



(Incorporated in Singapore with Unique Entity No.: 201424579Z)

website: [www.ughealthcarecorporation.com](http://www.ughealthcarecorporation.com)

SGX stock code: 8K7

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## CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

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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.*

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**A. Condensed interim consolidated statement of profit or loss and other comprehensive income**

	Note	Six months ended		
		31-Dec-23	31-Dec-22	Increase/ (Decrease)
		1H FY24	1H FY23	%
		S\$'000	S\$'000	
Revenue	4	49,697	55,899	(11.1)
Cost of sales		(41,582)	(49,764)	(16.4)
Gross profit		8,115	6,135	32.3
Other income		1,167	1,051	11.0
		9,282	7,186	29.2
Marketing and distribution expenses		(3,680)	(3,009)	22.3
Administrative expenses		(10,510)	(10,539)	(0.3)
Other expenses		(616)	(2,849)	(78.4)
Finance costs		(551)	(342)	61.1
Share of (loss)/profits from equity-accounted for associates		(82)	242	N.M.
Loss before income tax	6	(6,157)	(9,311)	(33.9)
Income tax credit	7	145	384	(62.2)
Loss for the period		(6,012)	(8,927)	(32.7)
Other comprehensive loss:				
Exchange differences on translating foreign operations		(3,861)	(6,557)	(41.1)
Total comprehensive loss for the period		(9,873)	(15,484)	(36.2)
Loss attributable to:				
Owners of the Company		(4,979)	(4,778)	4.2
Non-controlling interests		(1,033)	(4,149)	(75.1)
		(6,012)	(8,927)	(36.2)
Total comprehensive loss attributable to:				
Owners of the Company		(8,907)	(11,164)	(20.2)
Non-controlling interests		(966)	(4,320)	(77.6)
		(9,873)	(15,484)	(36.2)
Loss per share attributable to owners of the Company (cents)				
Basic	8	(0.80)	(0.77)	
Diluted		(0.80)	(0.77)	

N.M. – not meaningful

## B. Condensed interim statements of financial position

	Note	Group		Company	
		31-Dec-23 S\$'000	30-Jun-23 S\$'000	31-Dec-23 S\$'000	30-Jun-23 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Subsidiaries		-	-	31,024	31,024
Associates		6,426	7,061	-	-
Property, plant and equipment	11	58,632	59,786	-	-
Intangible assets	10	634	616	-	-
Deferred tax assets		2,536	2,600	-	-
<b>Total non-current assets</b>		<b>68,228</b>	<b>70,063</b>	<b>31,024</b>	<b>31,024</b>
<b>Current assets</b>					
Inventories		46,543	54,544	-	-
Amount due from subsidiaries		-	-	25,209	13,530
Trade and other receivables		51,770	35,653	257	260
Income tax assets		3,723	7,991	-	-
Cash and bank balances		45,128	61,745	26,124	38,171
<b>Total current assets</b>		<b>147,164</b>	<b>159,933</b>	<b>51,590</b>	<b>51,961</b>
<b>Total assets</b>		<b>215,392</b>	<b>229,996</b>	<b>82,614</b>	<b>82,985</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	13	59,652	59,652	59,652	59,652
Reserves		(63,484)	(59,556)	-	-
Retained earnings		175,769	180,748	21,504	21,834
<b>Equity attributable to the owners of the Company</b>		<b>171,937</b>	<b>180,844</b>	<b>81,156</b>	<b>81,486</b>
Non-controlling interests		(620)	346	-	-
<b>Total equity</b>		<b>171,317</b>	<b>181,190</b>	<b>81,156</b>	<b>81,486</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities		1,609	1,621	-	-
Lease liabilities		570	595	-	-
Bank borrowings	12	14,035	13,813	-	-
<b>Total non-current liabilities</b>		<b>16,214</b>	<b>16,029</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Bank borrowings	12	13,274	16,137	-	-
Trade and other payables		12,545	14,071	1,414	1,445
Lease liabilities		580	582	-	-
Derivative financial liabilities		148	332	-	-
Income tax liabilities		1,314	1,655	44	54
<b>Total current liabilities</b>		<b>27,861</b>	<b>32,777</b>	<b>1,458</b>	<b>1,499</b>
<b>Total liabilities</b>		<b>44,075</b>	<b>48,806</b>	<b>1,458</b>	<b>1,499</b>
<b>Total equity and liabilities</b>		<b>215,392</b>	<b>229,996</b>	<b>82,614</b>	<b>82,985</b>

## C. Condensed interim statements of changes in equity

	Attributable to equity holders of the Company							
	Share capital S\$'000	Foreign currency translation reserve S\$'000	Merger reserve S\$'000	Other reserve S\$'000	Retained earnings S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Balance as at 1 July 2023	59,652	(22,646)	(25,940)	(10,970)	180,748	180,844	346	181,190
Loss for the period	-	-	-	-	(4,979)	(4,979)	(1,033)	(6,012)
<u>Other comprehensive loss</u>								
Exchange differences on translating foreign operations	-	(3,928)	-	-	-	(3,928)	67	(3,861)
Total comprehensive loss for the period	-	(3,928)	-	-	(4,979)	(8,907)	(966)	(9,873)
Balance as at 31 December 2023	59,652	(26,574)	(25,940)	(10,970)	175,769	171,937	(620)	171,317
Balance as at 1 July 2022	59,652	(10,286)	(25,940)	-	205,474	228,900	6,163	235,063
Loss for the period	-	-	-	-	(4,778)	(4,778)	(4,149)	(8,927)
<u>Other comprehensive loss</u>								
Exchange differences on translating foreign operations	-	(6,386)	-	-	-	(6,386)	(171)	(6,557)
Total comprehensive loss for the period	-	(6,386)	-	-	(4,778)	(11,164)	(4,320)	(15,484)
Dividend	-	-	-	-	(3,992)	(3,992)	-	(3,992)
Balance as at 31 December 2022	59,652	(16,672)	(25,940)	-	196,704	213,744	1,843	215,587

	Company		
	Share Capital S\$'000	Retained earnings S\$'000	Total S\$'000
Balance as at 1 July 2023	59,652	21,834	81,486
Loss for the period, representing total comprehensive loss for the period	-	(330)	(330)
Balance as at 31 December 2023	59,652	21,504	81,156
Balance as at 1 July 2022	59,652	52,027	111,679
Loss for the period, representing total comprehensive loss for the period	-	(2,493)	(2,493)
Dividend	-	(3,992)	(3,992)
Balance as at 31 December 2022	59,652	45,542	105,194

**D. Condensed interim consolidated statement of cash flows**

	Note	Six Months Ended	
		31-Dec-23 1H FY24 S\$'000	31-Dec-22 1H FY23 S\$'000
<b>Operating activities</b>			
Loss before income tax		(6,157)	(9,311)
Adjustments for:			
Amortisation of intangible assets		12	10
Property, plant and equipment written off		130	196
Depreciation of property, plant and equipment		1,755	1,562
Loss allowance on trade receivables		3	16
Interest expense		551	341
Interest income		(1,097)	(935)
Share of loss/(profits) from equity-accounted for associates		82	(242)
Fair value loss of derivative financial instruments		92	180
Unrealised exchange differences		(3,429)	(3,565)
Operating cash flows before movements in working capital		(8,058)	(11,748)
<i>Movements in working capital</i>			
Inventories		8,001	2,250
Trade and other receivables		(16,119)	182
Trade and other payables		(1,527)	(7,716)
Cash used in from operations		(17,703)	(17,032)
Interest paid		(571)	(274)
Income taxes refund/(paid)		4,123	(1,138)
Net cash used in operating activities		(14,151)	(18,444)
<b>Investing activities</b>			
Acquisition of property, plant and equipment	11	(1,084)	(6,446)
Addition of intangible assets		(34)	(74)
Dividend received		335	-
(Increase)/Decrease in fixed deposits pledged to bank		(5)	14
Interest received		1,097	935
Net cash generated from/ (used in) investing activities		309	(5,571)
<b>Financing activities</b>			
Drawdown of borrowings		11,139	13,350
Repayment of borrowings		(13,779)	(7,656)
Repayment of lease liabilities		(141)	(409)
Dividend paid		-	(3,992)
Net cash (used in)/ generated from financing activities		(2,781)	1,293
Net decrease in cash and cash equivalents		(16,623)	(22,722)
Cash and cash equivalents at beginning of financial period		61,148	99,580
Cash and cash equivalents at end of financial period		44,525	76,858
Cash and cash equivalents comprised the following:			
Cash and bank balances		45,128	77,481
Less: Fixed deposits pledged to bank		(603)	(623)
		44,525	76,858

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

UG Healthcare Corporation Limited (the “**Company**”) (Registration Number 201424579Z) is incorporated and is domiciled in Singapore. The address of the Company’s registered office is 38 Beach Road, #29–11 South Beach Tower, Singapore 189767 and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). These condensed interim consolidated financial statements as at and for the six months ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is that of investment holding.

The principal activities of the Group are manufacturing and trading of gloves and other medical disposables products such as latex examination gloves, nitrile examination gloves and other ancillary products.

### **2. Basis of preparation**

The condensed interim financial statements for the six months ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2023. The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1. The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

#### **2.1 New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there are no critical judgements made in applying the Group’s accounting policies and no assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment.

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Segment and revenue information

*Reportable segment revenues, profit or loss, assets and liabilities and other material items*

The revenue is derived from the sale of goods which is recognised based on point in time.

	31-Dec-23 1H FY24 S\$'000	31-Dec-22 1H FY23 S\$'000	Increase/ (Decrease) %
<b>Revenue</b>			
Total revenue for reportable segments	96,926	130,951	(26.0)
Elimination of inter-segment revenue	(47,229)	(75,052)	(37.1)
	49,697	55,899	(11.1)
<b>Profit or Loss</b>			
Total loss reportable segments	(6,075)	(9,553)	(36.4)
Share of (loss)/profit of associate	(82)	242	N.M.
Loss before income tax	(6,157)	(9,311)	(33.9)
<b>Assets</b>			
Total assets for reportable segments	208,966	251,707	(17.0)
Investments in associate	6,426	6,590	(2.5)
Total assets	215,392	258,297	(16.6)
<b>Liabilities</b>			
Total liabilities for reportable segments	44,075	42,710	3.2
Total liabilities	44,075	42,710	3.2

#### By product segments

	31-Dec-23 1H FY24 S\$'000	31-Dec-22 1H FY23 S\$'000	Increase/ (Decrease) %
<b>Revenue</b>			
Latex examination gloves	28,851	37,498	(23.1)
Nitrile examination gloves	16,483	16,660	(1.1)
Other ancillary products	4,363	1,741	>100.0
Total	49,697	55,899	(11.1)
<b>Gross profit</b>			
Latex examination gloves	4,928	4,236	16.3
Nitrile examination gloves	2,745	1,605	71.0
Other ancillary products	442	294	50.3
Total	8,115	6,135	32.3
<b>Gross profit margin</b>			
	%	%	
Latex examination gloves	17.1	11.3	
Nitrile examination gloves	16.7	9.6	
Other ancillary products	10.1	16.9	
Overall	16.3	11.0	



By geographical locations

	31-Dec-23 1H FY24 S\$'000	31-Dec-22 1H FY23 S\$'000	Increase/ (Decrease) %
<b>Revenue</b>			
Europe	22,062	20,099	9.8
North America	1,681	4,695	(64.2)
South America	13,731	11,567	18.7
Africa	3,015	4,766	(36.7)
Asia	8,289	13,079	(36.6)
Others	919	1,693	(45.7)
<b>Total</b>	49,697	55,899	(11.1)

Locations of non-current assets

	31-Dec-23 1H FY24 S\$'000	30-Jun-23 FY23 S\$'000	Increase/ (Decrease) %
<b>Non-current assets</b>			
Europe	6,948	7,468	(7.0)
North America	630	734	(14.2)
South America	6,268	6,826	(8.2)
Africa	1,879	1,740	8.0
Asia	52,503	53,295	(1.5)
<b>Total</b>	68,228	70,063	(2.6)

## 5. Financial assets and financial liabilities

Set out of below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 30 June 2023:

	The Group		The Company	
	31-Dec-23 S\$'000	30-Jun-23 S\$'000	31-Dec-23 S\$'000	30-Jun-23 S\$'000
<b>Financial assets</b>				
Trade and other receivables (excluding prepayment)	46,087	30,942	232	219
Cash and cash equivalents	45,128	61,745	26,124	38,171
Amounts due from subsidiaries	-	-	25,209	13,530
<b>Financial assets measured at amortised cost</b>	91,215	92,687	51,565	51,920
<b>Financial liabilities</b>				
Derivative financial liabilities	148	332	-	-
<b>Financial liabilities measured at fair value through profit or loss</b>	148	332	-	-
Trade and other payables	12,545	14,071	1,414	1,445
Bank borrowings	27,309	29,950	-	-
Lease liabilities	1,150	1,177	-	-
<b>Financial liabilities measured at amortised cost</b>	41,004	45,198	1,414	1,445

## 6. Profit before taxation

### 6.1 Significant items

	31-Dec-23 1H FY24 S\$'000	31-Dec-22 1H FY23 S\$'000
<b>Income</b>		
Interest income	1,097	935
<b>Expenses</b>		
Interest expenses	551	341
Depreciation	1,755	1,562
Property, plant and equipment written off	130	196
Amortisation of intangible assets	12	10
Loss allowance on trade receivables	3	16
Foreign exchange loss	536	2,728

Note

\* Foreign exchange gain/loss includes net realised and unrealised foreign exchange gain/loss and fair value gain/loss on financial derivatives that are used mainly for hedging purposes.

### 6.2 Related party transactions

During the year, in addition to those disclosed elsewhere in these financial statements, the Groups entities entered into the following transactions with related parties:

	31-Dec-23 1H FY24 S\$'000	31-Dec-22 1H FY23 S\$'000
Sales to associates	5,153	8,092

## 7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	31-Dec-23 1H FY24 S\$'000	31-Dec-22 1H FY23 S\$'000
<b>Current income tax</b>		
- Current	421	501
- Over-provision in prior year	(566)	(885)
Total income tax credit	(145)	(384)

## 8. Earnings per share

	31-Dec-23 1H FY24	31-Dec-22 1H FY23
<b>Loss (S\$'000)</b>		
Loss for the purpose of basic and diluted loss per share (loss for the year attributable to the Company)	(4,979)	(4,778)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of		
- basic share	623,825,811	623,825,811
- diluted share	623,825,811	623,825,811
<b>Loss per share (cents)</b>		
- basic	(0.80)	(0.77)
- diluted	(0.80)	(0.77)

## 9. Net asset value

	The Group		The Company	
	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23
Number of ordinary shares	623,825,811	623,825,811	623,825,811	623,825,811
Total net asset value (attributable to owners of the Company) (S\$'000)	171,937	180,844	81,156	81,486
Net asset value per share (cents)	27.56	28.99	13.01	13.06

## 10. Intangible assets

	1H FY24 S\$'000	FY23 S\$'000
<b>Cost:</b>		
Balance at beginning of period	726	566
Addition	34	175
Exchange difference	(2)	(15)
Balance at end of period	758	726
<b>Accumulated amortisation:</b>		
Balance at beginning of period	(110)	(90)
Amortisation	(12)	(23)
Exchange difference	(2)	3
Balance at end of period	(124)	(110)
	1H FY24 S\$'000	FY23 S\$'000
Business license	184	184
Computer software	427	405
Customer base	23	27
Balance at end of period	634	616

## 11. Property, plant and equipment

During the financial period ended 31 December 2023, the Group acquired property, plant and equipment for an amounting of S\$1,084,000 (31 December 2022: S\$6,446,000), and written off property, plant and equipment amounting to S\$130,000 (31 December 2022: S\$196,000).

## 12. Borrowings

	31-Dec-2023		30-Jun-2023	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	13,274	-	16,137	-
Amount repayable after one year	14,035	-	13,813	-
Total borrowings	<u>27,309</u>	<u>-</u>	<u>29,950</u>	<u>-</u>

### Details of collaterals

As at 31 December 2023 and 30 June 2023, the borrowings of the Group were secured by:

- (i) motor vehicles;
- (ii) debentures over certain production lines;
- (iii) charge on certain leasehold land and building of a subsidiary;
- (iv) fixed deposits pledged as collateral
- (v) corporate guarantees; and
- (vi) keyman insurance

## 13. Share capital

	Group and Company	
	No. of share	S\$
Issuance and paid-up share capital as at 30 June 2023 and 31 December 2023	<u>623,825,811</u>	<u>59,651,669</u>

The Company had no outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2023, 30 June 2023 and 31 December 2022.

## 14. Acquisition of subsidiary

The Group had no such acquisitions during 1H FY24.

## 16 Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

## F. Other information required by Catalyst Rules Appendix 7C

### 1. Review

The condensed consolidated statement of financial position of UG Healthcare Corporation Limited and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

#### Income Statements

The Group's revenue decreased by S\$6.2 million from S\$55.9 million for the six months ended 31 December 2022 ("1H FY23") to S\$49.7 million for the six months ended 31 December 2023 ("1H FY24"). Lower revenue was mainly due to the decrease in the average selling price ("ASP") of latex examination gloves, while the revenue contribution of nitrile examination gloves remained relatively stable at S\$16.5 million in 1H FY24 as compared to S\$16.7 million in 1H FY23, bolstered by higher revenue of ancillary products, which saw an increase from S\$1.7 million in 1H FY23 to S\$4.4 million in 1H FY24 mainly due to the increase in the sales volume of reusable gloves and other healthcare products.

Cost of sales decreased by S\$8.2 million from S\$49.8 million in 1H FY23 to S\$41.6 million in 1H FY24. This was due to the decrease in the average purchase price of raw materials.

Gross profit increased by approximately S\$2.0 million from S\$6.1 million in 1H FY23 to S\$8.1 million in 1H FY24 in tandem with the decrease in average purchase price of raw materials. Correspondingly, the gross profit margin of the Group increased from 11.0% in 1H FY23 to 16.3% in 1H FY24.

Other income increased by 11.0% from S\$1.1 million in 1H FY23 to S\$1.2 million in 1H FY24 mainly due to the increase in interest income from fixed deposits with the banks in tandem with the rising interest rate environment during the period under review.

Operating expenses comprising marketing and distribution expenses and administrative expenses increased by S\$0.7 million or 4.7% from S\$13.5 million in 1H FY23 to S\$14.2 million in 1H FY24. This was mainly due to the increase in marketing costs to promote new ancillary products.

Other expenses decreased by S\$2.2 million from S\$2.8 million in 1H FY23 to S\$0.6 million in 1H FY24 mainly due to the decrease in the loss from foreign exchange, as US dollar and Renminbi against Singapore dollar are stable in 1H FY24 as compared to 1H FY23 where the fixed deposit mainly placed in US dollar and Renminbi have weakened against Singapore dollar.

Finance cost increased by S\$0.2 million from S\$0.3 million in 1H FY23 to S\$0.5 million in 1H FY24 due to the rising in borrowing interest rate.

Share of losses/ profits from associates decreased from a gain of S\$0.2 million in 1H FY23 to a loss of S\$0.1 million in 1H FY24 due to loss reported by German and USA associates.

After taking into account the tax expenses and minority interests, the Group's net loss attributable to the shareholders recorded as S\$5.0 mil in 1H FY24.

#### Financial Position

Non-current assets decreased by approximately S\$1.9 million from S\$70.1 million as at 30 June 2023 to S\$68.2 million as at 31 December 2023 mainly due to decrease in property, plant and equipment value of S\$1.2 million which resulted mainly from depreciation.

Current assets decreased by approximately S\$12.7 million from S\$159.9 million as at 30 June 2023 to S\$147.2 million as at 31 December 2023, mainly due to:

- Decrease in cash and bank balances of S\$16.6 million from S\$61.7 million as at 30 June 2023 to S\$45.1 million as at 31 December 2023;
- Decrease in inventories of S\$8.0 million from S\$54.5 million as at 30 June 2023 to S\$46.5 million as at 31 December 2023; and
- Decrease in income tax assets of S\$4.3 million from S\$8.0 million as at 30 June 2023 to S\$3.7 million as at 31 December 2023; partially offset by
- Increase in trade and other receivables by S\$16.1 million from S\$35.7 million as at 30 June 2023 to S\$51.8 million as at 31 December 2023 due mainly to the RM33.3 million funding (approximately S\$9.42 million) provided by Indigo Teguh Sdn Bhd, a wholly-owned subsidiary of the Company, for the acquisition of land in Desaru in relation to the active retirement homes, healthcare and wellness business.

Non-current liabilities remain fairly stable, recorded as S\$16.0 million as at 30 June 2023 and S\$16.2 million as at 31 December 2023.

Current liabilities decreased by approximately S\$4.9 million from S\$32.8 million as at 30 June 2023 to S\$27.9 million as at 31 December 2023 mainly due to:

- Decrease in current borrowings by S\$2.8 million from S\$16.1 million as at 30 June 2023 to S\$13.3 million as at 31 December 2023 due to repayment of borrowings from trade facilities;
- Decrease in trade and other payables by S\$1.6 million from S\$14.1 million as at 30 June 2023 to S\$12.5 million as at 31 December 2023 due to decrease in selling price of raw materials;
- Decrease in income tax liabilities by S\$0.4 million from S\$1.7 million as at 30 June 2023 to S\$1.3 million as at 31 December 2023 due to repayment of tax payable; and
- Decrease in derivative financial liabilities by S\$0.2 million from S\$0.3 million as at 30 June 2023 to S\$0.1 million as at 31 December 2023.

The Group's net asset value decreased from S\$180.8 million as at 30 June 2023 to S\$171.9 million as at 31 December 2023. Similarly, net asset value decreased from 28.99 Singapore cents as at 30 June 2023 to 27.56 Singapore cents as at 31 December 2023.

#### Statement of Cash Flow

In 1H FY24, the net cash used in operations amounted to S\$14.2 million taking into account of the loss before tax of S\$6.2 million, adjusted for working capital outflows of S\$9.6 million which was mainly due to increase in trade and other receivables, decrease in inventory as well as income tax refund of S\$4.1 million. Net cash generated from investing activities amounted to S\$0.3 million due to cash inflows on interest received from fixed deposits and dividend received, partially offset by purchases of property, plant and equipment. Net cash used in financing activities amounted to S\$2.8 million mainly due to the net repayment of borrowings from trade facilities.

### **3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No forecast or prospect statement has been previously disclosed to shareholders.

### **4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

The global demand for and supply of disposable examination gloves continues to improve as the industry seeks a new equilibrium as it normalises. The Group, however, intends to maintain its option to outsource production of disposable examination gloves under its proprietary UNIGLOVES® brand and commence production in its third manufacturing facility by 30 June 2024.

Leveraging on its proprietary **UNIGLOVES®** brand position in its key markets, the Group is motivated to strengthen its competencies at its downstream distribution network through cultivating new markets and products. The network expansion, in tandem with a broader product portfolio, enables the Group to maximise the value of its distribution network.

The necessary and relevant approvals with respect to the development of the active retirement homes, comprising 798 units and necessary amenities, located in Desaru, Malaysia (the “**Active Retirement Home Project**”) had recently been obtained. As announced on 1 February 2024, planning and development of the Active Retirement Home Project has commenced.

The diversification into broadening product portfolios and non-glove healthcare businesses, in particular the joint development, management, and operation of the Active Retirement Home Project, requires time and resources to build but is necessary for the Group to pave the way for sustainable growth in the long term.

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

## **5. Dividend**

Not applicable. No dividend has been declared for 1H FY24.

## **6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision**

No dividend has been declared or recommended for 1H FY24 as the Group wishes to conserve cash for expansion and growth.

## **7. Dividend information for the corresponding period of the immediate preceding financial year**

No dividend has been declared during the corresponding period of the immediate preceding financial year.

## **8. Interested person transactions**

The Group has not obtained any IPT mandate from the shareholders. There is no IPT entered into during 1H FY24.

## **9. Confirmation pursuant to Rule 720(1) of the Catalist Rules**

The Company has received undertaking from all its Directors and Executive Officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules of the SGX-ST.

## **10. Confirmation pursuant to Rule 705(5) of the Catalist Rules**

The Board of Directors of the Company hereby confirms, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results for the first half and six months financial period ended 31 December 2023 to be false or misleading in any material aspect.

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

**LEE KECK KEONG**  
Executive Director and CEO

13 February 2024