity No.: 201424579Z)
SGX Stock Code: 8K7
website: www.ughealthcarecorporation.com

**UPDATE ON COVID-19 SITUATION IN THE GROUP'S MANUFACTURING DIVISION IN MALAYSIA**

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 28 June 2021 (the "**28 June Announcement**"), and wishes to provide a further update on the Covid-19 situation in the Group's upstream manufacturing division located in Malaysia.

The district of Seremban, Malaysia where the Group's upstream manufacturing division is located, has been placed under Enhanced Movement Control Order ("**EMCO**") by the Malaysian government from 9 to 22 July 2021. The Group's manufacturing operations will therefore be temporarily halted in compliance with the EMCO.

The temporary closure will result in a further reduction in productivity by approximately 80 million pieces of gloves or 2.35% of the Group's annual production capacity. This is on top of the estimated productivity loss announced in the 28 June Announcement, bringing the total reduction in productivity to approximately 165 million pieces of gloves or 4.85% of the Group's annual production capacity of 3.4 billion pieces of gloves.

The Group operates an integrated business comprising of an upstream manufacturing division and a downstream distribution division to market and sell disposable gloves under its proprietary "Unigloves" brand. Therefore, it has better control and management on the fulfilment of orders to its customer base. During the financial year ended 30 June 2021, the Group has expanded production capacity from 2.9 billion pieces of gloves to 3.4 billion pieces of gloves, which acts as a natural buffer during this time. The Group remains committed to ensure that its customers have the required inventory to meet their needs.

The Group will update shareholders on material developments as and when they arise.

By Order of the Board
**UG Healthcare Corporation Limited**

Lee Keck Keong
Executive Director and CEO

12 July 2021

*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.*