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## STRATEGIC EXPANSION INTO REUSABLE GLOVES AND SPAIN THROUGH THE ACQUISITION OF 50% EQUITY INTEREST IN UG NITREX, S.L.

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### 1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of UG Healthcare Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Unigloves (Singapore) Pte Ltd (“**Unigloves Singapore**”) had on 5 June 2024 entered into:

- a) a sale and purchase agreement (the “**SPA**”) with Afaprot, S. L. (“**Afaprot**”) and Mr. Maximino Martínez Tilve (“**Mr. Martínez**”) (collectively known as the “**Sellers**”) for the acquisition of 500 issued and paid-up ordinary shares (“**Sale Shares**”) in the share capital of UG NITREX, S. L. (formerly known as NITREX SEGURIDAD LABORAL, S.L.) (“**UG NITREX**” or the “**Target**”), representing 50% of the share capital of UG NITREX for an aggregate purchase consideration of €500,000 (equivalent to approximately S\$730,650 based on the exchange rate of €1.00 : S\$1.4613) (the “**Purchase Consideration**”) (the “**Acquisition**”); and
- b) a put and a call option agreement regarding the remaining shares of the Sellers in the Target (the “**Put & Call Option Agreement**”) and a shareholders’ agreement to set forth the essential principles and rules that govern the relations between the Sellers as shareholders of the Target (the “**Shareholders’ Agreement**”).

Upon completion of the Acquisition, Unigloves Singapore will own 50% equity interest in UG NITREX and UG NITREX will be accounted as a joint venture between the Sellers and the Group.

### 2. INFORMATION RELATING TO UG NITREX, THE SALE SHARES, AND THE SELLERS

#### 2.1 Information on UG NITREX

UG NITREX is a limited liability company duly and validly constituted under the laws of Spain. As at the date of this announcement, UG NITREX has an issued and paid-up share capital of €10,000 (equivalent to approximately S\$14,613) comprising 1,000 ordinary shares, and the Sellers hold 100% of the shareholding interest in UG NITREX.

UG NITREX is principally engaged in the sale, marketing and distribution of reusable gloves for industrial applications, safety footwear, and other personal protective equipment (“**PPEs**”) in Spain and neighbouring countries such as Portugal and France.

UG NITREX holds all the relevant licences, certifications, and trademarks of a wide range of reusable gloves for industrial applications, and it has been supplying its Nitrex and Sibille Safe range of reusable gloves to the Group’s downstream distribution business since October 2021.

## 2.2 The Sale Shares

Based on UG NITREX’s unaudited financial statements for the financial year ended 31 December 2023 (“FY23”), the net book value and net tangible asset value of the Sale Shares were €210,542 (approximately S\$307,665) and €207,946 (approximately S\$303,872), respectively, and the net profit before tax attributable to the Sale Shares for FY23 was €28,213 (approximately S\$41,227).

Shareholding structure of UG NITREX is set out as follows:

Shareholders	Before Acquisition		After Acquisition	
	No. of Shares	Shareholding	No. of Shares	Shareholding
Unigloves Singapore	-	-	500	50%
<b>Sellers:</b>				
Afaprot	900	90%	450	45%
Mr. Martínez	100	10%	50	5%
<b>Total</b>	<b>1,000</b>	<b>100%</b>	<b>1,000</b>	<b>100%</b>

## 2.3 Information on the Sellers

Afaprot and Mr. Martínez are the initial shareholders of UG NITREX.

Afaprot is a private company incorporated in Spain with Mr. Agustín Arocena (“**Mr. Agustín**”) and Mr. Álvaro Artaza as the shareholders each holding 50% of the company, and Mr. Agustín being the sole director of Afaprot.

The Sellers are not related to any of the Directors, substantial shareholders of the Company or their associates.

## 3. SALIENT TERMS OF THE ACQUISITION

### 3.1 Sale and Purchase Agreement

#### a) Acquisition of the Sale Shares

The Acquisition involves the acquisition of the Sale Shares, free and clear from any charges and encumbrances, are fully subscribed and paid in and fully enjoy the rights inherent in them by reason of the applicable law and the bylaws.

The sale and purchase of the Sale Shares is completed on the date of the execution and notarization of the SPA, the payment of the Purchase Consideration, and the performance of the Closing Conditions.

b) The Purchase Consideration

The Purchase Consideration of €500,000 (equivalent to approximately S\$730,650) was arrived at on a willing-buyer, willing-seller basis after arm's length negotiation, and taking into account among others, (i) the immediate ownership of the relevant licences, certifications, and trademarks for more than a hundred of stock keeping units (“SKUs”) of **UG NITREX**'s product portfolio of reusable gloves; (ii) the immediate market presence in Spain and neighbouring countries such as Portugal and France, strengthening the Group's downstream distribution business in Southern Europe; (iii) the participation in a profitable and established business in reusable gloves for industrial applications, safety footwear, and other PPEs; (iv) the net tangible asset value of approximately €207,946 (approximately S\$303,872) derived based on 50% equity interest in the net tangible asset value of **UG NITREX** for the financial year ended 31 December 2023; and (v) the revenue and EBITDA of approximately €2,668,209 (approximately S\$3,899,054) and €116,213 (approximately S\$169,822), respectively, for the financial year ended 31 December 2023.

### 3.2 **Shareholders' Agreement**

Certain salient terms of the Shareholders' Agreement are set out as follows:

a) Composition of the board of directors of **UG NITREX**

**UG NITREX** will be governed by a board of four (4) directors which shall be responsible for the overall management, strategy and supervision. Unigloves Singapore and the Sellers will each have two board seats.

b) Shareholders' Lock-Up

The shareholders shall not, directly or indirectly, transfer shares in the capital of **UG NITREX** or create any encumbrance thereover as long as they remain as shareholders of **UG NITREX** (the “**Lock-Up**”). Both Unigloves Singapore and the Sellers have agreed that the shares in the capital of **UG NITREX** may only be transferred upon the exercise of the options granted under the Put & Call Option Agreement.

c) Non-compete and non-solicitation

As long as the shareholders own any equity interest in the capital of **UG NITREX**, the shareholders undertake not to perform by themselves or through third parties, or engage with a position of decisive influence in any form, direct or indirect, in any business, company, activity task or function related to the business in Spain and France while the agreement remain in force.

In the case of Afaprot, the commitment shall apply for two (2) years after it ceased to be a shareholder of **UG NITREX**.

The Sellers undertake not to engage or attempt to engage any employee of **UG NITREX** or Unigloves Singapore or cause them to terminate their employment agreement with either of the companies for five (5) years with effect from the date of the Shareholders' Agreement.

### 3.3 Put & Call Option Agreement

Certain salient terms of the Put & Call Option Agreement over the remaining shares owned by the Sellers are set out as follows:

a) The Call Option

The Sellers grants Unigloves Singapore the unilateral right to acquire and purchase ten (10) shares out of their remaining shares, which constitute to 1% of the share capital of **UG NITREX** (the “**Call Option**”). The ten (10) Call Option shares are to be purchased proportionally comprising nine (9) shares owned by Afaprot and one (1) share owned by Mr. Martínez.

The Call Option may be exercised by Unigloves Singapore at any time as from 1 July 2027 (the “**Effective Date**”).

In the event that Unigloves Singapore exercises the Call Option, the purchase consideration for the acquisition of the Call Option shares shall be computed according to the following formula:

$$1\% \times 5.5 \text{ times of the latest financial year's EBITDA of } \mathbf{UG NITREX}$$

The purchase consideration shall be paid in cash upon the exercise of the Call Option.

b) The Put Option

Unigloves Singapore grants the Sellers, acting jointly, the unilateral right to transfer and sell their remaining shares, all or part, proportionally of at least a 25% equity interest in **UG NITREX** (the “**Put Option**”).

The Put Option is granted for a single exercise, so that in the event of partial exercise of the Put Option, the Put Option shall automatically cease to be in force.

The Put Option may be exercised by the Sellers at any time as from the Effective Date.

In the event that the Sellers exercises the Put Option, the purchase price shall be determined by an independent chartered accounting firm of international reputation.

The purchase consideration shall be paid in cash upon the exercise of the Put Option.

c) Extension of Options

If the share capital of **UG NITREX** is increased by issuance of new shares during the term of the options and any of the existing shareholders subscribes new shares, the options shall be automatically extended to the new shares subscribed by each of the shareholders, so that at any given time:

- (i) the Call Option is granted on as many shares in **UG NITREX** as required for Unigloves Singapore to gain, by means or as a consequence of the execution of the Call Option,

together with the shares in **UG NITREX** that it already owns, a 51% participation share in the Company; and

- (ii) the Put Option is granted on as many shares in **UG NITREX** as required for Unigloves Singapore to gain, by means or as a consequence of the execution of the Put Option, together with the shares in **UG NITREX** that it already owns, a 100% participation share in the Company or, in the case of partial exercise, at least, 75% participation share in the Company.

### 3.4 Closing Conditions

As of the date of this announcement, the following conditions (“**Closing Conditions**”) have been fulfilled and the Acquisition is completed:

- a) the SPA, the Shareholders’ Agreement, and the Call & Put Option Agreement have been entered into simultaneously, and all conditions precedent have been met; and
- b) no enforceable judgment, injunction, order or decree by any court or government authority prohibits the consummation of the completion of the Acquisition (“**Closing**”).

### 3.5 Financing of the Acquisition

The Acquisition will be financed through the Company’s internal cash resources.

### 3.6 Relative Figures under Catalist Rule 1006

The relative figures computed on the bases set out in Catalist Rule 1006 are based on the latest announced unaudited financial statements of the Group for the half year ended 31 December 2024 (“**1H FY24**”) and are as follows:

<b>Rule 1006</b>		<b>Relative Figures</b>
(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value.	Not applicable <sup>(1)</sup>
(b)	The profit for the year attributable to Sale Shares, compared with the Group’s net loss before tax.	(0.67%) <sup>(2)</sup>
(c)	Aggregate value of the consideration given, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares.	0.86% <sup>(3), (4)</sup>
(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 <sup>(5)</sup>
(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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable <sup>(6)</sup>

**Notes:**

- (1) Not applicable as this is an acquisition of assets.
- (2) Computed based on 6-months pro-rata net profit before tax of **UG NITREX** amounting to €28,213 (approximately S\$41,228) and net loss before tax of the Group amounting to S\$6.16 million for 1H FY24.
- (3) Computed based on the Purchase Consideration of an amount equivalent to approximately S\$730,650. The Company is not able to determine the Call Option consideration and/or the Put Option consideration for the purpose of Rule 1006(c) of the Catalist Rules as the Call Option exercise price and the Put Option exercise price are not fixed at the time of grant of these options. Accordingly, in the event that the Company decides to pay the Call Option consideration and/or the Put Option consideration, the Call Option and the Put Option shall be further subject to the requirements under Chapter 10 of the Catalist Rules at such time of exercise.
- (4) Computed based on the market capitalisation of the Company of S\$85.28 million, which is computed based on 623,825,811 shares (excluding treasury shares) in issue and the weighted average price of S\$0.1367, as at 4 June 2024, being the last trading day prior to the signing of the Agreement.
- (5) Not applicable as no equity securities are issued by the Company as consideration for the Acquisition.
- (6) Not applicable as neither the Company nor Unigloves Germany is a mineral, oil or gas company.

As the relative figures computed under Rule 1006 do not exceed 5%, the Acquisition is considered a non-discloseable transaction as defined in Chapter 10 of the SGX-ST's Listing Manual Section B: Rules of Catalist.

#### 4. **RATIONALE OF THE ACQUISITION**

The Board believes that the Acquisition is in the interests of the Company for the following reasons:

- (a) the Acquisition presents an attractive opportunity for the Group to have immediate ownership to the relevant licences, certifications, and trademarks for more than a hundred of SKUs of **UG NITREX**'s product portfolio of reusable gloves;
- (b) the Acquisition provides the Group an immediate foothold in an established and profitable business of reusable gloves, safety footwear and other PPEs in Spain; and
- (c) the established local warehousing and logistics infrastructure by **UG NITREX** presents the opportunity for the Group to explore new areas of business opportunities and expand its footprint in Southern Europe.

The Acquisition is accompanied by a Put & Call Option Agreement which presents an opportunity for the Group to acquire a further equity stake in **UG NITREX** from 1 July 2027, after having gained exposure and experience to a new market and new product portfolio of reusable gloves.

#### 5. **FINANCIAL EFFECTS OF THE ACQUISITION**

##### 5.1 **Assumptions**

The pro forma financial effects of the Acquisition on the net tangible assets (the "**NTA**") per share and loss per share (the "**LPS**") of the Group as set out below are purely for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Acquisition.

The financial effects of the Acquisition set out below have been prepared based on the Group's latest audited consolidated financial statements for full year ended 30 June 2023 ("FY23") and UG NITREX's unaudited management accounts for 31 December 2023, and the following based and assumptions:

- (a) that the Acquisition had been completed on 1 July 2022 for the purposes of illustrating the financial effects on the LPS;
- (b) that the Acquisition had been completed on 30 June 2023 for the purposes of illustrating the financial effects on NTA;
- (c) the computation does not take into account any expenses that may be incurred in relation to the Acquisition; and
- (d) the share capital of the Company is taken to be as at the date of this announcement, being 623,825,811.

## 5.2 Loss per Share

The pro forma financial effects on the Group's LPS for the full year ended 30 June 2023 would be as follows:

	Before the Acquisition	After the Acquisition
Loss attributable to shareholders of the Company (S\$)	20,733,428	20,692,201
Weighted average number of shares	623,825,811	623,825,811
LPS (Singapore cents)	3.32	3.32

## 5.3 Net Tangible Assets

The pro forma financial effects on the Group's NTA as at 30 June 2023 would be as follows:

	Before the Acquisition	After the Acquisition
NTA (S\$)	180,227,826	180,104,918
Number of shares in issue	623,825,811	623,825,811
NTA per share (Singapore cents)	28.89	28.87

## 6 INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and their respective associates, and to the best of knowledge of the Directors, none of the substantial shareholders of the Company and their respective associates has any interest, direct or indirect, in the Acquisition contemplated therein, other than through their respective directorships and/or shareholding interests, if any, in the Company.

## **7 DIRECTORS' 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 Acquisition, 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 DIRECTORS' SERVICE CONTRACTS**

No person is proposed to be appointed as a Director of the Company in connection with the Acquisition and accordingly, no service contracts in relation thereto will be entered into by the Company.

## **9 DOCUMENTS FOR INSPECTION**

The SPA, the Shareholder's Agreement, and the Put & Call Option Agreement are available for inspection during normal business hours at the registered office of the Company at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767 for a period of 3 months from the date of this announcement.

## **10 CAUTIONARY STATEMENT**

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action in respect of 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 and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisors.



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

Lee Keck Keong  
Executive Director and CEO

6 June 2024

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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 (the "**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*