



# ENHANCING PERFORMANCE WITH DIVERSIFICATION

ANNUAL REPORT 2024



# CONTENTS

<b>01</b>	<b>Company Profile</b>	<b>72</b>	<b>Directors' Statement</b>
<b>02</b>	<b>Letter to Shareholders</b>	<b>76</b>	<b>Independent Auditors' Report</b>
<b>04</b>	<b>Business Operations</b>	<b>85</b>	<b>Financial Statements and Notes to the Financial Statements</b>
<b>09</b>	<b>Corporate Structure</b>	<b>158</b>	<b>Shareholders' Statistics</b>
<b>10</b>	<b>Financial Highlights</b>	<b>160</b>	<b>Notice of Annual General Meeting</b>
<b>11</b>	<b>Performance Review</b>	<b>167</b>	<b>Appendix</b> - Proposed Adoption of the 2024 Unigloves Employee Share Option Scheme - Proposed Adoption of the 2024 Unigloves Performance Share Plan - Proposed Renewal of the Share Buyback Mandate
<b>14</b>	<b>Board of Directors</b>		
<b>16</b>	<b>Key Management</b>		
<b>17</b>	<b>Sustainability Report</b>		
<b>41</b>	<b>Corporate Governance Report</b>		

- Proxy Form
- Corporate Information

This Annual Report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor").

This Annual Report 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 Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

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# INDUSTRY SOLUTIONS

## Medical and Healthcare



## Food & Beverage



## Industrials



## Research & Development



## Beauty



# COMPANY PROFILE

UG Healthcare Corporation Limited 优格医疗集团 (“UG Healthcare” or the “Company” and together with its subsidiaries, the “Group”) is an own brand manufacturer that markets and sells proprietary UNIGLOVES® branded products through its own established global downstream distribution network.

The Group owns and operates an extensive downstream network of distribution companies with a local presence in Europe, the United Kingdom, the USA, China, Africa, and South America, where it primarily markets and sells its proprietary UNIGLOVES® range of disposable examination gloves, and ancillary products. These disposable hand protection products are used across a diverse range of industries that require safety and cross-infection protection and high hygiene standards, as well as catering to different applications and preferences. The Group additionally enriches its product offerings with ancillary products comprising reusable gloves for users in the heavy industries, surgical, vinyl, and cleanroom disposable gloves, as well as non-glove hygiene and healthcare ancillary products, which are focused on infection control, hygiene and care, dental, and wound care.


The downstream distribution division is supported and complemented by the Group’s own upstream manufacturing division, manufacturing natural latex and nitrile disposable examination gloves under its UNIGLOVES® brand and third-party labels in its manufacturing facilities located in Seremban, Malaysia. The Group’s upstream manufacturing is certified by the British Standards Institution for ISO 9001:2015, ISO 13485:2016 and EN ISO 13485:2016, and in compliance with ISO 14971:2019 and EN ISO 14971:2019 for the scope of manufacture and supply of natural latex and nitrile latex examination gloves. The Group’s proprietary brand of products conforms to various international standards and requirements.

The Group has also strategically diversified into non-glove healthcare related businesses, including the joint development, management, and operation of active retirement homes in Malaysia.

UG Healthcare is listed on the Singapore Exchange Securities Trading Limited under stock code **8K7** since 8 December 2014.



# LETTER TO SHAREHOLDERS



We have our third manufacturing facility in place, with an installed annual productivity of 1.2 billion pieces of gloves, and it is ready to begin production when the time comes.

## Dear Fellow Shareholders,

The COVID-19 emergency, which was officially declared to be over by the World Health Organisation (“WHO”) in May 2023, remains a contagious respiratory illness, similar to flu. The WHO had in August 2024, declared a new global health emergency, being the mpox virus which has rapidly spread across central Africa<sup>(1)</sup>.

The European Union in May 2024 has also warned that climate change poses a growing threat to the health of Europeans with killer heatwaves, disease-spreading floods, and tropical illnesses such as dengue on the rise<sup>(2)</sup>.

It is believed that the growing risk of future pandemics, combined with increased awareness of hygiene and health hazards, is expected to motivate the adoption of stricter hygiene standards in developing countries, thereby narrowing the gap in the use of disposable hygiene and healthcare products, which include disposable/single-use gloves and ancillary products when compared to developed countries.

While our Group’s own brand manufacturing (“OBM”) disposable glove businesses underwent significant demand and supply fluctuations during pre- and post-pandemic, we believe the ongoing natural consolidation of the disposable glove industry will determine a new market equilibrium in the near future.

In the financial year ended 30 June 2024 (“FY24”), the Group’s revenue increased by 13.9% year-on-year, from S\$101.1 million in FY23 to S\$115.2 million in FY24, resulting from the expansion in our Europe’s downstream distribution network in the second

half of FY24, and a rebound in average selling prices of disposable examination gloves and ancillary products, as well as an increase in overall sales volume. These ancillary products include reusable gloves and personal protective equipment (“PPE”), and a wide range of hygiene and healthcare products for infection control, hygiene and care, dental, and wound care.

The Group’s efficient resource management at both the upstream manufacturing division and downstream distribution division, together with lower average purchase prices of raw materials and higher revenue, resulted in a significant increase in gross profit from S\$1.4 million in FY23 to S\$25.9 million in FY24. Correspondingly, gross profit margin increased from 1.4% in FY23 to 22.5% in FY24. Overall, we narrowed our net loss attributable to shareholders by 70.8% year-on-year, from S\$20.7 million in FY23 to S\$6.1 million in FY24.

We appreciate that our integrated OBM business model allows us to outsource some of our generic disposable/single-use products to cost-effective manufacturers to produce under our proprietary UNIGLOVES® brand. This alternative also gives us the flexibility to manufacture in-house at our upstream manufacturing facilities. While the United States Trade Representative’s announcement on 13 September 2024 that tariffs on China-made medical and surgical gloves would be raised to 50% by 2025 and 100% by 2026<sup>(3)</sup> sparked potential demand from manufacturers outside China, we will continue to monitor our options for increasing our in-house productivity to meet anticipated demand when the need arises. We have our third manufacturing facility in place, with an installed annual productivity of 1.2 billion pieces of gloves, and it is ready to begin production when the time comes.

# LETTER TO SHAREHOLDERS

## Enhancing Performance with Diversification

We continue to make progress in our strategic investments in non-glove healthcare businesses, which include (i) the development, management, and operation of active retirement homes ("**Active Retirement Home Project**"), as well as healthcare and wellness businesses in Desaru, Johor, Malaysia; and (ii) the joint partnership between our 75% owned subsidiary, Unigloves Nigeria, and Health Focus Diagnostics GmbH ("**Health Focus**") to establish and operate a medical diagnostic centre ("**HF Diagnostics**") with a focus on laboratory diagnostics, occupational health screening, and medical imaging in the state of Enugu in Nigeria.

We appreciate our stakeholders' understanding and support that these strategic businesses aimed at balancing the Group's risk exposure would require time and effort to achieve the stipulated milestones before becoming operational.

During FY24, we have obtained all essential and relevant approvals from various government ministries for the development of the Active Retirement Home Project, and site clearance activities have commenced in preparation for piling and construction. We will provide updates as appropriate as the project progresses through the planning and development stages.

Meanwhile, we increased our equity interest in HF Diagnostics from 51% to 60% when the private individual investor divested 900,000 units of ordinary shares, or 9% of the share capital of HF Diagnostics, to Unigloves Nigeria, with the remaining 6% sold to Health Focus. Currently, we are still in the midst of finalising the details of the joint venture, and we will provide updates when appropriate.

As we diversified into strategic non-glove healthcare businesses, we capitalised on opportunities to grow our downstream distribution business in Southern Europe and Central Eastern Europe. We experienced operational inefficiencies in various parts of Europe following the United Kingdom's exit from the European Union in January 2020. The opportunities for us to acquire the equity interest in Unigloves GmbH ("**Unigloves Germany**") from 19.29% to 100.00%, and the 50.00% equity interest in UG Nitrex, S. L. ("**UG Nitrex**") to form a joint venture with the initial shareholders in Spain, were timely and highly beneficial to the Group.

### References:

- (1) WHO Director-General declares mpox outbreak a public health emergency of international concern: <https://www.who.int/news/item/14-08-2024-who-director-general-declares-mpox-outbreak-a-public-health-emergency-of-international-concern>
- (2) Europeans at risk from tropical illnesses due to climate change: <https://www.ft.com/content/b973c8b9-2d5c-48e2-9576-d5dbb55b178b>
- (3) Singapore-listed Malaysian glove makers get a boost as US raises tariffs on China gloves: <https://www.businesstimes.com.sg/companies-markets/singapore-listed-malaysian-glove-makers-get-boost-us-raises-tariffs-china-gloves>

The benefits of the expansion of our Europe downstream distribution business stem from (i) immediate earnings contributions; (ii) immediate ownership of the proprietary UG Nitrex product portfolio of reusable gloves for heavy industry applications, safety footwear, and other PPE; (iii) the ability to improve reliability and lead time on delivery to customers in Europe; and (iv) potential cost savings from having a consolidated Europe operation that includes sales, marketing, and essential functions to achieve economies of scale to support Europe's growing customer base.

We believe that our diversification through geographical footprint expansion and product portfolio expansion will help us maximise the potential of our integrated OBM business model, particularly our downstream distribution global network, thereby enhancing our financial performance.

## Acknowledgments and Appreciation

On behalf of the Board, we thank the management and employees for their commitment and efforts in the past financial year. We would like to convey our appreciation to our fellow Directors for their support, particularly to our former Board member, Mr. Vincent Leow who stepped down on 30 October 2023, and our current Board members, Mr. Yip Wah Pung, Mr. Wong See Keong, and Mr. Ng Lip Chi, Lawrence, who will be stepping down at the conclusion of the forthcoming annual general meeting ("**AGM**"). We also extend our warm welcome to Ms. Ng Lee Eng, who joined the Board on 1 December 2023.

We are also grateful to our stakeholders, who include our customers, business partners, bankers, and shareholders, for your ongoing support and confidence. To ensure stable and sustainable long-term growth, we are committed to strengthening our core OBM businesses while nurturing the strategic non-glove healthcare related businesses.

### Mr. Yip Wah Pung

**NON-EXECUTIVE CHAIRMAN  
AND INDEPENDENT DIRECTOR**

### Mr. Lee Keck Keong

**CHIEF EXECUTIVE OFFICER  
AND EXECUTIVE DIRECTOR**

# BUSINESS OPERATIONS

The strong brand preference of end users expands our proprietary **UNIGLOVES**<sup>®</sup> brand presence beyond our core markets, allowing us to enrich our product portfolio into non-glove healthcare related products.

UG Healthcare is motivated to deliver excellence consistently through our integrated own-brand manufacturing (“**OBM**”) business to support our customers, who have placed their trust and loyalty in our proprietary **UNIGLOVES**<sup>®</sup> branded products, particularly our hand protection solutions.

Our integrated OBM business model, which includes upstream manufacturing and downstream distribution for our proprietary **UNIGLOVES**<sup>®</sup> branded products, allows us to have greater control over the quality and reliability of our products, which are used by end users who require cross-infection protection and strict hygiene standards. We remain committed to meeting the evolving requirements of our end customers across a wide range of industries and providing appropriate hand protection solutions, and hygiene and healthcare ancillary products for their applications in their professions, thereby keeping them safe.

The strong brand preference of end users expands our proprietary **UNIGLOVES**<sup>®</sup> brand presence beyond our core markets, allowing us to enrich our product portfolio into non-glove hygiene and healthcare related products. Harnessing the strengths of our entrenched downstream distribution capabilities not only provides us with direct market access in our core markets in both developed and developing countries, but our market intelligence also expands our options beyond our specialised hand protection solutions – disposable / single-use examination glove products. These opportunities include: (i) new sales and distribution channels; (ii) a more diverse product portfolio; and (iii) strategic collaborations with product manufacturers.

As we strengthened our integrated OBM business foundation, we embarked on a strategic diversification into non-glove healthcare related businesses as part of our growth strategy to balance our risk profile for the long term. Our downstream distribution division expansion plans, as well as strategic diversification into non-glove healthcare related businesses, such as the active retirement homes project in Malaysia and the medical diagnostic service network project in Nigeria, are intended to provide a natural buffer against volatility during uncertain times while also safeguarding the interests of our prioritised stakeholders—customers, employees, business partners, and shareholders.



# BUSINESS OPERATIONS

Total installed production capacity

## 4.6 Billion

pieces of glove per annum.

Our upstream manufacturing is certified by

## British Standards Institution

for ISO 9001:2015, ISO 13485:2016, EN ISO 13485:2016,  
and in compliance with ISO 14971:2019 and EN ISO 14971:2019

### Our Upstream Manufacturing Capabilities

During the year under review, as global demand and supply for disposable gloves continue to seek new market equilibrium, the average selling price of disposable gloves rises as the inventory replacement cycle normalises gradually.

Our integrated OBM business model provides us with the option of outsourcing some of the generic products to cost-efficient manufacturers to produce in our proprietary **UNIGLOVES®** brand. This approach allows us to focus our production capacity on higher-margin disposable examination glove products.

We are constantly monitoring and managing our resources to increase the Group's overall production efficiency, alleviate the pressure of rising operating expenses, and achieve greater economies of scale. Our increased in Unigloves Germany is expected to cultivate higher demand for our proprietary **UNIGLOVES®** brand of disposable examination gloves as well as reusable gloves and ancillary products in Central Eastern

Europe. This demand, in turn, drives demand for an increase in supply at our upstream manufacturing. The Group is preparing to commence production at its third manufacturing facility with an installed production capacity of 1.2 billion pieces of disposable examination glove per annum to support the increased demand.

Our upstream manufacturing is certified by the British Standards Institution ("**BSI**") for ISO 9001:2015, ISO 13485:2016 and EN ISO 13485:2016, and in compliance with ISO 14971:2019 and EN ISO 14971: 2019 for the scope of manufacture and supply of natural latex and nitrile latex examination gloves. The Group is also registered with the Supplier Ethical Data Exchange, a not-for-profit membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains, and our upstream manufacturing facilities are audited under Sedex Members Ethical Trade Audit ("**SMETA**").

# BUSINESS OPERATIONS

We own and operate an extensive network of downstream distribution companies with a local presence in

Europe, the United Kingdom, the USA, China, Africa, and South America

**UNIGLOVES®** range of disposable examination gloves and ancillary products in over 50 countries worldwide

## Our Downstream Distribution Network

We own and operate an extensive network of downstream distribution companies with a local presence in Europe, the United Kingdom, the USA, China, Africa, and South America, where we market and sell our proprietary **UNIGLOVES®** range of disposable examination gloves and ancillary products in over 50 countries worldwide. Our prior investments in our distribution network and competencies include managing our warehousing and logistics infrastructure, as well as collaborating with our local marketing teams in our key strategic markets.

Our downstream distribution division primarily offers an extensive range of natural latex and nitrile disposable examination glove products comprising a variety of colours and scents, antimicrobial properties, as well as eco-friendly materials to appeal to the different applications and preferences of end users in their professions across various industries. In June 2024, the Group acquired a 50% stake in UG Nitrex, S.L. ("**UG Nitrex**"), which specialises 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, giving us immediate access to all the relevant licenses, certifications, and trademarks for over a hundred stockkeeping units ("**SKUs**").

With the strategic acquisitions of equity interest in Unigloves Germany and UG Nitrex, we have expanded our geographical footprint to cover Southern Europe and Central Eastern Europe, which will be fully supported by the locally developed warehouse and logistics infrastructures in Germany and Spain. We will thereby expand our presence in Europe by integrating our UK platform to better serve our European customers.

We value the trust and brand loyalty that our customers have in our **UNIGLOVES®** branded products. The brand presence and market share in all key markets in both developed and developing countries continue to demonstrate their keen support and confidence. Our locally operated warehousing and logistics infrastructures allow us to employ the hub and spoke model as we expand into new markets beyond our key strategic markets, resulting in the development of a new customer base.

We will continue to bolster our **UNIGLOVES®** brand's visibility in our target markets and educate more end users about the applications of our premium products comprising **UNIGLOVES®** range of hand protection solutions, as well as our hygiene and healthcare range of ancillary products that cover infection control, hygiene and care, dental, and wound care.



# BUSINESS OPERATIONS

## Own Brand of Products

The Group's flagship product, the **UNIGLOVES®** brand of disposable examination gloves, offers an extensive product range of generic and specialised products, including a variety of coatings, scents, colours, thickness, antimicrobial properties, and eco-friendly materials for more specialised users. These products are utilised in a wide range of industries that require high levels of hygiene and cross-infection protection for a variety of purposes and preferences.

Our proprietary branded products continues to conform to various international standards and requirements, including the ASTM International (formerly known as American Society for Testing and Materials), European standard for medical gloves ("**EN455**"), **ISO 11193** standards (International Organization for Standardization for Single-use medical examination gloves), **ISO 10993** standards (International Organization for Standardization for biological evaluation of medical devices), CE and UKCA Type Examination Certificates of Latex and Nitrile Examination Gloves PPE 2016(425) Cat III, Acceptance Quality Level requirements under the Food and Drug Administration ("**USFDA**"), National Medical Products Administration ("**NMPA**"), Brazilian Health Regulatory Agency ("**ANVISA**"), Certificates of Approval ("**CA**") under the Department of Occupational Safety and Health ("**DSST**") of the Brazil Ministry of Labor and Employment ("**MTE**"), National Institute of Metrology, Standardization and Industrial Quality ("**INMETRO**"), National Agency for Food and Drug Administration and Control ("**NAFDAC**") and Medical Device Registration Certificate under the Malaysia Medical Device Authority ("**MDA**").

We are constantly keeping up with the technological and process advancements, as well as developments in latex compounding formulations, in order to achieve specific desired properties and characteristics for customising our products to meet the evolving hand protection requirements of users in a variety of industries. We also collaborate with renowned research laboratories to develop new products that provide better protection solutions for end users.

While most of our manufactured products are done in-house, we believe strategic collaboration can be more efficient and beneficial to the end users. The acquisition of a 50% stake in UG Nitrex in June 2024 gave the Group immediate access to a portfolio of over 100 SKUs of reusable gloves for heavy industrial applications, safety footwear, and other PPEs, which are already marketed and sold in Spain and neighbouring countries such as Portugal and France. This new product portfolio can be rolled out across the key markets of the Group's downstream distribution network, maximising the potential of the downstream distribution platform.

Nevertheless, we will continue to look into expanding our present range of non-glove hygiene and healthcare ancillary products, which are focused on infection control, hygiene and care, dental, and wound care, in order to provide a wider range of offerings to our customers.



# BUSINESS OPERATIONS

We also seized the opportunities to: (i) increase our equity interest in HF Diagnostics; (ii) increase our equity interest in Unigloves Germany, and convert it into a wholly-owned subsidiary; and (iii) acquire an equity interest in UG Nitrex, allowing us immediate access to the portfolio of reusable gloves, as well as the established distribution channels in Spain and neighbouring countries.

## Strategic Businesses

The Group continues to explore appropriate opportunities to strengthen our business operations and earnings base sustainably in a bid to enhance stakeholders' returns in the long term.

In FY24, we made further progress in our strategic investments in non-glove healthcare businesses. These strategic investments comprise: (i) the development, management, and operation of active retirement homes ("**Active Retirement Home Project**"), as well as healthcare and wellness businesses in Desaru, Johor, Malaysia; and (ii) the joint partnership between Unigloves Nigeria and Health Focus Diagnostics GmbH to establish and operate a medical diagnostic centre ("**HF Diagnostics**") in the state of Enugu in Nigeria. Before we can begin site clearance activities, these strategic businesses aimed at balancing our risk exposure will require time and effort to complete the numerous milestones, for which we have successfully obtained all essential and relevant approvals for the development of the Active Retirement Home Project from various government departments. The Active Retirement Home Project is still in the planning and development stages, and additional updates will be provided in due course.

We also seized the opportunities to: (i) increase our equity interest in HF Diagnostics from 51% to 60%; (ii) increase our equity interest in Unigloves Germany, converting it from an associated company into a wholly-owned subsidiary; and (iii) acquire an equity interest in UG Nitrex, allowing us immediate access to the portfolio of reusable gloves for heavy industrial applications, safety footwear, and other PPE, as well as the established distribution channels in Spain and neighbouring countries such as Portugal and France.

Note: Please refer to the announcements related to the specific corporate actions on the Singapore Exchange's website (<https://www.sgx.com/securities/company-announcements>) and the Company's website ([www.ughealthcarecorporation.com](http://www.ughealthcarecorporation.com)) for more details.

## Business Strategy

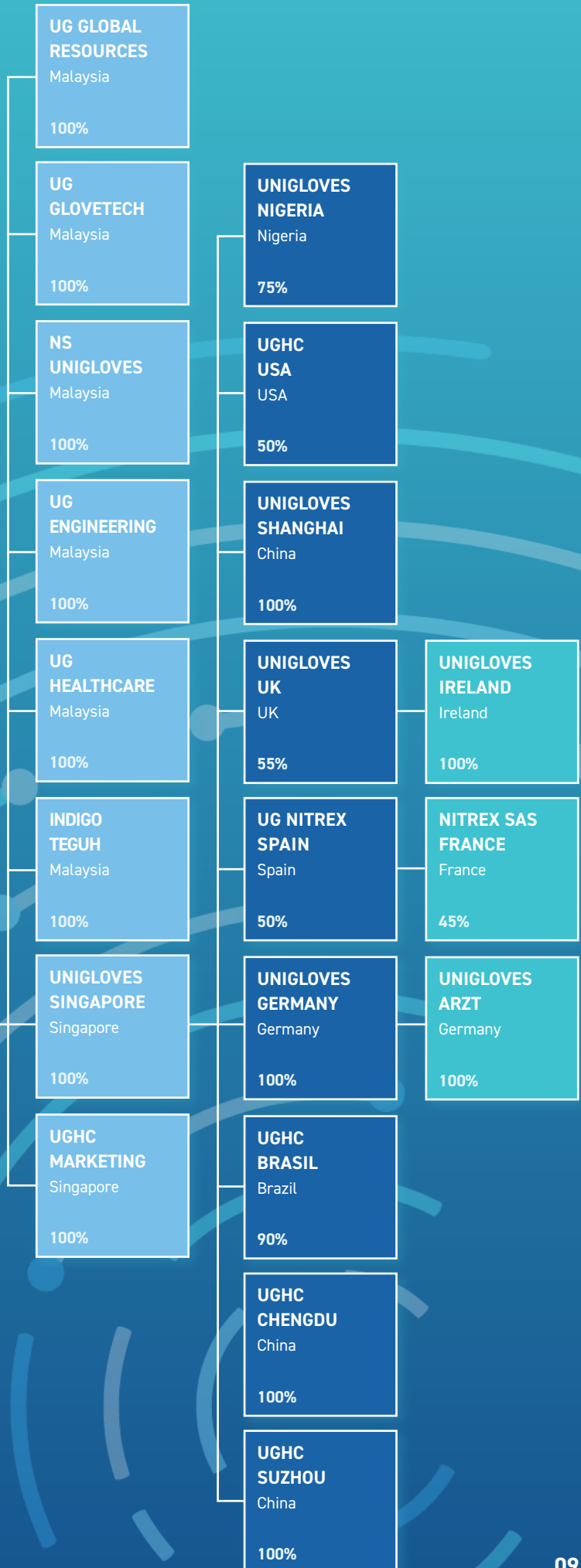
The Group's philosophy has always been one of nurturing businesses for sustainable growth for the long term.

We built the OBM foundation with the goal of achieving a seamless and efficient value chain for PPEs, primarily disposable / single-use natural latex and nitrile examination gloves and hygiene and healthcare-related ancillary products. Constructing the OBM foundation concurrently via a three-pronged strategy, albeit slow, allows us to learn about end customers' preferences and applications for our hand protection solutions through our downstream distribution channels. This, in turn, drives the upstream manufacturing capabilities to create and produce "market-preferred" products sold under the trusted **UNIGLOVES®** brand.

We value the trust and brand loyalty that our customers have in our **UNIGLOVES®** branded products. This strong **UNIGLOVES®** brand presence opens up opportunities for the Group to expand our product portfolio to include reusable gloves for heavy industrial applications as well as complementary PPE, safety footwear, and hygiene and healthcare ancillary products that cover infection control, hygiene and care, dental, and wound care. Our entrenched downstream distribution network infrastructure is an essential conduit for both our proprietary and original equipment manufacturer ("**OEM**") products.

As we continue to build on the success of our OBM glove healthcare related businesses, we will also nurture our strategic investments in non-glove healthcare related businesses, as well as look for viable opportunities to strengthen the Group's foundation in pursuit of long-term stability and sustainability.

# CORPORATE STRUCTURE



# FINANCIAL HIGHLIGHTS

For the financial year ended 30 June	2024	2023	2022	2021	2020
<b>Income Statement (S\$'000)</b>					
Revenue	115,205	101,133	232,598	338,401	144,209
Gross profit	25,866	1,448	84,386	196,160	42,519
(Loss)/Profit before tax	(9,089)	(28,361)	48,761	159,403	18,057
(Loss)/Profit attributable to owners of the Company	(6,056)	(20,734)	36,795	118,765	13,402
<b>Balance Sheet (S\$'000)</b>					
Total equity	161,280	181,190	235,063	194,760	54,272
Total assets	226,453	229,996	288,039	268,287	113,015
Net asset value <sup>(1)</sup>	163,393	180,844	228,900	190,636	52,221
Net tangible asset value	145,161	180,228	228,424	190,373	51,959
<b>Per Share (Singapore Cents)</b>					
Basic earnings <sup>(2)</sup>	(0.97)	(3.32)	5.93	19.42	2.28
Net asset value <sup>(3)</sup>	26.19	28.99	36.69	30.93	8.88
Net tangible asset value <sup>(3)</sup>	23.27	28.89	36.62	30.89	8.83
Dividends <sup>(3)</sup>	-	-	0.640	0.611	0.238
<b>Financial Ratios</b>					
Return on equity <sup>(4)</sup>	-3.5%	-10.1%	17.5%	97.8%	28.3%
Return on assets <sup>(5)</sup>	-2.7%	-8.0%	13.2%	62.3%	12.6%
Dividend payout ratio	0.0%	0.0%	10.8%	3.1%	11.2%
Net gearing ratio <sup>(6)</sup>	9.1%	Net Cash	Net Cash	Net Cash	49.2%

**Notes:**

- (1) Net asset value refers to the net asset value attributable to the owners of the Company, which is shareholders' equity.
- (2) Basic earnings per share was computed based on weighted average number of shares of 623.8 million for FY2024 and FY2023, 620.2 million for FY2022, 611.5 million for FY2021, and 588.3 million for FY2020 (adjusted for share split of 1 existing ordinary share into 3 ordinary shares on 2 October 2020 for comparative purpose).
- (3) Net asset value per share, net tangible asset per share and dividends per share were computed based on the share capital of 623.8 million shares for FY2024, FY2023 and FY2022, 616.3 million shares for FY2021, and 588.3 million shares for FY2020 (adjusted for share split of 1 existing ordinary share into 3 ordinary shares on 2 October 2020 for comparative purpose).
- (4) Return on equity was computed based on net profit attributable to owners of the Company as a percentage of average net asset value.
- (5) Return on assets was computed based on net profit attributable to owners of the Company as a percentage of average total assets.
- (6) Net gearing ratio was computed based on total bank borrowings and derivative financial instruments less cash as a percentage of shareholders' equity.

## Revenue Analysis by Key Market



# PERFORMANCE REVIEW

In FY24, the global disposable glove industry continues its natural consolidation as the market determines its new equilibrium in the endemic phase. The reduction in production capacities and the re-implementation of regulations in certain countries led to gradual stabilisation of the average selling price ("ASP") of disposable examination gloves.

As global economic activities resumed, the inventory replacement cycle at the end consumer and downstream distribution returned to normal. The Group is preparing to commence production at its third manufacturing facility with an installed production capacity of 1.2 billion pieces of disposable examination glove per annum, on the back of rising ASP and its conscientious effort to manage inflationary fixed overheads. The Group retains its option to collaborate with third-party manufacturers to supply hygiene and healthcare ancillary products that its upstream manufacturing operations did not produce to optimise the support of its downstream distribution operations.

During FY24, the Group continued to make progress in its OBM foundation, as well as strategic investments in non-glove healthcare-related businesses, including the medical diagnostic centre in Nigeria and the Active Retirement Home Project in Desaru, Johor, Malaysia. While the Group continued to cultivate demand among its customers, it also embarked on strategic expansions into (i) product portfolio through the strategic acquisition of UG Nitrex, which specialises in the marketing and sale of a wide range of reusable gloves for heavy industrial applications, safety footwear, and other PPE in Spain and neighbouring countries such as Portugal and France; and (ii) geographical footprint to cover Southern Europe and Central Eastern Europe through the increase in equity interest in Unigloves Germany and UG Nitrex. Despite ongoing macroeconomic concerns like geopolitical tension and economic slowdown, the Group is continuing to improve both its OBM businesses and strategic investments to grow sustainably into the long term.

Riding on the recovery trend, the Group narrowed its net loss attributable to shareholders by 70.8% year-on-year, from S\$20.7 million in FY23 to S\$6.1 million in FY24, as markets continue to determine a new equilibrium and the ASP of disposable examination gloves and ancillary products continued to rebound from the lows. The Group registered 13.9% year-on-year revenue growth from S\$101.1 million in FY23 to S\$115.2 million in FY24, resulting from the expansion in our Europe's downstream distribution network in the second half of FY24, and a rebound in ASP of disposable gloves and ancillary products as well as an increase in overall sales volume. These ancillary products include reusable gloves and PPE, as well as a wide range of hygiene and healthcare products for infection control, hygiene and care, dental and wound care.

## Revenue

# S\$115.2M

↑ 13.9% (FY23: S\$101.1M)

## Gross Profit

# S\$25.9M

↑ >100% (FY23: S\$1.4M)

## Gross Margin

# 22.5%

↑ 21.1 PERCENTAGE POINTS  
(FY23: 1.4%)

# PERFORMANCE REVIEW

## Product Segment Analysis

FYE 30 June (S\$'000)	Revenue			Gross Profit			Gross Margin	
	FY24	FY23	YoY Change	FY24	FY23	YoY Change	FY24	FY23
Latex examination gloves	59,285	66,394	(10.7)%	14,391	457	>100.0%	24.3%	0.7%
Nitrile examination gloves	43,897	28,687	53.0%	9,575	144	>100.0%	21.8%	0.5%
Other ancillary products	12,023	6,052	98.7%	1,900	847	>100.0%	15.8%	14.0%
<b>Group total</b>	<b>115,205</b>	<b>101,133</b>	<b>13.9%</b>	<b>25,866</b>	<b>1,448</b>	<b>&gt;100.0%</b>	<b>22.5%</b>	<b>1.4%</b>

## Revenue Analysis by Key Markets

FYE 30 June (S\$'000)	FY24	FY23	YoY Change
Europe	63,433	40,904	55.1%
North America	5,039	7,262	(30.6)%
South America	19,813	21,022	(5.8)%
Africa	6,810	8,575	(20.6)%
Asia	18,495	20,971	(11.8)%
Others	1,615	2,399	(32.7)%
<b>Group total</b>	<b>115,205</b>	<b>101,133</b>	<b>13.9%</b>

Note: As a result of the integrated supply chain, the Group recognises sales only after the products have been sold by the distribution companies. The goods in transit and in the warehouses of its distribution companies are recorded as inventory, and can only be recognised as revenue when they are sold to end consumers.

Sales in the European market increased as a result of the expansion of Europe's downstream distribution networks, while other key markets continued to recover.

The Group's efficient resource management at both upstream manufacturing division and downstream distribution division, together with lower average purchase prices of raw materials and improved ASP of disposable examination gloves and ancillary products resulted in a significant increase in gross profit from S\$1.4 million in FY23 to S\$25.9 million in FY24. Correspondingly, gross profit margin increased from 1.4% in FY23 to 22.5% in FY24.

Other income decreased by 10.6% year-on-year from S\$2.7 million in FY23 to S\$2.4 million in FY24 on the back of lower interest income from fixed deposits with the banks.

Other expenses decreased by 37.0% year-on-year from S\$5.6 million in FY23 to S\$3.5 million in FY24, owing to no impairment of machinery and equipment in upstream manufacturing in FY24, which was partially offset by foreign exchange losses recorded in FY24.

Total operating expenses, comprising marketing and distribution expenses and administrative expenses, increased by 22.3% year-on-year from S\$26.6 million in FY23 to S\$32.5 million in FY24. The increase was mainly due to higher marketing expenses to promote new ancillary products and higher administrative expenses to support the downstream distribution business expansion.

Finance costs increased 40.1% year-on-year from S\$0.9 million in FY23 to S\$1.3 million in FY24 due to the increase in trade facilities utilisation and higher borrowing interest rate.

Share of results from associates saw a reversal from a gain of S\$557,000 in FY23 to a loss of S\$77,000 in FY24 due to the losses reported by its associates in Germany and the USA in the first six months of FY24. Following the increase in equity interest in Unigloves Germany, the Germany associate was reclassified as a subsidiary from 1 January 2024.

After taking into account tax expenses and minority interests, the Group narrowed its net loss attributable to shareholders from S\$20.7 million in FY23 to S\$6.1 million in FY24.

# PERFORMANCE REVIEW

## Financial Position

The Group maintained a strong balance sheet, despite a net debt position of S\$14.8 million as at 30 June 2024, a reversal from a net cash position of S\$31.8 million as at 30 June 2023. The net asset value decreased from S\$180.8 million as at 30 June 2023 to S\$163.4 million as at 30 June 2024, resulting from the strategic acquisitions of Unigloves Germany and UG Nitrex, which was partially offset by a lower net loss attributable to shareholders recorded in FY24. Correspondingly, the net asset value per share decreased from S\$0.2899 as at 30 June 2023 to S\$0.2619 as at 30 June 2024.

Non-current assets increased by 14.6% or approximately S\$10.2 million, from S\$70.1 million as at 30 June 2023 to S\$80.3 million as at 30 June 2024. This was primarily due to goodwill generated by an increase in the equity interest in Unigloves Germany and UG Nitrex, which was partially offset by a decrease in the investment in associates following reclassification of Unigloves Germany as a subsidiary, as well as a decrease in the value of property, plant and equipment due to depreciation.

Current assets decreased by 8.6% or approximately S\$13.7 million, from S\$159.9 million as at 30 June 2023 to S\$146.2 million as at 30 June 2024. The decrease was primarily attributable to:

- a) a decrease in cash and bank balances of S\$33.7 million, down from S\$61.7 million as at 30 June 2023 to S\$28.0 million as at 30 June 2024; and
- b) a decrease in income tax assets of S\$4.5 million, down from S\$8.0 million as at 30 June 2023 to S\$3.5 million as at 30 June 2024;

and partially offset with:

- c) an increase in inventories of S\$6.8 million, up from S\$54.5 million as at 30 June 2023 to S\$61.3 million as at 30 June 2024; and
- d) an increase in trade and other receivables of S\$17.7 million, up from S\$35.6 million as at 30 June 2023 to S\$53.3 million as at 30 June 2024, primarily due to the RM33.3 million (equivalent to approximately S\$9.42 million) provided by the wholly-owned subsidiary, Indigo Teguh Sdn Bhd, for the acquisition of land in Desaru, Johor, Malaysia, in relation to the active retirements project and healthcare and wellness business.

The Group's non-current liabilities increased by 68.8% or approximately S\$11.0 million from S\$16.0 million as at 30 June 2023 to S\$27.0 million as at 30 June 2024. The increase was mainly due to the increase in long-term bank borrowings.

Current liabilities increased by 16.2% or approximately S\$5.3 million, up from S\$32.8 million as at 30 June 2023 to S\$38.1 million as at 30 June 2024. This was mainly due to:

- (a) an increase in trade and other payables of S\$5.2 million on the back of the increase in raw materials purchase volume in tandem with the increase in sales volume, rose from S\$14.1 million as at 30 June 2023 to S\$19.3 million as at 30 June 2024; and
- (b) an increase in borrowings by S\$1.8 million with the increase in the utilisation of trade facilities, from S\$16.1 million as at 30 June 2023 to S\$17.9 million as at 30 June 2024;

and partially offset with

- (c) a decrease in income tax liabilities of S\$1.3 million following the payment of tax payable, reduced from S\$1.7 million as at 30 June 2023 to S\$0.4 million as at 30 June 2024; and
- (d) a decrease in derivative financial liabilities by S\$0.3 million from S\$0.3 million as at 30 June 2023 to S\$16,000 as at 30 June 2024.

## Cash Flow

The Group's net cash used in operations amounted to approximately S\$18.2 million in FY24. This comprised negative operating cash flows before changes in working capital of S\$10.0 million, adjusted by net working capital outflows of S\$11.1 million. The net working capital outflow was mainly due to the decrease in inventories of S\$2.5 million and increase in trade and other receivables of S\$15.7 million, which was partially offset by income tax credit of S\$3.0 million.

Net cash used in investing activities amounted to S\$22.7 million in FY24. The cash outflow was mainly due to the acquisitions of equity interests in Unigloves Germany and UG Nitrex, as well as purchases of property, plant and equipment, which were partially offset by interest received from bank deposits and dividends received.

Net cash generated from financing activities amounted to S\$8.4 million in FY24 due to a net increase in the drawdown of borrowing, primarily from trade facilities.

Note: Performance Review is to be read in conjunction with the financial statements and the notes to the financial statements found in this annual report.

# BOARD OF DIRECTORS

## Mr. Yip Wah Pung

NON-EXECUTIVE CHAIRMAN  
AND INDEPENDENT DIRECTOR

Mr. Yip Wah Pung is the Non-Executive Chairman and Independent Director of the Company, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. He was appointed to the Board on 20 November 2014 and was last re-elected on 28 October 2022.

Mr. Yip has over 40 years of experience in the audit and tax industry. He started his career as a tax examiner at the Income Tax Department of Malaysia in February 1977, where he worked for 12 years. From February 1989 to August 1989, he joined W.M Lam & Co, an audit firm, as a senior associate. Subsequently, he joined K.W. Chong & Co as an audit manager from September 1989 to November 1994 before he started his own audit firm, W.P. Yip & Co in 1994, where he is currently a partner. The audit firm is principally engaged in the provision of tax and audit services.

Mr. Yip graduated from Tunku Abdul Rahman College with a Diploma in Commerce in June 1977. He has been a member of (i) the Malaysian Institute of Accountants since 1980, (ii) the Association of Chartered Certified Accountants since 1980, (iii) the Malaysian Institute of Chartered Secretaries and Administrators since 1980, and (iv) the Chartered Tax Institute of Malaysia since 1995.

## Mr. Lee Keck Keong

EXECUTIVE DIRECTOR AND  
CHIEF EXECUTIVE OFFICER

Mr. Lee Keck Keong is the Executive Director and Chief Executive Officer of the Company. He is a member of the Nominating Committee. He was appointed to the Board on 20 November 2014 and was last re-elected on 28 October 2022.

Mr. Lee has been instrumental in successfully leading the Group to become an established player in the gloves manufacturing industry. He also serves as a director on the boards of the Company's subsidiaries and associated companies.

Mr. Lee graduated from the University of Surrey in 1977 with a degree in chemical engineering. Upon graduation, he started his career as a chemical engineer in a state-owned company. Thereafter, he entered into various business ventures in diverse industries, including mining, sawmilling, property development, and timber development.

## Mr. Lee Jun Yih

EXECUTIVE DIRECTOR AND  
FINANCE DIRECTOR

Mr. Lee Jun Yih is the Executive Director and Finance Director of the Company. He was appointed to the Board on 10 November 2014 and was last re-elected on 30 October 2023.

Mr. Lee is primarily responsible for oversight and management of the Group's business and corporate development, and works together with the Chief Executive Officer to formulate the Group's overall business and corporate policies and strategies. He is also responsible for the oversight and control of the Group's overall accounting and finance function, which includes monitoring and coordinating the Group's financial accounts, consolidation, and financial reporting.

Mr. Lee joined the Group in July 2011 and currently serves as a director on the boards of the Company's subsidiaries and associated companies.

Mr. Lee graduated from Pembroke College, University of Cambridge with a Bachelor of Arts (Law) in June 2004. He began his career as a solicitor with Freshfields Bruckhaus Deringer, an international law firm, in its Hong Kong, London and Beijing offices in 2005 before joining JP Morgan, London, and UBS AG, Hong Kong as an analyst in the Investment Banking Division in August 2007 and April 2008, respectively. Thereafter, he joined AEGON Asset Management as an associate in January 2010.

He was admitted as a Solicitor of the High Court of the Hong Kong Special Administrative Region in September 2007.



# BOARD OF DIRECTORS

## Mr. Lee Jun Linn EXECUTIVE DIRECTOR AND CHIEF OPERATING OFFICER

Mr. Lee Jun Linn is the Executive Director and Chief Operating Officer of the Company. He was appointed to the Board on 20 November 2014 and was last re-elected on 29 October 2021.

He is responsible for directing and managing the Group's sales, marketing, and distribution platforms, with an emphasis on formulating the Group's marketing strategies and broadening its distribution network.

Starting his career with the Group as an Assistant General Manager of Unigloves Shanghai in April 2008, Mr. Lee rose through the ranks to become General Manager of Unigloves Shanghai in 2012. He was also appointed as a director of Unigloves Shanghai in July 2011 and a director of Unigloves (UK) Limited in April 2015.

Mr. Lee graduated from University College London with a Bachelor of Science (Economics) degree in August 2006 and subsequently obtained a Master of Science (International Management (China)) degree from the School of Oriental & African Studies in London in December 2007.

## Mr. Wong See Keong EXECUTIVE DIRECTOR

Mr. Wong See Keong is the Executive Director of the Company. He was appointed to the Board on 20 November 2014 and was last re-elected on 29 October 2021.

He is responsible for oversight and management of the Group's manufacturing, operations, and administrative departments.

Mr. Wong has been with the Group for more than 30 years and played a crucial role in its expansion of manufacturing capacity and development of new products over the years. He started his career with the Group in November 1988 as a technologist and rose through the ranks to become the Manufacturing Manager in July 1994 and General Manager of Operations in September 2007.

Mr. Wong graduated from Universiti Pertanian Malaysia with a Bachelor of Science (Chemistry and Education) in August 1986.

## Mr. Ng Lip Chi, Lawrence INDEPENDENT DIRECTOR

Mr. Ng Lip Chi, Lawrence is the Independent Director of the Company, Chairman of the Remuneration Committee and member of the Audit and Nominating Committees. He was appointed to the Board on 20 November 2014 and was last re-elected on 30 October 2023.

Mr. Ng is currently an executive director of NLC Advisory Pte. Ltd., a firm that provides corporate advisory services. He has extensive experience in international mergers and acquisitions and corporate finance, having worked in a professional services firm and investment banks, such as Arthur Andersen, Credit Agricole Indosuez Merchant Bank Asia Ltd, and DBS Bank Ltd., as well as in-house corporate finance for an Asian natural resources conglomerate.

Mr. Ng has advised companies on a wide range of transactions, including acquisitions, divestitures, joint ventures, spin-offs, buyouts, reverse takeovers, and capital raisings. His previous clients included multi-national companies, local and overseas listed companies, private enterprises, and private equity firms.

Mr. Ng graduated from the National University of Singapore with a Bachelor of Business Administration and is also a Chartered Financial Analyst.

Mr. Ng is currently an independent director of Sanli Environmental Limited listed on the Catalist Board of SGX-ST.

# BOARD OF DIRECTORS

## Ms. Ng Lee Eng INDEPENDENT DIRECTOR

Ms. Ng Lee Eng is the Independent Director of the Company, Chairman of the Nominating Committee and member of the Audit and Remuneration Committees. She was appointed to the Board on 1 December 2023.

Ms. Ng has more than 15 years of experience in finance, accounting and human resource during her role as Finance Manager at EagleBurgmann KE Pte Ltd. As a key member of the management team, she had oversight over financial and management reporting, internal controls, tax and human resource functions.

She is graduated with a Bachelor of Business in Accountancy from the Royal Melbourne Institute of Technology. She is also a member of the Singapore Institute of Directors and associate member of the Institute of Singapore Chartered Accountants.

Ms. Ng is currently an independent director of Medi Lifestyle Limited listed on the Catalist Board of SGX-ST.

# KEY MANAGEMENT

## Ms. Wong Pek Wee HEAD OF MANUFACTURING

Ms. Wong Pek Wee is the Group's Head of Manufacturing, and she is responsible for the oversight and management of the entire glove manufacturing process. This includes planning for the entire glove manufacturing and production process, assessing quality, and conducting cost-effective research and development.

Ms. Wong joined the Group as a chemist in January 1997. She rose through the ranks, becoming the Executive (Manufacturing) in January 1998, Production Manager in January 2000, Manufacturing Manager in September 2007, and subsequently promoted to be the Head of Manufacturing.

Ms. Wong started her career as a chemist with Cospac Sdn Bhd from June 1993 to May 1995. Prior to joining the Group, she was a temporary teacher with Sekolah Menengah Chung Ching, Raub Pahang.

Ms. Wong graduated from University of Malaya with a Bachelor of Science (Hons) in Chemistry, in July 1993.

# SUSTAINABILITY REPORT

## BOARD STATEMENT

The Board of Directors (the “**Board**”) of UG Healthcare Corporation Limited (“**UG Healthcare**” or the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to present the annual sustainability report for the financial year ended 30 June 2024 (“**FY24**”).

The global disposable glove industry continues to consolidate as the market adjusts to its new equilibrium in the endemic phase. As global economic activity gradually resumed, we made the prudent decision to collaborate with third-party manufacturers to supply hygiene and healthcare products. These include disposable gloves, which our upstream manufacturing operations either did not produce or were inefficient to produce ourselves, thereby supporting our downstream distribution businesses.

The average selling price (“**ASP**”) of disposable examination gloves, as well as the inventory replacement cycle at the end consumer and downstream distribution, have been encouraging. This allows us to plan the commencement of production at our third manufacturing facility, which will provide an additional capacity of 1.2 billion pieces of disposable examination gloves per year to support our downstream distribution expansion in FY24.

As the Group works to align with the evolving business environment in order to grow prudently and sustainably, we are committed to making positive progress in our economic, environmental, social, and governance (“**EESG**”) determinants. When determining the Group’s strategic direction and policies, the Group will consider these EESG material aspects, as well as the impact of climate-related risks and opportunities, and ensure they are relevant and current for the business and our expansion ambitions.

This sustainability report focused on our key EESG performance in FY24 and includes entities from the Group’s upstream manufacturing operations located in Seremban, Negeri Sembilan, Malaysia. As our Singapore operation is primarily involved in the listed company’s corporate reporting and serves as the sales, marketing and distribution hub for our downstream distribution operations, this report excludes performance data from our Singapore and global downstream distribution operations, which are managed locally in the six key markets. We recognise that the source of our products is our responsibility to our customers, and we value their trust and loyalty. Similarly, we remain committed to upholding our integrity and business ethics throughout our own brand manufacturing (“**OBM**”) businesses globally, conducting our businesses in accordance with the rules and regulations of the respective countries, from our upstream manufacturing to downstream distribution operations, with the goal of achieving mutual growth in a sustainable manner.

The Group continues to conform to international standards and requirements for our UNIGLOVES® branded range of products and our upstream manufacturing is certified by the British Standards Institution for ISO 9001:2015, ISO 13485:2016, and EN ISO 13485:2016, and in compliance with ISO 14971:2019 and EN ISO 14971:2019 for the scope of manufacture and supply of natural latex and nitrile examination gloves. We are also registered with the Supplier Ethical Data Exchange, a not-for-profit membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains, and our manufacturing facilities continue to be audited under Sedex Members Ethical Trade Audit (“**SMETA**”) annually.

This sustainability report has been prepared with reference to the 2021 Global Reporting Initiative (“**GRI**”) Sustainability Reporting Standards (“**GRI Standards**”) and in compliance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) as well as the SGX-ST’s Sustainability Reporting Guide. We have chosen the GRI framework as it is a well-known and globally recognised sustainability reporting standard. In alignment with the Task Force on Climate-related Financial Disclosures (“**TCFD**”), the Company has assessed climate-related risks and opportunities which are disclosed in this report. In view of the latest enhancement to the sustainability reporting regime announced by the SGX-ST on 23 September 2024, the Company will continue to work towards greater maturity of its climate-related disclosures by incorporating climate-related requirements in the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (“**ISSB**”) for the financial year ending 30 June 2025.

# SUSTAINABILITY REPORT

The Board will continue to oversee the Sustainability Committee, which is chaired by the Group's Chief Executive Officer, and together we monitor the key factors in our sustainability practices, improving on our disclosures and progressively updating our targets that are material to the sustainability of our operations as we continue our growth journey.

An internal review of our sustainability reporting processes was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors by our internal auditor, on a cycle basis, as part of the internal audit plan. While this sustainability report is reviewed by the internal auditor, no external assurance was sought.

We welcome stakeholders to provide us with feedback and suggestions on this report. You may contact us through our investor relations email at [ir@ughcc.com](mailto:ir@ughcc.com).

**YIP WAH PUNG**

Non-Executive Chairman and Independent Director

**LEE KECK KEONG**

Chief Executive Officer and Executive Director

# SUSTAINABILITY REPORT

## SUSTAINABILITY GOVERNANCE

At UG Healthcare, our sustainability goal is to make a positive difference and progress together with our prioritised stakeholders – customers, employees, business partners, and the communities where we operate. We believe that our sustainability strategy to embrace EESG areas such as labour practices and societal responsibilities is a holistic approach of inclusivity and contingency planning that serves as the foundation of our organisational culture.

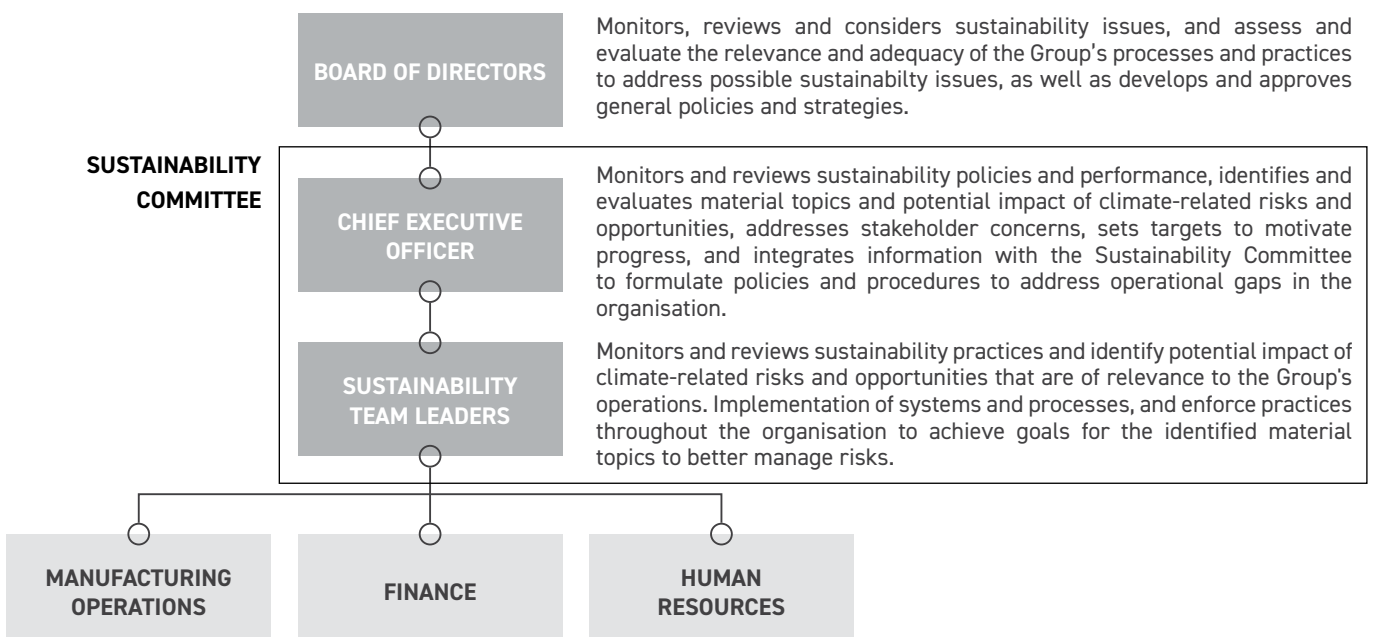
The Board and management, through this sustainability approach, cultivate sustainable values throughout the organisation and pass them on to our external stakeholders. We believe that addressing the EESG impacts from within will assist us in managing the risks and opportunities present in our business, thereby generating stable and sustainable value for our stakeholders.

We have in place the Sustainability Reporting Policy to strengthen our Group's commitment to sustainability, and it acts as a guide for our sustainability reporting. The Board has also kept up with the growing concerns about sustainability and climate-related topics through continuous training and education.

The Group's Sustainability Committee ("SC") comprised of key management executives that oversee the various departments in the organisation and the SC is overseen by the Group's Chief Executive Officer, who reports to the Board for advice and guidance. The SC will be informed of any sustainability concerns relating to the Group's risks and prospects, and it will then investigate the reported concern before reporting its findings to the Board. The Board effectively oversees the SC by assessing and evaluating the relevance and appropriate practices in place to address possible sustainability challenges. The Board will also consider these findings when developing strategies and policies to better manage future sustainability challenges. This approach helps to ensure that all EESG and climate-related matters material to the business are considered and addressed effectively.

While the Board's responsibility is to review and deliberate on the sustainability concerns, the SC has the responsibility to ensure that the EESG factors and climate-related matters are monitored on an ongoing basis and properly managed. The SC is responsible for reviewing the Group's sustainability performance and material topics, analysing climate-related risks and opportunities, addressing stakeholder concerns, setting targets and goals for material factors, and establishing systems to collect, verify, monitor, and report information required for sustainability reporting. The SC meets at least once a year to discuss, propose, coordinate, and promote the Group's sustainability practices.

The Group's sustainability governance structure is set out as follows:



We believe that the Group's ethos and conscientious efforts to manage our businesses responsibly demonstrate our appreciation for our stakeholders' trust and support, thereby safeguarding their interests.

# SUSTAINABILITY REPORT

## STAKEHOLDER ENGAGEMENT

At UG Healthcare, we believe that sustainable operations necessitate regular communication among internal and external stakeholders. The Group remains committed to engaging with our stakeholders through effective communication and strengthening mutually beneficial relationships in order to grow sustainably together.

Sustainability reporting gives us a valuable opportunity to engage our stakeholders and respond to concerns that are most important to them and to our business, while also improving the Group's assessment in risk management, strategy development, and stakeholder engagement activities as we work to further focus and prioritise our sustainability and corporate social responsibility initiatives. We are committed to recognising and addressing our key stakeholders' concerns, as well as aligning our key stakeholders to participate in the Group's sustainable and steadfast growth journey.

We continue to engage with our stakeholders through multiple established communication channels to assess the material matters that are of concern to them and our business.

Our engagements with our key stakeholders are summarised below:

STAKEHOLDERS	AREAS OF CONCERN	OUR ENGAGEMENT APPROACH	OUR ACTIONS
<b>INTERNAL</b>			
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Ensure internal policies and practices are current and effectively implemented and monitored</li> <li>Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>Board meetings</li> <li>Regular updates via electronic communications (emails, phone calls, virtual meetings)</li> </ul>	<ul style="list-style-type: none"> <li>Regular updates on corporate activities, developments, and financial performance</li> <li>Seek advice and approvals from the Board on all material proposed developments</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Career growth</li> <li>Training opportunities</li> <li>Competitive salaries and incentives</li> <li>Pleasant and safe working environment</li> </ul>	<ul style="list-style-type: none"> <li>Regular internal communications through staff meetings and electronic communications (emails, phone calls, internal notices, virtual meetings)</li> <li>Training and development programmes Performance appraisal</li> <li>Employee feedback/survey</li> </ul>	<ul style="list-style-type: none"> <li>Ensure effective implementation of human resources policies, internal systems and procedures</li> <li>Regular internal meetings to review safety and healthy work environment</li> <li>Sponsor employees to attend courses and conferences</li> <li>Annual review on performance</li> </ul>

# SUSTAINABILITY REPORT

STAKEHOLDERS	AREAS OF CONCERN	OUR ENGAGEMENT APPROACH	OUR ACTIONS
<b>EXTERNAL</b>			
<b>Government &amp; Regulators</b>	<ul style="list-style-type: none"> <li>• Good governance practices</li> <li>• Regulatory compliance</li> <li>• Occupational health &amp; safety</li> <li>• Environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Mails</li> <li>• Electronic communications</li> <li>• Through external professionals and agencies</li> <li>• Announcements on SGXNet</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure compliance with applicable laws and regulations</li> <li>• Regular communication with external professionals and agencies</li> <li>• Correspondence with relevant authorities as and when necessary</li> <li>• Consistent update on relevant laws and regulations through seminars and training</li> <li>• Ensure all public disclosures are disclosed accurately and timely via official announcements as appropriate</li> </ul>
<b>Customers / Distributors</b>	<ul style="list-style-type: none"> <li>• Quality control</li> <li>• Reliability, on-time delivery, and after sales services</li> <li>• Technical support</li> <li>• Reasonable payment terms</li> <li>• Competitive pricing</li> <li>• Long-term working relationship</li> </ul>	<ul style="list-style-type: none"> <li>• Regular customer feedback management (survey, face-to-face meetings)</li> <li>• Regular follow-up and support services (calls, face-to-face meetings)</li> <li>• Trade fair (trade show, exhibition)</li> <li>• Electronic communications (emails, phone calls, virtual meetings)</li> </ul>	<ul style="list-style-type: none"> <li>• Certifications of ISO 9001, ISO 13485, and EN ISO 13485, and in compliance with ISO 14971 and EN ISO 14971 to assure consistent quality standards in products and services</li> <li>• Ensure all relevant requirements and compliance with standards are met for all products manufactured and sold</li> <li>• SMETA 4-pillar annual audit to assure products are produced ethically and responsibly</li> <li>• Regular internal meetings to review customers' fulfilment and evolving requirements</li> <li>• Active follow-up on customers' needs and product applications, as well as updates on new products</li> <li>• Provide timely responses to customers</li> <li>• Perform periodic evaluations to understand customers' perspectives</li> </ul>
<b>Suppliers / Business Partners</b>	<ul style="list-style-type: none"> <li>• Timely payment and adherence to agreed terms</li> <li>• Long-term working relationship</li> </ul>	<ul style="list-style-type: none"> <li>• Regular interactions and updates with suppliers</li> <li>• Electronic communications (emails, phone calls, virtual meetings)</li> </ul>	<ul style="list-style-type: none"> <li>• Regular review and feedback on the quality and evolving requirements</li> <li>• Ensure compliance with standards, relevant laws and regulations, as well as good corporate practices</li> <li>• Perform periodic evaluation</li> </ul>
<b>Shareholders &amp; Investment Community</b>	<ul style="list-style-type: none"> <li>• Financial performance and investment returns</li> <li>• Business sustainability and profitability</li> <li>• Industry conditions and prospect</li> <li>• Market presence</li> <li>• Transparency and good governance</li> </ul>	<ul style="list-style-type: none"> <li>• Announcements on SGXNet</li> <li>• Shareholders' general meetings</li> <li>• Investor relations (face-to-face meetings, emails, virtual meetings, conference calls)</li> <li>• Electronic communications (emails, virtual meetings)</li> <li>• Annual report</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure all public disclosures on corporate results and material developments are disclosed accurately and timely via official announcements as and when required</li> <li>• Half-yearly meetings with analysts and investment community to update on corporate developments</li> <li>• Ensure sustainable business growth</li> </ul>

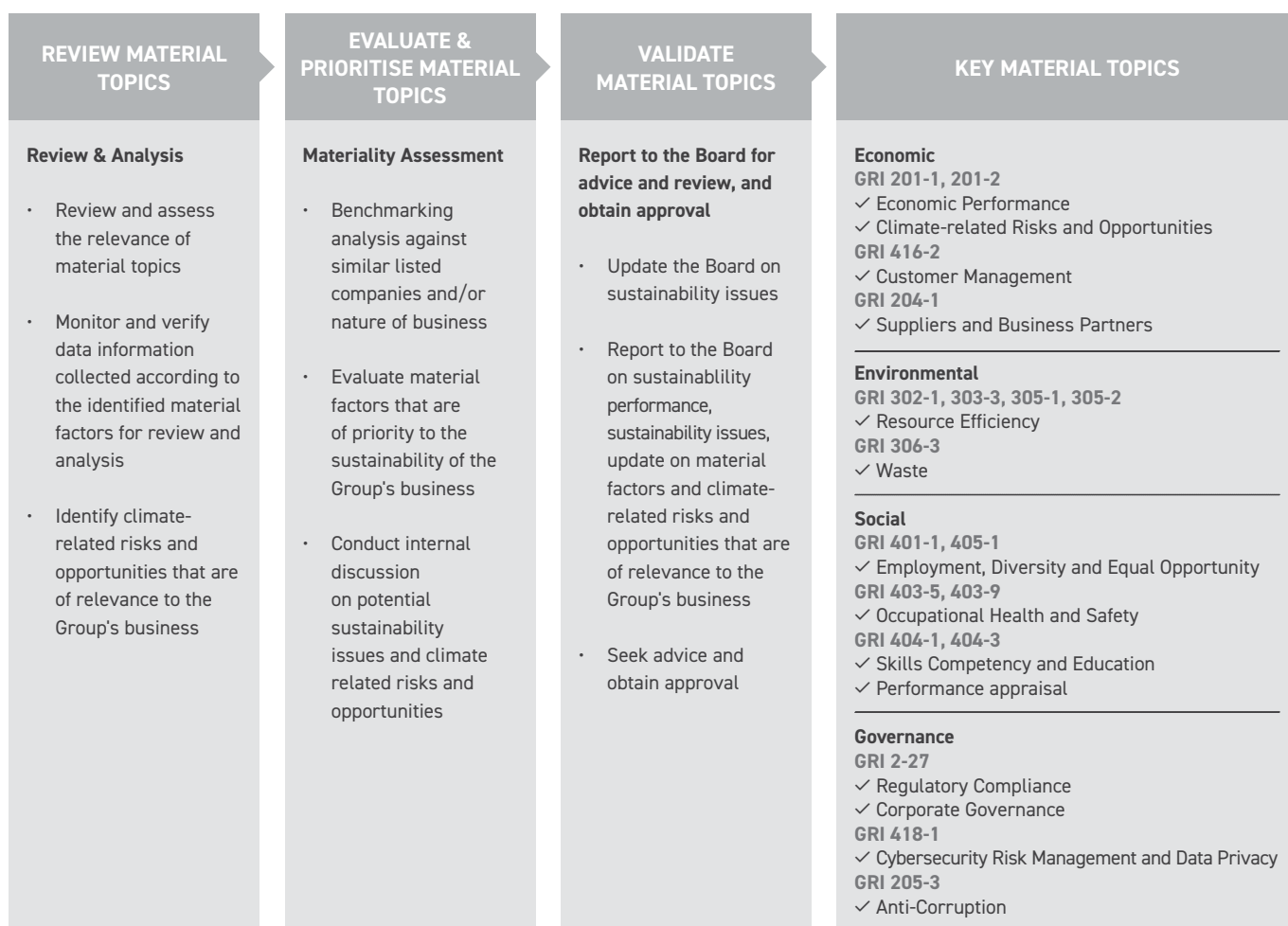
# SUSTAINABILITY REPORT

## MATERIALITY ASSESSMENT

UG Healthcare did an internal review to determine the continued relevance of the material topics mentioned in FY23 and FY24. The criteria for the Company's material analysis were explored and selected using industry standards, peer benchmarking against companies with similar businesses, and management awareness. The materiality assessment process and the material concerns identified are depicted in the chart below, and their importance was determined based on their impact on stakeholders as well as the Group's business risks and opportunities. These material topics were also presented to the Board for review and approval before being included in this sustainability report.

The Company has, in alignment with TCFD recommendations, we have assessed and identified climate-related risks and opportunities for our business, particularly our upstream manufacturing division, and have them disclosed under the Economic topic. We intend to work towards greater maturity of climate-related disclosures in the coming years.

The sustainability reporting process and specific disclosures for each GRI Standard reported under the various material topics are set out in the chart below.





# SUSTAINABILITY REPORT

## MATERIAL TOPIC: ECONOMIC

### Economic Performance

GRI 201-1

The Group recorded 13.9% year-on-year revenue growth from S\$101.1 million in FY23 to S\$115.2 million in FY24, resulting from the expansion in our Europe's downstream distribution network in the second half of FY24, and a rebound in ASP of disposable gloves and ancillary products, as well as an increase in overall sales volume. These ancillary products include reusable gloves and personal protection equipment ("PPEs"), as well as a wide range of hygiene and healthcare products for infection control, hygiene and care, dental and wound care.

Higher revenue coupled with the Group's efficient resource management at both upstream manufacturing division and downstream distribution division, together with lower average purchase prices of raw materials and improved ASP of disposable examination gloves and ancillary products resulted in a significant increase in gross profit from S\$1.4 million in FY23 to S\$25.9 million in FY24. Correspondingly, gross profit margin increased from 1.4% in FY23 to 22.5% in FY24.

Overall, the Group managed to narrow net loss attributable to shareholders from S\$20.7 million in FY23 to S\$6.1 million in FY24.

- Business Operations on page 4 to 8
- Financial Highlights on page 10
- Performance Review on page 11 to 13
- Financial Statements on page 78 to 143

The Group made significant strides in FY24 by strategically expanding our product portfolio through the strategic acquisition of UG Nitrex, a company that specialises in the marketing and sale of a diverse selection of reusable gloves for heavy industrial applications, safety footwear, and other PPEs in Spain and neighbouring countries such as Portugal and France. Furthermore, we expanded our geographical footprint to encompass Southern Europe and Central Eastern Europe through increasing our equity interest in Unigloves Germany and the strategic acquisition of UG Nitrex.

The strategic expansions and stabilisation of the ASP of disposable gloves further enhance our OBM model for glove-related healthcare businesses, enabling us to prepare for the commissioning of our third glove manufacturing facility at the upstream manufacturing division.

The table below provides an analysis of our economic value distributed to various stakeholders, and the economic value retained.

#### FINANCIAL YEAR ENDED 30 JUNE (S\$'000)

	FY24	FY23	FY22
<b>Economic value generated</b>	115,205	101,133	232,598
<b>Economic value distributed</b>	(123,577)	(140,926)	(208,404)
Operating costs	(105,850)	(110,991)	(157,391)
Employee wages and benefits	(19,499)	(20,845)	(26,467)
Payments to providers of capital	(1,238)	(4,860)	(1,949)
Refund from/(Payments to) government by country (taxes)	3,010	(4,230)	(22,597)
<b>Economic value (distributed)/retained</b>	<b>(8,372)</b>	<b>(39,793)</b>	<b>24,194</b>

#### Notes:

- Operating costs include cost of sales, marketing and distribution expenses, administrative expenses, other expenses and exclude employee wages and benefits.
- Employee wages and benefits include Directors' remuneration and employee salaries.
- Payments to providers of capital denotes interest paid to banks and dividends paid to shareholders.
- Refund from/(payments to) government by country (taxes) denotes to income taxes refunded or paid.

#### Performance in FY24

- Achieved better financial performance, but did not achieve profitability in FY24.
- Expanded market presence in Southern Europe and Central Eastern Europe through strategic acquisitions.
- Retained its option to commence production at the third manufacturing facility as it was relatively more cost-efficient to outsource.
- Continued to progress in the non-glove related businesses, including obtaining all the necessary approvals for the commencement of development of the Active Retirement Home project.
- Recorded no incident of non-compliance with management controls and procedures.

#### Targets for FY25

- To achieve profitability with the strategic expansions of (i) product portfolio; and (ii) market presence in European markets.
- Strengthen OBM growth potential amid the normalisation of inventory replacement cycle and ASP of disposable gloves.
- Planning to commence production of the third manufacturing facility of the upstream manufacturing facility.
- Continue to nurture the new identified businesses in the non-glove healthcare related sector.
- Continue to maintain no incident of non-compliance with management controls and procedures.

# SUSTAINABILITY REPORT

## Climate-related Risks and Opportunities Customer Management

GRI 201-2

We recognise that the aim of the Task Force on Climate-related Financial Disclosures (“TCFD”) is to improve transparency of organisations’ climate-related risks and opportunities so that stakeholders, particularly investors, can make informed decisions on where to deploy their capital.

The Group is conscious of the hazards that climate change poses to both our industry and business, as well as to society at large. As part of our commitment to operating ethically and sustainably, we dedicate ourselves to understanding climate-related risks and opportunities and integrating solutions into our Group’s strategy and operations.

We have been gradually adopting the TCFD recommendations, as well as developing and reporting our Scope 1 and Scope 2 greenhouse gas emissions, to better understand our baseline emissions amid our ongoing expansions.

During FY24, we conducted an internal discussion with the Sustainability Team Leaders, who are management executives from various departments across the Group, to identify and assess possible climate-related risks and opportunities that are critical to the Group’s business sustainability.

The following table sets out the summary of the climate-related risk and opportunity that have been identified for the Group’s upstream manufacturing business, which we shall be prioritising in FY25 to develop the necessary action plans.

	CLIMATE-RELATED	POTENTIAL		
	TRANSITION RISK	FINANCIAL	IMPACT	ACTION PLANS
	TYPE	MATERIALITY		
Technology	High costs associated with adopting new energy-efficient technologies or upgrading existing infrastructure.	Medium to long-term risk	• Capital investments in new technology development or upgrades to maintain competitiveness	• Review and invest in the latest energy-efficient technologies such as solar energy technology. • Seek government or policy incentives to offset capital investment costs.
Energy Source	High costs associated with adopting new energy-efficient technologies or upgrading existing infrastructure.	Medium to long-term risk	• Capital investments in new technology development or upgrades to maintain competitiveness	• Review and invest in the latest energy-efficient technologies such as solar energy technology. • Seek government or policy incentives to offset capital investment costs.

### Performance in FY24

- Conducted preliminary discussion on identifying and assessing possible climate-related risks and opportunities that are critical to the Group’s business sustainability.

### Targets for FY25

- To expand coverage on possible climate-related risks and opportunities.
- To explore and consider the evaluation of the financial implications of the possible risks and opportunities, as well as the approach, and potential costs to manage these possible risks.

# SUSTAINABILITY REPORT

## Customer Management

GRI 416-2

It has always been in our Group's ethos to nurture long-term business relationships with our customers. Our integrated OBM business that encompasses upstream manufacturing and downstream distribution for our proprietary **UNIGLOVES®** branded products, allows us to have greater control over the quality and reliability of our products, which are used by end users who require cross-infection protection and stringent hygiene requirements.

We are dedicated to maintaining our best practices and standards in order to meet the evolving needs of our end users across a variety of industries. This includes the development of appropriate hand protection solutions (both disposable and reusable gloves), as well as hygiene and healthcare-related ancillary products for their professional applications, thereby ensuring their safety. We are appreciative for the trust and brand loyalty our customers have demonstrated in our **UNIGLOVES®** branded products.

The direct interaction with our customers through our downstream distribution operations provides the Group the competitive advantage of understanding and responding to their requirements with the support of our upstream manufacturing operations.

Our upstream manufacturing is certified by the British Standards Institution for ISO 9001:2015, ISO 13485:2016 and EN ISO 13485:2016, and in compliance with ISO 19471:2019 and EN ISO 19471:2019 for the scope of manufacture and supply of natural latex and nitrile latex examination gloves. The Group is also registered with the Supplier Ethical Data Exchange, a not-for-profit membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains. Our manufacturing facilities are audited annually under the 4-pillar SMETA which covers (i) Labour Standards, (ii) Health & Safety, Environment and Business Ethics.

Our proprietary brand of products continues to conform to various international standards and requirements. Please refer to the Business Operations section found on page 4 to 8 of the annual report for more details on the accreditations of our products.

In FY24, we maintained our track record of no incidents of non-compliance with relevant laws and regulations on customers' health and safety and will continue to uphold this target.

### Performance in FY24

- Achieved targets set in FY24.
- Our manufacturing facilities and products continue to comply with all international safety and quality standards.
- Maintained strong brand presence and market position in key markets of Europe, Brazil, Nigeria, and China. Expanded market presence in Southern Europe and Central Eastern Europe through strategic acquisitions.
- Recorded no incident of non-compliance with relevant laws and regulations on health and safety impacts of products and services.

### Targets for FY25

- Maintain international standards of production and products produced are of high safety and quality standards.
- Continue to cultivate demand for proprietary **UNIGLOVES®** branded products through new markets and product portfolio expansions.
- Continue to maintain no incident of non-compliance with the relevant laws and regulations on health and safety impacts of products and services.

# SUSTAINABILITY REPORT

## Suppliers and Business Partners

GRI 204-1

The Group remains committed to maintaining mutually beneficial partnerships with the local suppliers for our upstream manufacturing operations, whenever possible.

We believe that sourcing raw materials from local suppliers not only supports the local economy and sustainability of their businesses, but also enhances cost efficiency and ensures a consistent supply of raw materials for our upstream manufacturing operations.

We recognise that the sustainability of our Group's operations may be influenced by the sustainability of our suppliers and business partners. Hence, we cherish the trust and strong business relationships we have built with our suppliers and business partners to drive sustainable growth together.

In FY24, we observed an increased in our purchases from local suppliers in Malaysia, where our manufacturing operations are located. We had no disruptions in the availability of raw materials for our manufacturing processes, as we continue to receive excellent support from our long-term suppliers.

### Proportion of Spending on Local Suppliers

TYPES OF RAW MATERIALS	FY24	FY23	FY22
Natural latex	9.6%	1.3%	3%
Nitrile	21.6%	19.8%	23%
Chemicals	100.0%	99.8%	99.0%
Packaging materials	100.0%	100.0%	100.0%

### Performance in FY24

- Achieved targets set for FY24.
- Increase purchases for natural latex and nitrile and chemicals from local suppliers.
- No disruptions in the raw materials supply for our manufacturing operations.

### Targets for FY25

- To maintain similar percentage of purchases locally as FY24.
- To maintain strong business relationships with our suppliers.

# SUSTAINABILITY REPORT

## MATERIAL TOPIC: ENVIRONMENTAL

### Resource Efficiency

GRI 302-1, 303-3, 305-1, 305-2

We have completed the installation of solar panels on the rooftop of our warehouse and office building at our upstream manufacturing facilities during FY24 in a bid to lower our energy consumption from non-renewable sources.

Our upstream manufacturing facilities primarily depend on electricity and natural gas for energy consumption. We primarily use natural gas for our production lines, which support functions such as drying processes, chemical heating, and glove manufacturing, while we use electricity for lighting, cooling, and equipment operation. We aim to reduce grid electricity consumption in the office and warehouse by using solar-generated electricity. Water consumption is primarily for production lines in the manufacturing facilities.

Our Group's OBM model with our proprietary **UNIGLOVES®** brand gives us the option to collaborate with third-party manufacturers, who have the competitive cost advantage to produce our products. As such, we delayed the commissioning of our third manufacturing facility with an installed production capacity of 1.2 billion pieces of gloves per annum in FY24 amid the ongoing consolidation of the global disposable glove industry.

Our total energy consumption for the Group's manufacturing facilities decreased by 34.0% year-on-year, from 966,271 gigajoules ("GJ") in FY23 to 637,575 GJ in FY24. The decrease in total energy consumed raised the average consumption of electricity per 1,000 pieces of gloves, which increased by 8.1% year-on-year, from 9.09 kWh in FY23 to 9.83 kWh in FY24, while the consumption of natural gas per 1,000 pieces of gloves decreased by 12.2% year-on-year, from 0.41 Metric Million British Thermal Unit ("MMBtu") in FY23 to 0.36 MMBtu in FY24.

The energy consumed was for the two existing manufacturing facilities as we have yet to commission the third manufacturing facility. The Group's overall greenhouse gas ("GHG") emissions reduced by 32.3% year-on-year, from 63,214 tonnes CO<sub>2</sub>e ("tCO<sub>2</sub>e") in FY23 to 42,803 tCO<sub>2</sub>e in FY24.

Water consumed is provided by the local municipal water supply. The total volume of water consumed at the Group's upstream manufacturing facilities decreased by 29.5% year-on-year, from 1,432.2 megaliters ("ML") in FY23 to 1,009.0 ML in FY24. Water consumption for the average per 1,000 pieces of gloves produced decreased by 4.3% year-on-year, from 0.70 litre in FY23 to 0.67 litre in FY24.

With the stabilisation of the ASP of disposable examination gloves and the normalisation of inventory replacement cycles in our core markets, we are preparing to commence our third manufacturing facility. This production capacity will support our downstream distribution, which has expanded the geographical network in FY24. As a result, we will continue to monitor and quantify our environmental footprint, particularly energy and water consumption, in order to better understand our baseline consumption at normal operations situation to facilitate us in setting realistic targets.

### Performance in FY24

- Recorded a decrease of 34.0% in total energy consumption from 966,271 GJ in FY23 to 637,575 GJ in FY24.
- The energy consumption of non-renewable sources decreased from 67,333 GJ of electricity and 898,938 GJ of natural gas in FY23 to 53,364 GJ of electricity and 583,895 GJ of natural gas in FY24.
- In FY24, renewable sources generated 316 GJ of electricity from solar energy.
- Overall GHG emissions decreased from 63,214 tCO<sub>2</sub>e in FY23 to 42,803 tCO<sub>2</sub>e in FY24.
- Total volume of water consumed reduced by 29.5% from 1,432.2 ML in FY23 to 1,009.0 ML in FY24.
- Average consumption of energy and water per 1,000 pieces of gloves produced in FY24 increased on the back of lower productivity.

### Targets for FY25

- To monitor our overall energy and water consumption performance data.
- To raise production efficiency and productivity in order to reduce average consumption of energy and water per 1,000 pieces of gloves produced.

# SUSTAINABILITY REPORT

## Energy consumed from non-renewable and renewable sources

GRI 302-1

ENERGY SOURCES / CONSUMPTION (IN GJ)	FY24	FY23	VARIANCE	FY22
Electricity	53,364	67,333	- 20.7%	78,082
Natural gas	583,895	898,938	- 35.0%	1,125,842
Solar	316	-	N.M.	-
Total energy consumed	637,575	966,271	- 34.0%	1,203,924

## Direct (Scope 1) and Energy Indirect (Scope 2) GHG Emissions

GRI 305-1, GRI 305-2

GHG EMISSIONS (IN tCO <sub>2</sub> e)	FY24	FY23	VARIANCE	FY22
Scope 1	32,867	50,683	- 35.2%	63,475
Scope 2	9,936	12,531	- 20.7%	14,532
Total GHG Emissions	42,803	63,214	- 32.3%	78,007

Note: Conversion factors are based on published statistics from the Department for Environment Food & Rural Affairs ("Defra") and Institute for Global Environmental Strategies.

## Water consumed from third-party (local municipal water supply)

GRI 303-3

CONSUMPTION (IN ML)	FY24	FY23	VARIANCE	FY22
Total consumption	1,009.0	1,432.2	- 29.5%	1,804.8

## Average consumption of energy and water per 1,000 pieces of gloves produced

AVERAGE CONSUMPTION	UNIT	FY24	FY23	VARIANCE	FY22
Electricity	kWh	9.83	9.09	+ 8.1%	8.11
Natural gas	MMBtu	0.36	0.41	- 12.2%	0.40
Water	litre	0.67	0.70	- 4.3%	0.67

# SUSTAINABILITY REPORT

## Waste

GRI 306-3

The Group is committed to preserving and protecting the environment and has met all applicable environmental requirements and standards. We have industrial effluent treatment plants within our manufacturing facilities to treat effluent before discharging the wastewater into the environment. Our treatment plants are in compliance with Malaysia's Department of Environment.

We monitor and measure our waste materials from our manufacturing facilities, and most of the waste we manage originates from the production of natural latex and nitrile examination disposable gloves.

In FY24, our manufacturing facilities discharged 889,208 m<sup>3</sup> of wastewater, a 29.0% year-on-year decrease from 1,252,626 m<sup>3</sup> in FY23. The average wastewater discharge per 1,000 pieces of gloves decreased from 0.61 m<sup>3</sup> in FY23 to 0.59 m<sup>3</sup> in FY24, in tandem with the relatively lower quantity of gloves produced in FY24.

An approved licensed collector will send the scheduled waste, which includes latex lumps, rubber sludge, laboratory waste, used oil, rags, ink, and empty containers, to the prescribed premises for recovery and disposal. The latex lump and rubber sludge will undergo an in-house drying and compressing process before they are disposed.

The scheduled waste in FY24 decreased by 1.1% year-on-year, from 1,341 metric tonnes in FY23 to 1,326 metric tonnes. However, the average scheduled waste per 1,000 pieces of gloves increased by 31.8% year-on-year, from 0.66 kg to 0.87 kg. This was due to an increase in the variety of gloves produced, which required more frequent changes of the formulated latex in the dipping tanks, resulting in more latex lump waste. We strive to maintain good waste management efforts while meeting our customers' requirements.

When our third manufacturing facility starts production, we will continue to monitor our performance. We believe a better understanding of our baseline in normal operations situations would help us set realistic targets.

WASTE GENERATED	FY23	FY23	VARIANCE	FY22
Wastewater discharged	889,208 m <sup>3</sup>	1,252,626 m <sup>3</sup>	- 29.0%	1,522,842 m <sup>3</sup>
Per 1,000 pieces of gloves	0.59 m <sup>3</sup>	0.61 m <sup>3</sup>	- 3.3%	0.57 m <sup>3</sup>
Scheduled waste	1,326 MT	1,341 MT	- 1.1%	1,165 MT
Per 1,000 pieces of gloves	0.87 kg	0.66 kg	+ 31.8%	0.43 kg

### Performance in FY24

- Recorded a 29.0% decrease in wastewater discharge from 1,252,626 m<sup>3</sup> in FY23 to 889,208 m<sup>3</sup> in FY24.
- Recorded a 1.1% decreased in scheduled waste from 1,341 metric tonnes in FY23 to 1,326 metric tonnes in FY24.

### Targets for FY25

- To monitor on our overall performance when the third manufacturing facility is commissioned.
- Continue to maintain good waste management efforts.

# SUSTAINABILITY REPORT

## MATERIAL TOPIC: SOCIAL

### Employment, Diversity and Equal Opportunity

GRI 401-1, 405-1

At UG Healthcare, we are committed to fair employment practices and maintaining a working environment where our employees are respected and empowered to perform at their best. We believe that our employees' health, career growth, and well-being are integral to our Group's continuous growth and long-term success.

We value our employees as fellow colleagues with an aligned vision of doing well together in our roles and responsibilities. At UG Healthcare, we prohibit any form of forced labour, human trafficking, and modern slavery in our Group. The Group does not discriminate against our employees or new hires based on race, age, gender, religion, marital status, ethnicity, physical impairments, sexual preference, political viewpoints, or nationality. We handle recruitment, remuneration, promotion, and benefits based on an objective assessment of merit, equal opportunity, and non-discrimination.

While the Group has in place our staff handbook and human resources manual that adhere to the legislation and guidelines in the country of operations, we also conduct engagement sessions twice weekly, particularly for our foreign employees, through our HR Helpdesk programme to assist them when issues arise. We prioritised regular communication and education with our foreign employees to assist with their adjustments, and we support the nomination and election of employee representatives to protect the welfare of all nationalities.

During FY24, we conducted the Employee Representative Election exercise for the term from 2024 to 2026 and successfully appointed members among our foreign workers of diverse nationalities. The employees elected are placed in charge of ensuring the welfare of the nationalities. We also hold quarterly meetings with employee representatives to foster effective communication, enhance working relationships, and improve the workplace environment.

We have also established various communication channels for our employees to voice their issues and grievances to the management. These include suggestion boxes located at various points on the premises, online submission through the Employee Self Service ("ESS") system, or direct contact with any human resources personnel, either in person or via phone calls.

The centralised workers' accommodation with communal recreational amenities is still in progress. We remain committed to improving the living conditions and work-life balance of our foreign employees, who are currently staying in various rented hostels.

As the disposable glove manufacturing industry continues to undergo consolidation, our headcount decreased by 14.8% year-on-year from 1,054 employees in FY23 to 898 employees in FY24, and our hiring rate declined from 16.2% in FY23 to 10.4% in FY24. In FY24, all of our employees were full-time, compared to approximately 99.1% in FY23.

#### Performance in FY24

- Achieved target of no incident of non-compliance with the relevant laws and regulations related to fair employment practices which is in line with the target set for FY24.
- Maintained 95.9% of our workforce below the age of 50.
- Our gender diversity remained relatively consistent, with 85.3% of the workforce being male in FY24, up from 85.0% in FY23, by and large due to the nature of the industry.
- The rate of hiring new employees decreased to 10.4% in FY24 from 16.2% in FY23 due to ongoing consolidation in the glove manufacturing industry.
- Completed 4-pillar SMETA audit on Labour Standards, Health & Safety, Environment and Business Ethics.

#### Targets for FY25

- Continue to maintain no incident of non-compliance with the relevant laws and regulations in fair employment practices.
- Continue to monitor and review the recruitment procedure and systems to ensure fair and non-discrimination in hiring.
- Continue to conduct annual SMETA audits against 4-pillars.
- Continue to improve the diversity of our workforce in terms of gender diversity.



# SUSTAINABILITY REPORT

Employee turnover was primarily due to natural attrition, and recruitment occurred as and when requirements arose. We offer competitive remuneration packages to all our employees, aligned with industry benchmarks and based on their working experience, and provide them with the option to work overtime in accordance with local employment law in Malaysia.

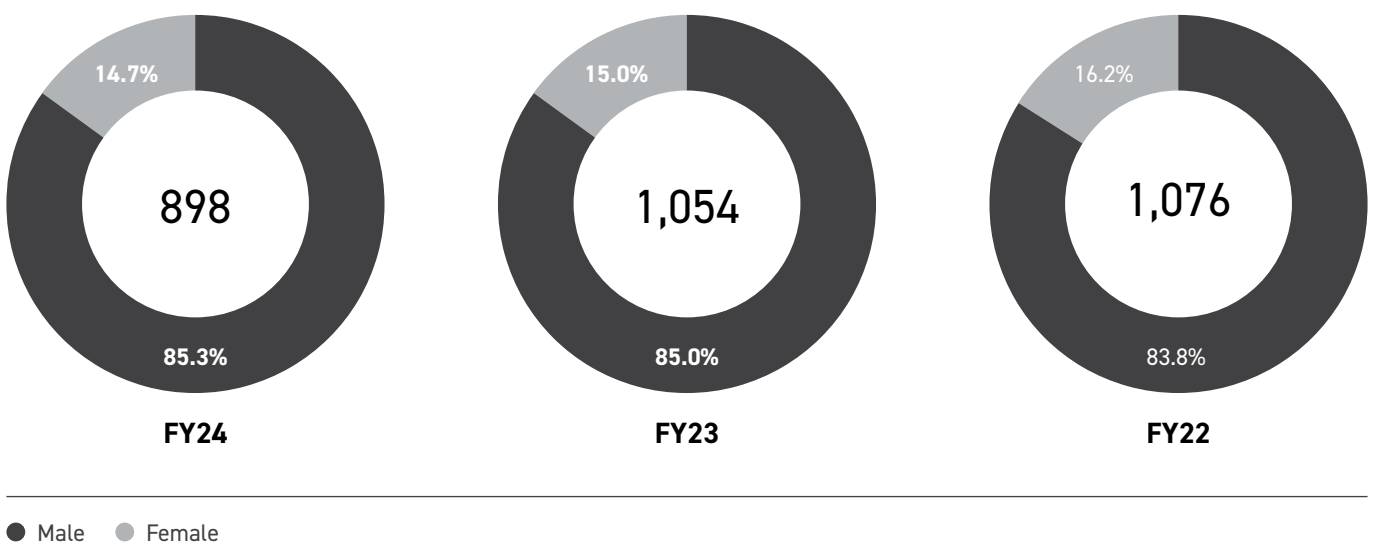
Due to the nature of the job, gender diversity is male-dominated industry-wide. In FY24, the gender diversity is comparable to that of FY23; approximately 85.3% of our employees are males and 14.7% are females, compared to 85.0% males and 15.0% females in FY23. Nonetheless, we continue to maintain a relatively young workforce, with 95.9% of our total employees under the age of 50 in FY24, as compared to 97.1% in FY23.

In FY24, we conducted our annual 4-pillar SMETA audit that covers Labour Standards, Health & Safety, Environment, and Business Ethics for our upstream manufacturing operations.

We are pleased to report that there were no incidents of non-compliance with the relevant laws and regulations related to fair employment practices during FY24, and we will strive to maintain this track record.

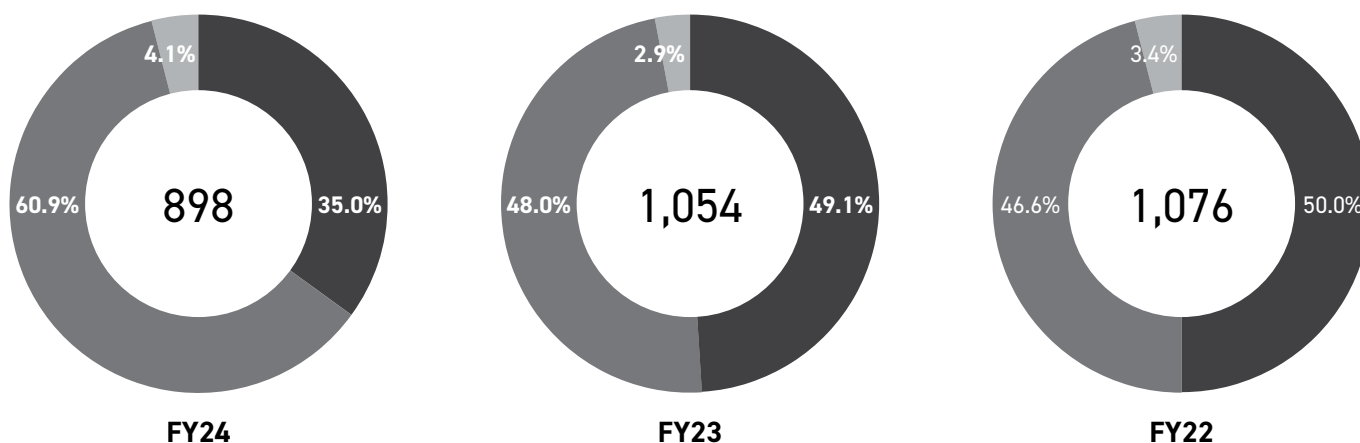
The demographics of our employees for our upstream manufacturing operations in Malaysia and corporate office in Singapore are as follows:

## EMPLOYEES BY GENDER



# SUSTAINABILITY REPORT

## EMPLOYEES BY AGE GROUP



● Under 30 years old ● 30-50 years old ● Over 50 years old

## DIVERSITY BY EMPLOYEE CATEGORY, GENDER, AND AGE GROUP

FYE 30 JUNE / EMPLOYEE CATEGORY	FY24			FY23		
	MGMT	EXEC	NON-EXEC	MGMT	EXEC	NON-EXEC
Group	3.9%	7.9%	87.9%	3.2%	9.0%	87.8%
	35	71	792	34	95	925
<b>Diversity by Gender</b>						
Male	51.4%	28.2%	91.9%	55.9%	33.7%	91.4%
Female	48.6%	71.8%	8.1%	44.1%	66.3%	8.6%
<b>Diversity by Age Group</b>						
Below 30-year-old	2.9%	46.5%	35.4%	2.9%	62.1%	49.4%
Between 30-50-year-old	74.3%	45.1%	61.7%	79.4%	32.6%	48.4%
Above 50-year-old	22.9%	8.5%	2.9%	17.6%	5.3%	2.2%

Note: Mgmt denotes senior management, Exec includes middle management and supervisor positions, and Non-Exec includes production and administrative positions.

## DIVERSITY BY GENDER AND AGE GROUP ON HIRING RATE

FYE 30 JUNE / HIRING RATE	FY24		FY23		FY22	
	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE
<b>Diversity by Gender</b>						
Male	71	7.9%	150	14.2%	253	23.5%
Female	22	2.5%	21	2.0%	104	9.7%
<b>Diversity by Age Group</b>						
Below 30	56	6.3%	96	9.1%	237	22.0%
30 - 50	35	3.9%	74	7.0%	116	10.8%
Above 50	2	0.2%	1	0.1%	4	0.4%
<b>Total new employees</b>	<b>93</b>	<b>10.4%</b>	<b>171</b>	<b>16.2%</b>	<b>357</b>	<b>33.2%</b>

Note We compute the hiring rate using the total number of 898 employees as at 30 June 2024, 1,054 employees as at 30 June 2023, and 1,076 employees as at 30 June 2022.

# SUSTAINABILITY REPORT

## Occupational Health and Safety

GRI 403-5, 403-9

We acknowledged that our Group's workforce is of the utmost importance, and we are committed to providing a healthy and safe working environment for our people. We enforce a strong culture on health and safety within the organisation, which requires all members of our workforce to be leaders in creating a safe work environment. We believe that self-responsibility through regular reminders and education will reduce work-related injuries and accidents while also improving organisational cohesion.

We will continue to stay vigilant in identifying and managing occupational risk exposure, minimising occupational illness occurrences, and promoting healthy lifestyles. A Health & Safety Committee ("HSC") comprising employee representatives of various sections of the workplace is in place to meet every quarter to review and discuss the relevance and currency of the training courses, policies, and procedures.

The responsibilities of the HSC and its members include: (i) assisting in the development of safety and health rules and a safe system of work; (ii) reviewing the effectiveness of safety and health programmes; (iii) conducting studies on the trends of accidents, near-miss accidents, dangerous occurrences, and occupational hazards and reporting the same to the Group's management, along with recommendations for corrective actions; and (iv) reviewing the safety and health policies at the workplace and providing recommendations to the Group's management for any policy revision.

All employees will have to undergo courses to equip themselves with the necessary knowledge and skills required for their roles and responsibilities. New and existing employees are also required to attend trainings under our Occupational Health & Safety programme which includes health and safety policies, basic first aid training, emergency response training, safe work procedures, and work instructions on a regular basis.

The following safety requirements will be briefed and obeyed by our subcontractors and visitors before they enter into our manufacturing facilities:

- smoking in the manufacturing vicinity is strictly prohibited
- safety requirements to be fulfilled when handling equipment
- good housekeeping during and after completion of work
- emergency response procedure

In FY24, we had zero occurrences that led to fatality or permanent disability. Nevertheless, in FY24, we observed 23 recordable job-related injuries, which account for 0.03% of work days lost, as compared to 46 recordable work-related injuries in FY23, which resulted in 0.06% of work days lost. Despite the fact that the injuries were minor, we will continue to emphasise the health, safety, and well-being of our employees, ensuring that their livelihoods remain our primary concern.

WORK-RELATED INJURIES BY GENDER	FY23	FY23	FY22
Male	22	45	33
Female	1	1	0
<b>Work days lost</b>	0.03%	0.06%	0.02%

Note: Work days lost in percentage denotes total lost days due to injuries over total number working days of total workforce in the respective financial years.

### Performance in FY24

- Achieved targets set for FY24.
- Recorded zero incidents resulting in fatality and permanent disability.
- Recorded no incident of non-compliance with the relevant laws and regulations relating to occupational health and safety.
- Recorded 23 recordable work-related injuries and 0.03% total work days lost in FY24, as compared to 46 incidents and 0.06% work days lost in FY23.

### Targets for FY25

- We will continue to conduct regular refresher training for our employees to make sure they understand the policies and standard procedures, and we will continuously emphasise the importance of adhering to workplace safety standards and rules to minimise work-related injuries.
- To maintain the number of recordable work-related injury incidents to less than 40 cases annually.
- To maintain zero incidents resulting in fatality and permanent disability.
- To maintain no incidents of non-compliance with the relevant laws and regulations relating to occupational health and safety, providing a safe working environment, and protecting our employees from occupational hazards.

# SUSTAINABILITY REPORT

## Skills Competency and Education

GRI 404-1. 404-3

Our employees are our organisation's lifeline, and it is imperative that we maintain our practice of maximising the value of those who contribute to the success of our Group.

Through formal and on-the-job training programmes, UG Healthcare provides every employee with the opportunity to upgrade and improve their skills and knowledge. We select training programmes based on the roles and responsibilities of our employees. These training programmes include: i) hygiene and disease prevention measures; ii) basic occupational first aid, cardiopulmonary resuscitation ("CPR"), and automated external defibrillator ("AED"); iii) 5S Towards Quality Work Environment; iv) skills enhancement programmes; v) self-contained breathing apparatus ("SCBA") handling and training; vi) workplace safety; vii) administrative management methods and concepts; and viii) corporate culture and management. We will continue to look into ways to enable our employees to grow with the organisation.

We completed an aggregate of 2,506.5 training hours for 898 employees in FY24, with an average of 2.8 hours of training per employee. This represents a 54.8% decrease from the 5,543.8 training hours for 1,054 employees and an average of 5.3 hours of training per employee in FY23. The ongoing consolidation of the glove manufacturing industry post-pandemic was primarily responsible for the decrease in the number of employees due to the reduction in production activities, and thereby led to a reduction in training hours for production workers. We shall continue to monitor our performance to have a better understanding of our baseline before setting targets.

### Average Training Hours Per Employee

FYE 30 JUNE / EMPLOYEE CATEGORY	FY24			FY23		
	MGMT	EXEC	NON-EXEC	MGMT	EXEC	NON-EXEC
Average	20.7	19.1	0.5	22.6	18.5	3.3
Male	10.1	22.9	0.5	16.5	27.4	3.2
Female	32.1	17.6	0.4	30.3	14.0	4.0

We grant discretionary incentives to eligible employees based on their performance and contributions to the Group. We also conduct annual reviews with our employees, outlining a clear career progression path and arranging trainings to enable them to assume the necessary responsibilities. We regularly review remuneration policies and packages to ensure that the compensation and benefits align with industry standards. This helps the Group in recruiting and retaining talent.

All our full-time employees received annual performance evaluation in FY24.

### Performance in FY24

- Recorded an average of 2.8 hours of training per employee for all employees at the upstream manufacturing division in Malaysia and corporate office in Singapore in FY24, a 54.8% decrease from an average of 5.3 hours of training per employee in FY23.
- All full-time employees received annual performance evaluation.

### Targets for FY25

- Continue to explore new training programmes to upgrade the knowledge and skills of our employees.
- To monitor on our performance and understand the training requirements for all employees as the industry normalise before setting targets.
- To maintain annual performance evaluation for all full-time employees.

# SUSTAINABILITY REPORT

## MATERIAL TOPIC: GOVERNANCE

### Regulatory Compliance

GRI 2-27

At UG Healthcare, we understand that responsible business practices are essential to fulfilling our goal of providing quality and reliable hand protection solutions and personal protective equipment for users' professional applications in a variety of industries. We demonstrate this advocacy by implementing ethical and responsible policies and practices that are embedded at all levels of the organisation.

The Group remains committed to conducting our business in accordance with applicable social, economic, and environmental regulations and standards through internal checks and balances, as well as regular reporting and updates to the appropriate authorities and agencies. We think that strong corporate governance and compliance with regulatory obligations are the minimal standards, and we strive to exceed them.

We continue to proactively monitor, identify, and address a broader range of socioeconomic and environmental concerns, as well as possible risks and consequences on our global businesses that extend beyond our upstream manufacturing operations in Malaysia and corporate office in Singapore. We remain dedicated to conducting our business with integrity and safeguarding the interests of all stakeholders.

We are pleased to report that there were no socioeconomic or environmental violations of laws and regulations during FY24. For FY25, we intend to maintain zero occurrences of non-compliance in both socioeconomic and environmental aspects.

### Corporate Governance

UG Healthcare's Board and management are committed to upholding excellent corporate governance and transparency standards in order to ensure the long-term viability of the Group's operations and safeguard the interests of all our stakeholders.

We will continue to uphold best practices in corporate transparency and disclosures, and we have systems and policies in place to ensure that we comply with applicable legislation and adhere to our risk management principles. The pursuit of corporate excellence always drives us to improve ourselves through a more transparent, accountable, and equitable structure.

Please refer to our annual report for FY24 from pages 41 to 71, for more details on the Group's corporate governance practices, precautionary measures, and risk management structure.

### Performance in FY24

- Achieved targets set for FY24.
- Recorded no incident of non-compliance with the relevant laws and regulations relating to social, economic, and environmental that could potentially result in internal disciplinary action or public allegation.
- Complied with the principles and guidelines set out in the Code of Governance 2018, where appropriate.
- Recorded no incident of non-compliance with management controls and procedures.

### Targets for FY25

- Maintain no incident of non-compliance with the relevant laws and regulations in the social, economic, and environmental aspect.
- Maintain no incident of non-compliance with management controls and procedures.
- Continue to monitor and update the adequacy of the management controls and procedures as the Group reviews the impacts of climate-related issues on its operations and expansion plans.

# SUSTAINABILITY REPORT

## Cybersecurity Risk Management and Data Privacy

GRI 418-1

UG Healthcare values each individual's privacy and is committed to safeguarding the confidentiality, integrity, and availability of personal data collected in accordance with the principles outlined in our Information Technology ("IT") Policy and related guidelines.

The Group is committed to complying with the Personal Data Protection Act and all applicable laws. With the digital transformation trend, we are also stepping up efforts to establish systems and procedures in place to protect information about our businesses and key stakeholders, particularly our employees and customers. We have implemented various mitigation measures as part of our risk management approach to safeguard against IT system failure and malicious attacks. These include, but are not limited to, network firewalls and antiviral software.

In FY24, there were no breaches of customer privacy or identified leaks, thefts, or losses of customer data. We aim to maintain zero occurrences of customer or data privacy breaches in FY25, as we will remain vigilant and strictly adhere to all applicable rules and regulations.

### Performance in FY24

- Achieved the target set for FY24.
- Recorded no incident of non-compliance on cybersecurity and data privacy.

### Targets for FY25

- Maintain our track record of zero incidents of non-compliance on cybersecurity and data privacy.

## Anti-Corruption

GRI 205-3

The Group remains committed to conducting our business with integrity and transparency with no compromise on corruption and bribery. We have zero tolerance for fraudulent and corrupt practices that may disrupt business operations and impede our growth.

We have implemented the Corruption Prevention Policy and Framework ("CPPF") and provided Anti-Corruption and Anti-Bribery Guidelines to our employees on how to take reasonable actions and steps to ensure the group does not engage in bribery activities.

We have also put into effect a number of policies, such as the Conduct and Discipline Policy, the Conflict-of-Interest Policy, and the Whistle-Blowing Policy, which serve as reminders to all members of the organisation about the importance of taking proactive steps to prevent, regulate, and facilitate the reporting of any illegal or unethical practices within the organisation.

In FY24, the Group continued to have zero bribery, extortion, fraud, or money laundering violations. We will continue to be vigilant in monitoring and keeping our policies and practices relevant and current.

### Performance in FY24

- Achieved the target set for FY24,
- Recorded zero incident of non-compliance with the relevant laws and regulations that cover corruption, bribery, extortion, fraud, and money laundering.

### Targets for FY25

- To monitor and keep policies and practices relevant and updated.
- Continue to maintain no incident of non-compliance with the relevant laws and regulations that cover corruption, bribery, extortion, fraud, and money laundering.

# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

Statement of use	UG Healthcare Corporation Limited has reported this information cited in this GRI Content Index for the period from 1 July 2023 to 30 June 2024 ("FY24") with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARDS	DISCLOSURE	REFERENCE
<b>GRI 2: General Disclosures 2021</b>	2-1: Organisational details	Annual Report ("AR") – Company Profile, page 1
	2-2: Entities included in the organisation's sustainability reporting	Sustainability Report ("SR") - Board Statement, page 17 to 18
	2-3: Reporting period, frequency and contact point	SR – Board Statement, page
	2-4: Restatements of information	SR – Board Statement, page
	2-5: External assurance	SR – Board Statement, page
	2-6: Activities, value chain, and other business relationships	AR – Letter to Shareholders, page AR – Business Operations, page
	2-9: Governance structure and composition	SR – Sustainability Governance, page AR – Board of Directors, page AR – Corporate Governance, page
	2-10: Nomination and selection of the highest governance body	AR – Corporate Governance Report, page
	2-15 Conflicts of interest	AR – Corporate Governance, page
	2-16 Communication of critical concerns	AR – Corporate Governance, page
	2-17 Collective knowledge of the highest governance body	AR – Corporate Governance, page
	2-18 Evaluation of the performance of the highest governance body	AR – Corporate Governance, page
	2-19 Remuneration policies	AR – Corporate Governance, page
	2-20 Process to determine remuneration	AR – Corporate Governance, page
	2-22 Statement on sustainable development strategy	SR – Board Statement, page
	2-23 Policy commitments	SR – Board Statement, page SR – Sustainability Governance, page SR – Stakeholder Engagement, page
	2-24 Embedding policy commitments	SR – Sustainability Governance, page SR – Materiality Assessment, page
	2-25 Processes to remediate negative impacts	AR – Corporate Governance, page
	2-26: Mechanisms for seeking advice and raising concerns	SR – Employment, Diversity and Equal Opportunity, page SR – Occupational Health and Safety, page
	2-27: Compliance with laws and regulations	SR – Regulatory Compliance, page
2-28: Membership associations	SR – Customer Management, page	
2-29: Approach to stakeholder engagement	SR – Stakeholder Engagement, page	
<b>GRI 3: Material Topics 2021</b>	3-1: Process to determine material topics	SR – Materiality Assessment, page
	3-2: List of material topics	
	3-3: Management of material topics	
<b>GRI 201: Economic Performance</b>	201-1: Direct economic value generated and distributed	SR – Economic: Economic Performance, page
	201-2: Financial implications and other risks and opportunities due to climate change	SR – Economic: Climate-related Risks and Opportunities, page

# SUSTAINABILITY REPORT

GRI STANDARDS	DISCLOSURE	REFERENCE
<b>GRI 204: Procurement Practices 2016</b>	204-1: Proportion of spending on local suppliers	SR – Economic: Suppliers and Business Partners, page
<b>GRI 302: Energy 2016</b>	302-1: Energy consumption	SR – Environmental: Resource Efficiency, page
<b>GRI 303: Water and Effluents 2018</b>	303-3: Water withdrawal	SR – Environmental: Resource Efficiency, page
<b>GRI 305: Emissions 2016</b>	305-1: Direct (Scope 1) GHG emissions	SR – Environmental: Resource Efficiency, page
	305-2: Energy Indirect (Scope 2) GHG emissions	
<b>GRI 306: Waste 2020</b>	306-3: Waste generated	SR – Environmental: Waste, page
<b>GRI 401: Employment 2016</b>	401-1: New employee hires and employee turnover	SR – Social: Employment, Diversity and Equal Opportunity, page
<b>GRI 403: Occupational Health and Safety (2018)</b>	403-5: Worker training on occupational health and safety	SR – Social: Occupational Health and Safety, page
	403-9: Work related injuries	SR – Social: Occupational Health and Safety, page
<b>GRI 404: Training &amp; Education (2016)</b>	404-1: Average hours of training per year per employee	SR – Social: Skills Competency and Education, page
	404-3: Percentage of employees receiving regular performance and career development reviews	
<b>GRI 405: Diversity and equal opportunity (2016)</b>	405-1: Diversity of governance bodies and employees	SR – Social: Employment, Diversity and Equal Opportunity, page
<b>GRI 416: Customer Health and Safety 2016</b>	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	SR – Economic: Customer Management, page
<b>GRI 418: Customer Privacy 2016</b>	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR – Governance: Cybersecurity Risk Management and Data Privacy, page



# SUSTAINABILITY REPORT

## TCFD CONTENT INDEX

Based on the requirements in Rules 711A and 711B of the Catalist Rules as well as the SGX-ST's Sustainability Reporting Guide, we have outlined our climate-related disclosures based on TCFD Recommendations in the table below.

TCFD THEMATIC AREAS	RECOMMENDED DISCLOSURES	REFERENCE
<b>GOVERNANCE</b>		
Disclose the organisation's governance around climate-related risks and opportunities	Describe the board's oversight of climate-related risks and opportunities.	SR – Board Statement, page SR – Sustainability Governance, page
	Describe management's role in assessing and managing climate-related risks and opportunities.	SR – Sustainability Governance, page
<b>STRATEGY</b>		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	SR – Economic: Climate-related risks and opportunities, page
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Potential financial impacts have been identified in the TCFD table.  SR – Economic: Climate-related risks and opportunities, page
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The Group currently does not employ scenario analysis in identifying climate risks and opportunities. However, there are plans to integrate scenario analysis into our assessment of climate risks and opportunities in the future.
<b>RISK MANAGEMENT</b>		
Disclose how the organisation identifies, assesses, and manages climate-related risks	Describe the organisation's processes for identifying and assessing climate-related risks.	SR – Economic: Climate-related risks and opportunities, page  UG Healthcare is working progressively and it shall be disclosing more information in future reports.
	Describe the organisation's processes for managing climate-related risks.	UG Healthcare is working progressively on the processes for managing climate-related risks, and it shall be disclosing more information in future reports.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	UG Healthcare is working progressively on the processes for managing climate-related risks, and it shall be disclosing more information in future reports.

# SUSTAINABILITY REPORT

TCFD THEMATIC AREAS	RECOMMENDED DISCLOSURES	REFERENCE
<b>METRICS AND TARGETS</b>		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	SR – Environmental: Resource Efficiency, page  As part of UG Healthcare’s annual sustainability reporting, we track metrics such as: - Scope 1 and 2 GHG emissions - Consumption of both non-renewal and renewable energy, and water - Waste generated
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	Scope 1 and Scope 2 GHG emissions are disclosed in our SR – Environmental: Resource Efficiency, page  We have reported and compared our Scope 1 and Scope 2 GHG emissions for FY24 and FY23 based on our upstream manufacturing operations in Malaysia.  We will review and develop and report our Scope 3 GHG emissions, as and when appropriate.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	UG Healthcare is working progressively and shall be disclosing more information in future reports.

# CORPORATE GOVERNANCE REPORT

UG Healthcare Corporation Limited (the “**Company**” or “**UG Healthcare**”) and its subsidiaries (collectively, the “**Group**”) are committed to maintaining a high standard of corporate governance in complying with the Code of Corporate Governance 2018 (the “**Code**”) which forms part of the continuing obligations of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Catalist Rules**”).

This report outlines the Company’s corporate governance practices and structures for the financial year ended 30 June 2024 (“**FY24**”), with specific references made to each of the principles and provisions of the Code and the accompanying practice guidance by the SGX-ST pursuant to Rule 710 of the Catalist Rules. The Company has generally adhered to the framework and complied with all principles outlined in the Code for FY24. Where there were deviations from the provisions of the Code, appropriate explanations have been provided in the relevant sections. The Company will also continue to enhance its corporate practices appropriate to the conduct and growth of its business and to review such practices from time to time and ensure compliance with the Catalist Rules.

## BOARD MATTERS

### Principle 1: The Board’s Conduct of its Affairs

**The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

#### Provision 1.1 – Principal functions of the Board

The primary function of the Board of Directors (the “**Board**”) is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board oversees the business affairs of the Group. The Board has the overall responsibility for reviewing the strategic plans and performance objectives, financial plans, key operating initiatives, major funding and investment proposals, financial performance reviews and corporate governance practices.

In addition, the principal duties of the Board include:

- Setting the Group’s strategic objectives and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives.
- Overseeing the process for evaluating the adequacy of internal controls, risk management, financial reporting and compliance.
- Reviewing the performance of Management and overseeing succession planning for Management.
- Setting the Group’s values and standards (including ethical standards) and ensuring the obligations to shareholders and other stakeholders are understood and met.
- Considering sustainability issues as part of the strategic formulation.

# CORPORATE GOVERNANCE REPORT

## Code of ethics and independent judgement

The Board adopted a set of ethical values and standards which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. Each Director is required to promptly disclose any conflicts or potential conflicts of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. Where a potential conflict of interest arises, the Director concerned will recuse himself from discussions and decisions involving the issue of conflict and refrain from exercising any influence over other members of the Board in respect of the issue. All Directors exercise due diligence and independent judgement and make decisions objectively in the best interests of the Group. The current members of the Board and their membership on the Board Committees of the Company are as follows:

DIRECTORS	BOARD APPOINTMENTS	AUDIT COMMITTEE	NOMINATING COMMITTEE	REMUNERATION COMMITTEE
1 Yip Wah Pung	Non-Executive Chairman and Independent Director	Chairman	Member	Member
2 Lee Keck Keong	Executive Director and Chief Executive Officer	-	Member	-
3 Lee Jun Yih	Executive Director and Finance Director	-	-	-
4 Lee Jun Linn	Executive Director and Chief Operating Officer	-	-	-
5 Wong See Keong	Executive Director	-	-	-
6 Ng Lip Chi, Lawrence ("Lawrence Ng")	Independent Non-Executive Director	Member	Member	Chairman
7 Ng Lee Eng*	Independent Non-Executive Director	Member	Chairman	Member

\* Appointed on 1 December 2023

## **Provision 1.2 – Directors' induction, training and development**

The Company ensures that incoming new Directors are given guidance and orientation (including onsite visits and meeting up with key management personnel, if necessary) to get them familiarised with the Group's business, operations and corporate governance practices upon their appointment and to facilitate the effective discharge of their duties. Newly appointed Directors will be provided a formal letter setting out their duties and obligations and for those without prior experience as directors of a listed company in Singapore, they will undergo training and/or briefing on the roles and responsibilities as directors. Directors are encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group through the extension of opportunities for participation in training courses, seminars and workshops as relevant and/or applicable. The Group has an open policy for professional training for all the Board members. The Company endorses the Singapore Institute of Directors ("SID") training programs and sets a budget for such training and professional development programs. All Board members are encouraged to attend relevant training organised by the SID or any other organisation which provides relevant training courses for directors. The cost of such training will be borne by the Company.

Pursuant to Catalist Rules 406(3)(a), the Nominating Committee ("NC") will ensure that any new director appointed by the Board, who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST.

During FY24, Ms. Ng Lee Eng was appointed as Independent Non-Executive Director on 1 December 2023. Ms. Ng Lee Eng has prior experience as an Independent Director of a Singapore listed company and had completed the mandatory training course prescribed by the SGX-ST.

# CORPORATE GOVERNANCE REPORT

## Briefings and updates provided for Directors in FY24

The NC reviews and makes recommendations on training and professional development programs to the Board.

During the Audit Committee (“AC”) meetings, the Directors were briefed by the external auditors on the recent changes to the accounting standards and regulatory updates. The Chief Executive Officer updates the Board during the Board meetings on the business and strategic developments of the Group. News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority, including amendments of Companies Act and the Catalist Rules as well as updates on the Code, were circulated to the Board. Management keeps the Board informed of business trends in the industry by circulating to the Board articles, reports and press releases relevant to the Group’s business.

In addition, all the Board members have completed the mandated sustainability training course required under the Catalist Rules.

## **Provision 1.3 – Matters requiring Board’s approval**

Matters specifically reserved for the Board’s approval are listed below:

- Strategies and objectives of the Group;
- Announcement of interim and full year financial results and release of annual reports;
- Issuance of shares;
- Declaration of interim dividends and proposal of final dividends;
- Convening of shareholders’ meetings;
- Material investments, divestments or capital expenditure;
- Commitments to term loans and lines of credits from banks and financial institutions;
- Interested person transactions; and
- The appointment, re-appointment (where applicable) and remuneration packages of the Directors and key management personnel.

Clear directions have been imposed on management that the above matters must be approved by the Board.

## **Provision 1.4 - Delegation by the Board**

The Board has delegated certain functions to the Board Committees, namely the AC, NC and Remuneration Committee (“RC”). Each of the Board Committees has its own written terms of reference and whose actions are reported to and monitored by the Board. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

More details on each of the Board Committees, including the names of the committee members, the terms of reference, any delegation of the Board’s authority to make decisions and a summary of their activities, are set out in the respective sections of this report.

# CORPORATE GOVERNANCE REPORT

## Provision 1.5 – Board meetings, attendance and multiple commitments

The dates of Board and Board Committee meetings as well as annual general meetings (“AGM”) are scheduled in advance. To assist Directors in planning their attendance, the Company Secretary consults every Director before fixing the dates of these meetings. The Board will meet at least two times a year and as warranted by particular circumstances. Ad hoc meetings are also convened to deliberate on urgent substantive matters. Telephonic attendance and conference via audio-visual communication at Board and Board Committee meetings are allowed under the Company’s Constitution. Details on the number of Board and Board Committee meetings held in the financial year as well as the attendance of each board member at those meetings are disclosed below.

### Directors’ attendance at Board and Board Committee meetings in FY24

	BOARD		AUDIT COMMITTEE		NOMINATING COMMITTEE		REMUNERATION COMMITTEE	
	NO. OF MEETINGS HELD <sup>(1)</sup>	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD <sup>(1)</sup>	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD <sup>(1)</sup>	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD <sup>(1)</sup>	NO. OF MEETINGS ATTENDED
Directors								
Yip Wah Pung	2	2	3	3	1	1	1	1
Lee Keck Keong	2	2	3	3 <sup>(2)</sup>	1	1	1	1 <sup>(2)</sup>
Lee Jun Yih	2	2	3	3 <sup>(2)</sup>	1	1 <sup>(2)</sup>	1	1 <sup>(2)</sup>
Lee Jun Linn	2	2	2	2 <sup>(2)</sup>	1	1 <sup>(2)</sup>	1	1 <sup>(2)</sup>
Wong See Keong	2	2	3	3 <sup>(2)</sup>	1	1 <sup>(2)</sup>	1	1 <sup>(2)</sup>
Lawrence Ng	2	2	3	3	1	1	1	1
Vincent Leow <sup>^</sup>	1	1	1	1	1	1	1	1
Ng Lee Eng <sup>*</sup>	1	1	2	2	–	–	–	–

<sup>^</sup> Resigned on 30 October 2023

<sup>\*</sup> Appointed on 1 December 2023

(1) Represents the number of meetings held as applicable to each individual director.

(2) Attendance at meetings on a “By Invitation” basis.

### Multiple Directorships

All Directors are required to declare their board appointments. When a director has multiple board representations, the NC will consider whether the director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the director’s number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that notwithstanding multiple board appointments, the Directors have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Director of the Company. Please refer to Principle 4 below for further disclosure in relation to multiple board representations.

# CORPORATE GOVERNANCE REPORT

## **Provision 1.6 – Access to information**

Each Director is given access to the Board resources, including the Company's constitutional and governing documents, terms of references of the Board and the Board Committees, the Group's policy, Annual Reports, Board meeting papers and other pertinent information for his/her reference. Management ensures that all Directors are furnished on an on-going basis with relevant, complete, adequate and timely information concerning the Company, to enable them to make informed decisions and discharge their duties and responsibilities. Prior to each Board meeting, board papers and files are circulated for each meeting and the Board is provided with relevant background or explanatory information relating to the business of the meeting and information on major operational, financial and corporate issues. This is to give the Directors sufficient time to review and consider the matters being tabled and/or discussed. Any other matters may also be tabled at the Board meeting and discussed without papers being distributed. The business/ projects updates with information on financial, operating and corporate issues, the explanations on the financial information, and the rationale for the key decisions taken by the Management may also be made in the form of presentations by the Management in attendance at the meetings. The Directors are entitled to request additional information as needed to make informed decisions. The Management is invited to attend Board meetings to provide additional insights into matters being discussed, and to respond to any queries that the Directors may have.

## **Provision 1.7 – Access to Management and Company Secretary**

The Directors have separate and independent access to the Management, and the Company Secretary and where it is necessary for the Directors to seek independent professional advice to effectively discharge their duties, the Directors can, whether as a group or individually, seek the requisite advice at the Company's expense.

The Company Secretary is responsible for, among other things, ensuring that the Board's procedures are observed and the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act, Companies Act and Catalist Rules, are complied with. The Company Secretary also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value, as well as assisting the Chairman in ensuring good information flows within the Board and its Board Committees and between Management and the Non-Executive and Independent Directors.

The Company Secretary or her representative attends and prepares minutes for all Board and Board Committee meetings. As secretary for all Board Committees, the Company Secretary assists in ensuring coordination and liaison between the Board, the Board Committees and Management. The Company Secretary assists the Chairman of the Board, the Chairman of Board Committees and Management in the development of the agendas for the various Board and Board Committee meetings.

The appointment and the removal of the Company Secretary is subject to the Board's approval.

# CORPORATE GOVERNANCE REPORT

## Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

### Provision 2.1 – Board Independence

### Provision 2.2 – Majority independent Directors where Chairman is not independent

### Provision 2.3 – Majority non-executive Directors in a Board

The Board comprises seven (7) Directors, of which four (4) are Executive Directors, and three (3) are Independent Non-Executive Directors. The Chairman of the Board is independent. Notwithstanding that Non-Executive Directors do not make up majority of the Board, the Board is of the view that there is at present a sufficiently strong independent element on the Board to maintain appropriate checks and balances to avoid undue influence of the Management on the Board's decision-making process taking into account the following:

- (a) The current Board composition is also in compliance with Rule 406(3)(c) of the Catalist Rules, which requires, the independent directors to make up at least one-third of the Board;
- (b) The Non-Executive Directors, who are also Independent Directors, chair the Board Committees, and are able to provide the appropriate level of independence and integrity to make decisions in the best interests of the Company; and
- (c) Majority of the members of the Board Committees are independent.

### Provision 2.4 – Board composition and diversity

The Board is committed that a diverse Board will help improve the overall performance and operational capability of the Company, ensuring that the decisions made by the Board have been considered from a range of viewpoints. The Board has adopted a Board Diversity Policy and the measurable objectives identified include:

1. In designing the Board's composition, Board diversity has been considered from a wide range of aspects, including but not limited to age, gender, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. Directors with technical, legal, financial, Management and audit background will provide various extensive business experiences to the Company. High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenges that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Group, and support succession planning and development of the Board.
2. For achieving an optimal Board, additional measurable objectives/specific diversity targets may be set and reviewed from time to time to ensure their appropriateness. Such factors will be considered by the Company based on its business model and specific needs and the ultimate decision will be based on merit, value and contribution that the selected candidates will bring to the Board.



# CORPORATE GOVERNANCE REPORT

3. The Board is of the view that, while it is important to promote boardroom diversity in terms of gender, age and ethnicity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority. In addition to ensuring a balanced composition of skills and experience at the Board, the Board has deliberated the following:

(a) Gender diversity

The Company does not set any specific target for female Directors in the Board. The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board in order to attract and retain women participation on the Board. As at date of this Report, the Board comprises of one female Director, Ms. Ng Lee Eng, who was appointed on 1 December 2023.

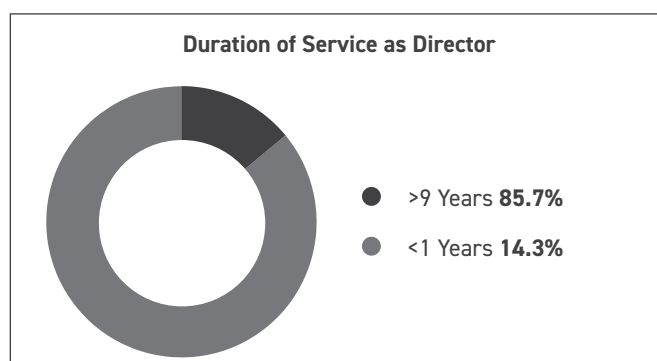
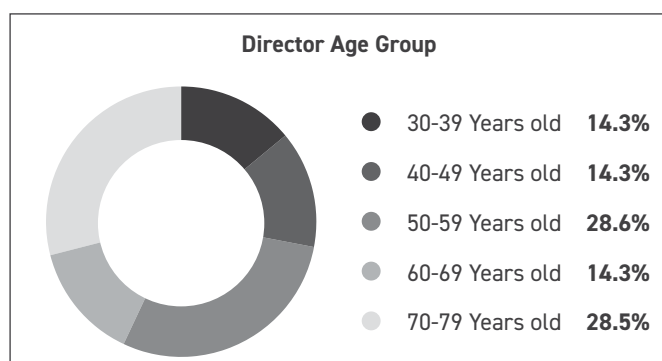
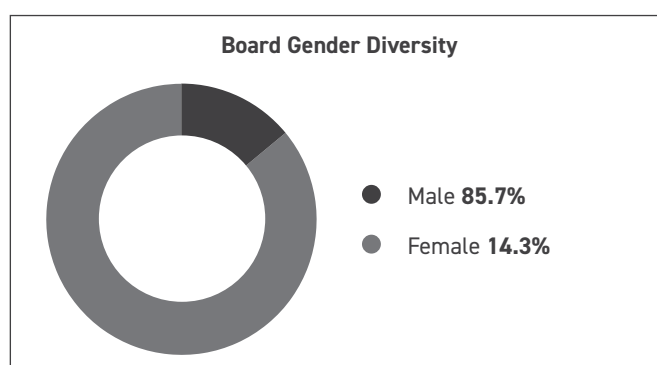
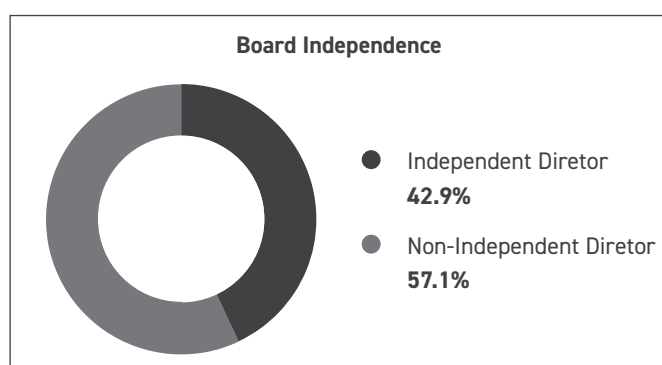
(b) Age diversity

The Company does not set any specific target for the boardroom age diversity but will work towards having appropriate age diversity in the Board, if opportunity arises. The Company does not fix age limit for its Directors given that such Directors are normally reputed and experienced in the corporate world and could continue to contribute to the Board in steering the Company. The Board is fully committed to promoting age diversity, valuing the contribution of its members regardless of age, and seek to eliminate age stereotyping and discrimination on age.

(c) Ethnic diversity

The Company does not set any specific target for ethnic diversity in the boardroom but will work towards having appropriate ethnic diversity in the Board, if opportunity arises.

Details of the Board Composition as of the date of this Report are as follows:



# CORPORATE GOVERNANCE REPORT

The Company is committed to implementing the Board Diversity Policy and will review this Policy periodically to ensure its effectiveness and alignment with best practice and the requirements of the Code, or as amended from time to time, and any other relevant legislation. Any progress made towards the implementation of this Policy will be disclosed in future Corporate Governance Reports of the Company, as appropriate.

The NC is tasked to determine on an annual basis and as and when the circumstances require whether or not a Director is independent, bearing in mind the guidelines set forth in the Code and any other salient factor which would render a Director to be deemed not independent. The NC has reviewed, determined and confirmed the independence of the Independent Directors. More details are set out under Principle 4 of the Code.

Taking into account the nature and scope of the Group's business and the composition of Board Committees, the Board believes that the current size and composition provides sufficient diversity without interfering with efficient decision making.

Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, a director of the issuer for an aggregate period of more than 9 years will no longer be deemed independent. As at the date of this Report, Mr. Yip Wah Pung and Mr. Lawrence Ng, who were both appointed on 20 November 2014, have surpassed the nine-year tenure limit and will retire following the conclusion of the AGM scheduled for 29 October 2024. The Company will seek to refresh the Board membership progressively and in an orderly manner. The Company is in the process of identifying independent director candidates and will endeavour to fill the vacancy of the respective Board Committees within 2 months, and in any case, no later than 3 months. The Company will make relevant announcements on the composition of the Board and Board Committees of the Company after such an appointment.

The Independent Directors make up at least one-third of the Board, which meets the requirements set out in the Code and Rule 406(3)(c) of the Catalist Rules. This provides a strong and independent element on the Board which is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined.

## **Provision 2.5 – Non-Executive Directors and Independent Directors meet regularly**

The Independent Non-Executive Directors communicate regularly to discuss matters such as Group's financial performance and corporate governance measures and provide constructive advice and guidance on directions in relation to the Group's business strategies. They also review performance of the Management in achieving agreed goals and objectives and monitor the reporting of performance. Where necessary, the Independent Non-Executive Directors meet and discuss on the Group's affairs without the presence of the Management.

## **Principle 3: Chairman and Chief Executive Officer**

**There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

## **Provision 3.1 – Separation of the role of the Chairman and the CEO**

The Chairman of the Board and the Chief Executive Officer (the "CEO") are two separate persons to ensure an appropriate balance of power, increased accountability and greater capacity for independent decision making.

# CORPORATE GOVERNANCE REPORT

## Provision 3.2 – Role of the Chairman and the CEO

Mr. Yip Wah Pung, is an Independent Non-Executive Director and also the Chairman of the Board. He assumes the responsibility for the smooth functioning of the Board and ensures timely flow of information between the Management and the Board; sets the agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues; promotes a culture of openness and debate at the Board; ensures effective communication with shareholders; facilitates the effective contribution of Non-Executive Directors in particular; and promotes high standards of corporate governance.

Mr. Lee Keck Keong is the CEO and Executive Director of the Company. He assumes responsibility for running the day-to-day business of the Group; ensures implementation of policies and strategy across the Group as set by the Board; manages the Management team; and leads the development of the Group's future strategy including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing business.

## Provision 3.3 – Lead Independent Director

There is a sufficiently strong independent element on the Board to enable independent exercise of objective judgement on affairs and operations of the Group by members of the Board, taking into account factors such as the number of Independent Directors on the Board as well as the contributions made by each member at meetings which relate to the affairs and operations of the Group. The Board is satisfied that a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Group's business and no one individual should represent a considerable concentration of power.

No Lead Independent Director has been appointed to the Board as the Chairman is independent.

All the Board Committees are chaired by Independent Directors and more than one third of the Board consists of Independent Directors.

## **Principle 4: Board Membership**

**The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

### Provision 4.1 – Role of the NC

### Provision 4.2 – Composition of the NC

The NC consists of three (3) Independent Non-Executive Directors and one (1) Executive Director, the majority of whom, including the NC Chairman, are independent:

Ms. Ng Lee Eng	–	Chairman
Mr. Yip Wah Pung	–	Member
Mr. Lawrence Ng	–	Member
Mr. Lee Keck Keong	–	Member

# CORPORATE GOVERNANCE REPORT

The NC, which has written terms of reference, is responsible for making recommendations to the Board on all board appointments and re-appointments. The key terms of reference of the NC include the following:

- review the size, structure and composition of the Board;
- identify, review and recommend candidates to the Board including the appointment of alternate directors, if any, Board Committee members, CEO, deputy CEO, Finance Director/Chief Financial Officer (“CFO”) and key Management;
- recommend to the Board re-nominations of existing directors for re-election in accordance with the Company’s Constitution, taking into account the Director’s competencies, commitment, contribution and performance;
- establish a process for the selection, appointment and re-appointment of Directors;
- review and approve any new employment of employees related to the Directors, substantial shareholders of the Company or related persons, including the proposed terms of such employment;
- undertake board succession plans for Directors, in particular, the Chairman and the CEO;
- determine annually whether or not a Director is independent;
- in respect of a Director who has multiple board representations on various companies, if any, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the director when serving on multiple boards and discharging his duties towards other principal commitments;
- review training and professional development programs for the Board;
- make recommendation to the Board in determining the maximum number of listed company board representations which any Director may hold, and disclose this in the Company’s annual report;
- decide whether or not a Director is able to and has been adequately carrying out his/her duties as a director;
- develop a process for evaluating the performance of the Board, its Board Committees and Directors by setting objective performance criteria for the Board and implementing such process for assessing the effectiveness of the Board as a whole and assessing the contribution of each individual Directors to the effectiveness of the Board; and
- ensure complete disclosure of key information of Directors in the Company’s annual report as required under the Code, as amended from time to time.

# CORPORATE GOVERNANCE REPORT

## Provision 4.3 - Board Renewal

The NC has in place formal, written procedures for making recommendations to the Board on the selection and appointment of Directors. Such procedures would be activated when a vacancy on the Board arises or when the Board is considering making a new Board appointment either to enhance the core competency of the Board or for purpose of progressive renewal of the Board.

In identifying suitable candidates, the NC may:

1. advertise or use the services of external advisers to facilitate a search;
2. approach alternative sources such as the SID; or
3. consider candidates from a wide range of backgrounds from internal or external sources.

After short listing the candidates, the NC shall:

- (a) consider and interview all candidates on merit against objective criteria, taking into consideration that appointees have enough time available to devote himself or herself to the position; and
- (b) evaluate and agree to a preferred candidate for recommendation to and appointment by the Board.

## Provision 4.4 - Independence review of Directors

The NC reviews the independence of each Director annually, and as and when circumstances require.

Annually, each Independent Director is required to complete a Director's Independence Checklist (the "**Checklist**") to confirm his/her independence. The Checklist is drawn up based on the guidelines provided in the Code. Thereafter, the NC reviews the Checklist completed by each Independent Director, assesses the independence of the Independent Directors and recommends its assessment to the Board.

As set out under the Code, an Independent Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. The NC assesses and reviews annually the independence of a director bearing in mind the salient factors as set out under the Code, the Catalist Rules as well as all other relevant circumstances and facts. The Independent Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code.

Based on the Checklist submitted by the Independent Directors, the NC was of the view that Mr. Yip Wah Pung, Mr. Lawrence Ng and Ms. Ng Lee Eng are independent on the following basis:

- (a) The Independent Directors: (i) are not employed by the Company or any of its related corporations for the current or any of the past 3 financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past 3 financial years, and whose remuneration is determined by the RC.
- (b) Mr. Yip Wah Pung and Mr. Lawrence Ng, who have both been on the Board for more than 9 years since their appointment on 20 November 2014, will be considered independent until the forthcoming AGM while Ms. Ng Lee Eng was appointed on 1 December 2023 and has yet to serve on the Board for more than 9 years.

# CORPORATE GOVERNANCE REPORT

- (c) None of the Independent Directors and their immediate family member had in the current or immediate past financial year (i) provided or received significant payments or material services aggregated over any financial year in excess of S\$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organisation which provided or received significant payments or material services aggregated over any financial year in excess of S\$200,000 for services rendered.
- (d) None of the Independent Directors are directly associated with a substantial shareholder of the Company in the current or immediate past financial year.

The NC is responsible for re-appointment of Directors. In its deliberations on the re-appointment of existing Directors, the NC takes into consideration the Director's contribution and performance.

Pursuant to Rule 720(4) of the Catalist Rules, the Company must have all Directors submit themselves for re-nomination and re-appointment at least once every three years. Regulation 104 of the Company's Constitution provides that one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation while Regulation 108 provides that any Director so appointed shall hold office until the next AGM and be eligible for re-election at the Company's AGM. Mr. Wong See Keong and Mr. Lee Jun Linn, shall retire pursuant to Regulation 104 of the Company's Constitution and Ms. Ng Lee Eng, shall retire pursuant to Regulation 108 of the Company's Constitution at the Company's forthcoming AGM and shall be eligible for re-election.

The NC is satisfied that Mr. Lee Jun Linn and Ms. Ng Lee Eng, retiring at the forthcoming AGM are properly qualified for re-appointment by virtue of their skills, experience and their contribution of guidance and time and recommended to the Board that the retiring Directors be nominated for re-election.

Mr. Wong See Keong, who is due for retirement at the forthcoming AGM, will not seek for re-election.

Mr. Yip Wah Pung and Mr. Lawrence Ng, who were appointed on 20 November 2014, have surpassed the nine-year tenure limit and will retire following the conclusion of the AGM scheduled for 29 October 2024.

The Company is in the process of identifying independent director candidates and will endeavour to fill the vacancy of the respective Board Committees within 2 months, and in any case, no later than 3 months. The Company will make relevant announcements on the composition of the Board and Board Committees of the Company after such an appointment.

# CORPORATE GOVERNANCE REPORT

The requirements as required under Rule 720(5) (information as set out in Appendix 7F) of the Catalist Rules are stipulated in the table below: -

NAME OF PERSON	LEE JUN LINN	NG LEE ENG
Date of Appointment	20 November 2014	1 December 2023
Date of last re-appointment (if applicable)	29 October 2021	Not Applicable
Age	39	53
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity and the search and nomination process)	Not Applicable	Not Applicable
Whether appointment is executive, and if so, the area of responsibility	Mr. Lee Jun Linn is the Executive Director and responsible for directing and managing the Group's sales, marketing and distribution platforms, with an emphasis on formulating the Group's marketing strategies and broadening its distribution network. In addition, Mr Lee Jun Linn is also the Chief Operating Officer ("COO") of the Company and responsible for the overall operational matters within the Group.	No
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> <li>Executive Director and COO</li> </ul>	<ul style="list-style-type: none"> <li>Independent Non-Executive Director</li> <li>Nominating Committee Chairman</li> <li>Audit Committee Member</li> <li>Remuneration Committee Member</li> </ul>
Professional qualifications	<ul style="list-style-type: none"> <li>Bachelor of Science (Economics) from University College London</li> <li>Master of Science (International Management (China)) Degree from the School of Oriental &amp; African Studies in London</li> </ul>	<ul style="list-style-type: none"> <li>Associate Member of the Institute Singapore Chartered Accountants</li> <li>Member of the Singapore Institute of Directors</li> <li>Bachelor of Business in Accountancy from the Royal Melbourne Institute of Technology</li> <li>Diploma in Marketing and Sales from PSB Academy</li> </ul>
Working experience and occupation(s) during the past 10 years	Mr. Lee Jun Linn has been working for the Group since April 2008 and was subsequently appointed as an Executive Director on 20 November 2014 followed by COO on 21 October 2020.	Ms. Ng Lee Eng is currently a wealth management consultant at Professional Investment Advisory Services Pte Ltd since October 2021. Prior to this, Ms. Ng was Finance Manager of EagleBurgamnn KE Pte. Ltd. from May 2004 to September 2021. Ms Ng has more than 15 years of experience in finance, accounting and human resource.

# CORPORATE GOVERNANCE REPORT

NAME OF PERSON	LEE JUN LINN	NG LEE ENG
Shareholding interest in the listed issuer and its subsidiaries	<p>Directly interested in 2,217,089 ordinary shares, representing 0.36% shareholding of the Company.</p> <p>Deemed interested in 374,729,122 shares through Zen UG Pte. Ltd. and Raydion Direct Global Inc, representing 60.07% shareholdings of the Company.</p>	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr. Lee Jun Linn is the son of Mr Lee Keck Keong (the Executive Director, Chief Executive Officer and a controlling shareholder of the Company) and Ms. Sim Ai Cheng (a controlling shareholder of the Company). He is also the brother of Mr. Lee Jun Yih (the Executive Director, Finance Director and a controlling shareholder of the Company).	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships#		
* "Principal Commitments" has the same meaning as defined in the Code.		
# These fields are not applicable for announcements of appointments pursuant to Rule 704(8) of the Catalist Rules.		
Past (for the last 5 years)	Nil	Mary Chia Holdings Limited
Present	<ol style="list-style-type: none"> <li>UG Healthcare Corporation Limited</li> <li>UGHC Marketing Pte. Ltd.</li> <li>Unigloves (Singapore) Pte. Ltd.</li> <li>Unigloves Shanghai Co. Ltd.</li> <li>Unigloves (UK) Limited</li> <li>友利格(苏州)国际贸易有限公司</li> <li>Zen UG Pte. Ltd.</li> <li>Raydion Direct Global Inc</li> <li>Unigloves GmbH</li> </ol>	<ol style="list-style-type: none"> <li>UG Healthcare Corporation Limited</li> <li>Medi Lifestyle Limited</li> <li>Professional Investment Advisory Services Pte Ltd</li> </ol>



# CORPORATE GOVERNANCE REPORT

NAME OF PERSON	LEE JUN LINN	NG LEE ENG
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

# CORPORATE GOVERNANCE REPORT

NAME OF PERSON	LEE JUN LINN	NG LEE ENG
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
<b>Disclosure applicable to the appointment of Director only.</b>		
Any prior experience as a director of an issuer listed on the Exchange?	This relates to re-appointment of Director.	This relates to re-appointment of Director.
If yes, please provide details of prior experience.	Not Applicable	Not Applicable
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not Applicable	Not Applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not Applicable	Not Applicable

There is currently no alternate Director on the Board.

Each member of the NC abstains from voting on any resolutions and making any recommendation and or participating in discussion on matters in which he is interested.

Key information on the Director's particulars and backgrounds can be found on pages 14 to 16 of the Annual Report, while information on the Directors' shareholding in the Company can be found on page 72 of the Annual Report.

# CORPORATE GOVERNANCE REPORT

## **Provision 4.5 – Directors’ time commitments**

The NC has adopted internal guidelines addressing competing time commitments when Directors serve on multiple boards. The guidelines provide that, as a general rule, each Director should hold no more than five listed company board representations.

The NC determines annually whether a Director with multiple board representations and/or other principal commitments is able to and has been adequately carrying out his duties as a Director of the Company. The NC takes into account the respective Directors’ actual conduct on the Board, in making this determination.

None of the Directors, save for Mr. Lawrence Ng and Ms. Ng Lee Eng, have multiple listed company board representation. Mr. Lawrence Ng is an independent director and non-executive chairman of Sanli Environmental Limited, a company listed on the Catalist Board of the SGX-ST. Ms. Ng Lee Eng is an independent director of Medi Lifestyle Limited, a company listed on the Catalist Board of the SGX-ST. The NC has reviewed and considered Mr. Lawrence Ng’s and Ms. Ng Lee Eng’s directorship in the listed company, as well as all their other principal commitments, and is satisfied that Mr. Lawrence Ng and Ms. Ng Lee Eng have been able to devote sufficient time and attention to the affairs of the Group to adequately discharge their duties as Director of the Company. The NC is of the view that each Director’s directorships is in line with the Company’s guideline of a maximum of five listed company board representations and that each Director has discharged his/her duties adequately.

## **Principle 5: Board Performance**

**The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.**

## **Provision 5.1 and 5.2 – Board Evaluation Process**

A review of the Board’s and Board Committees’ performance and the individual Director’s performance is conducted by the NC annually. On the recommendation of the NC, the Board has adopted an internal process for evaluating the effectiveness of the Board as a whole and the respective Board Committees, and the contribution of each Director to the effectiveness of the Board. Each Board member will be required to complete an appraisal form to be returned to the NC Chairman for evaluation. Based on the evaluation results, the NC Chairman will present his recommendations to the Board. The key objective of the evaluation exercise is to obtain constructive feedback from the Directors to continually improve the Board’s performance.

In evaluating the Board’s and Board Committees’, and individual Director’s performance, the NC considers a set of quantitative and qualitative performance criteria that has been approved by the Board.

The performance criteria for the Board and Board Committee’s evaluation are in relation to:-

- a. Board structure
- b. Board process and accountability
- c. Access to information
- d. Performance monitoring
- e. Risk management and internal control
- f. Compensation
- g. Communication with shareholders

# CORPORATE GOVERNANCE REPORT

The individual Director's performance criteria is in relation to the Director's:

- a. Duties including attendance at board meetings, meeting preparation, participation in related activities
- b. Interactive skill
- c. Contribution of knowledge such as industry or professional expertise, specialist or functional contribution

The Board has not engaged any external consultant to conduct an assessment of the performance of the Board and each individual Director. Where relevant, the NC will consider such an engagement.

The NC has assessed the performance of the Board, and each individual Director for FY24 and is of the view that the performance of the Board as a whole and each individual Director was satisfactory.

## REMUNERATION MATTERS

### Principle 6: Procedures for Developing Remuneration Policies

**The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

#### Provision 6.1 and 6.2 – Composition of the RC

#### Provision 6.3 – Remuneration framework

#### Provision 6.4 – Remuneration consultant

The RC consists of three (3) members, all of whom including the RC Chairman, are independent:

Mr. Lawrence Ng	–	Chairman
Mr. Yip Wah Pung	–	Member
Ms. Ng Lee Eng	–	Member

The RC is responsible for ensuring a formal and transparent procedure for developing policies on executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel.

The members of the RC carried out their duties in accordance with the terms of reference which include the following:

- recommend to the Board a general framework of remuneration for the Board and key management personnel;
- review and recommend to the Board the specific packages for each Director as well as key management personnel;
- review annually the remuneration packages (including remuneration, bonuses, pay increases or promotions) of the employees of the Group who are immediate family members of or related to a Director or CEO or substantial shareholders of the Company so as to ensure that their remuneration packages are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- review all aspects of remuneration of the Board and key management personnel, including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;

# CORPORATE GOVERNANCE REPORT

- in seeking expert advice in/or outside the Company on Director's remuneration, the RC shall ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants; and
- in reviewing and making recommendations for remuneration for the Board and key management personnel, the RC shall consider:
  - level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company;
  - the use of long-term incentive schemes for Executive Directors and key management personnel;
  - that the remuneration of Non-Executive Directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors. Non-Executive Directors should not be overcompensated to the extent that their independence may be compromised. The RC should also consider implementing schemes to encourage Non-Executive Directors to hold shares in the Company so as to better align the interests of such Non-Executive Directors with the interests of shareholders;
  - the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company; and
  - the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The Company should aim to be fair and avoid rewarding poor performance.

The Company had on 11 November 2014 adopted a share option scheme known as the Unigloves Employee Share Option Scheme (the "2014 Unigloves ESOS") and a share scheme known as the Unigloves Performance Share Plan (the "2014 Unigloves PSP") which will be expiring on 10 November 2024. Accordingly, the Company will be seeking shareholders' approval the adoption of the 2024 Unigloves ESOS and 2024 Unigloves PSP at the forthcoming AGM, further details of which can be found in the Appendix to Annual Report 2024. The RC's duties also include the administration of the 2014 Unigloves ESOS and 2014 Unigloves PSP.

## 2014 Unigloves ESOS

The aggregate number of shares to be issued pursuant to the Unigloves ESOS, when aggregated to the aggregate number of shares issued and issuable or transferred and to be transferred in respect of all options or awards under any other share option schemes or share schemes in force, shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares), on the day immediately preceding the date on which an offer to grant an option is made.

On 28 August 2015, the Company granted to the employees 1,570,000 share options pursuant to the Unigloves ESOS which are vested equally over three (3) years, first year of vesting being after two (2) years from the date of grant. On 28 August 2020, the Company had issued and allotted an aggregate of 1,400,000 new ordinary shares in the capital of the Company pursuant to the exercise of 1,400,000 options granted under the 2014 Unigloves ESOS at the exercise price of S\$0.1816 per share. The remaining 170,000 share options were forfeited in FY21.

The exercise price of the options granted on 28 August 2015 was S\$0.1816 for each share, being a discount of 20% to the average of the last dealt prices of the Company's shares on the SGX-ST over the five (5) consecutive trading days immediately preceding the date of grant of options. The exercise price was at a discount to the market price of the shares on the date of grant, being S\$0.230 per share.

# CORPORATE GOVERNANCE REPORT

During FY24, the Company had on 9 January 2024 granted to the employees 2,750,000 share options pursuant to the 2014 Unigloves ESOS, but no employees had accepted the share options granted and the grant had accordingly lapsed. Subsequently, on 16 February 2024, the Company granted to the employees 2,750,000 share options pursuant to the 2014 Unigloves ESOS which are vested equally over three (3) years, first year of vesting being after two (2) years from the date of grant. As at 30 June 2024, the 2,750,000 share options remain outstanding and have not been vested. Save as disclosed, there were no Options were granted to the Directors, controlling shareholders and their associates.

The exercise price of the options granted on 16 February 2024 was S\$0.1003 for each share, being a discount of 20% to the average of the last dealt prices of the Company's shares on the SGX-ST over the five (5) consecutive trading days immediately preceding the date of grant of options. The exercise price was at a discount to the market price of the shares on the date of grant, being S\$0.128 per share.

No participant received 5% or more of the total number of share options under the 2014 Unigloves ESOS.

## 2014 Unigloves PSP

The aggregate number of shares to be issued pursuant to the awards granted under the 2014 Unigloves PSP, when aggregated with the aggregate number of shares over which options are granted under any other share option schemes or share schemes in force, shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time. There were no awards granted pursuant to the 2014 Unigloves PSP since its commencement.

The RC from time to time and where necessary will seek advice from the external remuneration consultant in framing the remuneration policy and determining the level and mix of remuneration for Directors and key management personnel. The RC did not seek the service of an external remuneration consultant in FY24.

None of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation or any form of benefits to be granted to him.

## Adoption of the 2024 Unigloves ESOS and 2024 Unigloves PSP

The 2014 Unigloves ESOS and 2014 Unigloves PSP, adopted on 11 November 2014, have a maximum period of 10 years and is expiring on 10 November 2024. The Company will seek shareholders' approval for the adoption of a new ESOS and PSP, namely the 2024 Unigloves ESOS and 2024 Unigloves PSP at the forthcoming AGM. While the 2024 Unigloves ESOS and 2024 Unigloves PSP will be on materially the same terms as the 2014 Unigloves ESOS and 2014 Unigloves PSP, certain revisions have been made including the exclusion of controlling shareholders and their associates, as well as associated companies. Further details of which can be found in the Appendix to Annual Report 2024.

## **Principle 7: Level and Mix of Remuneration**

**The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.**

### **Provision 7.1 – Remuneration of Executive and Key Management**

As part of its review, the RC ensures that the Directors and key management personnel are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. The RC also takes into consideration the Group's relative performance and the performance of individual Directors and key management personnel. The Executive Directors are paid a basic salary and entitled to a discretionary bonus.

Key management personnel are paid basic salary and variable bonus. The variable bonus varies according to the Group's performance objectives. The allocation will also be based on the individual performance and their contributions towards the Group's performance.

# CORPORATE GOVERNANCE REPORT

The Company has entered into separate service agreement (“**Service Agreements**”) with the Executive Directors, Mr. Wong See Keong, Mr. Lee Jun Yih and Mr. Lee Jun Linn respectively for an initial period of three (3) years from 8 December 2014. The Service Agreements are renewable thereafter unless otherwise terminated by either party giving not less than six (6) months’ notice in writing to the other.

The Company has also entered into a Service Agreement with Mr. Lee Keck Keong, Executive Director and CEO for an initial period of three (3) years from 19 October 2016 and is renewable thereafter unless otherwise terminated by either party giving not less than six (6) months’ notice in writing to the other.

Pursuant to the terms of the Service Agreements, the Executive Directors are entitled to a discretionary bonus to be recommended and determined by the RC. The compensation package, including changes to annual salary and/or the inclusion of suitable profit-sharing terms, may be adjusted as the RC may, determine from time to time.

On 11 December 2020, the Company entered into new service agreements with Mr. Lee Keck Keong (Executive Director and CEO), Mr. Lee Jun Yih (Executive Director and Finance Director) and Mr. Lee Jun Linn (Executive Director and COO), to revise their respective remuneration structure closer in line with the prevailing market standards.

The Company has also entered into separate employment contracts with the key management personnel which provides for remuneration payable to them, annual leave entitlement and termination arrangements.

## **Provision 7.2 – Remuneration of Non-Executive Directors**

The RC also ensures that the remunerations of the Non-Executive Directors are appropriate to their level of contribution taking into account factors such as efforts and time spent, and their roles and responsibilities at the respective Board Committees. Non-Executive Directors receive a basic fee for their services. The RC ensures that the Independent Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised.

All revisions to the remuneration packages for the Directors and key management personnel are subject to the review by and approval of the RC and the Board. Directors’ fees are further subject to the approval of the shareholders at the AGM.

## **Provision 7.3 – Remuneration appropriately structured to link to long-term performance**

The Company believes in aligning its level and structure of remuneration with the interests of shareholders to promote the long-term success of the Company. To initiate this, the 2014 Unigloves ESOS and 2014 Unigloves PSP have been adopted to link rewards to eligible employees including Executive Directors, Non-Executive Directors, key management personnel and other employees based on corporate and individual performance and align their interests with those of shareholders.

Typically the total remuneration mix available comprises annual fixed salary in cash, annual performance-related variable bonus in cash, and the Unigloves ESOS and Unigloves PSP where appropriate.

Having reviewed and considered the variable components of the remuneration packages for the Directors and key management personnel, which are moderate, the RC is of the view that there is no need to institute contractual provisions to allow the Company to reclaim incentive components in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss or fraud by key management personnel.

# CORPORATE GOVERNANCE REPORT

## Principle 8: Disclosure of Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

### Provision 8.1 – Disclosure of remuneration

### Provision 8.2 – Remuneration of related employees

### Provision 8.3 – Forms of remuneration and details of employee share schemes

The Code recommends that companies fully disclose the name and remuneration of each Director and the CEO. For confidentiality reasons, the Board has reviewed and decided to deviate from complying with the above recommendation and has provided below a breakdown, showing the level and mix of remuneration of each Director and the CEO in bands of S\$250,000 for FY24:

REMUNERATION BAND AND NAME OF DIRECTOR	SALARY %	BONUS %	FEES %	OTHER BENEFITS %	PROFIT SHARING %	TOTAL %
<b>S\$250,001 up to S\$500,000</b>						
Mr. Lee Keck Keong	-	-	100 <sup>(1)</sup>	-	-	100
<b>Up to S\$250,000</b>						
Mr. Lee Jun Yih	94	-	-	6	-	100
Mr. Lee Jun Linn	93	-	-	7	-	100
Mr. Wong See Keong	76	-	-	24	-	100
Mr. Yip Wah Pung	-	-	100	-	-	100
Mr. Lawrence Ng	-	-	100	-	-	100
Mr. Vincent Leow <sup>(2)</sup>	-	-	100	-	-	100
Ms. Ng Lee Eng <sup>(3)</sup>	-	-	100	-	-	100

(1) In accordance with the terms of the Service Agreement with Mr. Lee Keck Keong dated 11 December 2020

(2) Resigned on 30 October 2023

(3) Appointed on 1 December 2023

The Company only has one (1) key management personnel (who is not a Director or the CEO) during FY24. The Board is of the opinion that it is not in the best interest of the Company to disclose the exact details of the key management personnel due to competitiveness of the industry for key talent and increase risk of poaching by other competitors in the market. The table below provides a breakdown, showing the level and mix of remuneration of each of the key management personnel (who is not a Director or the CEO) for FY24:

REMUNERATION BAND AND NAME OF KEY EXECUTIVE	SALARY %	BONUS %	FEES %	OTHER BENEFITS %	TOTAL %
<b>Up to S\$250,000</b>					
Ms. Wong Pek Wee	75	-	3	22	100

There was no employee who is an immediate family member of a Director, the CEO or substantial shareholder whose remuneration exceeded S\$100,000 in FY24.

There are no termination, retirement and post-employment benefits that may be granted to the Directors, the CEO or the key management personnel.



# CORPORATE GOVERNANCE REPORT

The Board believes that there is sufficient transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation are consistent with the intent of Principle 8 of the Code.

The Company is cognisant of the Catalist Rule 1204(10D), which was implemented with effect from 11 January 2023 and will disclose the exact amounts with breakdown (in percentage terms) of remuneration paid to each individual director and the CEO, on a named basis, by the Company and its subsidiaries in its annual report for the financial year ending 30 June 2025 onwards.

## ACCOUNTABILITY AND AUDIT

### Principle 9: Risk Management and Internal Controls

**The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.**

#### Provision 9.1 – Nature and extent of significant risks

The Board, with the assistance from the AC, is responsible for the governance of risk by ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The AC is responsible for making the necessary recommendations to the Board to form and provide an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group in the annual report of the Company according to the requirements of the Catalist Rules and the Code.

The Company has engaged IA Essential Pte Ltd, an internal audit consulting firm ("**Internal Auditors**") to perform the internal audit reviews. The Internal Auditors carry out their internal audits with reference to the principles of the International Professional Practice Framework of the Institute of Internal Auditors. The AC is satisfied that the outsourced internal audit function is adequately staffed by suitably qualified, independent and experienced professionals as the team comprises of a director who is a member of Chartered Accountants Australia and New Zealand, the Malaysian Institute of Certified Public Accountants and the Institute of Internal Auditors Malaysia while the team manager and members are accounting graduates.

During FY24, the Internal Auditors had conducted audit in August 2023 covering the Sales, Account Receivables and Collection, and Inventory Management for Unigloves Shanghai Co., Ltd.

The AC has reviewed the scope and findings of the internal audit performed by the Internal Auditors during FY24 and the Management's responses thereto, and noted that there were no outstanding material internal control findings that were identified by the Internal Auditors in their course of audit for FY24. The Management is committed to and has taken steps to implement any recommendations by the Internal Auditors for FY24, based on its level of priority. In FY24, the AC has also engaged the Internal Auditors to conduct a follow-up audit on Health, Safety, and Environment Management for UG Global Resources Sdn Bhd and N.S. Uni-Gloves Sdn Bhd that was covered in FY23 and updated the AC and the Board on the implementation status.

Management regularly reviews the Group's business and operational activities in respect of the key risk control areas including financial, operational, compliance and information technology controls and continues to apply appropriate measures to control and mitigate these risks. All significant matters are highlighted to the AC and the Board for further discussion. The AC and the Board also work with the Internal Auditors, External Auditors and Management on their recommendations to institute and execute relevant controls with a view to managing such risks.

# CORPORATE GOVERNANCE REPORT

## Provision 9.2 - Assurance from the CEO and the Finance Director

The Board has received written assurance from the CEO and the Finance Director that:

- (a) The financial records of the Group have been properly maintained and the financial statements for FY24 give a true and fair view of the Group's operations and finances; and
- (b) The system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

The CEO and the Finance Director have obtained similar assurance from the business and corporate executive heads in the Group.

## Comment on the adequacy and effectiveness of the risk management and internal control systems

The AC sought the views of the external auditors in making assessment of the internal controls over financial reporting matters. In addition, based on the internal controls established and maintained by the Group, the work performed by the Internal Auditors, as well as the assurance received from the CEO and the Finance Director, the Board with the concurrence of the AC, is of the opinion that the Group's internal control systems, addressing financial, operational, compliance, information technology risks, and risk management systems were adequate and effective as at 30 June 2024.

The Board notes that the system of risk management and internal controls established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledges that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities.

## **Principle 10: Audit Committee**

**The Board has an AC which discharges its duties objectively.**

### Principle 10.1, 10.2 and 10.3 – Composition, Qualification and Role and Responsibilities of the AC

The AC consists of three (3) members, all of whom including the AC Chairman, are independent and are not former partners or directors of the Company's existing auditing firm:

Mr. Yip Wah Pung	-	Chairman
Mr. Lawrence Ng	-	Member
Ms. Ng Lee Eng	-	Member

None of the AC members have any financial interest in the Company's independent auditors.

The members of the AC carried out their duties in accordance with the terms of reference which include the following:

- review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- review and report to the Board annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls;

# CORPORATE GOVERNANCE REPORT

- review the external auditor's audit plan and results of the external audit, including the evaluation of the system of internal accounting controls and its cost effectiveness, and the review of the extent of non-audit services provided by the external auditors;
- review the external auditors' reports;
- review the scope and results of the internal audit procedures and the internal auditor's evaluation of the adequacy of our internal control and accounting system;
- review the interim and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major financial risk areas, significant adjustments resulting from the audit, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements;
- ensure co-ordination between the internal and external auditors and the Management, including considering the level of assistance given by the Management to the auditors, and discuss problems and concerns, if any arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management where necessary);
- review the scope and results of the external audit, and the independence and objectivity of the external auditors;
- review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and our Management's response;
- make recommendations to the Board on the proposals to the shareholders on the appointment, reappointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- review significant financial reporting issues and judgments with the Finance Director/CFO and the external auditors so as to ensure the integrity of the Company's financial statements and any formal announcements relating to the Group's financial performance before submission to the Board;
- review the adequacy and effectiveness the Group's internal controls systems with the Finance Director/CFO and the internal and external auditors including financial, operational, compliance, information technology controls and risk management system and report to the Board at least annually;
- review the assurance from the CEO and the Finance Director/CFO on the financial records and financial statements;
- review interested person transactions and monitor the procedures established to regulate interested person transactions to ensure compliance with the Group's internal control system and the relevant provisions of the Catalist Rules as well as to ensure that proper measures to mitigate such conflicts of interests have been put in place;
- review the independence of the external auditors and recommend their appointment or re-appointment, remuneration and terms of engagement;
- review and approve all hedging policies and instruments implemented by the Group;
- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- review arrangements by which an employee may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and
- undertake generally such other functions and duties as maybe required by statute or the Catalist Rules, as amended, modified or supplemented from time to time.

# CORPORATE GOVERNANCE REPORT

Apart from the above, the AC shall:

- commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position; and
- commission an annual internal controls audit until such time it is satisfied that the internal controls of the Group are sufficiently robust and effective in mitigating any key internal control weaknesses the Group may have. Prior to decommissioning such as internal controls audit, the Board shall report to the Sponsor and the SGX-ST (if necessary) on the basis to decide to decommission the annual internal controls audit, as well as the measures taken to rectify key weaknesses in and/or strengthen the internal controls of the Group. Thereafter, the AC shall commission such audits as and when it deems fit for the purposes of satisfying itself that the internal controls of the Group have remained robust and effective. Upon the completion of an internal controls audit, the Board shall make the appropriate disclosure via the SGXNet of any weaknesses in the Group's internal controls which may be material or of a price-sensitive nature, as well as any follow-up actions to be taken by the Board.

The AC has explicit authority to investigate any matter within its term of reference and is authorised to obtain independent professional advice. It has full access to and co-operation of management and reasonable resources to enable it to discharge its duties properly. It also has full discretion to invite any Director or executive officer to attend its meetings.

#### **Provision 10.4 – Internal audit function**

#### **Provision 10.5 – AC's activities during the year**

The AC met three times during FY24. Details of members and their attendance at meetings are provided on page 44 of the Annual Report. Company Secretary and external auditors are invited to these meetings. Other members of Management are also invited to attend, as appropriate, to present reports.

During the financial year, the AC had one meeting with the Internal Auditors and external auditors separately, without the presence of Management. These meetings enable the Internal Auditors and external auditors to raise issues encountered in the course of their work directly to the AC.

The AC received updates from the external auditors during the AC meetings on changes and amendments to the Companies Act and accounting standards to enable the members of AC to keep abreast of such changes, and issues which have a direct impact on financial statements.

The AC met at physical meetings or through video conference to review the half year and full year results announcements, material announcements and all related disclosures to the shareholders before submission to the Board for approval. In the process, the AC reviewed the audit plan and audit committee report presented by the external auditors.

In the review of financial statements for FY24, the AC discussed with Management, the Finance Director and the external auditors the significant accounting policies, judgements and estimates applied by Management in preparing the annual financial statements. The AC focused particularly on:

- Significant adjustments resulting from the audit;
- The appropriateness of the going concern assumption in the preparation of the financial statements; and
- Significant deficiencies in internal controls over financial reporting matters that came to the external auditors' attention during their audit together with their recommendations.

# CORPORATE GOVERNANCE REPORT

In addition, significant matters that were discussed with Management and the external auditors have been included as Key Audit Matters (“KAMs”) in the audit report for the financial year ended 30 June 2024 on pages 78 to 82 of the Annual Report.

In assessing each KAM, the AC took into consideration the approach and methodology applied, as well as the reasonableness of the estimates and key assumptions used. The AC concluded that management’s accounting treatment and estimates in each of the KAMs were appropriate.

Following the review and discussions, the AC then recommended to the Board for the approval of the audited annual financial statements.

## External audit processes

The AC manages the relationship with the Group’s external auditors, on behalf of the Board. The AC is of the view that the external auditors, Forvis Mazars LLP demonstrated appropriate qualifications and expertise and is also independent of the Company. It is also satisfied with the adequacy of the scope and quality of the external audits being conducted by Forvis Mazars LLP. Therefore, the AC recommended to the Board that Forvis Mazars LLP be re-appointed as the external auditors. The Board accepted this recommendation and has proposed a resolution to shareholders for the re-appointment of Forvis Mazars LLP at the forthcoming AGM.

The AC undertook a review of the non-audit services provided by the external auditors and is satisfied that the nature and extent of such services would not prejudice the independence of the external auditors, and has recommended the re- appointment of the external auditors at the forthcoming AGM.

The aggregate amount of audit and non-audit fees paid or payable to the external auditors for FY24 are S\$250,000 for audit fees and S\$17,000 for non-audit fees relating to the provision of tax compliance and other services, respectively. The Company has complied with Rule 712 and Rule 715 of the Catalist Rules in the appointment of its auditor, having regard the adequacy of the track record, resources, experience and independence of the auditing firm and the audit partner-in-charge assigned to the audit.

## Internal audit

The AC approves the appointment, removal, evaluation and compensation of internal auditors. The internal audit function of the Group is outsourced to IA Essential Pte Ltd. The Internal Auditors’ primary line of reporting is to the Audit Committee. The selection of the Internal Auditors, its fee proposal and the internal audit proposal were reviewed and approved by the AC. The Internal Auditors carry out their function in accordance to the standards set by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The primary purpose of the internal audit function is to assist the Board and Management to meet the strategic and operational objectives of the Group, by providing an independent and objective evaluation of the adequacy and effectiveness of risk management, controls and governance processes. The internal audit approach focuses on key financial, operational, compliance, information technology risks and risk management system. The internal audit plan is established in consultation with, but independent of, Management. The internal audit plan is reviewed and approved by the AC. All internal audit findings, recommendations and status of remediation, are circulated to the AC, the CEO, the external auditors and relevant Management.

The AC will ensure that Management provides good support to the Internal Auditors and provides them with access to documents, records, properties and personnel when requested in order for the Internal Auditors to carry out their function accordingly. The AC will meet with the Internal Auditors once a year, without the presence of Management.

The AC, together with the Board have reviewed the effectiveness of the actions taken by Management on the recommendations made by the Internal Auditors. The Board and the AC are of the view that the internal audit function is independent, effective, adequately resourced and has the appropriate standing within the Group.

During FY24, the AC reviewed and assessed the adequacy of the Group’s system of internal controls and regulatory compliance through discussion with Management, Internal Auditors and external auditors.

# CORPORATE GOVERNANCE REPORT

The AC considered and reviewed with the Management and the Internal Auditors on the following:

- Internal audit plans to ensure that the plans covered sufficiently a review of the internal controls of the Group; and
- Significant internal audit observations and the Management's response thereto.

The AC has reviewed the adequacy and effectiveness of the internal audit function.

## Interested person transactions

The AC reviewed the Group's interested person transactions to ensure that the transactions were carried out on normal commercial terms and were not prejudicial to the interests of the Company or its minority shareholders. On an interim basis, Management reports to the AC the interested person transactions, if any.

There were no interested person transactions during the financial year under review.

The AC is satisfied that the internal controls over the identification, evaluation, review, approval and reporting of interested person transactions are effective.

## Whistle blowing

The Company has adopted a Whistle-Blowing Policy to provide a channel for employees of the Group to report in good faith and in confidence their concerns about possible improprieties in matters of financial reporting or other matters. The AC exercises the overseeing function over the administration of the Whistle-Blowing Policy. The Whistle-Blowing Policy provides for procedures to validate concerns and for investigations to be carried out independently. The Company is committed to protecting the whistleblower's identity and to ensure that the whistleblower will not receive any detrimental and unfair treatment. The Whistle-Blowing Policy has been circulated to all employees and has been published on the Company's website for the purposes of the external parties such as customers, suppliers, and other stakeholders. For FY24, there were no reported incidents pertaining to whistle blowing.

## **SHAREHOLDERS' RIGHTS AND ENGAGEMENT AND MANAGING STAKEHOLDER RELATIONSHIPS**

### **Principle 11: Shareholders' Rights and Conduct of General Meetings**

**The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

### **Provision 11.1, 11.2, and 11.3 – Conduct of general meetings**

The Group recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including minority shareholders are protected.

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

The Group strongly encourages shareholder participation during the AGM which will be held in Singapore. Shareholders are able to proactively engage the Board and Management on the Group's business activities, financial performance and other business-related matters. All shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company conducts poll voting for all resolutions tabled at the general meetings. The rules, including the voting procedures, will be clearly explained by the scrutineer at such general meetings. The Company will employ electronic polling if necessary.

# CORPORATE GOVERNANCE REPORT

Separate resolutions on each distinct issue are tabled at general meetings and explanatory notes are set out in the notices of general meetings where appropriate. All Directors including Chairman of the Board and the respective Chairman of the AC, NC and RC, Management, and the external auditors will be in attendance at general meetings to address any queries of the shareholders.

## Forthcoming AGM to be convened

The forthcoming AGM in respect of FY24 will be held physically at YMCA @ One Orchard Road, Singapore 238824 on 29 October 2024. Shareholders will be able to raise questions and vote in person at the AGM. There will be no option for shareholders to participate virtually. Arrangements relating to attendance at the forthcoming AGM, submission of questions in advance of the AGM, and voting at the AGM by shareholders or their duly appointed proxy(ies), are set out in the Notice of AGM released on SGXNet on 14 October 2024.

## Provision 11.4 – Voting in absentia

The Constitution of the Company allows any member of the Company, if he is unable to attend a general meeting, to appoint not more than two proxies to attend and vote on his behalf at the meeting through a proxy form sent in advance. Pursuant to the amendments to the Companies Act effective from 1 January 2016, corporate shareholders of the Company which provide nominee or custodial services are entitled to appoint more than two proxies to attend and vote on their behalf at general meetings provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such corporate shareholders.

The Group supports and encourages active shareholders' participation at general meetings. The Board believes that general meetings serve as an opportune forum for shareholders to meet the Board and key management personnel, and to interact with them. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all shareholders. The notices are also released via SGXNet and published in local newspapers, as well as posted on the Company's website.

The Company's Constitution allows all shareholders to appoint proxies to attend general meetings and vote on their behalf. As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax.

## Provision 11.5 – Minutes of general meetings

The Company Secretary will record the minutes of general meetings that include relevant and substantial comments from shareholders relating to the agenda of the meetings and responses from Management.

Under Provision 11.5 of the Code, the Company should publish the minutes of general meetings of shareholders on SGXNet and/or its corporate website as soon as practicable and such minutes shall record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management. The Company has adopted this practice since its AGM for the financial year ended 30 June 2020. The minutes of general meetings of the Company, including a summary of substantial and relevant comments or questions from shareholders relating to the agenda of general meetings and responses thereof, will be published on SGXNet and/or its corporate website within one (1) month after the date of the meeting, for the information of the shareholders.

The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages for general meetings.

# CORPORATE GOVERNANCE REPORT

## **Provision 11.6 – Dividend policy**

In the Company's Offer Document dated 28 November 2014 (the "**Offer Document**"), the Company stated that it does not have a fixed dividend policy. However, it is also disclosed in the Offer Document that the Board intends to recommend and distribute dividends of at least 20% of the Group's net profit after tax for each financial year commencing from the financial year ended 30 June 2016. The form, frequency and amount of future dividends that the Board may recommend or declare in respect of any particular year or period, will be subject to the factors outlined below as well as other factors deemed relevant by the Board:

- The Group's financial position, results of operations and cash flow;
- The ability of the Group's subsidiaries to make dividend payment to the Company;
- The Group's expected working capital requirement to support the Group's future growth;
- The Group's ability to successfully implement the Group's future plan and business strategy;
- The passage of new laws, adoption of new regulations or changes to, or in the interpretation or implementation of, existing laws and regulations governing the Group's operations;
- General economic conditions and other factors specific to the Group's industry or specific projects; and
- Any other factors deemed relevant by the Board at the material time.

No dividend has been declared for FY24 due to the Group's loss position.

## **Principle 12: Engagement with Shareholders**

**The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

## **Provision 12.1, 12.2 and 12.3 – Stakeholder engagement**

### Disclosure of information on a timely basis

The Group is committed to maintaining high standards of corporate disclosure and transparency. The Group values dialogue sessions with its shareholders. The Group believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXNet, press releases and on the corporate website. To ensure a level playing field and to provide confidence to shareholders, unpublished price sensitive information is not selectively disclosed. In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Group's interactions with the investing community, a media release or announcement will be released to the public via SGXNet as soon as practicable.

The Group's corporate website is the key resource of information for shareholders. In addition to the quarterly and full year financial results materials/business updates, it contains a wealth of investor related information on the Group, including annual reports, shares and dividend information and factsheets.



# CORPORATE GOVERNANCE REPORT

## Interaction with shareholders/stakeholders

The Company has appointed an external investor relations firm to facilitate the communication with all stakeholders (shareholders, analysts and media) on a regular basis, to attend to their queries or concerns as well as to keep the investors apprised of the Group's corporate developments and financial performance. To enable shareholders to contact the Company easily, the contact details of the investor relations function are set out on Corporate Information page this Annual Report. The Company has procedures in place with regard to responding to investors' queries.

### **Principle 13: Managing stakeholder relationships**

**The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

### **Provision 13.1, 13.2 and 13.3 – Stakeholder engagement**

The Group has arrangements in place to identify and engage with its material shareholder groups and to manage its relationships with such groups. It undertakes formal and informal stakeholder engagement exercise, such as announcements, press releases, publications, surveys and customer feedback with material stakeholder groups which include shareholders, suppliers, customers, regulators, employees, media and public relations, and the local communities. The Group has identified the environmental, social and governance factors that are important to these stakeholders. These factors form the materiality matrix upon which targets, metrics, programmes and progress are reviewed by and approved by the Board, before they are published annually in our sustainability report. Further information in relation to details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholder, including frequency of engagement by type and by stakeholder group and key feedback or issues that have been raised through stakeholder engagement can be found under Sustainability Report on pages 17 to 40 of the annual report.

## Dealing in Securities

The Group has adopted an internal compliance code to provide guidance to its Directors and all employees of the Group with regard to dealings in the Company's securities. The code prohibits the dealing in the Company's securities by the Directors and employees of the Group while in possession of unpublished price sensitive information. Directors and employees are not allowed to deal in the Company's securities on short-term considerations and during the period commencing one month before the announcement of the Company's half year and full year financial results. The Directors and employees are also required to adhere to the provisions of the Securities and Futures Act, Companies Act, the Catalist Rules and any other relevant regulations with regard to their securities transactions. They are also expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

The Group confirmed that it has adhered to its internal compliance code for FY24 pursuant to Rule 1204(19) of the Catalist Rules.

## Material Contracts

There are no material contracts of the Company or its subsidiaries involving the interest of the CEO, any Director or controlling shareholder either still subsisting as at 30 June 2024 or if not then subsisting, entered into since the end of the previous financial year.

## Non-Sponsor Fees

In compliance with Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid to the Company's sponsor, SAC Capital Private Limited during the financial year under review.

## Interested Person Transactions

The Company confirms that there were no interested person transactions during the financial year under review.

The Group does not have a general mandate from shareholders for IPTs pursuant to Rule 920 of the Catalist Rules.

# DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of UG Healthcare Corporation Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 30 June 2024 and the statement of financial position and statement of changes in equity of the Company as at 30 June 2024.

## 1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) the financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. DIRECTORS

The directors of the Company in office at the date of this statement are:

Yip Wah Pung  
 Lee Keck Keong  
 Lee Jun Yih  
 Wong See Keong  
 Lee Jun Linn  
 Ng Lip Chi, Lawrence  
 Ng Lee Eng (Appointed on 1 December 2023)

## 3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the object was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

## 4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), the directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

NAME OF DIRECTORS AND RESPECTIVE COMPANIES IN WHICH INTEREST IS HELD	DIRECT INTEREST		DEEMED INTEREST	
	AT THE BEGINNING OF THE YEAR	AT THE END OF THE YEAR	AT THE BEGINNING OF THE YEAR	AT THE END OF THE YEAR
<b>The Company (Ordinary shares)</b>				
Lee Keck Keong	-	-	374,729,122	374,729,122
Lee Jun Yih	2,845,063	2,845,063	374,729,122	374,729,122
Lee Jun Linn	2,217,089	2,217,089	374,729,122	374,729,122
Wong See Keong	29,387,243	29,387,243	-	-

The directors' interests in the shares of the Company on 21 July 2024 were the same as at 30 June 2024.

# DIRECTORS' STATEMENT

## 5. SHARE OPTIONS

On 16 February 2024 (the "**Date of Grant**"), share options were granted to management and confirmed employees under the 2014 Unigloves Employee Share Option Scheme (the "**2014 Scheme**"). Options were granted at the exercise price of \$0.1003 per share (the "**Exercise Price**"). The Scheme is administered by the Remuneration Committee which comprises the following directors:

Ng Lip Chi, Lawrence (Chairman)  
 Yip Wah Pung  
 Ng Lee Eng (Appointed on 1 December 2023)

The options are vested equally over three (3) years with first year of vesting being after two (2) years from the Date of Grant, the options are exercisable upon vesting. In all other cases, an option will be forfeited in the event that the option is not exercised within 5 years from the Date of Grant.

The Exercise Price of the options is set at a discount of 20% to the average of the last-dealt prices for the Company's shares on the SGX-ST over the five (5) trading days immediately preceding the Date of Grant.

Details of the options to subscribe for ordinary shares of the Company pursuant to the 2014 Scheme are as follows:

DATE OF GRANT	EXPIRY DATE	EXERCISE PRICE	BALANCE	GRANTED	EXERCISED	BALANCE
		PER SHARE	AS AT			AS AT
		(S\$)	1 JULY 2023			30 JUNE 2024
16 February 2024	15 February 2029	0.1003	-	2,750,000	-	2,750,000

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries as at end of the financial year other than those disclosed as above.

As the 2014 Scheme will be expiring on 10 November 2024, the Company will be seeking shareholders' approval for adoption of the 2024 Unigloves Employee Share Option Scheme at the forthcoming AGM of the Company.

## 6. PERFORMANCE SHARE PLAN

There were no awards granted under the 2014 Unigloves Performance Share Plan (the "**2014 Share Plan**") by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of exercise of awards to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under the 2014 Share Plan in the Company or its subsidiaries as at the end of the financial year.

As the 2014 Share Plan will be expiring on 10 November 2024, the Company will be seeking shareholders' approval for adoption of the 2024 Unigloves Performance Share Plan at the forthcoming AGM of the Company.

# DIRECTORS' STATEMENT

## 7. AUDIT COMMITTEE

The Audit Committee of the Company comprises three non-executive directors and at the date of this report, they are:

Yip Wah Pung	(Chairman)
Ng Lip Chi, Lawrence	
Ng Lee Eng	(Appointed on 1 December 2023)

The Audit Committee has convened three meetings during the year with key management and the internal and external auditors of the Company.

The Audit Committee carried out its functions in accordance with Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed:

- i. the audit plan and results of the external audit, including the evaluation of internal accounting controls and its cost effectiveness, and the independence and objectivity of the external auditors, including the review of the nature and extent of non-audit services provided by the external auditors to the Group;
- ii. the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;
- iii. the Group's interim and annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;
- iv. the half yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;
- v. the adequacy of the Group's risk management processes;
- vi. the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;
- vii. interested person transactions in accordance with SGX listing rules;
- viii. the nomination of external auditors and approval of their compensation; and
- ix. the submission of report of actions and minutes of the audit committee to the board of directors with any recommendations as the audit committee deems appropriate.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Forvis Mazars LLP (formerly known as Mazars LLP) for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

# DIRECTORS' STATEMENT

## 8. AUDITORS

The auditors, Forvis Mazars LLP (formerly known as Mazars LLP), have expressed their willingness to accept re-appointment.

On behalf of the directors

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**Lee Keck Keong**

Director

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**Lee Jun Yih**

Director

Singapore  
30 September 2024

# INDEPENDENT AUDITORS' REPORT

To the members of UG Healthcare Corporation Limited

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

### *Opinion*

We have audited the financial statements of UG Healthcare Corporation Limited (the “**Company**”) and its subsidiaries (the “**Group**”) which comprise the statements of financial position of the Group and of the Company as at 30 June 2024, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information from page 85 to 157.

In our opinion, the accompanying financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (“**SSAs**”). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“**ACRA**”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“**ACRA code**”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### *Overview*

#### Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

#### Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

# INDEPENDENT AUDITORS' REPORT

To the members of UG Healthcare Corporation Limited

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

### Scope of audit

For the audit of the current year's financial statements, we identified 7 significant components which required a full scope audit of their financial information, either because of their size or/and their risk characteristics.

The significant components were audited by another firm of auditors and overseas member firms of Forvis Mazars LLP (formerly known as Mazars LLP), as component auditors (the "**component auditors**") under our instructions. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole which include but not limited to the following:

- Issuance of a set of comprehensive Group audit instructions to the component auditors to inform them about significant audit matters such as the component materiality thresholds, risks of material misstatements identified at the Group level, reporting deliverables and the necessity of timely communication to us of matters that could have a material impact on the Group's operations and financials;
- Review of the audit plans of significant components prepared by the component auditors and where deemed necessary, dictated additional audit procedures to be performed by them;
- Review of audit working files prepared by component auditors relating to the Group's significant component;
- Holding of teleconferences with the component auditors, as and when deemed necessary during the course of audit, to discuss about matters, including the audit approach and any other significant matters;
- Holding of closing meetings with the Group finance team of the significant components, including the finance director, and the corresponding component auditors to resolve issues and matters;
- Provision of regular updates to the Group's management about the progress of the Group audit and, as and when deemed necessary, any significant accounting and audit issues we encountered during the course of the Group audit such that these issues can be resolved on a timely basis to facilitate the progress of the audit; and
- Site visits of factories of the Group's significant components.

### Area of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgement and estimates to be made by directors.

# INDEPENDENT AUDITORS' REPORT

To the members of UG Healthcare Corporation Limited

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters include the aforementioned salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

MATTER	AUDIT RESPONSE
<p><b>Valuation of inventories</b></p> <p><i>Refer to Note 3.2 for key sources of estimation uncertainty and Note 17 (Inventories) for disclosures note.</i></p> <p>As at 30 June 2024, the Group recorded inventories of \$61.3 million.</p> <p>Inventories are valued at the lower of cost and net realisable value ("<b>NRV</b>").</p> <p>Management reviews the Group's inventories levels in order to identify slow-moving and obsolete merchandise and identifies items of inventories which have a market price, being the merchandise's selling price quoted from the market of similar items that is lower than their carrying amount. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventories which could then consequentially impact the Group's results, cash flows and financial position. Management estimates the amount of inventories loss as an allowance on inventories to ensure that the inventories amounts recorded are not above their corresponding NRV.</p> <p>We have identified valuation for inventories as one of the key audit matters because the Group had material carrying amount of inventories as at the end of the financial year and the Group determined cost based on standard costing where standard costs are estimated using unit costs at targeted output levels, including direct materials costs, direct labour costs, and indirect costs. The estimation of standard costs requires the separate estimation of standard costs for direct materials, direct labour, and overhead where judgements are involved on absorption and allocation of cost for each type of inventories.</p>	<p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Performed observation of inventory count at year end for its major operating subsidiaries;</li> <li>• Assessed costing of closing inventories determined by management using standard costing method to ascertain that the standard costs approximate actual costs;</li> <li>• Assessed NRV of closing inventories that was determined by management to ascertain that inventories are carried at lower of cost and NRV;</li> <li>• Evaluated the basis of the allowance provided by management and checked to historical storage time to assess reasonableness of the storage time's guidance used in the estimation of obsolescence allowance; and</li> <li>• Reviewed inventories turnover days and performed a specific review on those slow moving and obsolete inventories.</li> </ul>



# INDEPENDENT AUDITORS' REPORT

To the members of UG Healthcare Corporation Limited

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

### Key Audit Matters (Continued)

MATTER	AUDIT RESPONSE
<p><b>Allowance for trade receivables</b></p> <p><i>Refer to Note 3.2 for key sources of estimation uncertainty and Note 19 (Trade receivables) for disclosures note.</i></p> <p>As at 30 June 2024, the Group recorded trade receivables of \$29.9 million under current assets.</p> <p>With reference to SFRS(I) 9 <i>Financial Instruments</i> ("<b>SFRS(I) 9</b>"), the Group used an allowance matrix to estimate expected credit losses for trade receivables. The expected credit losses rates were based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that were assessed through an age analysis and by geographical locations, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables.</p> <p>As the determination of the expected credit losses requires significant judgement of management and in consideration of the significance of trade receivables in the Group, we consider management's assessment and application of SFRS(I) 9 to the impairment of trade receivables as a key audit matter.</p>	<p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Reviewed outstanding debts as at year end, differentiated in two streams, namely major customers and long outstanding debts exceeding credit terms granted with reference to ageing profile;</li> <li>• Assessed expected credit losses based on the ratio of historical actual credit losses against trade receivables for the past 3 financial years and management's assumptions on forward looking factors affecting the recoverability of the trade receivables;</li> <li>• Reviewed ageing profile of the receivables and verified to subsequent collections from the receivables to the bank statements; and</li> <li>• Reviewed the background, profile and historical payments trends of the customers.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

To the members of UG Healthcare Corporation Limited

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

### Key Audit Matters (Continued)

MATTER	AUDIT RESPONSE
<p><b>Impairment on Property, Plant and Equipment</b></p> <p><i>Refer to Note 3.2 for key sources of estimation uncertainty and Note 13 (Property, plant and equipment) for disclosures note.</i></p> <p>As at 30 June 2024, the Group recorded property, plant and equipment of \$57.5 million with accumulated impairment allowance of \$5.0 million.</p> <p>In accordance with SFRS(I) 1-36 Impairment of Assets, the Group shall assess at the end of each reporting period whether there is any indication that property, plant and equipment may be impaired. If any such indication exists, the Group shall estimate the recoverable amount of the property, plant and equipment.</p> <p>The property, plant and equipment is allocated to the groups of cash-generating units ("CGU"). The carrying amount of a CGU consists of assets directly and exclusively attributable to the CGU and an allocation of assets that are indirectly attributable on a reasonable and consistent basis to the CGU, including corporate assets and goodwill. The management assessed the groups of CGU for impairment annually or more frequently when there is an indication that the CGU may be impaired.</p> <p>The recoverable amounts of the groups of CGU are determined based on estimates of forecasted revenues, growth rates, gross margins and discount rates. These estimates require significant judgement and hence the management's determination of the recoverable amounts is a key focus area for our audit.</p>	<p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Understood the process by which management prepared its cash flow forecasts and compared the cashflow forecasts against the latest Board approved financial budgets and management approved forecast;</li> <li>• Discussed with management on their planned strategies, revenue stream growth strategies and cost initiatives;</li> <li>• Evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's key assumptions and estimates applied in the value-in-use models, with comparison to recent performance, trend analysis, market expectations, and historical accuracy of the plans and forecasts; and</li> <li>• Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the CGU subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

To the members of UG Healthcare Corporation Limited

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

### Key Audit Matters (Continued)

MATTER	AUDIT RESPONSE
<b>Accounting for acquisition of a subsidiary and a joint venture</b> <i>Refer to Note 3.2 for key sources of estimation uncertainty and Note 10 (Subsidiaries) and Note 11 (Joint venture) for disclosures note.</i>	
<p>During the financial year ended 30 June 2024, the Group completed two significant transactions:</p> <p>(i) Acquisition of a subsidiary, namely Unigloves GmbH. The Group acquired the remaining equity interest in Unigloves GmbH, increasing its ownership from 19.3% to 100% through a share buy-back program. This resulted in Unigloves GmbH being reclassified from an associated company to a 100% owned subsidiary.</p> <p>In accordance with SFRS(I) 3 Business Combinations (“<b>SFRS(I) 3</b>”), the Group is required to recognise and measure the identifiable assets acquired and the liabilities assumed in the acquiree at their fair values at the date of acquisition. Any excess of the fair value of the consideration transferred in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill.</p> <p>(ii) Investment in a joint venture, namely UG NITREX S.L.. The Group also acquired a 50% equity interest in UG NITREX S.L for cash consideration of EUR 500,000 (equivalent to approximate \$732,000) and holds joint control over this entity. The acquisition is embedded with a call and put option.</p> <p>In accordance with SFRS(I) 1-28, management performed a Purchase Price Allocation (“<b>PPA</b>”) exercise to determine the Group’s share of the net fair value of the identifiable assets and liabilities of the joint venture as of the acquisition date in order to determine the goodwill on the investment, if any.</p> <p>These transactions required management to exercise judgement in determining the appropriate accounting treatments, including identifying and measuring the fair value of identifiable assets acquired, liabilities assumed and goodwill. As the PPA process is ongoing as of the date of this report, provisional amounts are recognised. As a result, we considered the accounting of the acquisitions to be a key audit matter.</p>	<p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the sales and purchase agreements in relation to these acquisitions;</li> <li>• Reviewed management’s assessment on recognition and measurement of the acquisition of subsidiary and joint venture in accordance with SFRS(I) 10 and SFRS(I) 1-28 respectively;</li> <li>• Assessed the provisional fair value for the identifiable assets acquired, liabilities assumed and goodwill for subsidiary and joint venture.</li> <li>• Evaluated management’s assumptions valuation techniques to determine the reasonableness of the provisional fair values;</li> <li>• Reviewed the calculation of provisional goodwill recognised from the acquisition of the subsidiary and joint venture to ensure it was appropriately determined and disclosed in the financial statements;</li> <li>• Reviewed management workings on the fair value on the call and put option, and ensured that the fair value of the options was appropriately recognised; and</li> <li>• Reviewed related disclosures in the financial statements.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

To the members of UG Healthcare Corporation Limited

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

### *Key Audit Matters (Continued)*

MATTER	AUDIT RESPONSE
<b>Impairment on investments in subsidiaries</b> <i>Refer to Note 3.2 for key sources of estimation uncertainty and Note 10 (Subsidiaries) for disclosures note.</i>	
<p>The Company's carrying amount of investments in subsidiaries as of 30 June 2024 was \$31.0 million, with accumulated impairment allowance of \$27.1 million.</p> <p>The Company assesses, at least on an annual basis, its investments in subsidiaries for any indication of impairment.</p> <p>This involves an estimate of the recoverable amount of the investments, which include the consideration of the value-in-use of the investments. The value-in-use calculation requires an entity to estimate the future cash flows expected to arise from the investment and a suitable discount rate in order to calculate present value.</p> <p>In accordance with SFRS(I) 1-36 Impairment of Assets, management needs to assess whether there is any indication of impairment as at each reporting date. If any such indication exists, the management shall determine the recoverable amount of the asset.</p>	<p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Reviewed management's assessment of existence of internal and external impairment indicators; and</li> <li>• If any indication of impairment exists, reviewed management's assessment and assessed the appropriateness and reasonableness of the key assumptions and inputs used in preparing the cash flow projection on the recoverable amounts of CGU.</li> </ul>

### **Other information**

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements, the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Directors for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

# INDEPENDENT AUDITORS' REPORT

To the members of UG Healthcare Corporation Limited

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

### *Responsibilities of Management and Directors for the Financial Statements (continued)*

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# INDEPENDENT AUDITORS' REPORT

To the members of UG Healthcare Corporation Limited

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

### *Auditors' Responsibilities for the Audit of the Financial Statements (Continued)*

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Chan Hock Leong, Rick.

### **FORVIS MAZARS LLP (FORMERLY KNOWN AS MAZARS LLP)**

Public Accountants and  
Chartered Accountants

Singapore  
30 September 2024

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2024

	NOTE	2024 \$'000	2023 \$'000
<b>Revenue</b>	4	115,205	101,133
Cost of sales		(89,339)	(99,685)
<b>Gross profit</b>		25,866	1,448
Other income	5	2,414	2,700
<b>Other items of expense</b>			
Marketing and distribution expenses		(8,484)	(6,501)
Administrative expenses		(24,010)	(20,066)
Other expenses		(3,516)	(5,584)
Finance costs	6	(1,282)	(915)
Share of (loss)/profits from equity-accounted for associates	12	(77)	557
<b>Loss before income tax</b>	7	(9,089)	(28,361)
Income tax credit	8	308	1,398
<b>LOSS FOR THE YEAR</b>		(8,781)	(26,963)
<b>Other comprehensive loss:</b>			
<b>Items that may be reclassified subsequently to profit or loss, net of tax</b>			
Exchange differences on translating foreign operations		(8,908)	(11,948)
<b>Other comprehensive loss for the year, net of tax</b>		(8,908)	(11,948)
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		(17,689)	(38,911)
<b>Loss attributable to:</b>			
- Owners of the Company		(6,056)	(20,734)
- Non-controlling interests		(2,725)	(6,229)
		(8,781)	(26,963)
<b>Total comprehensive loss attributable to:</b>			
- Owners of the Company		(15,230)	(33,094)
- Non-controlling interests		(2,459)	(5,817)
		(17,689)	(38,911)
<b>Loss per share attributable to owners of the Company (cents)</b>			
Basic/Diluted	9	(0.97)	(3.32)

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

	NOTE	GROUP		COMPANY	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Subsidiaries	10	-	-	31,024	31,024
Joint venture	11	732	-	-	-
Associates	12	655	7,061	-	-
Property, plant and equipment	13	57,546	59,786	-	-
Intangible assets	14	753	616	-	-
Goodwill	15	17,479	-	-	-
Deferred tax assets	16	3,120	2,600	-	-
<b>Total non-current assets</b>		<b>80,285</b>	<b>70,063</b>	<b>31,024</b>	<b>31,024</b>
<b>Current assets</b>					
Inventories	17	61,313	54,544	-	-
Amounts due from subsidiaries	18	-	-	72,359	13,530
Trade and other receivables	19	53,347	35,653	246	260
Derivative financial assets	25	10	-	-	-
Income tax assets		3,500	7,991	-	-
Cash and cash equivalents	20	27,998	61,745	17,164	38,171
<b>Total current assets</b>		<b>146,168</b>	<b>159,933</b>	<b>89,769</b>	<b>51,961</b>
<b>Total assets</b>		<b>226,453</b>	<b>229,996</b>	<b>120,793</b>	<b>82,985</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	21	59,652	59,652	59,652	59,652
Reserves	23	(70,951)	(59,556)	-	-
Retained earnings		174,692	180,748	22,644	21,834
<b>Equity attributable to owners of the Company</b>		<b>163,393</b>	<b>180,844</b>	<b>82,296</b>	<b>81,486</b>
Non-controlling interests		(2,113)	346	-	-
<b>Total equity</b>		<b>161,280</b>	<b>181,190</b>	<b>82,296</b>	<b>81,486</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	16	1,742	1,621	-	-
Bank borrowings	26	24,927	13,813	-	-
Lease liabilities	28	374	595	-	-
<b>Total non-current liabilities</b>		<b>27,043</b>	<b>16,029</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Bank borrowings	26	17,907	16,137	-	-
Amounts due to subsidiaries	18	-	-	36,922	-
Trade and other payables	27	19,272	14,071	1,433	1,445
Lease liabilities	28	508	582	-	-
Derivative financial liabilities	25	16	332	-	-
Income tax liabilities		427	1,655	142	54
<b>Total current liabilities</b>		<b>38,130</b>	<b>32,777</b>	<b>38,497</b>	<b>1,499</b>
<b>Total liabilities</b>		<b>65,173</b>	<b>48,806</b>	<b>38,497</b>	<b>1,499</b>
<b>Total equity and liabilities</b>		<b>226,453</b>	<b>229,996</b>	<b>120,793</b>	<b>82,985</b>

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.



# STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2024

GROUP	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY							
	SHARE CAPITAL (NOTE 21)	FOREIGN CURRENCY	MERGER RESERVES (NOTE 23)	OTHER RESERVES (NOTE 23)	RETAINED EARNINGS \$'000	TOTAL \$'000	NON-CONTROLLING INTERESTS \$'000	TOTAL EQUITY \$'000
		TRANSLATION RESERVE (NOTE 23)						
<b>At 1 July 2022</b>	59,652	(10,286)	(25,940)	-	205,474	228,900	6,163	235,063
Loss for the year	-	-	-	-	(20,734)	(20,734)	(6,229)	(26,963)
<u>Other comprehensive (loss)/income:</u>								
Exchange differences on translating foreign operations	-	(12,360)	-	-	-	(12,360)	412	(11,948)
<b>Total comprehensive loss for the year</b>	-	(12,360)	-	-	(20,734)	(33,094)	(5,817)	(38,911)
Changes arising from transactions between equity holders (Note 23)	-	-	-	(10,970)	-	(10,970)	-	(10,970)
Dividends (Note 22)	-	-	-	-	(3,992)	(3,992)	-	(3,992)
<b>At 30 June 2023</b>	59,652	(22,646)	(25,940)	(10,970)	180,748	180,844	346	181,190
Loss for the year	-	-	-	-	(6,056)	(6,056)	(2,725)	(8,781)
<u>Other comprehensive (loss)/income:</u>								
Exchange differences on translating foreign operations	-	(9,174)	-	-	-	(9,174)	266	(8,908)
<b>Total comprehensive loss for the year</b>	-	(9,174)	-	-	(6,056)	(15,230)	(2,459)	(17,689)
Changes arising from transactions between equity holders (Note 23)	-	-	-	(2,221)	-	(2,221)	-	(2,221)
<b>At 30 June 2024</b>	59,652	(31,820)	(25,940)	(13,191)	174,692	163,393	(2,113)	161,280

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2024

COMPANY	SHARE CAPITAL \$'000	RETAINED EARNINGS \$'000	TOTAL \$'000
<b>At 1 July 2022</b>	59,652	52,027	111,679
Loss for the year, representing total comprehensive loss for the financial year	-	(26,201)	(26,201)
Dividends (Note 22)	-	(3,992)	(3,992)
<b>At 30 June 2023</b>	59,652	21,834	81,486
Profit for the year, representing total comprehensive profit for the financial year	-	810	810
<b>At 30 June 2024</b>	59,652	22,644	82,296

*The accompanying notes form an integral part of and should be read in conjunction with these financial statements.*

# CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 30 June 2024

	NOTE	GROUP	
		2024 \$'000	2023 \$'000
<b>Operating activities</b>			
Loss before income tax		(9,089)	(28,361)
Adjustments for:			
- Loss allowance on trade receivables	33	28	42
- Gain on disposal of lease	5	-	(20)
- Share of profits from equity-accounted for associates	12	77	(557)
- Depreciation of property, plant and equipment	13	3,851	3,451
- Property, plant and equipment written off		239	406
- Impairment of property, plant and equipment	13	-	5,327
- Amortisation of intangible assets	14	21	23
- Fair value loss of derivative financial instruments	7	193	235
- Interest expense	6	1,282	915
- Interest income	5	(2,009)	(2,153)
- Unrealised exchange differences		(4,620)	(14,170)
<b>Operating cash flows before movements in working capital</b>		<b>(10,027)</b>	<b>(34,862)</b>
<i>Movements in working capital</i>			
- Inventories		2,480	7,290
- Trade and other receivables		(15,681)	5,211
- Trade and other payables		2,062	(10,416)
Cash used in operations		(21,166)	(32,777)
Income taxes refunded/(paid)		3,010	(4,230)
<b>Net cash used in operating activities</b>		<b>(18,156)</b>	<b>(37,007)</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment	13	(2,514)	(7,854)
Addition of intangible assets	14	(39)	(175)
Acquisition of a subsidiary	10	(21,791)	-
Acquisition of a joint venture	11	(732)	-
Interest received		2,009	2,153
Dividend received from an associate	12	335	-
<b>Net cash used in investing activities</b>		<b>(22,732)</b>	<b>(5,876)</b>
<b>Financing activities</b>			
Drawdown of borrowings		37,699	33,180
(Increase)/Decrease in fixed deposits pledged to bank	20	(10)	41
Repayment of borrowings		(28,595)	(20,557)
Repayment of lease liabilities	28(a)	(732)	(801)
Dividend paid	22	-	(3,992)
<b>Net cash generated from financing activities</b>		<b>8,362</b>	<b>7,871</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(32,526)</b>	<b>(35,012)</b>
Effect of exchange rate changes on cash and cash equivalents		(1,231)	(3,420)
Cash and cash equivalents at beginning of financial year		61,148	99,580
<b>Cash and cash equivalents at end of financial year</b>	20	<b>27,391</b>	<b>61,148</b>

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 30 June 2024

## RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

	CASH MOVEMENTS			NON-CASH MOVEMENTS				30 JUNE 2024 \$'000
	1 JULY 2023 \$'000	REPAYMENTS \$'000	DRAWDOWN \$'000	INTEREST EXPENSES \$'000	FOREIGN EXCHANGE DIFFERENCES \$'000	ACQUISITION \$'000	DISPOSAL \$'000	
	<b>Liabilities</b>							
Borrowings	29,950	(28,595)	37,699	1,238	-	2,542	-	42,834
Lease liabilities	1,177	(732)	-	44	(6)	395	4	882

	CASH MOVEMENTS			NON-CASH MOVEMENTS				30 JUNE 2023 \$'000
	1 JULY 2022 \$'000	REPAYMENTS \$'000	DRAWDOWN \$'000	INTEREST EXPENSES \$'000	FOREIGN EXCHANGE DIFFERENCES \$'000	ACQUISITION \$'000	DISPOSAL \$'000	
	<b>Liabilities</b>							
Borrowings	16,459	(20,557)	33,180	868	-	-	-	29,950
Lease liabilities	1,522	(801)	-	47	(64)	804	(331)	1,177

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1. GENERAL

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, 189767 Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

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

The principal activities of the respective subsidiaries are disclosed in Note 10 to the financial statements.

The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2024 were authorised for issue by the Board of Directors on the date of the directors’ statement.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) including related Interpretations of SFRS(I)s (“**SFRS(I) INTs**”) and are prepared on the historical cost basis.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar (“**\$**”) which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand (“**\$’000**”), unless otherwise indicated.

In the current financial year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 July 2023. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group’s and the Company’s accounting policies, and has no material effect on the current or prior year’s financial statement and is not expected to have a material effect on future periods.

The Group adopted the amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies in the current financial year. The amendments require the disclosure of “material” instead of “significant” accounting policy information and provides guidance to assist the entity in providing useful, entity-specific accounting policy information for the users’ understanding of the financial statements. Accordingly, management had reviewed the accounting policies and updated the information disclosed in Note 2 Summary of material accounting policies in line with the amendments.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

*SFRS(I)s and SFRS(I) INTs issued but not yet effective:*

At the date of authorisation of these financial statements, the following SFRS(I)s and SFRS(I) INTs that are relevant to the Group were issued but not yet effective:

SFRS (I)	TITLE	EFFECTIVE DATE (ANNUAL PERIODS BEGINNING ON OR AFTER)
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
SFRS(I) 16	Amendments to SFRS(I) 16: <i>Lease Liability in a Sale and leaseback</i>	1 January 2024
Various	Amendments to SFRS(I) 1-1: <i>Non-current Liabilities with Covenants</i>	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	Amendments to SFRS(I) 1-7 and SFRS(I) 7: <i>Supplier Finance Arrangements</i>	1 January 2024
SFRS(I) 1-21, SFRS(I) 1	Amendments to SFRS(I) 1-21: <i>Lack of Exchangeability</i>	1 January 2025

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

### 2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.2 Basis of consolidation (Continued)

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The Group has the option to apply a "concentration test" as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("**SFRS(I) 5**"), which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.3 Business combinations (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

### 2.4 Revenue recognition

The Group is principally in the business of manufacturing and trading of gloves and other medical disposables products such as latex examination gloves, nitrile examination gloves and other ancillary products. Revenue from contracts with its customers is recognised at point in time when or as the Group satisfies a performance obligation by transferring the significant risks and rewards of ownership of the goods generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods and that is allocated to that performance obligation. The goods are transferred when the customer obtains control of the goods.

### 2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.6 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

The Group participates in the national pension schemes as defined by the laws of PRC. Subsidiaries incorporated in the PRC are required to provide staff pension benefits to their employees under existing PRC legislation. These subsidiaries are required to contribute a certain percentage of their payroll costs to the pension scheme to fund the benefits. The pension funds are managed by government agencies, which are responsible for paying pensions to the retired employees. Contributions under the pension scheme are charged to the profit or loss as they become payable in accordance with the rules of the pension scheme.

### 2.7 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

### 2.8 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.8 Income tax (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

### 2.9 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

### 2.10 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity through other comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.10 Foreign currency transactions and translation (Continued)

Exchange differences relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### 2.11 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost or valuation of assets, other than freehold land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land	over the lease period of 50 to 73 years
Leasehold buildings	2%
Plant, machinery and equipment	5% to 20%
Motor vehicles	20%
Furniture and fittings	10% to 12%

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 28.

No depreciation is charged on construction-in-progress as they are not yet in use as at the end of the financial year.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.11 Property, plant and equipment (Continued)

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to accumulated profits directly.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

### 2.12 Intangible assets

Acquired intangible assets are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value at the acquisition date. Subsequent to initial recognition, the intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Acquired intangible assets have either finite or indefinite useful life.

Intangible assets with finite useful life are amortised over its useful life, using its straight-line method.

The amortisation charge is recognised in profit or loss and is assessed for impairment when there is an indication that the intangible asset may be impaired. The estimated amortisation period and amortisation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Intangible assets with indefinite useful life are not amortised, but tested for impairment annually, and whenever there is an indication that the intangible asset may be impaired. The indefinite useful life of an intangible asset is reviewed at the end of each financial year and where events and circumstances do not continue to support the indefinite useful life assessment for that asset, a change from indefinite to finite useful life is accounted for as a change in accounting estimate and adjusted prospectively.

The intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal, with any gain or loss arising from the derecognition of an intangible asset, being the difference between the net disposal proceeds and the carrying amount of the asset, recognised in profit or loss.

The amortisation charge is recognised in profit or loss and is assessed for impairment when there is an indication that the intangible asset may be impaired. The estimated amortisation period and amortisation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.12 Intangible assets (Continued)

#### Customer base

The customer base was acquired and recognised based on the fair value of consideration paid. This customer base is measured at cost less any accumulated amortisation and any impairment loss as it has definite useful lives of 10 years.

#### Business licence

The business licence was acquired in a business combination and recognised based on the fair value of consideration paid. This business licence is measured at cost less any impairment loss as it has indefinite useful lives.

#### Computer software

The computer software was acquired and recognised based on the fair value of consideration paid. This computer software is measured at cost less any accumulated amortisation and any impairment loss as it has definite useful lives of 5 years.

### 2.13 Investments in associates

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of those policies, and generally accompanying a shareholding of 20% or more of the voting power.

Investments in associates are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

The results and assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. Losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from the associate reduce the carrying amount of the investment.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Company has accounted for its investments in associates at cost in its separate financial statements.

### 2.14 Investments in joint ventures

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as a joint operation or a joint venture, based on the rights and obligations of the parties to the arrangement.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.14 Investments in joint ventures (Continued)

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only decisions about the relevant activities require unanimous consent of the parties sharing control.

On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill and is included in the carrying amount of the investment. Any excess of the Group's net fair value of the joint venture's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the joint venture's profit or loss in the reporting period in which the investment is acquired.

The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for under SFRS(I) 5, from the date on which the investees become classified as held for sale. Under the equity method, investments in joint ventures are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any accumulated losses of individual investments. The profit or loss reflects the share of results of the operations of the joint venture. Distributions received from the joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Group's share of losses in a joint venture in excess of the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the joint ventures. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Any goodwill arising on the acquisition of the Group's interest in a joint venture is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

The Company has accounted for its investments in joint ventures at cost less any accumulated impairment in its separate financial statements.

### 2.15 Impairment of non-financial assets excluding goodwill

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.15 Impairment of non-financial assets excluding goodwill (Continued)

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 2.16 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when the Group becomes party to the contractual provisions of the instrument.

#### Financial assets

##### Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* in Note 2.4.

Financial assets are classified as subsequently measured at amortised cost. The classification at initial recognition depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

##### Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.16 Financial instruments (Continued)

#### Financial assets (Continued)

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, and recognised in interest income.

##### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 33.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.16 Financial instruments (Continued)

#### Financial assets (Continued)

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

#### Financial liabilities and equity instruments

##### Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### *Ordinary share capital*

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

#### Financial liabilities

##### Initial recognition and measurement

All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.16 Financial instruments (Continued)

#### Financial liabilities and equity instruments (Continued)

##### Financial liabilities (Continued)

##### Other financial liabilities

##### *Trade and other payables*

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

##### *Borrowings*

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Groups accounting policy for borrowing costs (see Note 2.5 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

##### *Financial guarantee contracts*

The Company has issued corporate guarantees to banks for banking facilities granted by them to certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

##### Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk comprising foreign exchange forward contracts.

Derivatives are initially recognised at their fair values at the date the derivative contract is entered into and are subsequently re-measured to their fair values at the end of each financial year. The method of recognising the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.16 Financial instruments (Continued)

#### Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statements of financial position when and only when, an entity:

- (a) currently has a legally enforceable right to set-off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is measured based on standard cost which approximates actual cost and allocated by using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### 2.18 Cash and cash equivalent

Cash and cash equivalents comprise cash on hand, demand deposits and short-term fixed deposits which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

### 2.19 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 Leases. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.19 Leases (Continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented within "property, plant and equipment".

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

### 2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.21 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

### 2.22 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

### 2.23 Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non-market-based vesting conditions. At the end of each financial year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised over the remaining vesting period with a corresponding adjustment to the equity-settled share options reserve.

Where the grant of equity instruments is cancelled or settled during the vesting period, other than a grant cancelled by forfeiture when the vesting conditions are not satisfied, the Group recognises immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

The transfer of the balance in the share option reserve to share capital or treasury shares upon exercise of the option and the transfer of the balance in the share option reserve to accumulated profits upon expiry of the option are not mandatory and may be kept as a separate reserve upon expiry or exercise of the option.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

### 3.1 Critical judgements made in applying the Group's accounting policies

#### Determination of functional currency

The Group translates foreign currency items into the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities, judgement is used by the Group to determine the currency of the primary economic environment in which the respective entities operate. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

### 3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Changes in the expected level of usage and technological developments could affect the economics and useful lives of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's property, plant and equipment at 30 June 2024 were \$57,546,000 (2023: \$59,786,000) respectively (Note 13).

#### Fair value of financial instruments

Where the fair values of financial instruments recorded on the statement of financial position cannot be derived from active markets, they are determined using valuation techniques, including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values. The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in more details in Note 35.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### 3.2 Key sources of estimation uncertainty (Continued)

#### Inventory valuation method

Inventory is measured at the lower of cost and net realisable value. The Group measured cost based on standard costing where standard costs are estimated using unit costs at targeted output levels, including direct materials costs, direct labour costs, and indirect costs. The estimation of standard costs requires the separate estimation of standard costs for direct materials, direct labour, and overhead where judgements are involved on absorption and allocation of cost for each type of inventories. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete merchandise and identifies items of inventory which have a market price, being the merchandise's selling price quoted from the market of similar items that is lower than its carrying amount. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. Management estimates the amount of inventories loss as an allowance on inventories to ensure that the inventories amounts recorded are not above their corresponding net realisable value. The carrying amount of the Group's inventories as at 30 June 2024 was \$61,313,000 (2023: \$54,544,000) (Note 17). There was no allowance made on inventory for the year ended 30 June 2024 and 30 June 2023.

#### Provision for income taxes and deferred tax

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Group's current tax payable and deferred tax liability as at 30 June 2024 were \$427,000 (2023: \$1,655,000) and \$1,742,000 (2023: \$1,621,000) respectively.

#### Recoverability of deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future cash inflows based on expected revenues from existing orders and contracts. Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised on the unabsorbed capital allowances and unused tax losses. The carrying amount of the Group's deferred tax assets as at 30 June 2024 was \$3,120,000 (2023: \$2,600,000) respectively (Note 16).

#### Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries (e.g. Singapore, China, Malaysia, Brazil) and the growth rates of the major industries in which its customers operate. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 30 June 2024 is \$577,000 (2023: \$847,000) (Note 33).



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### 3.2 Key sources of estimation uncertainty (Continued)

#### Impairment of investments in subsidiaries and joint venture

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. Where applicable, the Company's assessments are based on the estimation of the value-in-use of the assets defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries and joint venture as at 30 June 2024 was \$31,024,000 and \$732,000 respectively (2023: \$31,024,000 and \$Nil) (Note 10) and (Note 11).

#### Impairment of property, plant and equipment

The Group tests property, plant and equipment for impairment at least on an annual basis. Determining whether property, plant and equipment is impaired requires an estimation of the value-in-use of the cash-generating units (CGU) to which property, plant and equipment has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Impairment loss of \$Nil (2023: \$5,327,000) was recognised during the financial year. The carrying amount of property, plant and equipment as at 30 June 2024 was \$57,546,000 (2023: \$59,786,000) (Note 13).

#### Acquisitions of a subsidiary

The consolidated financial statements reflected all the acquisitions. The Group accounts for the acquired subsidiary using the acquisition method which requires the use of accounting estimates and assumptions to allocate the purchase price to the fair values of the acquiree's identifiable assets and liabilities at the acquisition date. The initial PPA was not completed as at 30 June 2024 as the management is still seeking information existing as of acquisition date relating to assets and liabilities, and the Group has reported in the financial statements provisional amounts for these assets and liabilities. Estimates and assumptions such as revenue growth rate and discount rate used in the valuation methodology have an impact on its fair value. From this preliminary PPA exercise, the Group recognised goodwill of \$17,479,000 generated from the business combination during the financial year ended 30 June 2024.

#### Acquisition of a joint venture

The consolidated financial statements reflected all the acquisitions. The Group accounts for the acquired joint venture using the acquisition method which requires the use of accounting estimates and assumptions to allocate the purchase price to the fair values of the acquiree's identifiable assets and liabilities at the acquisition date. The initial PPA to identifiable assets acquired was not completed as at 30 June 2024 as the management is still seeking information existing as of acquisition date relating to assets and liabilities. Estimates and assumptions such as revenue growth rate and discount rate used in the valuation methodology have an impact on its fair value. The carrying amount of the joint venture as at 30 June 2024 of \$732,000 (2023: \$Nil) is based on the initial cost of investment of the joint venture adjusted for the Group's share of the profit or loss of the joint venture after the date of acquisition (Note 11).

#### Impairment of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value-in-use of the CGU to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. No impairment loss was recognised during the financial year (2023: Nil). The carrying amount of the Group's goodwill on consolidation as at 30 June 2024 was \$17,479,000 (2023: \$Nil) (Note 15). Details of the estimates used to calculate the recoverable amount are given in Note 15 to the consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 4. REVENUE

	GROUP	
	2024	2023
	\$'000	\$'000
Revenue from contracts with customers:		
- Latex examination gloves	59,285	66,394
- Nitrile examination gloves	43,897	28,687
- Other ancillary products	12,023	6,052
	115,205	101,133

The disaggregation of revenue from contracts with customers is as follows:

	REPORTABLE SEGMENTS										INTER-SEGMENT			TOTAL		
	LATEX		NITRILE		OTHER		EXAMINATION		ANCILLARY		PRODUCTS		REVENUE		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Geographical markets<sup>(a)</sup></b>																
Europe	13,203	8,265	74,817	46,835	10,512	3,778	58,878	(35,099)	(17,974)	63,433	40,904					
North America	369	633	3,323	5,696	1,347	933	7,262	-	-	5,039	7,262					
South America	24,188	44,513	2,687	4,946	2,575	4,180	53,639	(9,637)	(32,617)	19,813	21,022					
Africa	8,553	9,185	2,139	2,296	1,415	429	11,910	(5,297)	(3,335)	6,810	8,575					
Asia	71,458	94,922	4,378	7,391	3,943	2,305	104,618	(61,284)	(83,647)	18,495	20,971					
Malaysia <sup>#</sup>	1,242	1,786	371	602	2	11	2,399	-	-	1,615	2,399					
	119,013	159,304	87,715	67,766	19,794	11,636	238,706	(111,317)	(137,573)	115,205	101,133					

(a) The disaggregation is based on the location of customers from which revenue was generated.

# Includes revenue from intermediaries that export Group products to overseas market.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 5. OTHER INCOME

	GROUP	
	2024	2023
	\$'000	\$'000
Interest income	2,009	2,153
Foreign exchange gain, net	-	370
Gain on disposal of lease	-	20
Others	405	157
	2,414	2,700

## 6. FINANCE COSTS

	GROUP	
	2024	2023
	\$'000	\$'000
Interest expenses on:		
- Bank loans	1,238	868
- Finance leases	44	47
	1,282	915

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 7. LOSS BEFORE INCOME TAX

The following charges/(credits) were included in the determination of loss before income tax:

	GROUP	
	2024 \$'000	2023 \$'000
Cost of inventories recognised as expense in cost of sales	49,667	52,641
Audit fees paid to:		
- Auditor of the Company	147	133
- Other auditors	103	98
Non-audit fees paid to other auditors	17	16
Directors' fees of the Company	348	364
Directors' remuneration other than fees of the Company:		
- Salary	489	494
- Bonus and allowances	21	92
- Defined contribution plans	31	32
- Other benefits	4	5
Staff costs (excluding directors' remuneration)		
- Salary	17,152	18,761
- Defined contribution plans	1,432	1,332
- Other benefits	370	129
Loss allowance on trade receivables (Note 33)	28	42
Impairment loss on property, plant and equipment (Note 13)	-	5,327
Foreign exchange loss/(gain), net	3,057	(605)
Fair value loss on financial derivatives instruments	193	235

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 8. INCOME TAX CREDIT

	GROUP	
	2024 \$'000	2023 \$'000
Current income tax		
- Current	519	2,652
- Overprovision in prior years	(70)	(519)
Deferred income tax		
- Origination and reversal of temporary differences	(757)	(3,531)
Total income tax credit	(308)	(1,398)

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17%. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from the last year.

Reconciliation of effective tax rate is as follows:

	GROUP	
	2024 \$'000	2023 \$'000
Loss before income tax	(9,089)	(28,361)
Income tax at statutory rate of 17% (2023: 17%)	(1,545)	(4,821)
Add/(Less):		
- Tax effect of share of results of associates	13	(95)
- Effect of different tax rates of overseas operations	(1,498)	(2,608)
- Effect of income not subject to tax	(61)	(208)
- Overprovision of income tax in prior years	(70)	(519)
- Effect of non-allowable items	2,764	5,259
- Unrecognised tax losses	89	1,594
Total income tax credit for the financial year	(308)	(1,398)

The unrecognised deferred tax assets arise as result of:

	GROUP	
	2024 \$'000	2023 \$'000
Tax losses	9,898	9,374

The tax losses are subject to agreement by tax authorities and compliance with tax regulations in the respective countries in which the certain subsidiaries operate. Deferred tax assets have not been recognised in respect of the tax losses due to uncertainty in the availability of future taxable profit against which the Group can utilise the tax losses.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 9. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	GROUP	
	2024	2023
	\$'000	\$'000
<b>Loss</b>		
Loss for the purposes of basic and diluted loss per share (loss for the year attributable to owners of the Company)	(6,056)	(20,734)
	<b>2024</b>	<b>2023</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic shares	623,825,811	623,825,811
<b>Loss per share (cents)</b>		
- basic	(0.97)	(3.32)

The calculations of the basic loss per share are calculated by dividing the loss for the year attributable to owners of the Company by the applicable weighted average number of ordinary shares. These loss and share data are presented in the tables above.

There are no dilutive potential ordinary shares for the financial year ended 30 June 2024 and 2023. Hence, the basic loss per share is the same as the diluted loss per share.

## 10. SUBSIDIARIES

	COMPANY	
	2024	2023
	\$'000	\$'000
<b>Unquoted equity share, at cost</b>		
At beginning of year	31,024	58,102
Less: Accumulated impairment losses	-	(27,078)
At end of year	31,024	31,024

Movements in allowance for impairment loss of investment in subsidiaries during the financial year are as follows:

	COMPANY	
	2024	2023
	\$'000	\$'000
At beginning of year	27,078	3,481
Impairment loss recognised during the financial year	-	23,597
At end of year	27,078	27,078

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 10. SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows:

NAME OF SUBSIDIARIES (COUNTRY OF INCORPORATION/OPERATION)	PRINCIPAL ACTIVITIES	EFFECTIVE EQUITY INTEREST HELD BY THE COMPANY	
		2024 %	2023 %
<b>Held directly by the Company</b>			
N.S. Uni-Gloves Sdn. Bhd. <sup>(1)</sup> / Malaysia ("NSUG")	Manufacturing of rubber gloves	100	100
UG Global Resources Sdn. Bhd. <sup>(1)</sup> / Malaysia	Manufacturing of rubber gloves	100	100
UG Glovetech Sdn. Bhd. <sup>(1)</sup> / Malaysia	Investment holding	100	100
Unigloves (Singapore) Pte. Ltd. <sup>(2)</sup> / Singapore	Investment holding and business and management consultancy services	100	100
UGHC Marketing Pte. Ltd. <sup>(2)</sup> / Singapore	Distribution of gloves and other medical disposables	100	100
UG Engineering Sdn. Bhd. <sup>(1)</sup> / Malaysia	Investment holding	100	100
UG Healthcare Sdn. Bhd. <sup>(4)</sup> / Malaysia	Investment holding	100	100
Indigo Teguh Sdn. Bhd. <sup>(4)(8)</sup> / Malaysia	Investment holding	100	100
<b>Held through Unigloves (Singapore) Pte. Ltd. ("UGS")</b>			
Unigloves (UK) Limited <sup>(3)</sup> / United Kingdom	Distribution of gloves and other medical disposables	55	55
Unigloves Shanghai Co., Ltd. <sup>(5)</sup> / China	Distribution of gloves and other medical disposables	100	100
Uni-Medical Healthcare Limited <sup>(4)</sup> / Nigeria	Distribution of gloves and other medical disposables	75	75
UGHC Brasil Importadora LTDA <sup>(6)(7)</sup> / Brazil	Distribution of gloves and other medical disposables	90	90
优格 (成都) 国际贸易有限公司 <sup>(4)</sup> / China	Distribution of gloves and other medical disposables	100	100
友利格 (苏州) 国际贸易有限公司 <sup>(4)</sup> / China	Distribution of gloves and other medical disposables	100	100
Unigloves GmbH <sup>(4)(9)</sup> / Germany	Investment holding	100	-
<b>Held through Unigloves GmbH</b>			
Unigloves Arzt- und Klinikbedarf- Handelsgesellschaft mbH <sup>(5)(9)</sup> / Germany	Distribution of gloves and other medical disposables	100	-
<b>Held through Unigloves (UK) Limited</b>			
Unigloves (Ireland) Limited <sup>(4)(10)</sup> / Ireland	Distribution of gloves and other medical disposables	55	-

(1) Audited by another firm of auditors, Crowe Malaysia PLT.

(2) Audited by Forvis Mazars LLP (formerly known as Mazars LLP), Singapore.

(3) Audited by Kreston Reeves LLP, UK for consolidation purposes.

(4) Not audited as insignificant to the Group.

(5) Audited by overseas member firm of Forvis Mazars LLP (formerly known as Mazars LLP).

(6) Audited by another firm of auditors, Crowe Consult Consultoria Empresarial.

(7) On 23 June 2023, UGS acquired additional equity interests of 40% in UGHC Brasil Importadora LTDA ("UGHC Brasil") for a consideration of \$10,539,588 which is satisfied by way of offsetting against trade receivables owed to UGHC Brasil by a non-related company. Subsequent to the acquisition, the effective equity interest held by UGS in UGHC Brasil has increased from 50% to 90% and UGHC Brasil continues to be a subsidiary of the Company.

(8) On 17 January 2023, the Company acquired 100% equity interest in Indigo Teguh Sdn. Bhd. ("ITSB") by subscribing 100 ordinary shares of RM1 per share for a cash consideration of RM100 (equivalent to approximate \$31). ITSB was dormant and has no other operating activity since its incorporation on 20 April 2022.

(9) On 7 May 2024, Unigloves GmbH had entered into a sale, purchase and transfer agreement with its existing shareholders to acquire 80.7% shares. Subsequent to the acquisition, the effective equity held by the Group on Unigloves GmbH increased from 19.3% to 100%, Unigloves GmbH and its subsidiary Unigloves Arzt- und Klinikbedarf-Handelsgesellschaft mbH become subsidiaries of the Company.

(10) On 28 September 2023, Unigloves (UK) Limited incorporated a wholly-owned subsidiary Unigloves (Ireland) Limited in Ireland. Unigloves (Ireland) Limited was dormant and has no other operating activity since its incorporation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 10. SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries which have non-controlling interests that are material to the Group:

SUBSIDIARIES	PROPORTION OF OWNERSHIP INTEREST HELD BY NCI		LOSS ALLOCATED TO NCI DURING THE FINANCIAL YEAR		ACCUMULATED NCI AT THE REPORTING DATE (INCLUSIVE FOREIGN EXCHANGE DIFFERENCES)	
	2024	2023	2024	2023	2024	2023
	%	%	\$'000	\$'000	\$'000	\$'000
UGHC Brasil Importadora LTDA	10	10	(882)	(4,002)	(1,140)	(386)
Unigloves (UK) Limited	45	45	(1,696)	(1,950)	(758)	956

Summarised financial information (before intercompany eliminations):

	UGHC BRASIL			
	IMPORTADORA LTDA		UNIGLOVES (UK) LIMITED	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>	43,072	50,530	23,829	19,741
Non-current	6,164	6,826	405	612
Current	36,908	43,704	23,424	19,129
<b>Liabilities</b>	53,399	53,377	25,929	18,123
Non-current	-	1	-	-
Current	53,399	53,376	25,929	18,123
<b>Net (liabilities)/assets</b>	(10,327)	(2,847)	(2,100)	1,618
Revenue	19,813	21,144	38,656	29,503
<b>Loss after taxation</b>	(8,761)	(10,036)	(3,677)	(5,670)
<b>Total comprehensive loss</b>	(7,479)	(10,256)	(3,717)	(5,815)
<b>Net cash flows used in operation</b>	215	(862)	(71)	(1,852)



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 10. SUBSIDIARIES (CONTINUED)

### Acquisition of subsidiary

On 1 January 2024, the Group acquired a controlling interest in Unigloves Germany, increasing its ownership from 19.3% to 100% through a share buy-back program, to increase its business in import and export of medical treatment utilities and to continue to be one of the key established marketing and distribution bases of the Group's downstream distribution business in Europe. Total consideration has been paid in cash at the date of acquisition. This resulted in Unigloves GmbH being reclassified from an associated company to a 100% owned subsidiary.

Provisional fair values of the identifiable assets and liabilities of Unigloves GmbH as at the date of acquisition, are as follows:

	<b>PROVISIONAL FAIR VALUE RECOGNISED ON DATE OF ACQUISITION \$'000</b>
<b>Assets</b>	
Property, plant and equipment	446
Intangible assets	123
Trade and other receivables	2,041
Inventories	9,249
Cash and cash equivalents	2,822
	<hr/> 14,681 <hr/>
<b>Liabilities</b>	
Borrowings	2,542
Trade and other payables	3,139
Income tax payable	162
	<hr/> 5,843 <hr/>
Net identifiable assets at provisional fair value	<hr/> 8,838 <hr/>
Previously held equity interest	(1,704)
Provisional goodwill arising from acquisition	<hr/> 17,479 <hr/>
Total consideration	<hr/> 24,613 <hr/>

The initial PPA to identify identifiable assets acquired are not completed as at 30 June 2024 as the management is still seeking information existing as of acquisition date relating to assets and liabilities, and the Group has reported in the consolidated financial statements provisional amounts for these assets and liabilities. From this preliminary PPA exercise, the Group has reported \$17,479,000 of goodwill generated from the business combination during the financial year ended 30 June 2024.

From the date of acquisition, Unigloves GmbH has contributed \$20,431,000 and \$1,122,000 to the revenue and profit net of tax of the Group respectively. If the combination has taken place at the beginning of the financial year, the Group's revenue and loss, net of tax would have been approximately \$132,790,000 and \$8,727,000 respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 10. SUBSIDIARIES (CONTINUED)

### Acquisition of subsidiary (Continued)

#### Effects of the acquisition of the subsidiary on cash flows

	<b>\$'000</b>
Total consideration for 80.7% equity interest acquired	24,613
Less: Cash and cash equivalents of subsidiary acquired	<u>(2,822)</u>
<b>Net cash outflow on acquisition as at 30 June 2024</b>	<b><u>21,791</u></b>

### Impairment testing for investments in subsidiaries

Where there were indications of impairment, management has performed a review of the recoverable amount of its cost of investments as at 30 June 2024. Impairment occurs when the recoverable amount is lower than the carrying amount of the investments in subsidiaries.

In determining whether investments in subsidiaries are impaired requires an estimation of the recoverable amount of the subsidiaries. Such recoverable amounts are estimated based on value in use calculation using cash flows projections approved by the Board of Directors.

The recoverable amount of investments in subsidiaries were determined based on the estimation of the value-in-use of the CGUs by forecasting the expected future cash flows using a suitable discount rates in order to calculate the present value of those cash flows. In FY2023, the Company had recognised an impairment loss of \$20,898,000 and \$2,699,000 for the investment in relation to NSUG and UGS respectively as the subsidiaries have been persistently making losses and hence, the recoverable amount calculated as present values of estimated cash flows discounted using a pre-tax discount rate of 13% was lower than the carrying amount of the investments in subsidiaries. No further impairment loss was recognised during the current financial year ended 30 June 2024.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 11. JOINT VENTURE

		GROUP	
		2024	2023
		\$'000	\$'000
Unquoted equity shares, at cost		732	-
NAME OF JOINT VENTURE (COUNTRY OF INCORPORATION/OPERATION)	PRINCIPAL ACTIVITIES	EFFECTIVE EQUITY INTEREST HELD BY THE COMPANY	
		2024	2023
		%	%
<b><u>Held through Unigloves (Singapore) Pte. Ltd.</u></b>			
UG Nitrex, S. L. <sup>(1)</sup> / Spain	Distribution of reusable gloves and disposables gloves	50.0	-
<b><u>Held through UG Nitrex S. L.</u></b>			
Nitrex SAS <sup>(1)</sup> / France	Distribution of reusable gloves and disposables gloves	22.5	-

(1) Not audited as insignificant to the Group.

On 5 June 2024, the Group acquired 50% equity interest in UG NITREX S.L. for cash consideration of EUR 500,000 (equivalent to approximate \$732,000) as part of the Group's key strategic expansion.

Included in the sales and purchase agreement, there are call and put options which are exercisable at any time from 1 July 2027. In relation to the call option, UGS has the unilateral right to acquire and purchase 10 shares out of the joint venture parties' remaining shares, which constitute to 1% of the share capital of UG NITREX S.L., whereas for the put option, the joint venture parties who hold the remaining 50% equity interest in UG NITREX S.L. has the unilateral right to transfer and sell their remaining shares, all or part, proportionally of at least a 25% equity interest in UG NITREX S.L. to the Group. The fair value of these options is assessed as immaterial to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 12. ASSOCIATES

	GROUP	
	2024 \$'000	2023 \$'000
Unquoted equity shares, at cost	130	2,415
Exchange differences	(136)	(2,094)
Share of post-acquisition results	661	11,021
Dividend received	-	(4,281)
Carrying amount	655	7,061

The details of the associates are as follows:

NAME OF ASSOCIATES (COUNTRY OF INCORPORATION/OPERATION)	PRINCIPAL ACTIVITIES	EFFECTIVE EQUITY INTEREST HELD BY THE COMPANY	
		2024 %	2023 %
<b><u>Held through Unigloves (Singapore) Pte. Ltd.</u></b>			
Unigloves GmbH <sup>(1)</sup> / Germany	Investment holding	-	19.3
UG Healthcare (USA) Inc. <sup>(2)(3)</sup> / United States	Distribution of gloves and other medical disposables	50.0	50.0
<b><u>Held through Unigloves GmbH</u></b>			
Unigloves Arzt- und Klinikbedarf Handelsgesellschaft mbH <sup>(1)</sup> / Germany	Import and export of medical treatment utilities and one way articles	-	19.3

(1) On 7 May 2024, Unigloves GmbH had entered into a sale, purchase and transfer agreement with its existing shareholders to acquire 80.7% shares. Subsequent to the acquisition, the effective equity held by the Group on Unigloves GmbH increased from 19.3% to 100%, Unigloves GmbH and its subsidiary Unigloves Arzt- und Klinikbedarf-Handelsgesellschaft mbH become subsidiaries of the Company.

(2) Not audited as insignificant to the Group.

(3) Unigloves GmbH paid out dividend of \$335,000 (2023: \$Nil) to the Group during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 12. ASSOCIATES (CONTINUED)

Summarised financial information of the Group's associates  
(based on the SFRS(I)s financial statements)

	UNIGLOVES GMBH AND ITS SUBSIDIARIES		UG HEALTHCARE (USA) INC.		GROUP	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Assets and liabilities</b>						
Non-current assets	-	22,901	-	-		
Current assets	-	15,674	1,665	2,022		
Total assets	-	38,575	1,665	2,022		
Non-current liabilities	-	2,644	79	214		
Current liabilities	-	3,124	276	340		
Total liabilities	-	5,768	355	554		
Net assets	-	32,807	1,310	1,468		
Group's share of associate's net assets/carrying amount of the investment as at 30 June	-	6,327	655	734	655	7,061
<b>Results</b>						
Revenue	17,590	42,118	4,623	5,495		
Profit/(Loss) for the period/year	21	2,998	(162)	(42)		
Group's share of associates profit/(loss) for the period/year	4	578	(81)	(21)	(77)	557

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 13. PROPERTY, PLANT AND EQUIPMENT

GROUP	LEASEHOLD	LEASEHOLD	PLANT, MACHINERY AND EQUIPMENT	MOTOR VEHICLES	FURNITURE AND FITTINGS	CONSTRUCTION- IN-PROGRESS	RIGHT-OF- USE ASSETS	TOTAL
	LAND	BUILDINGS						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost</b>								
At 1 July 2022	4,775	11,766	37,994	2,180	2,542	23,699	3,087	86,043
Additions	164	912	1,427	369	349	4,633	804	8,658
Write off	-	-	(540)	(7)	(26)	-	(1,946)	(2,519)
Reclassification	-	-	-	(295)	27	(27)	295	-
Exchange translation differences	(456)	(843)	(3,242)	(639)	(234)	(2,130)	(167)	(7,711)
At 30 June 2023	4,483	11,835	35,639	1,608	2,658	26,175	2,073	84,471
Additions	-	407	489	443	140	1,035	395	2,909
Acquisition of a subsidiary (Note 10)	-	-	446	-	-	-	-	446
Write off	-	-	(295)	-	(51)	-	(381)	(727)
Disposal	-	-	-	(101)	-	-	-	(101)
Exchange translation differences	(80)	(1,117)	(462)	(381)	(143)	83	(7)	(2,107)
At 30 June 2024	4,403	11,125	35,817	1,569	2,604	27,293	2,080	84,891
<b>Accumulated depreciation:</b>								
At 1 July 2022	(507)	(1,448)	(13,865)	(1,195)	(1,202)	-	(1,741)	(19,958)
Depreciation	(90)	(276)	(1,647)	(330)	(344)	-	(764)	(3,451)
Write off	-	-	134	8	25	-	1,636	1,803
Reclassification	-	-	-	143	-	-	(143)	-
Exchange translation differences	46	92	1,279	357	125	-	103	2,002
At 30 June 2023	(551)	(1,632)	(14,099)	(1,017)	(1,396)	-	(909)	(19,604)
Depreciation	(74)	(736)	(1,784)	(240)	(323)	-	(694)	(3,851)
Write off	-	-	71	-	36	-	385	492
Disposal	-	-	-	101	-	-	-	101
Reclassification	-	336	(336)	-	-	-	-	-
Exchange translation differences	4	78	189	211	74	-	1	557
At 30 June 2024	(621)	(1,954)	(15,959)	(945)	(1,609)	-	(1,217)	(22,305)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	LEASEHOLD	LEASEHOLD	PLANT, MACHINERY AND	MOTOR	FURNITURE AND	CONSTRUCTION-	RIGHT-OF-	TOTAL
	LAND	BUILDINGS	EQUIPMENT	VEHICLES	FITTINGS	IN-PROGRESS	USE ASSETS	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Accumulated</b>								
<b>impairment losses:</b>								
At 1 July 2022	-	-	-	-	-	-	-	-
Impairment loss	-	-	(1,256)	-	-	(4,071)	-	(5,327)
Exchange translation differences	-	-	58	-	-	188	-	246
At 30 June 2023	-	-	(1,198)	-	-	(3,883)	-	(5,081)
Exchange translation differences	-	-	10	-	-	31	-	41
At 30 June 2024	-	-	(1,188)	-	-	(3,852)	-	(5,040)
<b>Carrying amount:</b>								
At 30 June 2024	3,782	9,171	18,670	624	995	23,441	863	57,546
At 30 June 2023	3,932	10,203	20,342	591	1,262	22,292	1,164	59,786

The leasehold land and buildings of the Group with carrying amount of \$6,959,000 (2023: \$7,053,000) are pledged to secure the bank borrowings (Note 26).

Certain motor vehicles with carrying amount of \$49,000 (2023: \$90,000) were acquired under finance lease arrangements (Note 28) and are registered under the name of subsidiary. Details of the right-of-use assets are disclosed in Note 28(a).

Effects of the additions of property, plant and equipment on cash flows:

	GROUP	
	2024	2023
	\$'000	\$'000
Total additions during the year	2,909	8,658
Additions on right-of-use assets	(395)	(804)
<b>Net cash outflows on addition of property, plant and equipment</b>	<b>2,514</b>	<b>7,854</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### *Impairment testing of property, plant and equipment*

During the year, the Group carried out a review of the recoverable amount of its manufacturing plant and equipment, having regard to its introduction of new and existing product lines. The review led to the recognition of an impairment loss of \$Nil (2023: \$5,327,000) in relation to NSUG that has been recognised in profit or loss, and included in the line item other expenses. The recoverable amount of the relevant assets has been determined on the basis of their value-in-use. The discount rate used in measuring value-in-use was 13%. The reporting segment to which the manufacturing plant and equipment belong to is latex examination gloves, nitrile examination gloves and other ancillary products.

Key assumptions on which management has based its cash flow projections for the respective periods of the CGUs are as follows:

	NSUG		UGGR	
	2024	2023	2024	2023
Growth rates (i)	-66% to 41%	-79% to 50%	-16% to 15%	-18% to 15%
Discount rate (ii)	13%	13%	13%	13%
Budgeted gross margin (iii)	-1% to 12%	2% to 12%	5% to 12%	2% to 12%

### *Key assumptions used in the value-in-use calculations:*

- (i) **Growth rates:** The projected revenue growth rates used are based on the published industry research, adjusted for the specific circumstances of the CGUs and based on management's experience, and do not exceed the long-term average growth rate for the corresponding industry of the CGUs.
- (ii) **Discount rate:** The discount rate used is based on the weighted average cost of the Group's capital (the "WACC"), adjusted for the specific circumstances of the CGUs and based on management's experience, and re-grossed back to arrive at the pre-tax rate.
- (iii) **Budgeted gross margin:** Budgeted gross margin is determined based on past performance and its expectation of market developments.

### *Sensitivity to changes in assumptions:*

	NSUG		UGGR	
	2024	2023	2024	2023
	\$	\$	\$	\$
(i) <b>Growth rates</b> A hypothetical decrease in growth rates by 1% would result in carrying amount exceeding recoverable amount by	N/A	(5,286,000)	N/A	(264,000)
(ii) <b>Discount rate</b> A hypothetical increase in the pre-tax discount rates by 1% would result in carrying amount exceeding recoverable amount by	(342,000)	(6,061,000)	N/A	(1,126,000)
(iii) <b>Budgeted gross margin</b> A hypothetical decrease in budgeted gross margin by 1% would result in carrying amount exceeding recoverable amount by	(1,402,000)	(6,969,000)	N/A	(3,996,000)

The impairment test described above resulted in the recognition of a loss of \$Nil (2023: \$5,327,000) in relation to NSUG.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 14. INTANGIBLE ASSETS

	GROUP	
	2024 \$'000	2023 \$'000
Business license <sup>(i)</sup>	281	184
Computer software <sup>(ii)</sup>	445	405
Customer base <sup>(iii)</sup>	27	27
	753	616

(i) This pertains to the business license to operate the business for a subsidiary in Nigeria.

(ii) This pertains to the acquisition of computer software by subsidiaries in Brazil and Malaysia.

(iii) This pertains to the acquisition of customer base by subsidiaries in the United Kingdom and Shanghai.

Movement of the intangible assets:

	GROUP	
	2024 \$'000	2023 \$'000
<b>Cost:</b>		
Balance at 1 July	726	566
Additions	39	175
Acquisition of a subsidiary (Note 10)	123	-
Exchange translation differences	(9)	(15)
Balance at 30 June	879	726
<b>Accumulated amortisation:</b>		
Balance at 1 July	(110)	(90)
Amortisation	(21)	(23)
Exchange translation differences	5	3
Balance at 30 June	(126)	(110)
<b>Carrying Amount:</b>		
At 30 June	753	616

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 15. GOODWILL

	GROUP	
	2024 \$'000	2023 \$'000
<b>Cost:</b>		
Balance at 1 July	-	-
Provisional goodwill arising on acquisition of a subsidiary	17,479	-
Balance at 30 June	17,479	-
<b>Carrying Amount:</b>		
At 30 June	17,479	-

Goodwill acquired in a business combination is allocated to the cash-generating unit that is expected to benefit from the business combination.

During the year, provisional goodwill with carrying amount of \$17,479,000 as of the end of the financial year then ended was acquired through the acquisition of the remaining 80.7% of the equity of Unigloves GmbH.

### Impairment testing of goodwill

The Group tests cash-generating units for impairment annually, or more frequently when there is an indication for impairment.

The recoverable amount of the CGU is determined from value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by Board of Directors covering a ten-year period. The key assumptions for these value-in-use calculations are those regarding the discount rates, growth rates and expected changes to gross margins during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in gross margins are based on past practices and expectations of future changes in the market.

Key assumptions on which management has based its cash flow projections for the respective periods of the significant CGU are as follows:

	UNIGLOVES GMBH
	2024 %
Gross margin <sup>(i)</sup>	31
Growth rates <sup>(ii)</sup>	5 to 10
Discount rates <sup>(iii)</sup>	10
Terminal growth rates <sup>(iv)</sup>	1

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 15. GOODWILL (CONTINUED)

Impairment testing of goodwill (Continued)

Key assumptions used in the value-in-use calculations

- (i) *Budgeted gross margins* – Budgeted gross margins are determined based on past performance and its expectations of market developments.
- (ii) *Growth rates* – The forecasted growth rates are based on published industry research relevant to the CGUs, if any or based on management experience, taking into account of the forecasted growth rates relevant to the environment where the CGUs operate in.
- (iii) *Discount rates* – The discount rates used are based on the weighted average cost of the CGU's capital (the "WACC"), adjusted for the specific circumstances of the CGU and based on management's experience, and re-grossed back to arrive at the pre-tax rates.
- (iv) *Terminal growth rates* – The terminal growth rates are determined based on management's estimate of the long-term industry growth rates.

Sensitivity to changes in assumptions

Management is of the view that any reasonable possible change in any of the above key assumptions are not likely to materially cause the CGU's carrying amount to exceed its recoverable amount.

Impairment loss recognised

No impairment loss was recognised during the current financial year ended 30 June 2024.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 16. DEFERRED TAX

	GROUP	
	2024 \$'000	2023 \$'000
Deferred tax assets	3,120	2,600
Deferred tax liabilities	(1,742)	(1,621)

Movements in deferred tax assets/(liabilities) of the Group during the financial year are as follows:

GROUP	ACCELERATED TAX DEPRECIATION	UNABSORBED CAPITAL ALLOWANCES AND TAX LOSSES (NOTE A)	OTHERS (NOTE C)	TOTAL
	\$'000	\$'000	\$'000	\$'000
<b>Deferred tax assets</b>				
At 1 July 2022	-	-	1,745	1,745
Credited to profit or loss	-	1,781	(981)	800
Exchange translation differences	-	55	-	55
At 30 June 2023	-	1,836	764	2,600
Credited to profit or loss	-	996	(108)	888
Exchange translation differences	-	(368)	-	(368)
At 30 June 2024	-	2,464	656	3,120

GROUP	ACCELERATED TAX DEPRECIATION	UNABSORBED CAPITAL ALLOWANCES AND TAX LOSSES	FAIR VALUE ADJUSTMENT OF ASSETS ACQUIRED (NOTE B)	TOTAL
	\$'000	\$'000	\$'000	\$'000
<b>Deferred tax liabilities</b>				
At 1 July 2022	(3,722)	(307)	(795)	(4,824)
Charged to profit or loss	1,646	304	781	2,731
Exchange translation differences	455	3	14	472
At 30 June 2023	(1,621)	-	-	(1,621)
Charged to profit or loss	(134)	-	-	(134)
Exchange translation differences	13	-	-	13
At 30 June 2024	(1,742)	-	-	(1,742)

- (a) Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.  
 (b) The deferred tax liability is recognised in the financial year ended 30 June 2019 in respect to the acquisition of a warehouse in Brazil.  
 (c) Others pertains to deferred tax assets calculated from unrealised profit from inventories.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 17. INVENTORIES

	GROUP	
	2024 \$'000	2023 \$'000
<b>At cost:</b>		
Finished goods	52,987	52,521
Work-in-progress	5,649	6,342
Raw materials	2,677	2,249
	61,313	61,112
<b>At net realisable value:</b>		
Finished goods	52,987	45,953
Work-in-progress	5,649	6,342
Raw materials	2,677	2,249
	61,313	54,544

## 18. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The amounts due from/(to) subsidiaries are non-trade in nature, interest free, repayable on demand and denominated in Singapore dollars.

## 19. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables				
- third parties	29,794	23,717	-	-
- associates	732	1,637	-	-
Less: Loss allowances (Note 33)	(577)	(847)	-	-
	29,949	24,507	-	-
Other receivables				
- third parties	17,601	6,435	219	219
Prepayments	5,797	4,711	27	41
Total trade and other receivables	53,347	35,653	246	260

Trade and other receivables are unsecured, non-interest bearing and subject to normal credit terms. The average credit period on sale of goods is 30 to 180 days (2023: 30 to 180 days). They are recognised at the transaction price which represent their fair value on initial recognition.

Included in prepayments are payments made for acquisition of warehouse amounting to S\$2,012,000 (2023: S\$1,362,000).

The details of the impairment of trade and other receivables and credit exposures are disclosed in Note 33.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 19. TRADE AND OTHER RECEIVABLES (CONTINUED)

The currency profiles of the Group's trade and other receivables as at 30 June are as follows:

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
United States dollar ("USD")	3,955	4,095	-	-
Chinese Yuan Renminbi ("CNY/CNH")	1,341	1,052	-	-
Pound sterling ("GBP")	4,733	3,731	-	-
Euro ("EUR")	2,601	-	-	-
Brazilian Real ("BRL")	22,660	21,286	-	-
Malaysian ringgit ("MYR")	15,953	3,247	-	-
Singapore dollar ("SGD")	247	265	246	260
Others	1,857	1,977	-	-
	53,347	35,653	246	260

## 20. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash and bank balances	5,501	12,253	344	5,720
Fixed deposits	22,497	49,492	16,820	32,451
Cash and cash equivalents	27,998	61,745	17,164	38,171

Fixed deposits bear interest at an average rate of 4.17% (2023: 4.08%) per annum and are for a tenure of period ranging from 15 to 365 days (2023: 15 to 365 days).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 20. CASH AND CASH EQUIVALENTS (CONTINUED)

The currency profiles of the Group's cash and cash equivalents as at 30 June are as follows:

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
USD	14,052	32,086	9,682	20,743
CNY/CNH	9,371	26,112	7,350	17,209
GBP	246	129	-	-
EUR	1,044	-	-	-
BRL	499	156	-	-
MYR	2,078	1,756	-	-
SGD	324	379	132	219
Others	384	1,127	-	-
	27,998	61,745	17,164	38,171

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

	GROUP	
	2024 \$'000	2023 \$'000
Cash and bank balances	27,998	61,745
Fixed deposits pledged to financial institution	(607)	(597)
Cash and cash equivalents	27,391	61,148

## 21. SHARE CAPITAL

	GROUP AND COMPANY	
	NO. OF SHARES ( '000)	\$'000
At 1 July 2022, 30 June 2023 and 30 June 2024	623,826	59,652

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company. All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The newly issued shares rank pari passu in all respects with the previously issued shares.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 22. DIVIDENDS

In FY2023, the Company declared and paid a final tax-exempt dividend of \$0.00320 per ordinary share in respect of the financial year ended 30 June 2022, of which \$1,996,243 were paid out via cash.

In FY2023, the Company declared and paid a special tax-exempt dividend of \$0.00320 per ordinary share in respect of the financial year ended 30 June 2022, of which \$1,996,243 were paid out via cash.

## 23. RESERVES

### Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations where functional currencies are different from that of the Group's presentation currency.

### Merger reserves

This represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares and capital reserve of subsidiaries acquired which is accounted for under "pooling-of-interest".

### Other reserves

On 23 June 2023, the Company's subsidiary, Unigloves Singapore Pte. Ltd. ("UGS") acquired additional equity interests of 40% in a subsidiary, namely UGHC Brasil Importadora Ltda ("UGHC Brasil") with a consideration of \$10,540,000 and a negative carrying amount of \$430,000. Subsequent to the acquisition, the effective equity held by the Group increased from 40% to 90%. The effect of the change in the Group's ownership interest on the equity attributable to owners of Company of \$10,970,000 has been recognised as other reserves during the financial year.

On 7 May 2024, Unigloves GmbH had entered into a sale, purchase and transfer agreement with its existing shareholders to acquire 80.7% shares. Subsequent to the acquisition, the effective equity held by the Group on Unigloves GmbH increased from 19.3% to 100%. The effect of the remeasurement of previously held equity interest in Unigloves GmbH of \$2,221,000 has been recognised in other reserves during the financial year.

### Share-based payment reserve

The share-based payment reserve represents the cumulative value of services received for the issuance of the options and shares under the Unigloves Employee Share Option Scheme.

## 24. SHARE BASED PAYMENTS

On 16 February 2024, share options were granted to management and confirmed employees under the 2014 Scheme. Options were granted at the exercise price of \$0.1003 per share.

The options are vested equally over three (3) years with first year of vesting being after two (2) years from the Date of Grant, the options are exercisable upon vesting. In all other cases, an option will be forfeited in the event that the option is not exercised within 5 years from the Date of Grant.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 24. SHARE BASED PAYMENTS (CONTINUED)

The Exercise Price is set at a discount of 20% to the average of the last-dealt prices for the Company's shares on the SGX-ST over the five (5) trading days immediately preceding the Date of Grant.

Details of the share options outstanding during the financial year are as follows:

	GROUP AND COMPANY	
	2024	
	NUMBER OF SHARE OPTIONS ('000)	WEIGHTED AVERAGE EXERCISE PRICE \$
Outstanding at the beginning of the financial year	-	-
Granted during the financial year	2,750	0.1003
Exercised during the financial year	-	0.1003
Outstanding at the end of the financial year	2,750	0.1003
Exercisable at the end of the financial year	-	-

Share options outstanding at the end of the financial year have the following expiry dates and exercise prices:

DATE OF GRANT OF OPTIONS	EXPIRY DATE OF OPTIONS	EXERCISE PRICE \$	NO. OF SHARE OPTIONS
			OUTSTANDING 2024 ('000)
16 February 2024	15 February 2029	0.1003	2,750

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

*Fair value of share options granted during the year ended 30 June 2024 and assumptions used*

GRANTEES OF OPTIONS	EMPLOYEES OF THE GROUP
Date of grant of options	16/2/2024
Fair value at measurement date	\$0.102
Share price	\$0.128
Exercise price	\$0.1003
Expected volatility	103.77%
Expected option life	5 years
Risk-free interest rate	3.01%

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 24. SHARE BASED PAYMENTS (CONTINUED)

*Fair value of share options granted during the year ended 30 June 2024 and assumptions used (continued)*

The expected volatility is based on the historical volatility of comparable companies (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

## 25. DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP			
	2024		2023	
	ASSETS \$'000	LIABILITIES \$'000	ASSETS \$'000	LIABILITIES \$'000
Forward foreign exchange contracts	10	(16)	-	(332)

The Group is a party to foreign currency forward contracts to manage its foreign exchange exposures arising from its foreign currency denominated business transactions. The settlement dates on forward currency contracts range between 30 to 180 days (2023: 30 to 180 days).

At the end of the financial year, the total notional amount of outstanding forward foreign exchange contract to which the Group is committed is as follows:

	2024 \$'000	2023 \$'000
Forward foreign exchange contracts:		
- USD	1,550	5,310
- GBP	7,099	5,039
- CNH	2,500	-

The following table details the forward foreign currency contract outstanding as at the end of the reporting period:

	AVERAGE CONTRACTED RATE		NOTIONAL VALUE		FAIR VALUE	
	2024	2023	2024	2023	2024	2023
			\$'000	\$'000	\$'000	\$'000
Sell USD, buy MYR	4.71	4.63	2,097	7,462	(1)	(57)
Sell GBP, buy USD	1.26	1.23	12,158	8,454	(14)	(275)
Sell CNH, buy USD	0.14	-	476	-	9	-

The fair values are measured based on estimated valuation derived from market quotation (Note 35).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 26. BANK BORROWINGS

	GROUP	
	2024 \$'000	2023 \$'000
Secured bank loans <sup>(1)</sup>	29,981	16,925
Secured export invoice financing <sup>(2)</sup>	3,149	1,288
Secured import and local purchase financing <sup>(3)</sup>	9,704	11,719
Consortium loans <sup>(4)</sup>	–	18
<b>Total</b>	<b>42,834</b>	<b>29,950</b>
Less :		
Amount due for settlement within 12 months <sup>(5)</sup>	(17,907)	(16,137)
Amount due for settlement after 12 months	24,927	13,813

(1) The weighted average effective interest rates of the Group's secured bank loans are ranging from 2.75% to 7.00% (2023: 2.36% to 7.27%) and are secured as follows:

- (i) legal charges on the leasehold land and buildings;
- (ii) guarantees from the Company;
- (iii) debentures over certain production lines; and
- (iv) keyman insurance

Secured bank loans of \$216,698 (2023: \$416,690) and \$1,127,702 (2023: \$2,138,384) are repayable over 5 years commencing from 24 June 2020 and 22 July 2020 respectively. Interest rate charged is ranging from 2.75% to 3.00% (2023: 2.75% - 3.00%) per annum. The secured bank loans are secured by corporate guarantees from the Company.

(2) The export invoice financing is repayable from 1 to 180 days (2023: 1 to 180 days). The interest rate for export invoice refinancing is 1.75% (2023: 1.75%) per annum over London Inter Bank Offer Rate ("LIBOR") prevailing from time to time or 1.75% (2023: 1.75%) per annum over the Bank's cost of funds as determined by the bank on the day of transaction, whichever is the higher. The average effective interest rate on the export invoice refinancing is 6.16% (2023: 1.07%). Corporate guarantee is given by the Company.

(3) The import and local purchase financing are repayable from 1 to 180 days (2023: 1 to 180 days). The interest rate for Foreign Currency Invoice Financing ("FCIF") is 1.50% (2023: 1.50%) per annum over the Bank's Cost of Funds for the respective foreign currencies or such other rate as determined by the Bank from time to time for import bills. The interest rate for Foreign Currency Trade Finance ("FCTF") is 1.50% (2023: 1.50%) per annum above the US Prime Rate on the date of drawdown and the Bank's cost of maintaining statutory and liquidity reserves (if any) or such other rates as the Bank may in its absolute discretion determine. The average effective interest rate on the import and local purchase financing is 4.69% (2023: 0.80%). Corporate guarantee is given by the Company.

(4) The consortium loans' terms range from 1 to 5 years and on a fixed repayment basis. The weighted average effective interest rate of the consortium is 14.50% (2023: 14.50%).

(5) The amount, shown under current liabilities, consists of secured banks loans of \$5,054,000 (2023: \$3,113,000), secured export invoice financing of \$3,149,000 (2023: \$1,288,000), secured import and local invoice financing of \$9,704,000 (2023: \$11,718,000) and consortium of \$Nil (2023: \$18,000).

The weighted average effective interest rate for bank borrowings is 5.19% (2023: 4.35%).

The carrying amounts of the Group's borrowings approximate their fair values.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 26. BANK BORROWINGS (COUNTINUED)

The currency profiles of the Group's borrowings as at 30 June are as follows:

	GROUP	
	2024 \$'000	2023 \$'000
USD	1,894	1,288
CNY/CNH	1,255	-
EUR	14,680	-
MYR	23,661	26,089
SGD	1,344	2,555
BRL	-	18
	42,834	29,950

## 27. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade payables				
- third parties	13,839	8,722	-	-
Other payables				
- third parties	2,611	2,848	1,099	1,222
Accrued expenses	2,822	2,501	334	223
Total trade and other payables	19,272	14,071	1,433	1,445

Trade payables are unsecured, interest-free and with the credit term ranging from 21 to 90 days (2023: 21 to 90 days).

Other payables to third parties mainly consist of payables to utility supplies. Other payables are unsecured, interest-free and repayable on demand.

The currency profiles of the Group's trade and other payables as at 30 June are as follows:

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
USD	7,326	6,053	-	-
CNY/CNH	601	523	-	-
GBP	1,650	1,449	-	-
EUR	3,972	-	-	-
BRL	191	406	-	-
MYR	4,015	3,955	-	-
SGD	1,512	1,510	1,433	1,445
Others	5	175	-	-
	19,272	14,071	1,433	1,445

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 28. THE GROUP AS A LESSEE

The Group leases office premises and certain employee hostels for one to five years and motor vehicles for one to four years.

### Recognition exemptions

The Group has certain office premises and employee hostels with lease terms of 12 months or less. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

### 28(a) Right-of-use assets

The carrying amount of right-of-use assets by class of underlying asset classified within property, plant and equipment as follows:

	LEASEHOLD LAND AND BUILDINGS \$'000	MOTOR VEHICLES \$'000	EQUIPMENT \$'000	TOTAL \$'000
<b>Group</b>				
At 1 July 2022	1,259	87	-	1,346
Additions	632	100	72	804
Depreciation	(672)	(76)	(16)	(764)
Disposal	(310)	-	-	(310)
Reclassification	-	152	-	152
Exchange translation differences	(43)	(23)	2	(64)
At 30 June 2023	866	240	58	1,164
Additions	311	84	-	395
Depreciation	(551)	(125)	(18)	(694)
Disposal	4	-	-	4
Exchange translation differences	(6)	(1)	1	(6)
At 30 June 2024	624	198	41	863

The total cash outflow for leases during the financial year ended 30 June 2024 is \$732,000 (2023: \$801,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 28. THE GROUP AS A LESSEE (CONTINUED)

### 28(b) Lease liabilities

	GROUP	
	2024	2023
	\$'000	\$'000
Lease liabilities - non-current	374	595
Lease liabilities - current	508	582
	882	1,177

The maturity analysis of lease liabilities is disclosed in Note 33.

### 28(c) Amounts recognised in profit or loss

	GROUP	
	2024	2023
	\$'000	\$'000
Expense relating to short-term leases	-	38
Interest expense on lease liabilities	44	47

## 29. COMMITMENTS

	GROUP	
	2024	2023
	\$'000	\$'000
Capital expenditure contracted but not provided for		
- Commitments for the acquisition of property, plant and equipment	-	1,276
Commitments for the acquisition of certain pieces of land in Malaysia	-	10,183

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 30. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Bank guarantee given to third parties for utility supplies to a subsidiary	3,238	4,285	-	-
Corporate guarantee given to banks for bank facilities granted to subsidiaries	-	-	117,191	118,951
	3,238	4,285	117,191	118,951

The fair value of the corporate guarantee given to banks for bank facilities granted to subsidiaries is not material.

During the financial year, the Company had also given undertakings to certain subsidiaries (Note 10) to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the previous financial year end.

## 31. SIGNIFICANT RELATED PARTY TRANSACTIONS

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
  - (i) Has control or joint control over the Company;
  - (ii) Has significant influence over the Company; or
  - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
  - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or itself such a plan, the sponsoring employers are also related to the Company.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 31. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Associates are related parties and include those that are associates of the holding and/or related companies.

Many of the Group's and Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

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

	2024 \$'000	2023 \$'000
Sales to associates	6,404	13,841

### *Compensation of executive directors and key management personnel*

	2024 \$'000	2023 \$'000
Short-term benefits	632	772
Defined contribution plans	44	53
	676	825

## 32. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker.

Management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in these primary geographic areas: Europe, North America, South America, Africa and Asia which are engaged in the manufacturing, distribution and trading of latex and nitrile examination gloves.

The Group has three reportable segments being latex examination gloves, nitrile examination gloves and other ancillary products.

The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

Management monitors the operating results of the segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated only on revenue and gross profit.

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before income tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for intersegment sales and transfer as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on combination.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 32. SEGMENT INFORMATION (CONTINUED)

*Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items*

	2024 \$'000	2023 \$'000
<b>Revenue</b>		
Total revenue for reportable segments	226,522	238,706
Elimination of inter-segment revenue	(111,317)	(137,573)
Total revenue	115,205	101,133
<b>Profit or loss</b>		
Total loss for reportable segments	(9,012)	(28,918)
Share of (loss)/profits from equity-accounted for associates	(77)	557
Loss before income tax	(9,089)	(28,361)
<b>Assets</b>		
Total assets for reportable segments	225,798	222,935
Investments in associates	655	7,061
Total assets	226,453	229,996
<b>Liabilities</b>		
Total liabilities for reportable segments	65,173	48,806
Total liabilities	65,173	48,806

*Business Segments*

REVENUE	2024		2023	
	\$'000	(%)	\$'000	(%)
Latex examination gloves	59,285	52	66,394	66
Nitrile examination gloves	43,897	38	28,687	28
Other ancillary products	12,023	10	6,052	6
Total	115,205	100	101,133	100

GROSS PROFIT	2024		2023	
	\$'000	(%)	\$'000	(%)
Latex examination gloves	14,391	56	457	32
Nitrile examination gloves	9,575	37	144	10
Other ancillary products	1,900	7	847	58
Total	25,866	100	1,448	100

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 32. SEGMENT INFORMATION (CONTINUED)

*Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items (Continued)*

*Business Segments (continued)*

GROSS PROFIT MARGIN	2024 (%)	2023 (%)
Latex examination gloves	24.3	0.7
Nitrile examination gloves	21.8	0.5
Other ancillary products	15.8	14.0
Overall	22.5	1.4

*Geographic information*

Revenues from external customers

	2024 \$'000	2023 \$'000
Europe	63,433	40,904
North America	5,039	7,262
South America	19,813	21,022
Africa	6,810	8,575
Asia	18,495	20,971
Malaysia#	1,615	2,399
	115,205	101,133

# Includes revenue from intermediaries that export our products to overseas market.

The revenue information above is based on the location of the customers.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 32. SEGMENT INFORMATION (CONTINUED)

*Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items (Continued)*

*Geographical information (Continued)*

Location of non-current assets

	EUROPE \$'000	NORTH AMERICA \$'000	SOUTH AMERICA \$'000	AFRICA \$'000	ASIA \$'000	TOTAL \$'000
<b>2024</b>						
Non-current assets	19,585	655	6,164	1,496	52,385	80,285
<b>2023</b>						
Non-current assets	7,468	734	6,826	1,740	53,295	70,063

Non-current assets consist of property, plant and equipment, intangible assets, deferred tax assets and investments in associates in Germany and the United States of America.

*Major customers*

Revenue from one major customer amounted to approximately \$10,601,726 (2023: \$11,163,283) which is derived from a mixture of segments.

## 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

The Group's activities expose it to credit risk, market risks (including foreign currency risk and interest rate risk) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

Financial risk management is carried out by a central treasury department ("**Group Treasury**") in accordance with the policies set by the management. The trading team of Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The reporting team of Group Treasury measures actual exposures against the limits set and prepares daily reports for review by the Heads of Group Treasury and each operating unit. Regular reports are also submitted to the management and the Board of Directors.

### Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's major classes of financial assets are bank balances and trade and other receivables.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### *Credit risk (Continued)*

Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 90 days past due as per SFRS(I) 9's presumption.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

The Group's internal credit risk grading categories are as follows:

CATEGORY	DESCRIPTION	BASIS OF RECOGNISING ECL
1	Low credit risk <sup>Note 1</sup>	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is < 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition <sup>Note 2</sup> or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired <sup>Note 3</sup>	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount <sup>Note 4</sup>	Written off

#### Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### *Credit risk (Continued)*

#### Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

#### Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties.

#### Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

With reference to Note 30, the Company provides financial guarantees to certain banks in respect of bank facilities granted to certain subsidiaries. The date when the Group becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Group considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantees is insignificant to the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### *Credit risk (Continued)*

As at the end of the financial year, the total amount of loans outstanding covered by the guarantees is \$4,493,000 (2023: \$3,843,000). Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the respective subsidiaries to which the guarantees were extended fail to make principal or interest payments when due in accordance with the terms of borrowings. There has been no default or non-repayment since the utilisation of the banking facilities.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

### Trade receivables (Note 19)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries (eg. Singapore, China, Malaysia, Brazil) and the growth rates of the major industries which its customers operate in.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there is no reasonable expectations for recovering the outstanding balances.

The loss allowance for trade receivables is determined as follows:

	CURRENT	PAST DUE MORE THAN 1 TO 90 DAYS	PAST DUE MORE THAN 91 TO 180 DAYS	PAST DUE MORE THAN 180 DAYS	TOTAL
<b>30 June 2024</b>					
Expected credit loss rates	-	-	-	43.4%	
Trade receivables (gross) (\$'000)	19,504	7,448	2,243	1,331	30,526
Loss allowance (\$'000)	-	-	-	577	577
<b>30 June 2023</b>					
Expected credit loss rates	-	-	-	51.2%	
Trade receivables (gross) (\$'000)	17,768	3,647	2,287	1,652	25,354
Loss allowance (\$'000)	-	-	-	847	847

### Amounts due from subsidiaries (Note 18) and other receivables (Note 19)

As of 30 June 2024, the Company recorded amounts due from subsidiaries of \$72,359,000 (2023: \$13,530,000). The Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of the subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 30 June 2024, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the subsidiaries operate in. Using 12-month ECL, the Company determined that the ECL is insignificant.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### Credit risk (Continued)

Amounts due from subsidiaries (Note 18) and other receivables (Note 19) (Continued)

As of 30 June 2024, the Group and the Company recorded other receivables of \$17,601,000 and \$219,000 (2023: \$6,435,000 and \$219,000) respectively. The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry and country which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial asset. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

The Group's and the Company's exposure to credit risk in respect of the trade and other receivables is as follows:

GROUP INTERNAL CREDIT RISK GRADING	TRADE RECEIVABLES			OTHER RECEIVABLES		
	NOTE (I) \$'000	CATEGORY 4 \$'000	CATEGORY 5 \$'000	TOTAL \$'000	CATEGORY 2 \$'000	TOTAL \$'000
<b>Loss allowance</b>						
Balance at 1 July 2022	70	739	-	809	-	-
Impairment loss recognised	-	42	-	42	-	-
Exchange translation differences	(10)	6	-	(4)	-	-
Balance at 30 June 2023	60	787	-	847	-	-
Reclassification between categories	-	(211)	211	-	-	-
Impairment loss recognised	-	28	-	28	-	-
Write-off of receivables	-	-	(211)	(211)	-	-
Exchange translation differences	(1)	(86)	-	(87)	-	-
Balance at 30 June 2024	59	518	-	577	-	-
<b>Gross carrying amount</b>						
At 30 June 2023	24,567	787	-	25,354	6,435	6,435
At 30 June 2024	30,008	518	-	30,526	17,601	17,601
<b>Net carrying amount</b>						
At 30 June 2023	24,507	-	-	24,507	6,435	6,435
At 30 June 2024	29,949	-	-	29,949	17,601	17,601

COMPANY INTERNAL CREDIT RISK GRADING	AMOUNTS DUE FROM SUBSIDIARIES		OTHER RECEIVABLES	
	CATEGORY 1 \$'000	TOTAL \$'000	CATEGORY 2 \$'000	TOTAL \$'000
<b>Gross carrying amount/Net carrying amount</b>				
At 30 June 2023	13,530	13,530	219	219
At 30 June 2024	72,359	72,359	219	219

Note (i) For trade receivables, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where loss allowance is equal to lifetime ECL.

The individual impairment losses of the Group related to several customers that the Group was not expecting to be able to collect the outstanding balances, mainly due to economic circumstances.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risks, including foreign currency forward contracts to hedge against foreign currency risk.

### Foreign currency risk

The Group is exposed to foreign currency risk on certain income, expenses, monetary assets and liabilities that are denominated in currencies other than the functional currencies of the respective entities in the Group. As at the reporting date, the Group and Company do not have significant foreign currency risk exposure except for the financial assets and liabilities denominated in USD and SGD. The Group either uses financial instruments such as foreign currency forward contracts to hedge certain financial risk exposures although hedge accounting was not applied or the natural hedges arising from a matching sale, purchase or a matching of assets and liabilities of the same currency and amount.

The carrying amounts of the Group's and Company's foreign currency denominated monetary assets and monetary liabilities as at the end of the financial year are as follows:

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Monetary assets</b>				
USD	10,553	21,409	9,682	20,743
CNY/CNH	8,559	24,811	7,350	17,209
SGD	182	161	-	-
<b>Monetary liabilities</b>				
USD	(2,221)	(1,981)	-	-
CNY/CNH	(1,255)	-	-	-
SGD	(1,416)	(2,613)	-	-

### Foreign currency sensitivity analysis

The Group is mainly exposed to USD, CNY/CNH and SGD.

The following table details the Group's sensitivity to a 5% (2023: 5%) increase or decrease in the relevant foreign currencies against the respective functional currencies of the Group entities. The sensitivity analysis assumes an instantaneous 5% (2023: 5%) change in the foreign currency exchange rates from the end of the financial year, with all variables held constant.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### Market risk (Continued)

#### Foreign currency risk (Continued)

#### Foreign currency sensitivity analysis (Continued)

	INCREASE/(DECREASE) PROFIT/(LOSS) BEFORE INCOME TAX			
	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>USD</b>				
Strengthens	417	971	484	1,037
Weakens	(417)	(971)	(484)	(1,037)
<b>CNY/CNH</b>				
Strengthens	365	1,241	367	860
Weakens	(365)	(1,241)	(367)	(860)
<b>SGD</b>				
Strengthens	(62)	(123)	-	-
Weakens	62	123	-	-

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risks relate to interest bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

The Group's interest rate risk arises primarily from the floating rate borrowings with financial institutions.

The Group's exposures to interest rate risk are disclosed in Note 26 to the financial statements.

#### Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk of bank borrowings at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 1% (2023: 1%) change in the interest rates from the end of the financial year, with all variables held constant.

	INCREASE/(DECREASE) PROFIT/(LOSS) BEFORE INCOME TAX	
	2024 \$'000	2023 \$'000
	<b>Bank borrowings</b>	
Increase	(428)	(299)
Decrease	428	299

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### Market risk (Continued)

#### Interest rate risk (Continued)

#### Interest rate sensitivity analysis (Continued)

In view of the reform of major interest rate benchmarks that is being undertaken globally, the Group monitors and manages its potential transition to alternative rates, as applicable. The Group evaluates the contracts that could be affected, and takes a proactive approach in approaching the relevant counterparties to discuss and assess the potential impact on the Group.

As of 30 June 2024, in relation to the aforementioned, the Group is mainly exposed to non-derivative financial liabilities in the form of secured export invoice financing indexed to LIBOR. The Group is still in the process of communicating with the counterparties in order to obtain the advice in relation to the changes for the interest rate.

The following table contains details of all the financial instruments that the Group hold as at 30 June 2024 that have cash flows that will be affected by the interest rate benchmark reform as they have not yet transitioned to new benchmark rates.

FINANCIAL INSTRUMENTS PRIOR TO TRANSITION	FINANCIAL INSTRUMENT MATURITY YEAR	CARRYING AMOUNT/ NOTIONAL AMOUNT \$'000	FAIR VALUE \$'000	TRANSITION PROGRESS TO NEW BENCHMARK RATES
<b>Group</b>				
<b>Non derivative financial instrument</b>				
Secured export invoice financing (Note 26)	July 2024	3,149	Not applicable	Not transitioned

### Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The following table details the Group's remaining contractual maturity for its financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

	GROUP			
	EFFECTIVE INTEREST RATE %	LESS THAN 1 YEAR \$'000	2 TO 5 YEARS \$'000	TOTAL \$'000
<b>Financial assets and derivative financial instruments</b>				
Cash and cash equivalents	4.17	27,998	-	27,998
Trade and other receivables	-	47,550	-	47,550
Derivative financial instruments	-	10	-	10
<b>As at 30 June 2024</b>		<b>75,558</b>	<b>-</b>	<b>75,558</b>
Cash and cash equivalents	4.08	61,745	-	61,745
Trade and other receivables	-	30,942	-	30,942
<b>As at 30 June 2023</b>		<b>92,687</b>	<b>-</b>	<b>92,687</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### Liquidity risk (Continued)

	GROUP			
	EFFECTIVE	LESS THAN	2 TO 5	TOTAL
	INTEREST RATE	1 YEAR	YEARS	
	%	\$'000	\$'000	\$'000
<b>Financial liabilities and derivative financial instruments</b>				
Trade and other payables	-	19,272	-	19,272
Bank borrowings	5.19	19,620	29,390	49,010
Derivative financial instruments	-	16	-	16
Lease liabilities	-	390	551	941
<b>As at 30 June 2024</b>		<b>39,298</b>	<b>29,941</b>	<b>69,239</b>
Trade and other payables	-	14,071	-	14,071
Bank borrowings	4.35	16,765	15,474	32,239
Derivative financial instruments	-	332	-	332
Lease liabilities	-	611	625	1,236
<b>As at 30 June 2023</b>		<b>31,779</b>	<b>16,099</b>	<b>47,878</b>
<b>Total net assets/(liabilities)</b>				
<b>As at 30 June 2024</b>		<b>36,230</b>	<b>(29,941)</b>	<b>6,289</b>
<b>As at 30 June 2023</b>		<b>60,908</b>	<b>(16,099)</b>	<b>44,809</b>
	COMPANY			
	EFFECTIVE	LESS THAN	2 TO 5	TOTAL
	INTEREST RATE	1 YEAR	YEARS	
	%	\$'000	\$'000	\$'000
<b>Financial assets and derivative financial instruments</b>				
Cash and cash equivalents	-	17,164	-	17,164
Amounts due from subsidiaries	-	72,359	-	72,359
Trade and other receivables	-	219	-	219
<b>As at 30 June 2024</b>		<b>89,742</b>	<b>-</b>	<b>89,742</b>
Cash and cash equivalents	-	38,171	-	38,171
Amounts due from subsidiaries	-	13,530	-	13,530
Trade and other receivables	-	219	-	219
<b>As at 30 June 2023</b>		<b>51,920</b>	<b>-</b>	<b>51,920</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### Liquidity risk (Continued)

	COMPANY			
	EFFECTIVE INTEREST RATE %	LESS THAN 1 YEAR \$'000	2 TO 5 YEARS \$'000	TOTAL \$'000
<b>Financial liabilities and derivative financial instruments</b>				
Trade and other payables		1,433	-	1,433
Amounts due to subsidiaries		36,922	-	36,922
Maximum amounts of financial guarantees		4,493	-	4,493
<b>As at 30 June 2024</b>		<b>42,848</b>	<b>-</b>	<b>42,848</b>
Trade and other payables	-	1,445	-	1,445
Maximum amounts of financial guarantees	-	3,843	-	3,843
<b>As at 30 June 2023</b>		<b>5,288</b>	<b>-</b>	<b>5,288</b>
<b>Total net assets</b>				
<b>As at 30 June 2024</b>		<b>46,894</b>	<b>-</b>	<b>46,894</b>
<b>As at 30 June 2023</b>		<b>46,632</b>	<b>-</b>	<b>46,632</b>

The Group's operations are financed mainly through equity, retained earnings and bank borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required. The repayment terms of the bank borrowings are disclosed in Notes 26 to these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 34. CATEGORIES OF FINANCIAL INSTRUMENTS

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	GROUP	
	2024 \$'000	2023 \$'000
<b>Financial assets</b>		
Derivative financial assets	10	-
<b>Financial assets measured at fair value through profit or loss</b>	10	-
Trade and other receivables (excluding prepayments)	47,550	30,942
Cash and cash equivalents	27,998	61,745
<b>Financial assets measured at amortised cost</b>	75,548	92,687
<b>Financial liabilities</b>		
Derivative financial liabilities	16	332
<b>Financial liabilities measured at fair value through profit or loss</b>	16	332
Trade and other payables	19,272	14,071
Bank borrowings	42,834	29,950
Lease liabilities	882	1,177
<b>Financial liabilities measured at amortised cost</b>	62,988	45,198
	COMPANY	
	2024 \$'000	2023 \$'000
<b>Financial assets</b>		
Amounts due from subsidiaries	72,359	13,530
Trade and other receivables (excluding prepayments)	219	219
Cash and cash equivalents	17,164	38,171
<b>Financial assets measured at amortised cost</b>	89,742	51,920
<b>Financial liabilities</b>		
Amounts due to subsidiaries	36,922	-
Trade and other payables	1,433	1,445
<b>Financial liabilities measured at amortised cost</b>	38,355	1,445

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 35. FAIR VALUE OF ASSETS AND LIABILITIES

The carrying amounts of cash and bank balances, trade and other receivables and payables, approximate their respective fair values due to the relative short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair values of applicable financial assets and financial liabilities are determined as follows:

- (a) Level 1 - the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).
- (b) Level 2 - in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/liabilities in non-active markets.
- (c) Level 3 - in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The table below analyses the Group's assets and liabilities that are measured at fair value on a recurring basis in the statement of financial position after initial recognition.

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000
<b>Recurring fair value measurements</b>			
<b>As at 30 June 2024</b>			
Derivative financial liabilities (Note 25)	-	(6)	-
<b>As at 30 June 2023</b>			
Derivative financial liabilities (Note 25)	-	(332)	-

### Level 2 - Derivative financial instruments

Valuation techniques with market observable inputs are used for the determination of the fair values of foreign currency forward contracts. The fair values of forward currency contracts are determined based on dealer quotes at the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024 (Continued)

## 36. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2024.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank balances. Total capital is calculated as equity plus net debts.

	2024 \$'000	2023 \$'000
Net debt	34,108	(17,724)
Total equity attributable to owners of the Company	163,393	180,844
Total capital	197,501	N.M.
Gearing ratio	17%	N.M.

The Group is in compliance with all externally imposed capital requirements for the financial year ended 30 June 2024 and 2023.

N.M. – Not meaningful

# SHAREHOLDERS' STATISTICS

As At 20 September 2024

ISSUED AND FULLY PAID-UP CAPITAL	: S\$61,616,154.57*
NUMBER OF SHARES ISSUED	: 623,825,811
CLASS OF SHARES	: ORDINARY SHARES
VOTING RIGHTS	: ONE (1) VOTE PER SHARE
NUMBER OF TREASURY SHARES AND SUBSIDIARY HOLDINGS	: NIL

**Note:**

\* This is based on records kept with the Accounting and Corporate Regulatory Authority and differs from the accounting records of S\$59,651,669 due to certain issue expense.

## DISTRIBUTION OF SHAREHOLDINGS

RANGE OF SHAREHOLDINGS	NUMBER OF SHAREHOLDERS	PERCENTAGE (%)	NUMBER OF SHARES	PERCENTAGE (%)
1 – 99	136	3.76	4,711	0.00
100 – 1,000	202	5.59	112,039	0.02
1,001 – 10,000	1,396	38.65	8,391,719	1.34
10,001 – 1,000,000	1,851	51.25	101,172,673	16.22
1,000,001 & above	27	0.75	514,144,669	82.42
<b>TOTAL</b>	<b>3,612</b>	<b>100.00</b>	<b>623,825,811</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NAME OF SHAREHOLDERS	NUMBER OF SHARES HELD	PERCENTAGE (%)
ZEN UG PTE. LTD.	156,537,713	25.09
CGS INTERNATIONAL SECURITIES SINGAPORE PTE LTD	147,115,213	23.58
RAYDION DIRECT GLOBAL INC	76,873,127	12.32
WONG SEE KEONG	29,387,243	4.71
PHILLIP SECURITIES PTE LTD	17,723,279	2.84
CITIBANK NOMINEES SINGAPORE PTE LTD	12,278,446	1.97
ANG BENG TECK	11,146,442	1.79
OCBC SECURITIES PRIVATE LTD	11,052,105	1.77
HENG SIEW ENG	8,958,866	1.44
DBS NOMINEES PTE LTD	5,991,478	0.96
IFAST FINANCIAL PTE LTD	4,813,655	0.77
MAYBANK SECURITIES PTE. LTD.	3,878,911	0.62
LEE JUN YIH	2,845,063	0.46
RAFFLES NOMINEES (PTE) LIMITED	2,750,546	0.44
JACK INVESTMENT PTE LTD	2,684,800	0.43
MOOMOO FINANCIAL SINGAPORE PTE. LTD.	2,345,881	0.38
TIGER BROKERS (SINGAPORE) PTE. LTD.	2,315,125	0.37
CHEN JIE	2,272,300	0.36
LEE JUN LINN	2,217,089	0.36
WANG CHI TUNG	2,078,999	0.33
	<b>505,266,281</b>	<b>80.99</b>



# SHAREHOLDERS' STATISTICS

As At 20 September 2024

## SUBSTANTIAL SHAREHOLDERS AS AT 20 SEPTEMBER 2024

(As recorded in the Register of Substantial Shareholders)

NAME	NUMBER OF SHARES HELD		TOTAL NUMBER OF SHARES HELD	PERCENTAGE (%)
	DIRECT INTEREST	DEEMED INTEREST		
Zen UG Pte. Ltd. <sup>(1)(2)</sup>	156,537,713	141,318,282	297,855,995	47.75
Raydion Direct Global Inc <sup>(1)</sup>	76,873,127	-	76,873,127	12.32
Lee Keck Keong	-	374,729,122	374,729,122	60.07
Sim Ai Cheng <sup>(3)</sup>	-	374,729,122	374,729,122	60.07
Lee Jun Yih	2,845,063	374,729,122	377,574,185	60.53
Lee Jun Linn	2,217,089	374,729,122	376,946,211	60.43

### Notes:

- (1) Lee Keck Keong, Sim Ai Cheng, Lee Jun Yih and Lee Jun Linn are deemed to be interested in all the shares held by Zen UG Pte. Ltd. and Raydion Direct Global Inc by virtue of Section 7 of the Companies Act.
- (2) Zen UG Pte. Ltd. is deemed to be interested in 141,318,282 shares of the Company registered under CGS-CIMB Securities (Singapore) Pte. Ltd.
- (3) Sim Ai Cheng is the spouse of Lee Keck Keong and the mother of Lee Jun Yih and Lee Jun Linn.
- (4) Any minor discrepancies in the percentage of shares are due to rounding.

## PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information provided and to the best knowledge of the Directors, approximately 34.41% of the issued ordinary shares of the Company is held in the hands of the public as at 20 September 2024 and therefore Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited is complied with.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of UG Healthcare Corporation Limited (the “Company”) will be held at YMCA @ One Orchard Road, Singapore 238824 on Tuesday, 29 October 2024 at 9.30 a.m. (the “AGM”) to transact the following business: -

## ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Auditors' Report thereon. [Resolution 1]
2. To re-elect Mr. Lee Jun Linn who is retiring pursuant to Regulation 104 of the Company's Constitution. [Resolution 2]  
[Explanatory Note (1)]
3. To re-elect Ms. Ng Lee Eng who is retiring pursuant to Regulation 108 of the Company's Constitution. [Resolution 3]  
[Explanatory Note (2)]
4. To note the retirement of Mr. Wong See Keong who is retiring, pursuant to Regulation 104 of the Company's Constitution, as Director of the Company and will not seek re-election. [Resolution 4]  
[Explanatory Note (3)]
5. To note the retirement of Mr. Yip Wah Pung and Mr. Ng Lip Chi, Lawrence pursuant to Rule 406(3)(d)(iv) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) (“Catalist Rules”). [Resolution 5]  
[Explanatory Note (4)]
6. To approve the payment of Directors' fees of up to S\$150,000.00 for the financial year ending 30 June 2025 (FY2024: S\$103,831.00). [Resolution 6]
7. To re-appoint Messrs Forvis Mazars LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. [Resolution 7]
8. To transact any other ordinary business which may be transacted at an annual general meeting.

## SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

### 9. Authority to allot and issue shares in the capital of the Company

That pursuant to Section 161 of the Companies Act, 1967 (“Companies Act”) and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) (“Catalist Rules”) and the Constitution of the Company, authority be and is hereby given to the Directors to:

- (a) (i) allot and issue shares in the capital of the Company (“Shares”), whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements, or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

# NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force, provided that:
- (i) the aggregate number of Shares and convertible securities to be issued (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution), does not exceed one hundred percent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and convertible securities to be issued (including Shares to be issued pursuant to the Instruments) other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
  - (ii) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (i) above, the percentage of Shares (excluding treasury shares and subsidiary holdings) that may be issued shall be based on the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) at the date of the passing of this Resolution, after adjusting for (a) new Shares arising from the conversion or exercise of convertible securities or (b) new Shares arising from the exercising of share options or vesting of share awards; provided that the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (c) any subsequent bonus, consolidation or subdivision of Shares. Adjustments in accordance with (a) or (b) are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;
  - (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, the Constitution for the time being of the Company; and
  - (iv) Unless previously revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

**[Explanatory Note (5)]**

**[Resolution 6]**

## 10. The Proposed Adoption of the 2024 Unigloves Employee Share Option Scheme

That the employee share option scheme to be known as the "2024 Unigloves ESOS" (the "**Scheme**"), the details and rules of which have been set out in the Appendix to Annual Report 2024 dated 14 October 2024 and Appendix A, be and is hereby approved and adopted substantially in the form set out in the Rules of 2024 Unigloves ESOS, and the Directors of the Company be and are hereby authorized:

- (a) to establish and administer the Scheme;
- (b) to modify and/or amend the Scheme from time to time provided that such modifications and/or amendments are effected in accordance with the rules of the Scheme and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme;

# NOTICE OF ANNUAL GENERAL MEETING

- (c) to offer and grant options (“**Options**”) in accordance with the Rules of the 2024 Unigloves ESOS and pursuant to Section 161 of the Companies Act, and to allot and issue and/or transfer from time to time such number of Shares as may be required to be issued and/or transferred pursuant to the exercise of these Options, provided always that the total number of Shares over which new Options may be granted on any date, when aggregated with (a) the total number of new Shares allotted and issued and/or to be allotted and issued pursuant to Options already granted under the Scheme, and (b) the total number of Shares issued and issuable and/or transferred or transferable in respect of all options or awards granted under any other share-based incentive schemes of the Company then in force, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding that grant date;
- (d) subject to the same being allowed by law, apply any share purchased or acquired under any share purchase mandate and to deliver such existing Shares (including any shares held in treasury) towards the satisfaction of Options granted and exercised under the 2024 Unigloves ESOS; and
- (d) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorized by this Resolution.

**[Explanatory Note (6)]**

**[Resolution 7]**

## 11. The Proposed Grant of Options at a Discount under the 2024 Unigloves ESOS

That subject to and contingent upon the passing of Ordinary Resolution 7, the Directors of the Company be and is hereby authorized to offer and grant Options under the 2024 Unigloves ESOS for the subscription of Shares at exercise prices which may, at the discretion of the Remuneration Committee authorized and appointed to administer the 2024 Unigloves ESOS, be set at a discount not exceeding twenty percent (20%) of the market price for the Shares prevailing at the date of grant of the respective Options (such market price to be determined in accordance with the Rules of the 2024 Unigloves ESOS), provided that such discount does not exceed the relevant limits set by the SGX-ST.

**[Resolution 8]**

## 12. The Proposed Adoption of the 2024 Unigloves Performance Share Plan

That the performance share plan to be known as “2024 Unigloves PSP” (the “**Plan**”) under which awards (the “**Awards**”) of fully paid-up Shares will be granted, free of payment, to selected employees and Directors (including Non-Executive Directors) of the Company and/or its subsidiaries who have contributed to the success and development of the Company, particulars of which are set out in the Appendix to Annual Report 2024 dated 14 October 2024 and Appendix B, be and is hereby approved and adopted, and that the Remuneration Committee of the Company for the time being, duly authorized and appointed by the Board of Directors of the Company, be and are hereby authorized:

- (a) to administer the Plan;
- (b) to modify and/or amend the Plan from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Plan and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Plan;
- (c) to offer and grant Awards in accordance with the Plan and to deliver existing Shares (including treasury shares) and to allot and issue such number of shares in the capital of the Company (“**Shares**”) as may be required to be allotted and issued pursuant to the Awards under the Plan, provided that the aggregate number of Shares when aggregated with (a) the total number of new Shares allotted and issued and/or to be allotted and issued pursuant to Awards already granted under the Plan, and (b) the total number of Shares issued and issuable and/or transferred or transferable in respect of all options or awards granted under any other share-based incentive schemes of the Company then in force, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time; and

# NOTICE OF ANNUAL GENERAL MEETING

- (d) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorized by this Resolution.

**[Explanatory Note (7)]**

**[Resolution 9]**

## 13. The Proposed Renewal of the Share Buy-back Mandate

That:

- (a) for the purposes of the Companies Act and the Catalist Rules of the SGX-ST, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Prescribed Limit (as hereafter defined) during the Relevant Period (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market acquisitions ("**Market Purchases**"), transacted on the SGX-ST or through any other securities exchange on which the Shares may, for the time being, be listed; and/or
- (ii) off-market acquisitions ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules,

and otherwise in accordance with all other provisions of the Companies Act and the Catalist Rules of the SGX-ST as may for the time being be applicable (the "**Share Buy-back Mandate**");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

- (i) the date on which the next annual general meeting is held or required by law to be held;
- (ii) the date on which Share Buy-backs have been carried out to the full extent mandated under the Share Buy-back Mandate; or
- (iii) the date on which the authority contained in the Share Buy-back Mandate is varied or revoked by the Shareholders in a general meeting;

Collectively known as the "**Relevant Period**"

- (c) in this Resolution:

"**Prescribed Limit**" means 10.0% of the total number of issued and paid-up Shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of passing of this Resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered, excluding any treasury shares, that may be held by the Company from time to time;

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (including brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

# NOTICE OF ANNUAL GENERAL MEETING

- (i) in the case of a Market Purchase, hundred and five percent (105.0%) of the Average Closing Price (as defined herein); and
- (ii) in the case of an Off-Market Purchase, pursuant to an equal access scheme, hundred and twenty percent (120.0%) of the Average Closing Price, where:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the Offer Date pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs during the relevant 5-day period and the day the Share purchases are made; and

“**Offer Date**” means the date on which the Company makes an offer for a Share Buy-back, stating therein the purchase price for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

**[Explanatory Note (8)]**

**[Resolution 10]**

By Order of the Board

Maureen Low  
Company Secretary

14 October 2024  
Singapore

## Explanatory Notes:

- (1) **Resolution 2** – Mr. Lee Jun Linn shall, upon re-election as a Director of the Company, remain as Executive Director and Chief Operating Officer. Further information on Mr. Lee Jun Linn can be found in the sections entitled “Board of Directors” and “Corporate Governance Report” in the Annual Report 2024.
- (2) **Resolution 3** – Ms. Ng Lee Eng shall, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee of the Company. The Board considers Ms. Ng Lee Eng to be independent pursuant to Rule 704(7) of the Catalist Rules. Further information on Ms. Ng Lee Eng can be found in the sections entitled “Board of Directors” and “Corporate Governance Report” in the Annual Report 2024.
- (3) Upon the retirement of Mr. Wong See Keong as Director of the Company at the conclusion of the AGM, he will be relinquishing his position as Executive Director.
- (4) Upon the retirement of Mr. Yip Wah Pung as Director of the Company at the conclusion of the AGM, he will be relinquishing his position as Non-Executive Chairman and Independent Director, Chairman of the Audit Committee as well as a member of the Remuneration Committee and Nominating Committee.  
  
Upon the retirement of Mr. Ng Lip Chi, Lawrence as Director of the Company, he will be relinquishing his position as Independent Director, Chairman of the Remuneration Committee as well as a member of the Audit Committee and Nominating Committee.
- (5) **Resolution 6** – This Resolution, if passed, will empower the Directors, effective until (i) the conclusion of the next annual general meeting, or (ii) the date by which the next annual general meeting of the Company is required by law to be held or (iii) the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue Shares, make of grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total, one hundred percent (100%) of issued share capital of the Company (excluding treasury shares and subsidiary holdings), of which up to fifty percent (50%) may be issued other than on a pro-rata basis to existing shareholders of the Company.
- (6) **Resolutions 7 and 8** – Please refer to the Appendix enclosed together with the Annual Report for more details.
- (7) **Resolution 9** – Please refer to the Appendix enclosed together with the Annual Report for more details.
- (8) **Resolution 10** – This Resolution, if passed, will empower the Directors of the Company from the date of the above annual general meeting to purchase or acquire Shares by way of Market Purchases or Off-Market Purchases, provided that the aggregate number of Shares to be purchased or acquired under the Share Buy-back Mandate does not exceed the Prescribed Limited, and at such price(s) as may be determined by the Directors of the Company from time to time up to but not exceeding the Maximum Price. The information relating to this Resolution is set out in the Appendix enclosed together with the Annual Report.

# NOTICE OF ANNUAL GENERAL MEETING

## Notes:

- The members of the Company are invited to **attend physically** at the AGM. **There will be no option for shareholders to participate virtually.** The Notice of AGM, Proxy Form, Request Form (to request for printed copy of the Annual Report and Appendix), the Annual Report and Appendix will be sent to members by electronic means via publication on the Company's website at <https://www.ughealthcarecorporation.com/investor-relation> and on the SGXNet at <https://www.sgx.com/securities/company-announcements>. Printed copies of the Notice, Proxy Form and Request Form will also be sent by post to members. Members who wish to receive a printed copy of the Annual Report and Appendix are required to complete the Request Form and return it to the Company by 22 October 2024:

- if submitted by post, be lodged at the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or
- if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited at [main@zicoholdings.com](mailto:main@zicoholdings.com).

## 2. Arrangements for participation in the AGM physically

Members (including Central Provident Fund ("CPF") Investment Scheme members ("CPFIS Investors") and/or Supplementary Retirement Scheme investors ("SRS Investors")) may participate in the AGM by:

- attending the AGM in person
- raising questions at the AGM or submitting questions in advance of the AGM; and/ or
- voting at the AGM
  - themselves personally; or
  - through their duly appointed proxy(ies).

CPFIS Investors and SRS investors who wish to appoint the Chairman of the AGM (and not third party prox(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **9.30 a.m. on 18 October 2024**, being seven (7) working days prior to the date of the AGM.

Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process.

- A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

- A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967:

- a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

- A member can appoint the Chairman of the Meeting as his/her/its proxy **but this is not mandatory.**

If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

- The Proxy Form must be submitted to in the following manner:

- if submitted by post, be lodged at the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or
- if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited at [main@zicoholdings.com](mailto:main@zicoholdings.com),

in either case, by the Registration Deadline, **26 October 2024, 9.30 a.m.**, being no later than seventy-two (72) hours before the time fixed for the AGM. A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.

The instrument appointing a proxy(ies) must be signed by the appointer or his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy(ies) is signed on behalf of the appointer by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

# NOTICE OF ANNUAL GENERAL MEETING

The Company shall be entitled to reject the instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument of proxy (such as in the case where the appointer submits more than one (1) instrument of proxy).

In the case of a member whose shares are entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument of proxy lodged if such member, being the appointer, is not shown to have any shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

7. Members may raise questions at the AGM or submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM. For members who would like to submit questions in advance of the AGM, they may do so by **22 October 2024, 9.30 a.m.**, as this will allow the Company sufficient time to address and respond to these questions on or before 23 October 2024 (not less than forty-eight (48) hours prior to the closing date and time for the lodgment of the proxy forms):

- (a) by email to [main@zicoholdings.com](mailto:main@zicoholdings.com) or;
- (b) by post to the registered office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896

Members submitting questions are requested to state: (a) their full name; and (b) the member's identification/ registration number, failing which the Company shall be entitled to regard the submission as invalid.

Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The responses will be published on SGXNet and the Company's corporate website. Where substantial and relevant questions submitted by members are unable to be addressed prior to the AGM, including any questions received by the Company after 22 October 2024, the Company will address them during the AGM.

8. The Directors will endeavour to address as many substantial and relevant questions as possible during the AGM. However, members should note that there may not be sufficient time available at the AGM to address all questions raised. Please note that individual responses will not be sent to members. The minutes of the AGM will be published on SGXNet and the Company's website at <https://www.ughealthcarecorporation.com/investorrelation> within one (1) month after the date of the AGM.
9. Members are reminded to check SGXNet for any latest updates on the status of the AGM.

## PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This notice has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor").*

*This notice 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 notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.*

*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.*



# APPENDIX

## APPENDIX DATED 14 OCTOBER 2024

**THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in any doubt about the contents herein or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

This appendix ("**Appendix**") is circulated to the shareholders of UG Healthcare Corporation Limited (the "**Company**"), together with the Company's annual report for the financial year ended 30 June 2024 (the "**Annual Report**"). The notice of the annual general meeting and the accompanying proxy form are enclosed with the Annual Report.

If you have sold or transferred all your shares in the capital of the Company held through the Central Depository (Pte) Limited ("**CDP**"), you need not forward this Appendix with the notice of annual general meeting and the attached proxy form to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix with the notice of annual general meeting and the attached proxy form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix, together with the notice of annual general meeting and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

*This Appendix has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").*

*This Appendix 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 Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.*

*The contact person for the Sponsor is Ms Charmian Lim (Telephone: 65 6232-3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*

## APPENDIX TO THE ANNUAL REPORT 2024

### IN RELATION TO

- (1) THE PROPOSED ADOPTION OF THE 2024 UNIGLOVES EMPLOYEE SHARE OPTION SCHEME;**
- (2) THE PROPOSED ADOPTION OF THE 2024 UNIGLOVES PERFORMANCE SHARE PLAN; AND**
- (3) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**

## DEFINITIONS

The following definitions apply throughout in this Appendix except where the context otherwise requires:

<b>“2014 Unigloves ESOS”</b>	:	The 2014 Unigloves Employee Share Option Scheme adopted on 11 November 2014
<b>“2014 Unigloves PSP”</b>	:	The 2014 Unigloves Performance Share Plan adopted on 11 November 2014
<b>“2024 Unigloves ESOS”</b>	:	The 2024 Unigloves Employee Share Option Scheme as proposed to be adopted at the 2024 AGM
<b>“2024 Unigloves PSP”</b>	:	The 2024 Unigloves Performance Share Plan as proposed to be renewed at the 2024 AGM
<b>“2024 Unigloves ESOS Rules”</b>	:	The rules of the 2024 Unigloves ESOS as set out in Appendix A to this Appendix and as may be amended or modified from time to time
<b>“2024 Unigloves PSP Rules”</b>	:	The rules of the 2024 Unigloves PSP as set out in Appendix B to this Appendix and as may be amended or modified from time to time
<b>“2024 AGM”</b>	:	The AGM to be held on 29 October 2024 at 9.30 a.m. at YMCA Singapore
<b>“ACRA”</b>	:	Accounting and Corporate Regulatory Authority of Singapore
<b>“AGM”</b>	:	The annual general meeting of the Company
<b>“Annual Report”</b>	:	The Company's annual report for the financial year ended 30 June 2024
<b>“Appendix”</b>	:	This appendix to Shareholders dated 14 October 2024
<b>“Approval Date”</b>	:	The date of the 2024 AGM, whereby the proposed adoption of the 2024 Unigloves ESOS, proposed adoption of the 2024 Unigloves PSP and proposed renewal of the Share Buy-back Mandate are sought
<b>“Associate”</b>	:	<p>(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:</p> <ul style="list-style-type: none"> <li>(i) his immediate family (being spouse, child, adopted child, step child, sibling and parent);</li> <li>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and</li> <li>(iii) any company in which he and his immediate family together (directly and indirectly) have an interest of 30.0% or more; and</li> </ul> <p>(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more</p>
<b>“Associated Company”</b>	:	A company in which at least 20.0% but not more than 50.0% of its shares are held by the Company or the Group
<b>“Award”</b>	:	A contingent award of Shares under the 2024 Unigloves PSP
<b>“Award Shares”</b>	:	The Shares which may be allotted or issued, or transferred from treasury, from time to time to a Plan Participant pursuant to the vesting of the Awards granted under the 2024 Unigloves PSP

<b>“Board”</b>	:	The board of directors of the Company from time to time
<b>“Catalist”</b>	:	The Catalist board of the SGX-ST
<b>“Catalist Rules”</b>	:	The Listing Manual (Section B: Rules of Catalist) of the SGX-ST, as amended, supplemented or modified from time to time
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Companies Act”</b>	:	The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time
<b>“Company”</b>	:	UG Healthcare Corporation Limited
<b>“Constitution”</b>	:	The constitution of the Company, as amend or modified from time to time
<b>“Controlling Shareholder”</b>	:	A person who: <ul style="list-style-type: none"> <li>(a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company. Notwithstanding, the SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or</li> <li>(b) in fact exercises control over the Company</li> </ul>
<b>“Director”</b>	:	The directors of the Company as at the date of this Appendix
<b>“EPS/(LPS)”</b>	:	Earnings/(Loss) per Share
<b>“Executive Director”</b>	:	A director who is employee of the Group and who performs an executive function
<b>“Exercise Price”</b>	:	The price at which a Scheme Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with the 2024 Unigloves ESOS
<b>“Grant Date” or “Date of Grant”</b>	:	In relation to an Award or an Option, the date on which the Award or Option is granted, as the case may be
<b>“Group”</b>	:	The Company and its subsidiaries as they may exist from time to time)
<b>“Group Employees”</b>	:	A confirmed employee of the Group, including an Executive Director
<b>“Independent Directors”</b>	:	An independent Director of the Company
<b>“Incentive Option”</b>	:	An Option granted with the Exercise Price set at a discount to the Market Price, subject to the maximum discount under the rules of the 2024 Unigloves ESOS
<b>“FY”</b>	:	Financial year ended or ending 30 June (as the case may be)
<b>“Latest Practicable Date”</b>	:	20 September 2024, being the latest practicable date prior to the printing of this Appendix
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Market Price”</b>	:	A price equal to the average of the closing market prices of the Shares over a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares were not traded on the SGX-ST, the closing market price for the Shares on such Market Day shall be deemed to be the closing Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices

<b>“Market Price Option”</b>	:	An Option granted with the Exercise Price set at the Market Price
<b>“NAV”</b>	:	Net asset value
<b>“Non- Executive Director”</b>	:	A Director of the Company who does not perform an executive function, including an Independent Director, as the case may be
<b>“Notice of AGM”</b>	:	The notice of AGM of the Company as set out in pages 160 to 166 of the Annual Report
<b>“NTA”</b>	:	Net tangible assets
<b>“Option”</b>	:	The right to subscribe for Shares granted or to be granted to a Scheme Participant pursuant to the 2024 Unigloves ESOS
<b>“Ordinary Resolution”</b>	:	The ordinary resolution as set out in the Notice of AGM
<b>“Performance Condition”</b>	:	In relation to performance-related Award, the condition specified on the Grant Date in relation to that Award
<b>“Plan Participant”</b>	:	The person(s) who has been granted an Award pursuant to the 2024 Unigloves PSP
<b>“Relevant Period”</b>	:	The period commencing from the Approval Date whereby the ordinary resolution in relation to the renewal of the Share Buy-back Mandate is passed and expiring on the earliest of (i) the date on which the next AGM is or is required by law or the Constitution to be held; (ii) the date on which the Share Buy-backs are carried out to the full extent mandated; or (iii) the date the said mandate is revoked or varied by the Shareholders in a general meeting
<b>“Remuneration Committee”</b>	:	The remuneration committee of the Company from time to time
<b>“Scheme Participant”</b>	:	The person(s) who has been granted an Option pursuant to the 2024 Unigloves ESOS
<b>“Securities Account”</b>	:	Securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<b>“SFRS(I) 2”</b>	:	The Singapore Financial Reporting Standard (International) 2 – Share-based Payment
<b>“Securities and Futures Act”</b>	:	Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“SGXNet”</b>	:	Singapore Exchange Network, the system network used by listed companies to send information and announcements to the SGX-ST, or any other system networks prescribed by the SGX-ST
<b>“Share Buy-back(s)”</b>	:	The purchase or acquisition by the Company of its own issued and fully paid up Shares
<b>“Share Buy-back Mandate”</b>	:	The proposed mandate to authorise the Directors to exercise all powers of the Company to carry out Share Buy-backs, the terms of which are set out in this Appendix
<b>“Shareholders”</b>	:	Persons who are registered as holders of the Shares in the Register of Members maintained by the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts maintained with the CDP are credited with Shares
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company

<b>“SIC”</b>	:	The Securities Industry Council of Singapore
<b>“Sponsor”</b>	:	SAC Capital Private Limited
<b>“Subsidiary holdings”</b>	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
<b>“Substantial Shareholder”</b>	:	A person who has an interest in Shares representing not less than 5.0% of the total votes attached to all the Shares
<b>“Take-over Code”</b>	:	The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents respectively
<b>“%”</b>	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term **“treasury shares”** shall have the meaning ascribed to it in Section 4 of the Companies Act. The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Take-over Code, the Securities and Futures Act or the Catalist Rules or any modification thereof and used in this Appendix shall, unless provided otherwise, have the same meaning ascribed to it under the Companies Act, the Take-over Code, the Securities and Futures Act or the Catalist Rules (or any modification thereof, as the case may be).

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day and dates in this Appendix shall be a reference to Singapore time and dates, unless otherwise stated.

**Board of Directors:**

Mr. Yip Wah Pung (Non-Executive Chairman and Independent Director)  
 Mr. Lee Keck Keong (Executive Director and Chief Executive Officer)  
 Mr. Lee Jun Yih (Executive Director and Finance Director)  
 Mr. Wong See Keong (Executive Director)  
 Mr. Lee Jun Linn (Executive Director and Chief Operating Officer)  
 Mr. Ng Lip Chi, Lawrence (Independent Director)  
 Ms. Ng Lee Eng (Independent Director)

14 October 2024

To: The Shareholders of UG Healthcare Corporation Limited

Dear Sir / Madam,

**Registered Office:**

38 Beach Road  
 #29-11  
 South Beach Tower  
 Singapore 189767

**1. INTRODUCTION**

1.1. The Directors wish to refer Shareholders to the notice of AGM which has been announced on the same date as the date of this Appendix in relation to the 2024 AGM (the **"Notice of AGM"**).

- (a) The proposed Resolution 7 in the Notice of AGM relates to the proposed adoption of the 2024 Unigloves ESOS as set out in Section 2 below.
- (b) The proposed Resolution 8 in the Notice of AGM relates to the proposed grant of options at a discount under the 2024 Unigloves ESOS as set out in Section 2 below.
- (c) The proposed Resolution 9 in the Notice of AGM relates to the proposed adoption of the 2024 Unigloves PSP as set out in Section 3 below.
- (d) The proposed Resolution 10 in the Notice of AGM relates to the proposed renewal of the Share Buy-back Mandate as set out in Section 4 below.

1.2. Conditionality of the Resolutions

The Directors wish to highlight that Resolution 8, is conditional upon the passing of Resolution 7. This means that if Resolution 7 is not approved, Resolution 8, would not be passed.

1.3. The purpose of this Appendix is to provide Shareholders with information relating to, and to seek Shareholders' approval at the 2024 AGM for, the proposed adoption of the 2024 Unigloves ESOS, the proposed grant of options at a discount under the 2024 Unigloves ESOS, the proposed adoption of the 2024 Unigloves PSP, and the proposed renewal of the Share Buy-back Mandate.

1.4. The SGX-ST assumes no responsibility for the accuracy of any statements made or opinions expressed or reports contained in this Appendix.

**2. THE PROPOSED ADOPTION OF THE 2024 UNIGLOVES EMPLOYEE SHARE OPTION SCHEME****2.1 Background**

2.1.1 The 2014 Unigloves ESOS, which was adopted on 11 November 2014 is expiring on 10 November 2024. The Company is proposing to adopt a new employee share option scheme, the 2024 Unigloves ESOS, on substantially the same terms

as the 2014 Unigloves ESOS. The 2024 Unigloves ESOS shall come into effect on Approval Date. Further details of the 2014 Unigloves ESOS can be found in the Company's offer document dated 28 November 2014.

In general, Group Employees (including Executive Directors) and Non-Executive Directors (including Independent Directors) of the Group, shall be eligible to participate in the 2024 Unigloves ESOS. Controlling Shareholders of the Company or Associates of such Controlling Shareholders will not be eligible to participate. All participation is subject to the rules of the 2024 Unigloves ESOS (the "2024 Unigloves ESOS Rules") set out in **Appendix A**.

The Company will make the necessary application(s) for the listing and quotation of the new Shares to be issued pursuant to the 2024 Unigloves ESOS upon obtaining shareholders' approval of the 2024 Unigloves ESOS at the AGM. The relevant conditions of the in-principle approval of the SGX-ST to be sought by the Company through the Sponsor shall be disclosed in the announcement on the receipt of the listing and quotation notice. The approval of the SGX-ST shall not be taken as an indication of the merits of the 2024 Unigloves ESOS.

2.1.2. Pursuant to Rule 860 of the Catalist Rules, the following are the details of the Options granted under the 2014 Unigloves ESOS:

<b>Details of Options granted under the 2014 Unigloves ESOS</b>	
Total number of Options granted	4,320,000
Total number of Options lapsed	170,000
Total number of Shares allotted	1,400,000 (representing 0.2% of the total issued Shares as at the Latest Practicable Date)
Total number of Options outstanding	2,750,000 (representing 0.4% of the total issued Shares as at the Latest Practicable Date)
Number of participants	12
Material conditions	Nil

Save as disclosed above, no other Options were granted under the 2014 Unigloves ESOS and no Options were granted to Directors, Controlling Shareholders and their Associates.

## 2.2. Rationale for the 2024 Unigloves ESOS

The Company hopes to create a long-term share incentive scheme which allows flexibility in tailoring reward and performance incentive packages.

The 2024 Unigloves ESOS enables the Company to give recognition to contributions by Group Employees (including Executive Directors) and Non-Executive Directors (including Independent Directors) who are important to the success and continued well-being of the Group. At the same time, it provides the Scheme Participants an opportunity to have a direct interest in the Company which may also help to achieve the following positive objectives:

- (a) to motivate Scheme Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instil loyalty to, and a stronger identification by Scheme Participants with the long-term prosperity of, the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
- (e) to align the interests of Scheme Participants with the interests of the Shareholders.

## 2.3. Overview of the 2024 Unigloves ESOS

The 2024 Unigloves ESOS operates on substantially the same mechanisms and features of the 2014 Unigloves ESOS. The 2024 Unigloves ESOS Rules are in compliance with the Catalyst Rules relating to share schemes. The 2024 Unigloves ESOS Rules are set out in **Appendix A**.

### 2.3.1 Eligibility

The following persons shall be eligible to participate in the 2024 Unigloves ESOS:

- (a) Group Employees (including Executive Directors); and
- (b) Non-Executive Directors (including Independent Directors) of the Group.

Scheme Participants must have attained the age of 21 years on or before the Date of Grant, are not undischarged bankrupts and have not entered into a composition with their respective creditors to be eligible.

The Controlling Shareholders of the Company, Mr. Lee Keck Keong, Mr. Lee Jun Yih and Mr. Lee Jun Linn, have declined to be considered for participation in the 2024 Unigloves ESOS. Accordingly, Controlling Shareholders and their Associates will not be eligible to participate in the 2024 Unigloves ESOS.

### 2.3.2 Scheme Administration

The 2024 Unigloves ESOS shall be administered by the Remuneration Committee.

The Remuneration Committee may consist of Directors (including Directors or persons who may be participants of the 2024 Unigloves ESOS). A member of the Remuneration Committee who is also a participant of the 2024 Unigloves ESOS must not be involved in its deliberation in respect of Options granted or to be granted to him.

### 2.3.3 Size of the 2024 Unigloves ESOS

The aggregate number of Shares which may be issued and issuable or transferred and transferrable pursuant to the exercise of Options to be granted under the 2024 Unigloves ESOS, on any date, when aggregated with:

- (a) the total number of Shares issued and issuable or transferred and to be transferred in respect of Options already granted under the 2024 Unigloves ESOS; and
- (b) the total number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company then in force;

shall not exceed 15% of the total number of issued Shares (excluding Shares held by the Company as treasury shares and subsidiary holdings from time to time, if any) on the day immediately preceding the Grant Date.

The Company believes that this 15% limit gives the Company sufficient flexibility to decide the number of Options to offer to the Scheme Participants. The number of eligible Scheme Participants is expected to grow over the years. The Company, in line with its goals of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of the talent pool which may involve employing new employees. The employee base, and thus the number of eligible Scheme Participants, will increase as a result. If the number of Options available under the 2024 Unigloves ESOS is limited, the Company may only be able to grant a small number of Options to each eligible participant which may not be a sufficiently attractive incentive. The Company is of the opinion that it should have sufficient number of Options to offer to new employees as well as to existing employees. The number of Options offered must also be significant enough to serve as a meaningful reward for contributions to the Group. However, it does not necessarily mean that the Remuneration Committee will definitely issue Options up to the prescribed limit. The Remuneration Committee shall exercise its discretion in deciding the number of Options to be granted to each Scheme Participant, which will depend on the performance and value of the Scheme Participant to the Group.



By way of illustration, as at the Latest Practicable Date, the Company's total issued share capital comprised 623,825,811 Shares and there were no treasury shares and subsidiary holdings. Based on this, the maximum number of Shares that the Company may make available under the 2024 Unigloves ESOS and any other share-based incentive schemes of the Company is 93,573,871 Shares, i.e. 15% of 623,825,811 Shares.

#### 2.3.4 Option entitlements

The aggregate number of Shares comprised in any Options to be offered to a Scheme Participant shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account (where applicable) criteria such as rank, past performance, years of service and potential for future development of that Scheme Participant and performance of the Group.

#### 2.3.5 Options, exercise period and Exercise Price

The Options that are granted under the 2024 Unigloves ESOS may have Exercise Prices that are, at the Remuneration Committee's discretion, set at a price equal to the Market Price immediately preceding the Grant Date or at a discount to the Market Price (subject to a maximum discount of 20%). Market Price Options may be exercised after the first anniversary of the Grant Date while Incentive Options may be exercised after the second anniversary from the Grant Date. Options granted under the 2024 Unigloves ESOS will have a life span of up to 10 years.

#### 2.3.6 Grant of Options

Under the rules of the 2024 Unigloves ESOS, there are no fixed periods for the grant of Options. As such, offers of the grant of Options may be made at any time from time to time during the duration of the 2024 Unigloves ESOS, and at the discretion of the Remuneration Committee.

However, no Options shall be granted during the period of (i) 30 days immediately preceding the date of announcement of the Company's half-year and full-year financial statements or (ii) 14 days immediately preceding the date of announcement of the Company's financial statements for each of the first three quarters of its financial year, in the event that the Company adopts quarterly reporting (as the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price or trade sensitive information is imminent, offers may only be made on or after the third Market Day on which the aforesaid announcement is made.

#### 2.3.7 Termination of Options

Options may lapse or be exercised earlier in circumstances which include the termination of the Scheme Participant's employment in the Group, the bankruptcy of the Scheme Participant, the death of the Scheme Participant, a take-over of the Company, and the winding-up of the Company.

#### 2.3.8 Acceptance of Options

The grant of Options shall be accepted within 30 days from the Date of Grant. Offers of Options made to a Scheme Participant, if not accepted before the closing date, will lapse. Upon acceptance of the offer, the Scheme Participant must pay the Company a consideration of S\$1.00 or such amount as the Remuneration Committee may decide.

#### 2.3.9 Rights of Shares arising from the exercise of Options

Subject to the prevailing legislation, the Company will deliver Shares to Scheme Participants upon exercise of their Options by way of either (i) an issue of new Shares; or (ii) a transfer of Shares then held by the Company in treasury.

In determining whether to issue new Shares to Scheme Participants upon exercise of their Options, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of issuing new Shares or delivering existing Shares.

The financial effects of the above methods are discussed below.

New Shares arising from the exercise of Options are subject to the provisions of the Company's Constitution. New Shares allotted and issued, and existing Shares procured by the Company for transfer, upon the exercise of an Option shall rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or distributions, the record date for which is prior to the relevant exercise date of the Option.

#### 2.3.10. Duration of the 2024 Unigloves ESOS

The 2024 Unigloves ESOS shall continue in operation for a maximum period of ten (10) years commencing from Approval Date, provided that the 2024 Unigloves ESOS may continue for any further period thereafter with the approval of the Shareholders by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

#### 2.3.11. Abstention from voting

Shareholders who are eligible to participate in the 2024 Unigloves ESOS are to abstain from voting on any shareholders' resolution relating to the 2024 Unigloves ESOS and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, all Shareholders who are eligible to participate in the 2024 Unigloves ESOS shall abstain from voting on the following resolutions, where applicable: (a) implementation of the 2024 Unigloves ESOS; (b) the maximum discount which may be given in respect of any Option; and (c) participation by and grant of Options to Controlling Shareholders and their Associates.

### 2.4. Adjustments and Alterations under the 2024 Unigloves ESOS

The following describes the adjustment events under, and provisions relating to alterations of, the 2024 Unigloves ESOS.

#### 2.4.1. Adjustment events

If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution, or otherwise) shall take place, then:

- (a) the Exercise Price for the Shares comprised in the Option to the extent unexercised; and/or
- (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (c) the maximum entitlement in any one financial year; and/or
- (d) the class and/or number of Shares in respect of which additional Options may be granted to Scheme Participants,

shall be adjusted in such manner as the Remuneration Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Scheme Participant receives a benefit that a Shareholder does not receive.

The issue of securities as consideration for an acquisition or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force shall not normally be regarded as a circumstance requiring adjustment, unless the Remuneration Committee considers an adjustment to be appropriate.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Company's auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

#### 2.4.2. Modifications or alterations to the 2024 Unigloves ESOS

The 2024 Unigloves ESOS may be modified and/or altered from time to time by a resolution of the Remuneration Committee, subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Options granted prior to such modification or alteration except with the written consent of such number of Scheme Participants under the 2024 Unigloves ESOS who, if their Options were exercised in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would be issued and allotted or transferred in full of all outstanding Options under the 2024 Unigloves ESOS.

No alteration shall be made to particular rules of the 2024 Unigloves ESOS to the advantage of the holders of the Options except with the prior approval of Shareholders in general meeting.

## 2.5 Reporting requirements

2.5.1 Under the Catalist Rules, an immediate announcement must be made on the Date of Grant of an Option and the announcement must provide details of the grant, including the following:

- (a) Date of Grant;
- (b) Exercise Price of the Options granted;
- (c) number of Options granted;
- (d) market price of the Shares on the Date of Grant;
- (e) number of Options granted to each Director and Controlling Shareholder (and each of their Associates), if any; and
- (f) the validity period of the Options.

2.5.2 The following disclosures (as applicable) will be made by the Company in our annual report for so long as the 2024 Unigloves ESOS continues in operation:

- (a) the names of the members of the committee administering the 2024 Unigloves ESOS;
- (b) the information required in the table below for the following Scheme Participants of the 2024 Unigloves ESOS:
  - (i) Directors of the Company;
  - (ii) Controlling Shareholders and their Associates; and
  - (iii) Participants (other than those in paragraphs (b)(i) and (ii) above) who have received 5% or more of the total number of Shares available under the 2024 Unigloves ESOS:

Name of participant	Options granted under the 2024 Unigloves ESOS during the financial year under review (including terms)	Aggregate Options granted since commencement of the Unigloves ESOS to end of financial year under review	Aggregate Options outstanding as at the end of the financial year under review

- (c) the number and proportion of Options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted; and
- (d) such other information as may be required by the Catalist Rules or the Companies Act,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included herein.

## 2.6. Grant of Options with a discounted Exercise Price

The ability to offer Incentive Options to Scheme Participants under the 2024 Unigloves ESOS, including the flexibility in determining the quantum of discounts would enable the Remuneration Committee to tailor the incentives to be commensurate with the performance and contribution of each individual Scheme Participant. By individually recognising the degree of performance and contribution of each Scheme Participant, the granting of Incentive Options at a commensurate discount would enable the Remuneration Committee to provide incentives for, amongst others, better performance, greater dedication and loyalty.

At present, the Company foresees that Options may be granted with a discount principally in the following circumstances:

- (a) Firstly, where it is considered more effective to reward and retain talented employees by way of an Incentive Option rather than a Market Price Option. This is to reward the outstanding performers who have contributed significantly to the Group's performance and the Incentive Option serves as additional incentives to Scheme Participants. Options granted by the Company on the basis of market price may not be attractive and realistic in the event of an overly buoyant market and inflated share prices. Hence, during such period, the ability to offer such Options at a discount would allow the Company to grant Options on a more realistic and economically feasible basis. Furthermore, Options granted at a discount will give an opportunity to Scheme Participants to realise some tangible benefits even if external events cause the share price to remain largely static.
- (b) Secondly, where it is more meaningful and attractive to acknowledge a Scheme Participant's achievements through an Incentive Option rather than paying him a cash bonus. For example, Options granted at a discount may be used to compensate Scheme Participants and to motivate them during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements. Accordingly, it is possible that merit-based cash bonuses or rewards may be combined with grants of Market Price Options or Incentive Options, as part of eligible compensation packages. The 2024 Unigloves ESOS will provide Scheme Participants with an incentive to focus more on improving the profitability of the Group thereby enhancing shareholder value when these are eventually reflected through the price appreciation of the Shares after the vesting period.
- (c) Thirdly, where due to speculative forces and having regard to the historical performance of the Share price, the market price of the Shares at the time of the grant of the Options may not be reflective of financial performance indicators such as return on equity and/or earnings growth.

The Remuneration Committee will have the absolute discretion to grant Options where the Exercise Price is discounted, to determine the level of discount (subject to a maximum discount of 20% of the Market Price) and the Scheme Participants to whom, and the Options to which, such discount in the Exercise Price will apply provided that the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the 2024 Unigloves ESOS at a discount not exceeding the maximum discount as aforesaid.

In deciding whether to give a discount and the quantum of such discount (subject to the aforesaid limit), the Remuneration Committee will have regard to the financial and other performance of the Company and the Group, the years of service and individual performance of the Scheme Participants, the contribution of the Scheme Participants to the success and development of the Group and the prevailing market conditions.

The Company may also grant Options at the Market Price. Additionally, the Company may, if it deems fit, impose conditions on the exercise of the Options, such as restricting the number of Shares for which the Option may be exercised during the initial years following its vesting.

## 2.7. Rationale for participation of Non-Executive Directors (including Independent Directors) of the Group in the 2024 Unigloves ESOS

Although the Non-Executive Directors (including Independent Directors) of the Group are not involved in the day-to-day running of the Group's business, they nonetheless play an invaluable role in furthering the business interests of the Group

by contributing their experience and expertise. The participation by the Non-Executive Directors (including Independent Directors) of the Group in the 2024 Unigloves ESOS will provide the Company with a further avenue to acknowledge and recognise their services and contributions to the Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment.

In order to minimise any potential conflict of interests and not to compromise the independence of the Independent Directors, the Company intends to grant a relatively small percentage of the total Options that would be granted under the 2024 Unigloves ESOS and such other share-based incentive schemes of the Company then in force to such Independent Directors.

As a safeguard, the Non-Executive Directors will abstain from making any recommendation as a Director and abstain from voting on any resolution in relation to their participation in the 2024 Unigloves ESOS or the grant of Options to them.

## 2.8. Financial effects of the 2024 Unigloves ESOS

### (a) Potential Cost of Options

The 2024 Unigloves ESOS will increase the issued share capital to the extent of the new Shares that will be issued and allotted pursuant to the exercise of Options. Under SFRS(I) 2, the fair value of employee services received in exchange for the grant of the Options would be recognised as an expense. For equity-settled share-based payment transactions, the total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each Option granted at the Grant Date and the number of Options vested by vesting date, with a corresponding increase in equity.

Before the end of the vesting period, at each balance sheet date, the estimates of the number of Options that are expected to vest by the vesting date is revised, and the impact of this revision is recognised in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement would be made. The proceeds net of any directly attributable transaction costs are credited to the share capital when the Options are exercised.

During the vesting period, the consolidated earnings per share would be reduced by both the expenses recognised and the potential ordinary shares to be issued under 2024 Unigloves ESOS. When the Options are exercised, the consolidated NTA will be increased by the amount of cash received for exercise of the Options. On a per share basis, the effect is accretive if the Exercise Price is above the NTA per share but dilutive otherwise.

There will be no cash outlay expended at the time of grant of such Options as compared to the payment of cash bonuses. However, as Shareholders may be aware, any Options granted to subscribe for new shares (whether the Exercise Price is set at Market Price or otherwise) have a fair value at the time of grant. The fair value of an Option is an estimate of the amount that a willing buyer would pay a willing seller for the Option on the Grant Date. Options are granted to Scheme Participants at a nominal consideration of S\$1.00. Insofar as such Options are granted at a consideration that is less than their fair value at the time of grant, there will be a cost to the Company in that the Company will receive from the participant upon the grant of the Option a consideration that is less than the fair value of the Option.

### (b) Share capital

The 2024 Unigloves ESOS will result in an increase in the Company's issued share capital when new Shares are issued to participants. The number of new Shares issued will depend on, inter alia, the size of the Options granted under the 2024 Unigloves ESOS. Whether and when the Options granted under the 2024 Unigloves ESOS will be exercised will depend on the Exercise Price of the Options, when the Options will vest as well as the prevailing trading price of the Shares. In any case, the 2024 Unigloves ESOS provides that the number of Shares to be issued or transferred under the 2024 Unigloves ESOS, when aggregated with the aggregate number of Shares over which Options or awards are granted under any other share option schemes or share schemes of the Company then in force, will be subject to the maximum limit of 15% of the Company's total number of issued Shares (excluding Shares held by the Company as treasury shares) from time to time. If instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the 2024 Unigloves ESOS will have no impact on the Company's issued share capital.

(c) NTA

As described in paragraph (d) below on EPS, the grant of Options will be recognised as an expense, the amount of which will be computed in accordance with IFRS(I) 2. When the Options are exercised, the consolidated NTA will be increased by the amount of cash received for exercise of the Options. On a per share basis, the effect is accretive if the Exercise Price is above the NTA per share but dilutive otherwise. However, if instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the NTA would be impacted by the cost of the Shares purchased.

(d) EPS

Without taking into account earnings that may be derived by the Company from the use of the proceeds from the issuance of Shares pursuant to the exercise of Options granted under the 2024 Unigloves ESOS, any new Shares issued pursuant to any exercise of the Options will have a dilutive impact on the Company's EPS.

(e) Dilutive impact

It is expected that any dilutive impact of the 2024 Unigloves ESOS on the NTA and EPS would not be significant.

### 3. THE PROPOSED ADOPTION OF THE 2024 UNIGLOVES PERFORMANCE SHARE PLAN

#### 3.1. Background

3.1.1. The 2014 Unigloves PSP which was adopted on 11 November 2014 is expiring on 10 November 2024. The Company is proposing to adopt a new performance share plan, the 2024 Unigloves PSP, on substantially the same terms as the 2014 Unigloves PSP. The 2024 Unigloves PSP shall come into effect on Approval Date. Further details of the 2014 Unigloves PSP can be found in the Company's offer document dated 28 November 2014.

In general, Group Employees (including Executive Directors) and Non-Executive Directors (including Independent Directors) of the Group shall be eligible to participate in the 2024 Unigloves PSP. Controlling Shareholders and their Associates will not be eligible to participate. All participation is subject to the rules of the 2024 Unigloves PSP (the "2024 Unigloves PSP Rules") set out in **Appendix B**.

The Company will make the necessary application(s) for the listing and quotation of the new Shares to be issued pursuant to the 2024 Unigloves PSP upon obtaining shareholders' approval of the 2024 Unigloves PSP at the AGM. The relevant conditions of the in-principle approval of the SGX-ST to be sought by the Company through the Sponsor shall be disclosed in the announcement on the receipt of the listing and quotation notice. The approval of the SGX-ST shall not be taken as an indication of the merits of the 2024 Unigloves PSP.

3.1.2. From the adoption of the 2014 Unigloves PSP on 11 November 2014 to the Latest Practicable Date of the Appendix, no Awards were granted under the 2014 Unigloves PSP. Accordingly, no Awards were granted to Directors, Controlling Shareholders and their Associates.

#### 3.2. Rationale for the 2024 Unigloves PSP

The 2024 Unigloves PSP contemplates the award of fully-paid Shares to Plan Participants after certain pre-determined benchmarks have been met. The Company believes that the 2024 Unigloves PSP will be more effective and rewarding than pure cash bonuses in motivating employees to work towards pre-determined goals of the Company.

The Company continues to believe that attracting and retaining outstanding individuals as employees is paramount to the Group's long-term objective of achieving continuous growth, expansion and profitability in its business and operations. It is hoped that through the implementation of the 2024 Unigloves PSP concurrently with the 2024 Unigloves ESOS, the Company

will be able to remain an attractive and competitive employer and be better positioned to manage its fixed overhead costs without compromising on performance standards and efficiency.

The Company further believes that the 2024 Unigloves PSP will complement the 2024 Unigloves ESOS and serve as an additional and flexible incentive tool for the Group. With the 2024 Unigloves PSP and the 2024 Unigloves ESOS, the Company will be able to tailor share-based incentives according to the objectives to be achieved by combining Awards under the 2024 Unigloves PSP with the grant of Options under the 2024 Unigloves ESOS. In addition, it will allow the Company greater flexibility to align the interests of both Plan Participants and Scheme Participants, especially key executives and senior management of the Group, with the interests of Shareholders.

With that in mind, the 2024 Unigloves PSP aims to:

- (a) give recognition to contributions made or to be made by Plan Participants by introducing a variable component into their remuneration package based on the principle of pay-for-performance;
- (b) motivate Plan Participants to achieve higher efficiency and productivity and improve the performance of the Group and its businesses, as may be reflected in the price of Shares and with the view of aligning their interests to those of Shareholders;
- (c) provide an opportunity for Plan Participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Plan Participants towards the Group with a view to building a core group of talented Group Employees; and
- (d) increase the competitiveness of the Group by giving it the option to use the 2024 Unigloves PSP a component in its remuneration and incentive package to attract and retain key Group Employees whose contributions are important to the growth and profitability of the Group.

### 3.3. Overview of the 2024 Unigloves PSP

#### 3.3.1. General

The 2024 Unigloves PSP operates on substantially the same mechanisms and features of the 2014 Unigloves PSP. The 2024 Unigloves PSP Rules are in compliance with the Catalist Rules relating to share schemes. The 2024 Unigloves PSP Rules are set out in **Appendix B**.

It is envisaged that Awards granted under the 2024 Unigloves PSP are principally performance-based with performance targets to be set over a performance period and may vary from one performance period to another performance period and from one grant to another grant. Performance targets set by the Remuneration Committee are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. Such Performance Conditions will be set according to the specific roles of each Plan Participant, and may differ from participant to participant. The performance targets are stretched targets aimed at sustaining long-term growth. These targets will be tied in with the Company's corporate key performance indicators including but not limited to market valuation, profitability and safety record of a particular project.

#### 3.3.2. Eligibility

The following persons shall be eligible to participate in the 2024 Unigloves PSP:

- (a) Group Employees (including Executive Directors); and
- (b) Non-Executive Directors (including Independent Directors) of the Group.

Plan Participants must have attained the age of 21 years on or before the Date of Grant, are not undischarged bankrupts and have not entered into a composition with their respective creditors to be eligible.

The Controlling Shareholders of the Company, Mr. Lee Keck Keong, Mr. Lee Jun Yih and Mr. Lee Jun Linn, have declined to be considered for participation in the 2024 Unigloves PSP. Accordingly, Controlling Shareholders and their Associates will not be eligible to participate in the 2024 Unigloves PSP.

### 3.3.3. Administration of the 2024 Unigloves PSP

The 2024 Unigloves PSP shall be administered by the Remuneration Committee with powers to determine, inter alia, the following:

- (a) persons to be granted Awards;
- (b) number of Shares which are the subject of the Awards;
- (c) Performance Conditions and vesting periods of the Awards; and
- (d) recommendations for modifications to the 2024 Unigloves PSP.

The Remuneration Committee may consist of Directors (including Directors or persons who may be participants of the 2024 Unigloves PSP). A member of the Remuneration Committee who is also a participant of the 2024 Unigloves PSP must not be involved in its deliberation in respect of Awards granted or to be granted to him.

The Remuneration Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Remuneration Committee shall have the right to make computational adjustments to the audited results of the Company or our Group, to take into account such factors as the Remuneration Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if the Remuneration Committee decides that a properly adjusted performance target would be a fairer measure of performance.

### 3.3.4. Size of the 2024 Unigloves PSP

The aggregate number of Shares which may be issued and issuable or transferred and transferrable pursuant to Awards granted under the 2024 Unigloves PSP on any date, when aggregated with:

- (a) the total number of Shares issued and issuable or transferred and transferrable pursuant to Awards already granted under the 2024 Unigloves PSP; and
- (b) the total number of Shares issued and issuable or transferred and transferrable in respect of options or awards granted under any other share option schemes or share schemes of the Company then in force;

shall not exceed 15% of the total number of issued Shares (excluding Shares held by the Company as treasury shares and subsidiary holdings from time to time, if any) on the day preceding the Grant Date.

The Company believes that this 15% limit gives the Company sufficient flexibility to decide the number of Awards to offer to the Plan Participants. The number of eligible Plan Participants is expected to grow over the years. The Company, in line with its goals of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of the talent pool which may involve employing new employees. The employee base, and thus the number of eligible Plan Participants, will increase as a result. However, it does not necessarily mean that the Remuneration Committee will issue Awards up to the prescribed limit.

By way of illustration, as at the Latest Practicable Date, the Company's total issued share capital comprised 623,825,811 Shares and there were no treasury shares and subsidiary holdings. Based on this, the maximum number of Award Shares that the Company may make available under the 2024 Unigloves PSP and any other share schemes of the Company is 93,573,871 Shares, i.e. 15% of 623,825,811 Shares.



### 3.3.5. Awards entitlements

Awards represent the right of a participant to receive fully paid Shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

The selection of a Plan Participant and the number of Shares which are the subject of each Award to be granted to a participant in accordance with the 2024 Unigloves PSP shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account criteria such as his rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, his contribution to the success and development of the Group and, if applicable, the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period.

### 3.3.6. Details of Awards

The Remuneration Committee shall decide, in relation to each Award to be granted to a participant:

- (a) the date on which the Award is to be granted;
- (b) the number of Shares which are the subject of the Award;
- (c) the performance target(s) and the performance period during which such performance target(s) are to be satisfied, if any;
- (d) the extent to which Shares, which are the subject of that Award, shall be released on each prescribed performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period; and
- (e) any other condition which our Remuneration Committee may determine in relation to that Award.

### 3.3.7. Grant of Awards

Awards may be granted at any time during the period when the Plan is in force, at the discretion of the Remuneration Committee.

However, no Awards shall be granted during the period of (i) 30 days immediately preceding the date of announcement of the Company's half-year and full-year financial statements or (ii) 14 days immediately preceding the date of announcement of the Company's financial statements for each of the first three quarters of its financial year, in the event that the Company adopts quarterly reporting (as the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price or trade sensitive information is imminent, offers may only be made on or after the third Market Day on which the aforesaid announcement is made.

### 3.3.8. Events Prior to Vesting

Special provisions for the vesting and lapsing of Awards apply in certain circumstances including the following:

- (i) any misconduct on the part of a participant as determined by the Remuneration Committee in its discretion;
- (ii) the participant ceasing to be in the employment of the Group for any reason whatsoever (other than as specified in paragraph (v) below);
- (iii) the bankruptcy of a participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;
- (iv) the Participant commits any breach of any of the terms of his Awards.

- (v) the participant ceases to be in the employment of the Group by reason of:
  - (a) ill health, injury or disability (in each case, evidenced to the satisfaction of the Remuneration Committee);
  - (b) redundancy;
  - (c) retirement at or after the legal retirement age;
  - (d) retirement before the legal retirement age with the consent of the Remuneration Committee;
  - (e) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be;
  - (f) any other event approved by the Remuneration Committee;
- (vi) any other event approved by the Remuneration Committee; or
- (vii) a take-over, reconstruction or amalgamation of the Company or an order being made or a resolution passed for the winding-up of our Company (other than for amalgamation or reconstruction).

Upon the occurrence of any of the events specified in paragraphs (i), (ii) and (iii), an Award then held by a Plan Participant shall, subject as provided in the rules of the 2024 Unigloves PSP and to the extent not yet released, immediately lapse without any claim whatsoever against the Company.

Upon the occurrence of any of the events specified in paragraphs (iv), (v) and (vi) above, the Remuneration Committee may, in its absolute discretion, preserve all or any part of any Award and decide either to vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the relevant performance period. In exercising its discretion, the Remuneration Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that participant and, in the case of performance-related Awards, the extent to which the applicable performance conditions and targets have been satisfied.

Upon the occurrence of the events specified in paragraph (vii) above, the Remuneration Committee will consider, at its discretion, whether or not to release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Plan Participant. If the Remuneration Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the Remuneration Committee will have regard to the proportion of the performance period which has elapsed and the extent to which the applicable Performance Conditions and targets have been satisfied.

### 3.3.9. Rights of Shares arising from the Awards granted

Subject to the prevailing legislation, the Company will deliver Shares to Plan Participants pursuant to the release of the Awards by way of either (i) an issue of new Shares; or (ii) a transfer of Shares then held by the Company in treasury.

In determining whether to issue new Shares to Plan Participants, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of issuing new Shares or delivering existing Shares.

The financial effects of the above methods are discussed below.

New Shares arising from the vesting of Awards granted are subject to the provisions of the Company's Constitution. New Shares allotted and issued, and existing Shares procured by the Company for transfer, shall rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or distributions, the record date for which is prior to the release date of the Awards.

### 3.3.10. Duration of the 2024 Unigloves PSP

The 2024 Unigloves PSP shall continue in operation for a maximum period of ten (10) years commencing from the Approval Date, provided that the 2024 Unigloves PSP may continue for any further period thereafter with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

### 3.3.11. Abstention from voting

Shareholders who are eligible to participate in the 2024 Unigloves PSP are to abstain from voting on any shareholders' resolution relating to the 2024 Unigloves PSP and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, all Shareholders who are eligible to participate in the 2024 Unigloves PSP shall abstain from voting on the following resolutions, where applicable: (a) implementation of the 2024 Unigloves PSP; and (b) participation by and grant of Awards to Controlling Shareholders and their Associates.

## 3.4. **Adjustments and Alterations under the 2024 Unigloves PSP**

The following describes the adjustment events under, and provisions relating to alterations of, the 2024 Unigloves PSP.

### 3.4.1. Adjustment events

If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution, or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Shares over which future Awards may be granted under the 2024 Unigloves PSP,

shall be adjusted in such manner as the Remuneration Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the participant receives a benefit that a Shareholder does not receive.

The issue of securities as consideration for an acquisition or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force shall not normally be regarded as a circumstance requiring adjustment, unless the Remuneration Committee considers an adjustment to be appropriate.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Company's auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

### 3.4.2. Modifications or alterations to the 2024 Unigloves PSP

The 2024 Unigloves PSP may be modified and/or altered from time to time by a resolution of the Remuneration Committee subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of participants under the 2024 Unigloves PSP who, if their Awards were released to them, would thereby become entitled to not less than three-quarters in number of all the Shares which would be issued and allotted or transferred in full of all outstanding awards under the 2024 Unigloves PSP.

No alteration shall be made to particular rules of the 2024 Unigloves PSP to the advantage of the holders of the Awards except with the prior approval of Shareholders in general meeting.

### 3.5. Reporting Requirements

3.5.1 Under the Catalist Rules, an immediate announcement must be made on the Date of Grant of an Award and the announcement must provide details of the grant, including the following:

- (a) Date of Grant;
- (b) market price of the Shares on the Date of Grant of the Award;
- (c) number of Shares granted under the Award;
- (d) number of Shares granted to each Director and Controlling Shareholder (and each of their associates) under the Award, if any; and
- (e) vesting period in relation to the Award.

3.5.2 The following disclosures (as applicable) will be made by the Company in the annual report for so long as the 2024 Unigloves PSP continues in operation:

- (a) the names of the members of the Committee administering the 2024 Unigloves PSP;
- (b) the information required in the table below for the following Plan Participants of the 2024 Unigloves PSP:
  - (i) Directors of the Company;
  - (ii) Controlling Shareholders and their Associates; and
  - (iii) Participants (other than those in paragraphs (b)(i) and (ii) above) who have received 5% or more of the total number of Shares available under the 2024 Unigloves PSP:

Name of participant	Aggregate number of Shares comprised in Awards granted under the 2024 Unigloves PSP during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of the 2024 Unigloves PSP to end of financial year under review	Aggregate number of Shares comprised in Awards released since commencement of the 2024 Unigloves PSP to end of financial year under review	Aggregate number of Shares comprised in Awards which have not been released as at the end of the financial year under review

- (c) such other information as may be required by the Catalist Rules or the Companies Act,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included herein.

### 3.6. Costs and expenses of the 2024 Unigloves PSP

Participants shall be responsible for all CDP fees relating to the issue and allotment or transfer of any Shares pursuant to Awards. Save as described, all fees, costs and expenses incurred by the Company in relation to the 2024 Unigloves PSP shall be borne by the Company.

### 3.7. Rationale for participation of Non-Executive Directors (including Independent Directors) of the Group in the 2024 Unigloves PSP

Although the Non-Executive Directors (including Independent Directors) of the Group are not involved in the day-to-day running of the Group's business, they, nonetheless, play an invaluable role in furthering the business interests of the Group by contributing their experience and expertise. The participation by the Non-Executive Directors (including Independent Directors) of the Group in the 2024 Unigloves PSP will provide the Company with a further avenue to acknowledge and recognise their services and contributions to the Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment.

In order to minimise any potential conflict of interests and not to compromise the independence of the Independent Directors, the Company intends to grant only a nominal number of Awards under the 2024 Unigloves PSP and such other share-based incentive schemes of the Company then in force to such Independent Directors.

It is not the intention of the Board that Non-Executive Directors of the Group, who are also the Independent Directors, to be over-compensated under the 2024 Unigloves PSP to the extent that their independence will be compromised. Any grant of an Award will be measured and balanced against considerations if such Award, when combined with other forms of remuneration received by the Independent Directors, could interfere or reasonably be perceived to interfere with the exercise of independent judgment of that Independent Director. Furthermore, Independent Directors will abstain from making any recommendation as a Director and abstain from voting as a member of the Remuneration Committee when the grant of Awards to that Director is being considered. Given the above, the Board is of the view that the 2024 Unigloves PSP will not compromise the objectivity and independence of the Independent Directors.

### 3.8. Financial effects of the 2024 Unigloves PSP

#### (a) Potential Cost of Awards

The 2024 Unigloves PSP is considered a share-based payment that falls under IFRS(I) 2 where participants will receive Shares and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the income statement over the period between the Grant Date and the vesting date of an Award. The fair value per share of the Awards granted will be determined using an option pricing model. The significant input into the option pricing model will include, *inter alia*, the share price as at the Date of Grant of the Award, the risk free interest rate, the vesting period, volatility of the share and dividend yield. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the Grant Date and the number of Shares vested at the vesting date, with a corresponding credit to the reserve account. Before the end of the vesting period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement is made.

The amount charged to the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the Grant Date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met. However, if the performance target is not a market condition, the fair value per share of the Awards granted at the Grant Date is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment by the Chief Financial Officer or Finance Director at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative charge to the income statement if the Awards do not ultimately vest.

(b) Share capital

The 2024 Unigloves PSP will result in an increase in the Company's issued share capital when new Shares are issued to participants. The number of new Shares issued will depend on, inter alia, the size of the Awards granted under the 2024 Unigloves PSP. In any case, the 2024 Unigloves PSP provides that the number of Shares to be issued or transferred under the 2024 Unigloves PSP, when aggregated with the aggregate number of Shares over which options are granted under any other share option schemes of the Company, will be subject to the maximum limit of 15% of the Company's total number of issued Shares (excluding Shares held by the Company as treasury shares) from time to time. If instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the 2024 Unigloves PSP will have no impact on the Company's issued share capital.

(c) NTA

As described in paragraph (d) below on EPS, the 2024 Unigloves PSP is likely to result in a charge to our Company's income statement over the period from the Grant Date to the vesting date of the Awards. The amount of the charge will be computed in accordance with IFRS(I) 2. When new Shares are issued under the 2024 Unigloves PSP, there would be no effect on the NTA due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants, the NTA would be impacted by the cost of the Shares purchased. It should be noted that the delivery of Shares to participants under the 2024 Unigloves PSP will generally be contingent upon the eligible participants meeting prescribed performance targets and conditions.

(d) EPS

The 2024 Unigloves PSP is likely to result in a charge to earnings over the period from the Grant Date to the vesting date, computed in accordance with IFRS(I) 2.

It should again be noted that the delivery of Shares to participants of the 2024 Unigloves PSP will generally be contingent upon the participants meeting the prescribed performance targets and conditions.

(e) Dilutive impact

It is expected that any dilutive impact of the 2024 Unigloves PSP on the NTA and EPS would not be significant.

## 4. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

### 4.1. Background

4.1.1. At the Company's AGM held on 30 October 2023, Shareholders approved the renewal of the Share Buy-back Mandate, such mandate being expressed to take effect until the conclusion of the next AGM or the date by which such AGM is required by law or the Constitution to be held; unless prior thereto, Share Buy-backs are carried out to the full extent mandated or the Share Buy-back Mandate is varied or revoked by the Shareholders in a general meeting. Accordingly, the Directors propose that the Share Buy-back Mandate be renewed at the 2024 AGM.

4.1.2. The terms in respect of which the Share Buy-back Mandate is sought to be renewed are set out in this Appendix.

4.1.3. Subject to its continued relevance to the Company, the Share Buy-back Mandate will be put to Shareholders for renewal at each subsequent AGM.

### 4.2. Rationale for the Share Buy-back Mandate

4.2.1. The rationale for the renewal of the Share Buy-back Mandate is as follows:-

- (a) the Share Buy-back Mandate will give the Company the flexibility to carry out Share Buy-backs if and when circumstances permit. The Board believes that Share Buy-backs would allow the Company and the Board to better manage the Company's share capital structure, dividend payout and cash reserves.
- (b) the Share Buy-back Mandate also provides the Board with a mechanism to facilitate the return of surplus cash over and above the Company's ordinary capital requirements in an expedient and cost-efficient manner, and the opportunity to exercise control over the Company's share capital structure with a view to enhancing the EPS and/or NAV per Share.
- (c) the Board believes that Share Buy-backs may help the Company to mitigate short term market volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence.

4.2.2. Shares purchased or otherwise acquired pursuant to the Share Buy-back Mandate may be held or dealt with as treasury shares, which may be utilised pursuant to the Unigloves Employee Share Option Scheme and/or the Unigloves Performance Share Plan.

4.2.3. If and when circumstances permit, the Board will decide (i) whether to exercise the Share Buy-back Mandate through on-market purchases or off-market purchases of Shares; and (ii) whether the Shares purchased or acquired should be held as treasury shares or cancelled, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

4.2.4. Shareholders should note that Share Buy-backs will only be made when the Board believes that such Share Buy-backs would be made in circumstances which would not have a material adverse effect on the financial position of the Company and the Group, and when the Board believes that such Share Buy-backs would be in the best interest of the Company and its Shareholders.

### 4.3. Authority and limits on the Share Buy-back Mandate

The authority and limitations placed on the Share Buy-backs under the Share Buy-back Mandate are as follows:-

#### 4.3.1. Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired is limited to such number of Shares representing not more than 10.0% of the total issued and paid-up Shares as at the Approval Date, unless, at any time during the Relevant Period, the Company has reduced its share capital by way of a special resolution under Section 78C of the Companies Act, or the Court has made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of Shares shall be taken to be the total number of Shares as altered. Shares which are held by the Company as treasury shares and subsidiary holdings will be disregarded for the purposes of calculating this 10.0% limit.

**For illustrative purposes only**, based on the existing issued and paid-up capital of the Company comprising 623,825,811 Shares as at the Latest Practicable Date, and assuming that (i) no further Shares are issued and no changes are made to the share capital of the Company; (ii) no further Shares are purchased or held by the Company as treasury shares or cancelled; (iii) no further Shares are held as subsidiary holdings on or prior to the 2024 AGM, not more than 62,382,581 Shares (representing 10.0% of the total Shares excluding treasury shares and subsidiary holdings) may be purchased or acquired by the Company pursuant to the Share Buy-back Mandate.

As at the Latest Practicable Date, the Company does not hold any treasury shares nor are there subsidiary holdings.

#### 4.3.2. Duration of authority

Under the Share Buy-back Mandate, Share Buy-backs may be made during the Relevant Period, at any time and from time to time, from the Approval Date up to the earlier of:

- (a) the date on which the next AGM is held or is required by law to be held;
- (b) the date on which Share Buy-backs are carried out to the full extent mandated under the Share Buy-back Mandate; or
- (c) the date on which the authority contained by the Share Buy-back Mandate is varied or revoked by the Shareholders in a general meeting.

The authority conferred by the Share Buy-back Mandate may be renewed at each AGM or any other general meeting of the Company, subject to its continued relevance to the Company.

#### 4.3.3. Manner of Share Buy-backs

Share Buy-backs under the Share Buy-back Mandate may be made by way of:

- (a) on-market purchases transacted on the SGX-ST or through any other securities exchange on which the Shares may, for the time being, be listed ("**Market Purchases**"); and/or
- (b) off-market purchases transacted otherwise than on the SGX-ST or any other securities exchange, in accordance with an equal access scheme (as defined in Section 76C of the Companies Act) ("**Off-Market Purchases**").

In an Off-Market Purchase, the Directors may impose such terms and conditions as are consistent with the Share Buy-back Mandate, the Catalist Rules, the Companies Act, the Constitution and other applicable laws and regulations as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme. Under the Companies Act, an Off-Market Purchase must satisfy all the following conditions:

- (a) offers for the Share Buy-backs shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:
  - (i) differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;
  - (ii) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
  - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, Rule 870 of the Catalist Rules provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders containing at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the Share Buy-back;



- (iv) the consequences, if any, of Share Buy-backs by the Company that will arise under the Take-over Code or other applicable takeover rules;
- (v) whether the Share Buy-backs, if made, would have any effect on the listing of the Shares on the Catalist;
- (vi) details of any Share Buy-backs made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the Share Buy-backs, where relevant, and the total consideration paid for the Share Buy-backs; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

#### 4.3.4. Maximum purchase price

The purchase price per Share (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share to be purchased or acquired will be determined by the Directors. However, the purchase price per Share to be paid as determined by the Directors must not exceed:

- (a) 105.0% of the Average Closing Price (as defined hereinafter) for a Market Purchase; and
  - (b) 120.0% of the Average Closing Price (as defined hereinafter) for an Off-Market Purchase,
- (the "**Maximum Price**") excluding related expenses of the Share Buy-back.

For the purposes of determining the Maximum Price above:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last 5 Market Days on which transactions in the Shares were recorded, before the day of the Market Purchase by the Company or, as the case may be, the Offer Date (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-Market Day period and the day on which the Share purchases are made; and

"**Offer Date**" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

#### 4.4. Status of purchased or acquired Shares under the Share Buy-back Mandate

- 4.4.1. A Share purchased or otherwise acquired by the Company under a Share Buy-back is deemed cancelled immediately on completion of the Share Buy-back (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or otherwise acquired by the Company and which are not held as treasury shares.
- 4.4.2. Any Shares purchased or acquired by the Company under a Share Buy-back (which are not held by the Company as treasury shares to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and (where applicable) the certificates in respect thereof will be cancelled by the Company as soon as reasonably practicable following settlement of any Share Buy-back.
- 4.4.3. At the time of each Share Buy-back, the Company may decide whether the Shares purchased or otherwise acquired will be cancelled or held as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

#### 4.5. Treasury Shares

Under the Companies Act, Shares purchased or otherwise acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

##### Maximum holdings

- 4.5.1. The number of Shares held as treasury shares cannot at any time exceed 10.0% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within 6 months beginning on the date on which that contravention occurs or such further periods as ACRA may allow.
- 4.5.2. The Company has no Shares held as treasury shares as at the Latest Practicable Date. Assuming no changes to the share capital of the Company during the Relevant Period, the maximum number of Shares that may be held as treasury shares is 62,382,581 treasury shares.

##### Voting and other rights

- 4.5.3. The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.
- 4.5.4. In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. The subdivision or consolidation of treasury shares into greater or smaller numbers is allowed so long as the total value of the treasury shares after such subdivision or consolidation is the same as before the subdivision or consolidation, as the case may be.

##### Disposal and cancellation

4.5.5. Where Shares are held as treasury shares, the Company may at any time (subject to the Take-over Code):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, Directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

4.5.6. Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**Usage**"). Such announcement must include details such as the date of the Usage, the purpose of the Usage, the number of treasury shares comprised in the Usage, the number of treasury shares before and after the Usage, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the Usage.

#### 4.6. Reporting requirements

4.6.1. Within 30 days of the passing of a Shareholders' ordinary resolution to approve any Share Buy-back, the Company shall lodge a copy of such resolution with ACRA.

- 4.6.2. The Company shall notify ACRA, using the prescribed form, within 30 days of a Share Buy-back on the Catalist or otherwise. Such notification shall include details of the Share Buy-back, such as the date of the Share Buy-backs, the total number of Shares purchased or acquired, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the Share Buy-back, the amount of consideration paid by the Company for the Share Buy-back, whether the Shares were purchased or acquired out of the profits or the capital of the Company, and such other particulars as may be required by ACRA.
- 4.6.3. Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.
- 4.6.4. The Catalist Rules specify that a listed company must make an announcement on SGXNet of all purchases or acquisitions of its shares no later than 9.00 a.m.:
- (a) in the case of a Market Purchase, on the Market Day following the date the Market Purchase was made; and
  - (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.
- 4.6.5. The announcement must be in the form of Appendix 8D prescribed by the Catalist Rules. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary announcements.

#### 4.7. Source of funds

- 4.7.1. In purchasing or acquiring its Shares, the Company may only apply funds legally available for Share Buy-backs in accordance with the applicable laws of Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase or otherwise acquired, for settlement otherwise than in accordance with the trading rules of the SGX-ST.
- 4.7.2. Under the Companies Act, Share Buy-backs may be made out of the Company's distributable profits or capital so long as the Company is solvent. In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimation of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

Pursuant to Section 76F(4) of the Companies Act, a company is "solvent" if the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if,
  - (i) it is intended to commence the winding up of the company within the period 12 months immediately after the date of payment, the company will be able to pay its debts as they fall due during the period of 12 months after the date of commencement of the winding up; or
  - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the purchase or acquisition of Shares, become less than the value of its liabilities (including contingent liabilities).

4.7.3. The Company intends to use internal sources of funds (i.e. cash and cash equivalents) or external borrowings, or a combination of internal resources and external borrowings to finance the Company's Share Buy-backs pursuant to the Share Buy-back Mandate. The Directors do not propose to exercise the Share Buy-back Mandate in a manner and to such extent that it would have a material adverse effect on the financial position, liquidity and/or the capital adequacy of the Group.

#### 4.8. Financial effects

4.8.1. The financial effects on the Company and the Group arising from Share Buy-backs pursuant to the Share Buy-back Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number and price paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled.

4.8.2 **The Share Buy-back scenarios discussed below are for illustrative purposes only**, to illustrate the financial effects on the Company and the Group arising from Share Buy-backs pursuant to the Share Buy-back Mandate under those scenarios, based on the audited financial statements of the Company and the Group for FY2024, and under the following principal assumptions:

- (i) The Share Buy-backs pursuant to the Share Buy-back Mandate had been effective on 1 July 2023 for the purpose of computing the financial effects on the EPS of the Company and Group;
- (ii) The Share Buy-backs pursuant to the Share Buy-back Mandate had taken place on 30 June 2024 for the purpose of computing the financial effects on shareholders' equity, NTA per share, current ratio and gearing ratio of the Company and Group;
- (iii) The Share Buy-backs will be based on a total of 623,825,811 Shares in issue as the Latest Practicable Date, and assuming no change in the number of Shares on or prior to the Approval Date, the Company carried out Share Buy-backs in respect of 62,382,581 Shares representing 10.0% of the total number of Shares (excluding treasury shares and subsidiary holdings);
- (iv) **In the scenarios where the Company makes Market Purchases:** Assuming that the Company purchases or acquires 62,382,581 Shares at the Maximum Price of approximately S\$0.1340 (being the price equivalent to 105.0% of the Average Closing Price of the Shares over the last 5 Market Days on which the Shares were transacted on SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the Share Buy-back of 62,382,581 Shares would be approximately S\$8.36 million;
- (v) **In the scenarios where the Company makes Off-Market Purchases:** Assuming that the Company purchases or acquires 62,382,581 Shares at the Maximum Price of approximately S\$0.1531 (being the price equivalent to 120.0% of the Average Closing Price of the Shares over the last 5 Market Days on which the Shares were transacted on SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the Share Buy-back of 62,382,581 Shares would be approximately S\$9.55 million;
- (vi) Transaction costs incurred for the Share Buy-backs pursuant to the Share Buy-back Mandate have been assumed to be insignificant and hence have been disregarded for the purpose of computing the financial effects; and
- (vii) The Share buy-back will be funded by the Company solely from internal funding.

#### Illustrative financial effects

4.8.3 For illustrative purposes only, and based the assumptions set out above, the financial effects of the:

- (a) Share Buy-backs of 62,382,581 Shares by the Company made entirely out of capital and the purchased Shares are held in treasury; and

- (b) Share Buy-backs of 62,382,581 Shares by the Company made entirely out of capital and the purchased Shares are cancelled;

on the audited financial statements of the Company and the Group for FY2024 are set out in the following pages.

4.8.4. Other than as described in Section 4.8.2 above, the financial effects of Share Buy-backs by the Company by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, and solely for purposes of illustration, only the financial effects of Share Buy-backs by way of purchases made out of capital are set out in this Appendix.

*Scenario 1 – Market Purchases of 62,382,581 Shares out of capital and held as treasury shares*

	GROUP			COMPANY		
	BEFORE SHARE BUY- BACK (\$S'000)	AFTER SHARE BUY-BACK MARKET PURCHASES (\$S'000)	OFF-MARKET PURCHASES (\$S'000)	BEFORE SHARE BUY- BACK (\$S'000)	AFTER SHARE BUY-BACK MARKET PURCHASES (\$S'000)	OFF-MARKET PURCHASES (\$S'000)
<b>As at 30 June 2024</b>						
Share capital	59,652	59,652	59,652	59,652	59,652	59,652
Treasury shares	-	(8,359)	(9,551)	-	(8,359)	(9,551)
Non-controlling interest	(2,113)	(2,113)	(2,113)	-	-	-
Total equity	161,280	152,921	151,729	82,296	73,937	72,745
Net tangible assets (NTA) <sup>(1)</sup>	145,161	136,802	135,610	82,296	73,937	72,745
Current assets	146,168	137,809	136,617	89,769	81,410	80,218
Current liabilities	38,130	38,130	38,130	38,497	38,497	38,497
Working capital	108,038	99,679	98,487	51,272	42,913	41,721
Total borrowings <sup>(2)</sup>	63,004	63,004	63,004	38,355	38,355	38,355
Cash and bank balances	27,998	19,639	18,447	17,164	8,805	7,613
Net (Loss)/Profit attributable to owners of the Company	(6,056)	(6,056)	(6,056)	810	810	810
Number of Shares excluding treasury shares	623,825,811	561,443,230	561,443,230	623,825,811	561,443,230	561,443,230
<b>Financial Ratios</b>						
NTA per share (cents) <sup>(3)</sup>	23.27	24.37	24.15	13.19	13.17	12.96
(LPS)/EPS (cents) <sup>(4)</sup>	(0.97)	(1.08)	(1.08)	0.13	0.14	0.14
Gearing ratio (times) <sup>(5)</sup>	0.39	0.41	0.42	0.47	0.52	0.53
Current ratio (times) <sup>(6)</sup>	3.83	3.61	3.58	2.33	2.11	2.08

**Notes:-**

- (1) NTA equals total equity less non-controlling interests and intangible assets.
- (2) Total borrowings consist of total liabilities (excluding deferred tax liabilities and income tax liabilities).
- (3) NTA per Share is computed based on the NTA divided by the number of Shares in issue (excluding treasury shares and subsidiary holdings).
- (4) (LPS)/EPS has been computed based on net (loss)/profit attributable to owners of the Company divided by the number of Shares in issue.
- (5) Gearing equals total borrowings divided by total equity.
- (6) Current ratio equals current assets divided by current liabilities.

Scenario 2 – Market Purchases of 62,382,581 Shares out of capital and cancelled

	GROUP			COMPANY		
	BEFORE	AFTER SHARE BUY-BACK		BEFORE	AFTER SHARE BUY-BACK	
	SHARE BUY- BACK (S\$'000)	MARKET PURCHASES (S\$'000)	OFF-MARKET PURCHASES (S\$'000)	SHARE BUY- BACK (S\$'000)	MARKET PURCHASES (S\$'000)	OFF-MARKET PURCHASES (S\$'000)
<b>As at 30 June 2024</b>						
Share capital	59,652	51,293	50,101	59,652	51,293	50,101
Non-controlling interest	(2,113)	(2,113)	(2,113)	-	-	-
Total equity	161,280	152,921	151,729	82,296	73,937	72,745
Net tangible assets (NTA) <sup>(1)</sup>	145,161	136,802	135,610	82,296	73,937	72,745
Current assets	146,168	137,809	136,617	89,769	81,410	80,218
Current liabilities	38,130	38,130	38,130	38,497	38,497	38,497
Working capital	108,038	99,679	98,487	51,272	42,913	41,721
Total borrowings <sup>(2)</sup>	63,004	63,004	63,004	38,355	38,355	38,355
Cash and bank balances	27,998	19,639	18,447	17,164	8,805	7,613
Net (Loss)/Profit attributable to owners of the Company	(6,056)	(6,056)	(6,056)	810	810	810
Number of Shares excluding treasury shares	623,825,811	561,443,230	561,443,230	623,825,811	561,443,230	561,443,230
<b>Financial Ratios</b>						
NTA per share (cents) <sup>(3)</sup>	23.27	24.37	24.15	13.19	13.17	12.96
(LPS)/EPS (cents) <sup>(4)</sup>	(0.97)	(1.08)	(1.08)	0.13	0.14	0.14
Gearing ratio (times) <sup>(5)</sup>	0.39	0.41	0.42	0.47	0.52	0.53
Current ratio (times) <sup>(6)</sup>	3.83	3.61	3.58	2.33	2.11	2.08

**Notes:-**

- (1) NTA equals total equity less non-controlling interests and intangible assets.
- (2) Total borrowings consist of total liabilities (excluding deferred tax liabilities and income tax liabilities).
- (3) NTA per Share is computed based on the NTA divided by the number of Shares in issue (excluding treasury shares and subsidiary holdings).
- (4) (LPS)/EPS has been computed based on net (loss)/profit attributable to owners of the Company divided by the number of Shares in issue (excluding treasury shares and subsidiary holdings).
- (5) Gearing equals total borrowings divided by total equity.
- (6) Current ratio equals current assets divided by current liabilities.

**Shareholders should note that the financial effects set out above are based on the above-mentioned assumptions and are purely for purposes of illustration only. In particular, it is important to note that the above illustration is based on historical audited financial statements for FY24 and is not necessarily representative of future financial performance.**

The actual impact will depend on the number and price of the share bought back. As stated, the Directors do not propose to exercise the Share Buy-back Mandate to such an extent that it would have a material adverse effect on the working capital requirements, financial position and/or gearing of the Group. The purchase of the shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing marketing conditions. The Share Buy-back Mandate will be exercised with a view to enhance the EPS and/or NAV per share of the Group.

Although the Share Buy-back Mandate would authorise the Company to purchase or otherwise acquire up to 10.0% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the full 10.0% of the issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares purchased or acquired, or hold all or part of the Shares purchased or acquired as treasury shares. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of shares) in assessing the relative impact of a share before execution.

#### 4.9. Tax implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of a Share Buy-back by the Company or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

#### 4.10. Requirements under the Catalist Rules

##### Listing Status

4.10.1. Rule 723 of the Catalist Rules require a listed company to ensure that at least 10.0% of its total number of its issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public. The "public", as defined under the Catalist Rules, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the company or its subsidiaries, and the associates of such persons.

4.10.2. As at the Latest Practicable Date, there are 214,647,294 Shares representing approximately 34.41% of the total number of issued Shares are held by the public shareholders. For illustrative purposes only, assuming the Company undertakes Share Buy-backs up to the full 10.0% limit pursuant to the Share Buy-back Mandate, the number of issued Shares held by the public would be reduced to 152,264,713 Shares representing approximately 27.12% of the total number of issued Shares (excluding treasury shares). The Company does not have any individual shareholding limit or foreign shareholding limit.

4.10.3. Accordingly, the Directors are of the view that there is, at present, a sufficient number of Shares held by the public which would permit the Company to undertake Share Buy-backs to the full 10.0% limit pursuant to the Share Buy-back Mandate.

4.10.4. In undertaking any Share Buy-backs, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient number of Shares remain in public hands so that the Share Buy-backs will not (i) adversely affect the listing status of the Shares on Catalist; (ii) cause market illiquidity; and (iii) adversely affect the orderly trading of the Shares.

##### Restrictions on Share Buy-backs

4.10.5. While the Catalist Rules do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time, the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares. As such, the Company will not undertake any Share Buy-backs pursuant to the Share Buy-back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Catalist Rules.

4.10.6. Further, in conformity with the best practices on dealing with securities under the Catalist Rules, the Company will not undertake any Share Buy-backs through Market Purchases or Off-Market Purchases during the period commencing 1 month before the announcement of the Group's half-year and full year results.

#### 4.11. Take-over implications

4.11.1 Appendix 2 of the Take-over Code contains the Share Buy-back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any Share Buy-backs are set out below:

##### Obligation to make a take-over offer

- (a) If, as a result of any Share Buy-back, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

Pursuant to Rule 14 of the Take-over Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30.0% or more or, if they, together holding between 30.0% and 50.0% of the Company's voting rights, increase their voting rights in the Company by more than 1.0% in any period of 6 months.

##### Persons acting in concert

- (b) Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, *inter alia*, the following persons will, be presumed to be acting in concert:

- (i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (ii) a company with any of its directors, together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser, and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client's equity share capital;
- (vi) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, any person who is accustomed to act according to the instructions of that individual, companies controlled by any of the above, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.



#### Effect of Rule 14 and Appendix 2 of the Take-over Code

4.11.2. In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company carrying out a Share Buy-back, the voting rights of such Directors and their concert parties would increase to 30.0% or more, or if the voting rights of such Directors and their concert parties fall between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1.0% in any period of 6 months. The Directors and their concert parties will be exempted from the requirement to make a take-over offer subject to certain conditions as set out in the Take-over Code, including, *inter alia*:

- (a) the inclusion in the Appendix to Shareholders on the resolution to authorise the Share Buy-back Mandate advice to the effect that by voting for the resolution to authorise the Share Buy-back Mandate, Shareholders are waiving their right to a take-over offer at the required price from the Directors and parties acting in concert with them who, as a result of the Company carrying out a Share Buy-back, would increase their voting rights to 30.0% or more, or, if they together hold between 30.0% and 50.0% of the Company's voting rights, would increase their voting rights by more than 1.0% in any period of 6 months; and the names of such Directors and persons acting in concert with them, their voting rights at the time of the resolution and after Share Buy-backs pursuant to the Share Buy-back Mandate; and
- (b) the submission to the SIC by each of the Directors of an executed form as prescribed by the SIC within 7 days of the passing of the resolution to authorise the Share Buy-back Mandate.

4.11.3. Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company carrying out a Share Buy-back, the voting rights of such Shareholder in the Company would increase to 30.0% or more, or if such Shareholder holds between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1.0% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-back Mandate unless so required under the Companies Act.

**The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer under the Take-over Code would arise by reason of any Share Buy-backs by the Company.**

#### Application of the Take-over Code

4.11.4. Details of the shareholdings of the Directors and Substantial Shareholders as at the Latest Practicable Date are set out in Section 3 below.

4.11.5 As at the Latest Practicable Date:

- (a) our Chief Executive Officer and Executive Director, Mr. Lee Keck Keong;
- (b) our Executive Director and Finance Director, Mr. Lee Jun Yih;
- (c) our Executive Director and Chief Operating Officer, Mr. Lee Jun Linn; and
- (d) our Controlling Shareholder, Ms. Sim Ai Cheng

(collectively, the "**Relevant Shareholders**") whereby Mr. Lee Keck Keong is the father and Ms Sim Ai Cheng is the mother of Mr. Lee Jun Yih and Mr. Lee Jun Linn, and hence are presumed to be parties acting in concert in relation to their interests in the Company.

4.11.6. As at the Latest Practicable Date, the Relevant Shareholders hold an aggregate of 379,791,274 Shares, representing approximately 60.88% of the voting rights in the Company.

4.11.7 As the Relevant Shareholders hold more than 50.0% of the voting rights in the Company, the Relevant Shareholders and parties acting in concert with them are not expected to incur an obligation to make a mandatory take-over offer for the Shares under Rule 14.1 of the Take-over Code as a result of the Company buying back its Shares under the Share Buy-back Mandate.

**Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Buy-back pursuant to the Share Buy-back Mandate are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy-back Mandate is in force.**

#### 4.12 Shares purchased in the previous 12 months

No Share Buy-backs have been undertaken by the Company in the 12 months preceding the Latest Practicable Date.

## 5. DISCLOSURE OF SHAREHOLDINGS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares of the Company are as follows:

	DIRECT INTEREST		DEEMED INTEREST	
	NUMBER OF SHARES	% <sup>(1)</sup>	NUMBER OF SHARES	% <sup>(1)</sup>
<u>Directors</u>				
Lee Keck Keong	–	–	374,729,122	60.07
Lee Jun Yih	2,845,063	0.46	374,729,122	60.07
Lee Jun Linn	2,217,089	0.36	374,729,122	60.07
Wong See Keong	29,387,243	4.71	–	–
<u>Substantial Shareholders (other than Directors)</u>				
Sim Ai Cheng <sup>(2)</sup>	–	–	374,729,122	60.07
Zen UG Pte. Ltd. <sup>(3)(4)</sup>	156,537,713	25.09	141,318,282	22.65
Raydion Direct Global Inc <sup>(3)</sup>	76,873,127	12.32	–	–

#### Notes:

- (1) Based on the total issued and fully paid-up ordinary share capital of 623,825,811 Shares as at the Latest Practicable Date.
- (2) Sim Ai Cheng is the spouse of Lee Keck Keong and the mother of Lee Jun Yih and Lee Jun Linn.
- (3) Lee Keck Keong, Sim Ai Cheng, Lee Jun Yih and Lee Jun Linn are deemed to be interested in all the shares held by Zen UG Pte. Ltd. And Raydion Direct Global Inc by virtue of Section 7 of the Companies Act.
- (4) Zen UG Pte. Ltd. is deemed to be interested in 141,318,282 shares of the Company registered under CGS-CIMB Securities (Singapore) Pte. Ltd.
- (5) Minor discrepancies in the share percentages are due to rounding.

## 6. DIRECTORS' RECOMMENDATION

The Directors, having carefully considered, among others, the rationale and terms of the proposed adoption of the 2024 Unigloves ESOS, the proposed grant of options at a discount under the 2024 Unigloves ESOS, the proposed adoption of the 2024 Unigloves PSP, and the proposed renewal of the Share Buy-back Mandate (the "Proposed Ordinary Resolutions"), are of the opinion that it is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of relating to the Proposed Ordinary Resolutions at the 2024 AGM.

## 7. ANNUAL GENERAL MEETING

The 2024 AGM, notice of which is set out on pages 160 to 166 of the Annual Report, will be held on 29 October 2024 at 9.30 a.m. at YMCA of Singapore, One Orchard Road, Singapore 238824 for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolutions set out in the Notice of AGM.

## 8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2024 AGM and who wish to appoint a proxy or proxies to attend and vote at the 2024 AGM on their behalf should complete, sign and return the proxy form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, not less than 72 hours before the time fixed for the 2024 AGM or any postponement or adjournment thereof. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the 2024 AGM if he wishes to do so.

A Depositor shall not be regarded as a member of the Company entitled to attend the 2024 AGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time appointed for the 2024 AGM.

## 9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Ordinary Resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix 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 Appendix in its proper form and context.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767, during normal business hours from the date of this Appendix up to the date of the 2024 AGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company for the financial year ended 30 June 2024.

Yours faithfully,  
For and on behalf of the Board of Directors  
UG Healthcare Corporation Limited

Mr. Yip Wah Pung  
Non-Executive Chairman and Independent Director

14 October 2024

## APPENDIX A - THE 2024 UNIGLOVES ESOS RULES

### THE 2024 UNIGLOVES EMPLOYEE SHARE OPTION SCHEME RULES

#### 1. NAME OF THE SCHEME

The Scheme shall be called the "2024 Unigloves Employee Share Option Scheme".

#### 2. DEFINITIONS

In this Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Act"	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
"Adoption Date"	:	The date on which the Scheme is adopted by the Company in a general meeting
"Associate"	:	Shall have the meaning assigned to it in the Catalist Rules
"Auditors"	:	The auditors of the Company for the time being
"Board"	:	The board of Directors of the Company for the time being
"Catalist Rules"	:	The rules constituted in Section B of the Listing Manual of the SGX-ST
"CDP"	:	The Central Depository (Pte) Limited
"Committee"	:	The Remuneration Committee of the Company
"Company"	:	UG Healthcare Corporation Limited
"Control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
"Controlling Shareholder"	:	A shareholder who: <ul style="list-style-type: none"> <li>(a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding Shares held by the Company as treasury shares) (unless otherwise determined by the SGX-ST that a person who satisfies this subparagraph is not a controlling shareholder); or</li> <li>(b) in fact exercises Control over the Company</li> </ul>
"Director"	:	A person holding office as a director for the time being of the Company
"Executive Director"	:	A Director who is an employee of the Company and who performs an executive function
"Exercise Price"	:	The price at which a Participant shall acquire each Share upon the exercise of an Option, as determined in accordance with Rule 9, or such adjusted price as may be applicable pursuant to Rule 10
"Financial Year"	:	Each period of twelve (12) months or more or less than twelve (12) months, at the end of which the balance of accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company
"Grantee"	:	The person to whom an offer of an Option is made
"Group"	:	The Company and its Subsidiaries (as they may exist from time to time)
"Group Employee"	:	Any confirmed employee of the Group (including an Executive Director) selected by the Committee to participate in the Scheme in accordance with Rule 4
"Independent Director"	:	An independent Director of the Company
"Incentive Option"	:	An Option granted with the Exercise Price set at a discount to the Market Price, subject to the maximum discount under the rules of the Scheme

## APPENDIX A - THE 2024 UNIGLOVES ESOS RULES

<i>"Market Day"</i>	:	A day on which the SGX-ST is open for trading of securities
<i>"Market Price"</i>	:	The average of the last dealt prices for a Share determined by reference to the daily official list published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offer Date, provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
<i>"Market Price Option"</i>	:	An Option granted with the Exercise Price set at the Market Price
<i>"Non-executive Director"</i>	:	A Director of the Company, other than one who performs an executive function
<i>"Offer Date"</i>	:	The date on which an Option is granted to a Participant pursuant to Rule 7
<i>"Option"</i>	:	The right to acquire Shares granted or to be granted to a Participant pursuant to the Scheme and for the time being subsisting
<i>"Option Period"</i>	:	Subject as provided in Rules 11 and 15, the period for the exercise of an Option being: <ul style="list-style-type: none"> <li>(a) in the case of a Market Price Option, a period beginning one (1) year from the Offer Date of that Option and expiring on the tenth year from the relevant Offer Date or such earlier date as may determined by the Committee, subject as provided in Rules 11 and 15, and any other conditions as may be determined by the Committee from time to time; and</li> <li>(b) in the case of an Incentive Option, a period beginning two (2) years from the Offer Date of that Option and expiring on the tenth year from the relevant Offer Date or such earlier date as may determined by the Committee, subject as provided in Rules 11 and 15, and any other conditions as may be determined by the Committee from time to time</li> </ul>
<i>"Participant"</i>	:	The holder of an Option
<i>"Record Date"</i>	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
<i>"Scheme"</i>	:	The 2024 Unigloves Employee Share Option Scheme
<i>"S\$"</i>	:	Singapore dollars
<i>SGX-ST</i>	:	The Singapore Exchange Securities Trading Limited
<i>"Shares"</i>	:	Ordinary shares in the capital of the Company
<i>"Shareholders"</i>	:	The registered holders for the time being of the Shares (other than CDP) or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
<i>"Subsidiary"</i>	:	A company which is for the time being a subsidiary of the Company as defined by Section 5 of the Act

The terms "Depositor", "Depository Register" and "Depository Agent" shall have the meanings ascribed to them respectively by Section 81F of the Securities and Futures Act 2001 of Singapore.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter gender. References to persons shall include corporations.

Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in this Scheme shall, where applicable, have the same meaning assigned to it under the Act. Any reference in this Scheme to a time of day shall be a reference to Singapore time unless otherwise stated.

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## APPENDIX A - THE 2024 UNIGLOVES ESOS RULES

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### 3. OBJECTIVES OF THE SCHEME

The Scheme will provide an opportunity for Group Employees who have contributed significantly to the growth and performance of the Group and Non-executive Directors who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company.

The Scheme is primarily a share incentive scheme. It recognises the fact that the services of Group Employees and Non-executive Directors are important to the success and continued well-being of the Group. Implementation of the Scheme will enable the Company to give recognition to the contributions made by such Group Employees and Non-executive Directors. At the same time, it will give such Group Employees and Non-executive Directors an opportunity to have a direct interest in the Company at no direct cost to its profitability and will also help to achieve the following positive objectives:

- (a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and prosperity of the Group;
- (c) to instill loyalty to, and a stronger identification by Participants with the long-term prosperity of the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
- (e) to align the interests of Participants with the interests of the Shareholders.

### 4. ELIGIBILITY

4.1 The following persons shall be eligible to participate in the Scheme at the absolute discretion of the Committee:

- (a) Group Employees (including Executive Directors) who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have, as of the relevant Offer Date, been in the employment of the Group for a period of at least twelve (12) months, or such shorter period as the Committee may determine; and
- (b) Non-executive Directors (including Independent Directors) who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors.

Directors and employees of the Company's parent company and its Subsidiaries (other than the Company and the Company's Subsidiaries) are not entitled to participate in the Scheme.

4.2 Controlling Shareholders and their Associates are not entitled to participate in the Scheme.

4.3 There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group.

### 5. OPTION ENTITLEMENT

Subject to Rule 4 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for acquisition in accordance with the Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as rank, past performance, years of service and potential development of the Grantee and performance of the Group.

## APPENDIX A - THE 2024 UNIGLOVES ESOS RULES

### 6. LIMITATION ON THE SIZE OF THE SCHEME

The aggregate number of Shares which may be issued and issuable or transferred and transferrable pursuant to the exercise of Options to be granted under the Scheme, on any date, when aggregated with:

- (a) the total number of Shares issued and issuable or transferred and to be transferred in respect of Options already granted under the Scheme; and
- (b) the total number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company then in force;

shall not exceed 15% of the total number of issued Shares (excluding Shares held by the Company as treasury shares and subsidiary holdings from time to time, if any) on the day immediately preceding the Offer Date of the Option.

### 7. OFFER DATE

- 7.1 The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that no Options shall be granted during (i) 30 days immediately preceding the date of announcement of the Company's half-year and full-year financial statements; or (ii) 14 days immediately preceding the date of announcement of the Company's financial statements for each of the first three quarters of its financial year, in the event that the Company adopts quarterly reporting (as the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price or trade sensitive information is imminent, offers to grant Options may only be made on or after the third Market Day on which such announcement is released.
- 7.2 An offer to grant the Option to a Grantee shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in Annex 1, subject to such amendments as the Committee may determine from time to time.

### 8. ACCEPTANCE OF OFFER

- 8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within thirty (30) days after the relevant Offer Date and not later than 5.00 p.m. on the thirtieth (30th) day from such Offer Date (a) by completing, signing and returning to the Company the Acceptance Form in or substantially in the form set out in Annex 2, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Committee may require and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.
- 8.2 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the thirty (30) day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- 8.3 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice (as defined in Rule 12) given pursuant to Rule 12 which does not strictly comply with the terms of the Scheme.
- 8.4 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 11.6 in the event of the death of such Grantee.
- 8.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares. The Committee shall, within fifteen (15) Market Days of receipt of the Acceptance Form and consideration, acknowledge receipt of the same.

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## APPENDIX A - THE 2024 UNIGLOVES ESOS RULES

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- 8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 8.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period; or
  - (b) the Participant dies prior to his acceptance of the Option; or
  - (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
  - (d) the Grantee, (i) being a Group Employee, ceases to be in the employment of the Group; or (ii) being a Non-executive Director, ceases to be a Director of the Company, in each case, for any reason whatsoever prior to his acceptance of the Option; or
  - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option;
  - (f) or in the event of misconduct or breach of term of employment contract on the part of the Participant, as determined by the Committee in its discretion.

### 9. EXERCISE PRICE

- 9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and shall be fixed by the Committee at:
- (a) the Market Price; or
  - (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the Market Price in respect of that Option.
- 9.2 In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:
- (a) the performance of the Company and its Subsidiaries, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
  - (b) the years of service and individual performance of the eligible Participant;
  - (c) the contribution of the eligible Participant to the success and development of the Company and/or the Group; and
  - (d) the prevailing market conditions.

### 10. ALTERATION OF CAPITAL

- 10.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:
- (a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised; and/or



## APPENDIX A - THE 2024 UNIGLOVES ESOS RULES

- (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (c) the maximum entitlement in any one Financial Year; and/or
- (d) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate, including retrospective adjustments, where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

- 10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made (a) if as a result, the Participant receives a benefit that a Shareholder does not receive; and (b) unless the Committee after considering all relevant circumstances considers it equitable to do so.
- 10.3 The issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Catalist Rules, undertaken by the Company on the SGX-ST during the period when a share repurchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10.
- 10.4 The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares or Options over additional Shares issued or transferred by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.
- 10.5 Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised and the maximum entitlement in any one Financial Year.

## 11. OPTION PERIOD

- 11.1 Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by a Participant after the first anniversary of the Offer Date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.2 Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by a Participant after the second anniversary from the Offer Date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against the Company:
- (a) subject to Rules 11.4, 11.5 and 11.6, upon the Participant ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever; or

## APPENDIX A - THE 2024 UNIGLOVES ESOS RULES

- (b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
- (c) in the event of misconduct on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

11.4 If a Participant ceases to be employed by the Group by reason of his:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;
- (c) retirement at or after a normal retirement age; or
- (d) retirement before that age with the consent of the Committee,

or for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.5 If a Participant ceases to be employed by the Group:

- (a) by reason of the company by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary, being transferred otherwise than to another company within the Group; or
- (b) for any other reason, provided the Committee gives its consent in writing,

he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.6 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of the Participant within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.7 If a Participant, who is also an Executive Director or a Non-executive Director (as the case may be), ceases to be a director for any reason whatsoever, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

## 12. EXERCISE OF OPTIONS, ALLOTMENT OR TRANSFER AND LISTING OF SHARES EXERCISE OF OPTIONS, ALLOTMENT OR TRANSFER AND LISTING OF SHARES

12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Annex 3 (the "Exercise Notice"), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

## APPENDIX A - THE 2024 UNIGLOVES ESOS RULES

### 12.2 Subject to:

- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
- (b) compliance with the Rules of the Scheme and the Constitution of the Company,

the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot the Shares or, as the case may be, procure the transfer of existing Shares (which may include, where desired, any Shares held by the Company as treasury shares), in respect of which such Option has been exercised by the Participant and where required, or as the case may be, within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to CDP for the credit of the securities account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

12.3 The Company shall as soon as practicable after the exercise of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.

12.4 Shares which are all allotted or transferred on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of, or transferred to, CDP to the credit of the securities account of the Participant maintained with CDP or the Participant's securities sub-account with a Depository Agent.

12.5 Shares allotted and issued, and existing Shares procured by the Company for transfer, upon the exercise of an Option shall be subject to all provisions of the Constitution of the Company and shall rank pari passu in all respects with the then existing issued Shares except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.

12.6 Except as set out in Rule 12 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.

## 13. ALTERATIONS AND AMENDMENTS TO THE SCHEME

13.1 Any or all of the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee except that:

- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration, may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all the Shares which would be issued and allotted or transferred upon exercise in full of all outstanding Options;
- (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

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## APPENDIX A - THE 2024 UNIGLOVES ESOS RULES

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- 13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 13.3 Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants.

### 14. DURATION OF THE SCHEME

- 14.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing from the Adoption Date. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.
- 14.2 The Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 14.3 The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

### 15. TAKE-OVER AND WINDING-UP OF THE COMPANY

- 15.1 In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:
- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6)-month period, at the recommendation of the offeror and with the approvals of the Committee and (if so required) the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
  - (b) the date of the expiry of the Option Period relating thereto;

whereupon any Option(s) then remaining unexercised shall immediately lapse and become null and void.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option(s) not exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11, remain exercisable until the expiry of the Option Period.

- 15.2 If, under the Act or any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and Rule 11.2) shall notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court or the date on which the notice of amalgamation is issued by the Registrar of Companies, as the case may be, and ending

## APPENDIX A - THE 2024 UNIGLOVES ESOS RULES

either on the expiry of sixty (60) days thereafter or the date upon which the compromise, arrangement or amalgamation becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any Option then remaining unexercised shall lapse and become null and void.

- 15.3 If an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 15.4 In the event of a members' solvent voluntary winding-up (other than for amalgamation or reconstruction), Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and Rule 11.2) shall, subject to Rule 15.5, be entitled within thirty (30) days of the passing of the resolution of such winding-up (but not after the expiry of the Option Period relating thereto) to exercise in full any unexercised Option, after which such unexercised Option shall lapse and become null and void.
- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding-up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6 To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall lapse and become null and void.

## 16. ADMINISTRATION OF THE SCHEME

- 16.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.
- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.
- 16.3 Neither the Scheme nor the grant of Options under the Scheme shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing or expiry of any Options pursuant to any provision of the Scheme; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Scheme; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Scheme.
- 16.4 Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Scheme).
- 16.5 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Options to be granted to him.

## 17. NOTICES

- 17.1 Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.
- 17.2 Any notice or documents given by the Company to a Participant shall be sent to the Participant by hand or sent to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

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**APPENDIX A - THE 2024 UNIGLOVES ESOS RULES**

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**18. TERMS OF EMPLOYMENT UNAFFECTED**

- 18.1 The Scheme or any Option shall not form part of any contract of employment between the Company or any Subsidiary (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may have to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- 18.2 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company and/or any Subsidiary or indirectly or give rise to any cause of action at law or in equity against the Company or any Subsidiary.

**19. TAXES**

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by the Participant.

**20. COSTS AND EXPENSES OF THE SCHEME**

- 20.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's security account with CDP or the Participant's securities sub-account with his Depository Agent and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.
- 20.2 Save for such costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs, and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment or transfer of the Shares pursuant to the exercise of any Option shall be borne by the Company.

**21. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the Scheme including but not limited to the Company's delay or failure in issuing and allotting, or procuring the transfer of, the Shares or in applying for or procuring the listing of and quotation for the Shares on the SGX-ST or any other stock exchanges on which the Shares are quoted or listed.

**22. ABSTENTION FROM VOTING**

Shareholders who are eligible to participate in the Scheme are to abstain from voting on any shareholders' resolution relating to the Scheme and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, Shareholders who are eligible to participate in the Scheme shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Scheme; (b) the maximum discount which may be given in respect of any Option; and (c) participation by and grant of Options to Controlling Shareholders and their Associates.

**23. DISPUTES**

Any disputes or differences of any nature in connection with the Scheme shall be referred to the Committee and its decision shall be final and binding in all respects.

## APPENDIX A - THE 2024 UNIGLOVES ESOS RULES

### 24. CONDITION OF OPTION

Every Option shall be subject to the condition that no Shares shall be issued or transferred pursuant to the exercise of an Option if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.

### 25. GOVERNING LAW

The Scheme shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Company and the Participants, by accepting the offer of the grant of Options in accordance with the Scheme, shall submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

### 26. DISCLOSURE IN ANNUAL REPORT

The Company shall make the following disclosure in its annual report:

- (a) The names of the members of the Committee;
- (b) The information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular Financial Year):
  - (i) Participants who are Directors of the Company;
  - (ii) Participants who are Controlling Shareholders and their Associates; and
  - (iii) Participants, other than those in (i) and (ii) above, who receive 5% or more of the total number of Options available under the Scheme; and

Name of Participant	Options granted under the Unigloves ESOS during financial year under review (including terms)	Aggregate Options granted since commencement of the Unigloves ESOS to end of financial year under review	Aggregate Options exercised since commencement of the Unigloves ESOS to end of financial year under review	Aggregate Options outstanding as at end of financial year under review

- (c) The number and proportion of Options granted at the following discounts to the Market Price in the financial year under review:
  - (i) options granted at up to 10% discount; and
  - (ii) options granted at between 10% but not more than 20% discount.
  - (d) such other information as may be required by the Catalist Rules or the Companies Act,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included herein.

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**APPENDIX A - THE 2024 UNIGLOVES ESOS RULES**

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**ANNEX 1****UNIGLOVES EMPLOYEE SHARE OPTION SCHEME****LETTER OF OFFER**

Serial No. : \_\_\_\_\_

**PRIVATE AND CONFIDENTIAL**

Date:

To: [Name]  
[Designation]  
[Address]

Dear Sir / Madam

We are pleased to inform you that you have been nominated by the Remuneration Committee of the Board of Directors of UG Healthcare Corporation Limited (the "**Company**") to participate in the Unigloves Employee Share Option Scheme (the "**Scheme**"). Terms as defined in the Scheme shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$1.00, to acquire \_\_\_\_\_ ordinary shares in the capital of the Company at the price of S\$ \_\_\_\_\_ per ordinary share. The Option shall be subject to the terms of this Letter of Offer and the Scheme (as the same may be amended from time to time pursuant to the terms and conditions of the Scheme), a copy of which is enclosed herewith.

The Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than \_\_\_\_\_ a.m./p.m. on the \_\_\_\_\_ day of \_\_\_\_\_ failing which this offer will forthwith lapse.

Yours faithfully

For and on behalf of

**UG HEALTHCARE CORPORATION LIMITED**\_\_\_\_\_  
Name:

Designation:



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**APPENDIX A - THE 2024 UNIGLOVES ESOS RULES**


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**ANNEX 2****UNIGLOVES EMPLOYEE SHARE OPTION SCHEME****ACCEPTANCE FORM**

Serial No. : \_\_\_\_\_

To: The Remuneration Committee  
 Unigloves Employee Share Option Scheme  
 c/o The Company Secretary  
 UG Healthcare Corporation Limited  
 38 Beach Road #29-11  
 South Beach tower  
 Singapore 189767

Closing Time and Date for Acceptance of Option : \_\_\_\_\_

No. of Shares in respect of which Option is offered : \_\_\_\_\_

Exercise Price per Share : S\$ \_\_\_\_\_

Total Amount Payable on Acceptance of Option : S\$ \_\_\_\_\_  
(exclusive of the relevant CDP charges)

I have read your Letter of Offer dated \_\_\_\_\_ (the "**Offer Date**") and agree to be bound by the terms thereof and of the Unigloves Employee Share Option Scheme stated therein. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to acquire such shares.

I hereby accept the Option to acquire \_\_\_\_\_ ordinary shares in the capital of UG Healthcare Corporation Limited (the "**Shares**") at S\$ \_\_\_\_\_ per Share and enclose cash/ banker's draft/ cashier's order/ postal order no. \_\_\_\_\_ for S\$1.00 being payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I also understand that I shall be responsible for all the fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares in CDP's name, the deposit of share certificates with CDP, my securities account with CDP or my securities sub-account with a Depository Agent (as the case may be) (collectively, the "**CDP charges**").

I confirm that as at the date hereof:

- (a) I am not less than 21 years old, nor an undischarged bankrupt, nor have I entered into a composition with any of my creditors;
- (b) I satisfy the eligibility requirements to participate in the Scheme as defined in Rule 4 of the Scheme; and
- (c) I satisfy the other requirements to participate in the Scheme as set out in the Rules of the Scheme.

I hereby acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

I agree to keep all information pertaining to the grant of the Option to me confidential.

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**APPENDIX A - THE 2024 UNIGLOVES ESOS RULES**

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**PLEASE PRINT IN BLOCK LETTERS**

Name in full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC/Passport No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

\* Delete as appropriate

**Notes:**

- (1) Option must be accepted in full or in multiples of 1,000 Shares.
- (2) The Acceptance Form must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".
- (3) The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

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**APPENDIX A - THE 2024 UNIGLOVES ESOS RULES**


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**ANNEX 3****UNIGLOVES EMPLOYEE SHARE OPTION SCHEME****EXERCISE NOTICE**

To: The Remuneration Committee  
 Unigloves Employee Share Option Scheme  
 c/o The Company Secretary  
 UG Healthcare Corporation Limited  
 38 Beach Road #29-11  
 South Beach tower  
 Singapore 189767

Total Number of ordinary shares (the "**Shares**")  
 at S\$ \_\_\_\_\_ per Share under an option  
 granted on \_\_\_\_\_ (the "**Offer Date**") : \_\_\_\_\_

Number of Shares previously allotted and issued or  
 transferred thereunder : \_\_\_\_\_

Outstanding balance of Shares which may be  
 allotted and issued or transferred thereunder : \_\_\_\_\_

Number of Shares now to be acquired  
 (in multiples of 1,000) : \_\_\_\_\_

1. Pursuant to your Letter of Offer dated (the "**Offer Date**") and my acceptance thereof, I hereby exercise the Option to acquire Shares in UG Healthcare Corporation Limited (the "**Company**") at S\$ \_\_\_\_\_ per Share.

2. I hereby request the Company to allot and issue or transfer to me the number of Shares specified in paragraph 1 in the name of The Central Depository (Pte) Limited ("**CDP**") to the credit of my Securities Account with the CDP/Securities Sub-Account with a Depository Agent specified below and to deliver the share certificates relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP (the "**CDP charges**") and any stamp duties in respect thereof:

\*(a) Direct Securities Account Number : \_\_\_\_\_

\*(b) Securities Sub-Account Number : \_\_\_\_\_

(c) Name of Depository Agent : \_\_\_\_\_

3. I enclose a cheque/cashier's order/bank draft/postal order no. \_\_\_\_\_ for S\$ \_\_\_\_\_ in payment for the Exercise Price of S\$ \_\_\_\_\_ for the total number of the said Shares and the CDP charges of S\$ \_\_\_\_\_.

4. I agree to acquire the Shares subject to the terms of the Letter of Offer, the Unigloves Employee Share Option Scheme (as the same may be amended pursuant to the terms thereof from time to time) and the Constitution of the Company.

5. I declare that I am acquiring the Shares for myself and not as a nominee for any other person.

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**APPENDIX A - THE 2024 UNIGLOVES ESOS RULES**

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**PLEASE PRINT IN BLOCK LETTERS**

Name in full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC/Passport No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

\* Delete as appropriate

**Notes:**

1. An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof.
2. The form entitled "Exercise Notice" must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".

## APPENDIX B - THE 2024 UNIGLOVES PSP RULES

### THE 2024 UNIGLOVES PERFORMANCE SHARE PLAN RULES

#### 1. NAME OF THE PLAN

The Plan shall be called the "2024 Unigloves Performance Share Plan".

#### 2. DEFINITIONS

2.1 In this Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Act"	:	The Companies Act, 1967 of Singapore, as amended or modified from time to time
"Adoption Date"	:	The date on which the Plan is adopted by the Company in a general meeting
"Associate"	:	Shall have the meaning assigned to it in the Catalist Rules
"Auditors"	:	The auditors of the Company for the time being
"Award"	:	A contingent award of Shares under Rule 5
"Award Date"	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5
"Award Letter"	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
"Catalist Rules"	:	The rules constituted in Section B of the Listing Manual of the SGX-ST
"CDP"	:	The Central Depository (Pte) Limited
"Committee"	:	The Remuneration Committee of the Company
"Company"	:	UG Healthcare Corporation Limited
"Control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
"Controlling Shareholder"	:	A shareholder who: <ul style="list-style-type: none"> <li>(a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding Shares held by the Company as treasury shares) (unless otherwise determined by the SGX-ST that a person who satisfies this subparagraph is not a controlling shareholder); or</li> <li>(b) in fact exercises Control over the Company</li> </ul>
"Director"	:	A person holding office as a director for the time being of the Company
"Executive Director"	:	A Director who is an employee of the Company and who performs an executive function
"Group"	:	The Company and its Subsidiaries (as they may exist from time to time)
"Group Employee"	:	Any confirmed employee of the Group (including an Executive Director) with Rule 4
"Independent Director"	:	An independent Director of the Company
"Non-executive Director"	:	A Director of the Company, other than one who performs an executive function
"Participant"	:	The holder of an Award
"Performance Condition"	:	In relation to an Award, the condition specified on the Award Date in relation to that Award

## APPENDIX B - THE 2024 UNIGLOVES PSP RULES

<i>"Performance Period"</i>	:	The period, as may be determined by the Committee at its discretion, during which the Performance Condition is to be satisfied
<i>"Plan"</i>	:	The Unigloves Performance Share Plan, as the same may be modified from time to time
<i>"Record Date"</i>	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares
<i>"Release"</i>	:	In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and <i>"Released"</i> shall be construed accordingly
<i>"Release Schedule"</i>	:	In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period
<i>"Release Award"</i>	:	An Award which has been released in accordance with Rule 7
<i>"Retention Period"</i>	:	Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant
<i>"Shares"</i>	:	Ordinary shares in the capital of the Company
<i>"SGX-ST"</i>	:	The Singapore Exchange Securities Trading Limited
<i>"Trading Day"</i>	:	A day on which the Shares are traded on the SGX-ST
<i>"Vesting"</i>	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and <i>"Vest"</i> and <i>"Vested"</i> shall be construed accordingly
<i>"Vesting Date"</i>	:	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7

2.2 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

2.3 Any reference to a time of a day in the Plan is a reference to Singapore time.

2.4 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

### 3. OBJECTIVES OF THE PLAN

The Plan has been proposed in order to:

- (a) foster an ownership culture which aligns the interests of Group Employees and Non-executive Directors with the interests of shareholders;
- (b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business units; and
- (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company's ambition to become a world class company.

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**APPENDIX B - THE 2024 UNIGLOVES PSP RULES**

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**4. ELIGIBILITY OF PARTICIPANTS**

4.1 The following persons shall be eligible to participate in the Plan at the absolute discretion of the Committee:

- (a) Group Employees (including Executive Directors); and
- (b) Non-Executive Directors (including Independent Directors),

provided that, as at the Grant Date, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any compositions with their respective creditors, and in the case of Group Employees, must have been in the employment of the Group for at least 12 months, or such shorter period as the Committee may determine.

4.2 Controlling Shareholders are not entitled to participate in the Plan.

4.3 Directors and employees of the Company's parent company and its Subsidiaries (other than the Company and the Company's Subsidiaries) are not entitled to participate in the Plan.

4.4 There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group.

**5. GRANT OF AWARDS**

5.1 Subject as provided in Rule 8, the Committee may grant Awards to Group Employees and Non-executive Directors as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.

However, no Awards shall be granted during the period of (i) 30 days immediately preceding the date of announcement of the Company's half-year and full-year financial statements or (ii) 14 days immediately preceding the date of announcement of the Company's financial statements for each of the first three quarters of its financial year, in the event that the Company adopts quarterly reporting (as the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price or trade sensitive information is imminent, offers may only be made on or after the third Market Day on which the aforesaid announcement is made.

5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort with which the Performance Condition may be achieved within the Performance Period.

5.3 The Committee shall decide in relation to an Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the Performance Period;
- (d) the number of Shares which are the subject of the Award;
- (e) the Performance Condition;
- (f) the Release Schedule; and
- (g) any other condition which the Committee may determine in relation to that Award.

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**APPENDIX B - THE 2024 UNIGLOVES PSP RULES**

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- 5.4 The Committee may amend or waive the Performance Period, the Performance Condition and/or the Release Schedule in respect of any Award:
- (a) in the event of a take-over offer being made for the Shares or if under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or
  - (b) if anything happens which causes the Committee to conclude that:
    - (i) a changed Performance Condition and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
    - (ii) the Performance Condition and/or Release Schedule should be waived, and shall notify the Participants of such change or waiver.
- 5.5 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:
- (a) the Award Date;
  - (b) the Performance Period;
  - (c) the number of Shares which are the subject of the Award;
  - (d) the Performance Condition;
  - (e) the Release Schedule; and
  - (f) any other condition which the Committee may determine in relation to that Award.
- 5.6 Participants are not required to pay for the grant of Awards.
- 5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

**6. EVENTS PRIOR TO THE VESTING DATE**

- 6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:
- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
  - (b) subject to Rule 6.2(b), upon the Participant ceasing to be in the employment of the Group for any reason whatsoever;
  - (c) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award; or
  - (d) the Participant commits any breach of any of the terms of his Awards.



## APPENDIX B - THE 2024 UNIGLOVES PSP RULES

For the purpose of Rule 6.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

6.2 In any of the following events, namely:

- (a) where the Participant ceases to be in the employment of the Group by reason of:
  - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee;
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age;
  - (iv) retirement before the legal retirement age with the consent of the Committee;
  - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be;
  - (vi) (where applicable) his transfer of employment between companies within the Group;
  - (vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
  - (viii) any other event approved by the Committee;
- (b) the death of a Participant;
- (c) any other event approved by the Committee,

the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act; or
- (c) an order being made or a resolution being passed for the winding-up of the Company (other than for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7.

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**APPENDIX B - THE 2024 UNIGLOVES PSP RULES**

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**7. RELEASE OF AWARDS****7.1 Review of Performance Condition**

7.1.1 As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition specified in respect of each Award and determine at its discretion whether it has been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be a Group Executive or a Non-executive Director from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Employee or a Non-executive Director from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.4 shall be of no effect.

The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

7.1.2 Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1.1 and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.

7.1.3 Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares.

**7.2 Release of Award**

Shares which are allotted or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

**7.3 Ranking of Shares**

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution of the Company; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

**7.4 Moratorium**

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

## APPENDIX B - THE 2024 UNIGLOVES PSP RULES

### 8. LIMITATION ON THE SIZE OF THE PLAN

- 8.1 The aggregate number of Shares which may be issued and issuable or transferred and transferrable pursuant to Awards granted under the Plan on any date, when aggregated with:
- (a) the total number of Shares issued and issuable or transferred and transferrable pursuant to Awards already granted under the Plan; and
  - (b) the total number of Shares issued and issuable or transferred and transferrable in respect of options or awards granted under any other share option schemes or share schemes of the Company then in force; shall not exceed 15% of the total number of issued Shares (excluding Shares held by the Company as treasury shares and subsidiary holdings from time to time, if any) on the day preceding the Award Date.
- 8.2 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

### 9. ADJUSTMENT EVENTS

- 9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:
- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
  - (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,
- shall be adjusted in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a shareholder of the Company does not receive.
- 9.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.
- 9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.

### 10. ADMINISTRATION OF THE PLAN

- 10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the board of directors of the Company, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.
- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.

## APPENDIX B - THE 2024 UNIGLOVES PSP RULES

- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing of any Awards pursuant to any provision of the Plan; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.
- 10.5 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Awards to be granted to him.

### 11. NOTICES AND COMMUNICATIONS

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of dispatch.

### 12. MODIFICATIONS TO THE PLAN

- 12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:
- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Conditions for their Awards being satisfied in full, would become entitled to not less than three-quarters (3/4) in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards under the Plan;
  - (b) any modification or alteration which would be to the advantage of Participants except with the prior approval of the Company's shareholders in general meeting; and
  - (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive.

For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or

## APPENDIX B - THE 2024 UNIGLOVES PSP RULES

any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

### 13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

### 14. DURATION OF THE PLAN

14.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

14.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.

14.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

### 15. TAXES

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

### 16. COSTS AND EXPENSES OF THE PLAN

16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent.

16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

### 17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 7.1.3.

### 18. DISCLOSURES IN ANNUAL REPORTS

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

## APPENDIX B - THE 2024 UNIGLOVES PSP RULES

- (a) the names of the members of the Committee administering the Plan;
- (b) in respect of the following Participants of the Plan:
- (i) directors of the Company;
  - (ii) Controlling Shareholders and their Associates; and
  - (iii) Participants (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent five (5) per cent. or more of the aggregate of the total number of Shares available under the Plan,

Name of participant	Aggregate number of Shares comprised in Awards granted under the 2024 Unigloves PSP during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of the 2024 Unigloves PSP to end of financial year under review	Aggregate number of Shares comprised in Awards released since commencement of the 2024 Unigloves PSP to end of financial year under review	Aggregate number of Shares comprised in Awards which have not been released as at the end of the financial year under review

- (c) Such other information as may be required by the Catalist Rules or the Companies Act,

Provided that if any of the above requirements are not applicable, an appropriate negative statement should be included herein.

### 19. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Plan are to abstain from voting on any shareholders' resolution relating to the Plan and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. In particular, all Shareholders who are eligible to participate in the Plan shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Plan; and (b) participation by and grant of Awards to Controlling Shareholders and their Associates.

### 20. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

### 21. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

### 22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

# Proxy Form

**IMPORTANT:**

1. The Notice of AGM, Proxy Form, Request Form, Annual Report and Appendix will be sent to members by electronic means via publication on the Company's website at <https://www.ughealthcarecorporation.com/investor-relation> and on the SGXNet at <https://www.sgx.com/securities/company-announcements>. Printed copies of the Notice, Proxy Form and Request Form will also be sent by post to members.
2. A relevant intermediary may appoint more than two (2) proxies to attend the AGM and vote (please see Note 3 for the definition of "Relevant Intermediary").
3. An investor who holds shares under Central Provident Fund Investment Scheme ("CPFIS Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPFIS and SRS Investors who are unable to attend the AGM but would like to vote, may inform their respective CPF Agent Banks or SRS Investors to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.
4. This Proxy Form is not valid for use by CPFIS Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

\*I/We \_\_\_\_\_ (Name)

\*NRIC/Passport/Co. Registration No. \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a member/members of **UG HEALTHCARE CORPORATION LIMITED** (the "Company") hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

or failing the person, or either or both of the persons referred to above, the Chairman of the Annual General Meeting ("AGM") as \*my/our \*proxy/proxies to attend, speak or vote on \*my/our behalf at the AGM of the Company to be held at YMCA @ One Orchard Road, Singapore 238824 on Tuesday, 29 October 2024 at 9.30 a.m. and at any adjournment thereof.

\*I/We have directed \*my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the \*proxy/proxies (other than the Chairman of the Meeting) may vote for, against or abstain from voting on \*his/their discretion, as \*he/they will on any other matters arising at the AGM and/or at any adjournment thereof. In appointing the Chairman of the Meeting as proxy, Shareholders (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

Voting would be conducted by poll. Please indicate your vote "For" or "Against" or "Abstain" with a tick [✓] within the box provided.

AS ORDINARY BUSINESS				
No.	Resolutions Relating To:	For	Against	Abstain
1	Adoption of Directors' Statement and Audited Financial Statements of the Company for the financial year ended 30 June 2024			
2	Re-election of Mr. Lee Jun Linn as Director			
3	Re-election of Ms. Ng Lee Eng as Director			
4	Approval of Directors' fees for financial year ending 30 June 2025			
5	Re-appointment of Messrs Forvis Mazars LLP as auditors			
AS SPECIAL BUSINESS				
6	Authority to allot and issue new shares			
7	Adoption of the 2024 Unigloves ESOS			
8	Grant of Options at a Discount under the 2024 Unigloves ESOS			
9	Adoption of the 2024 Unigloves PSP			
10	Renewal of the Share Buy-back Mandate			

\* Delete where inapplicable

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Total Number of Shares Held in:	
CDP Register	
Register of Members	

Signature(s) of Member(s) or

Common Seal of Corporate Member

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**Notes:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative or proxy to vote on its behalf at the AGM, in accordance with Section 179 of the Companies Act 1967.

Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

3. For any member who acts as a Relevant Intermediary pursuant to Section 181(6) of the Companies Act 1967, who is either:
  - (a) a banking corporation licensed under the Banking Act 1970 or wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence holder provide under the Securities and Futures Act 2001 and who holds shares in that capacity; and
  - (c) Central Provident Fund ("CPF") Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

Please note that if any of your shareholdings are not specified in the list provided by the Relevant Intermediary to the Company, the Company may have the sole discretion to disallow the said participation of the said proxy at the forthcoming AGM.

4. The proxy need not be a member of the Company.
5. A member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory.
6. The Proxy Form must be submitted to in the following manner:
  - (a) if submitted by post, be lodged at the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited at [main@zicoholdings.com](mailto:main@zicoholdings.com),

in either case, by **26 October 2024, 9.30 a.m.**, being no later than seventy-two (72) hours before the time fixed for the AGM. A Member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.

7. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
8. The Proxy Form must be signed by the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

**General:**

The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in the case of members whose shares are entered in the Depository Register, the Company shall be entitled to reject any instrument of proxy lodged if the member, being the appointer, is not shown to have any shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 October 2024.



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# CORPORATE INFORMATION

## Board of Directors

### MR. YIP WAH PUNG

Non-Executive Chairman and Independent Director

### MR. LEE KECK KEONG

Executive Director and Chief Executive Officer

### MR. LEE JUN YIH

Executive Director and Finance Director

### MR. LEE JUN LINN

Executive Director and Chief Operating Officer

### MR. WONG SEE KEONG

Executive Director

### MR. NG LIP CHI, LAWRENCE

Independent Director

### MS. NG LEE ENG

Independent Director

## Audit Committee

Mr. Yip Wah Pung (Chairman)

Mr. Ng Lip Chi, Lawrence

Ms. Ng Lee Eng

## Remuneration Committee

Mr. Ng Lip Chi, Lawrence (Chairman)

Mr. Yip Wah Pung

Ms. Ng Lee Eng

## Nominating Committee

Ms. Ng Lee Eng (Chairman)

Mr. Yip Wah Pung

Mr. Ng Lip Chi, Lawrence

Mr. Lee Keck Keong

## Company Secretary

Ms. Low Mei Mei, Maureen, ACS

## Registered Office

38 Beach Road #29-11

South Beach Tower

Singapore 189767

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

Email: [ir@ughcc.com](mailto:ir@ughcc.com)

## Share Registrar

### B.A.C.S. PRIVATE LIMITED

77 Robinson Road

#06-03 Robinson 77

Singapore 068896

## Auditors

### FORVIS MAZARS LLP (F.K.A. MAZARS LLP)

135 Cecil Street

#10-01

Singapore 069536

Partner-in-charge: Mr. Chan Hock Leong, Rick

(with effect from the financial year ended June 2023)

## Principal Bankers

United Overseas Bank Limited, Singapore

United Overseas Bank (Malaysia) Berhad

Oversea-Chinese Banking Corporation Limited, Singapore

OCBC Bank (Malaysia) Berhad

CIMB Bank Berhad, Singapore Branch

The Hongkong and Shanghai Banking Corporation Limited,  
Singapore

DBS Bank Ltd

CTBC Bank Co., Ltd

Citibank, N.A.

## Continuing Sponsor

### SAC CAPITAL PRIVATE LIMITED

1 Robinson Road

#21-00 AIA Tower

Singapore 048542

Tel: (65) 6232 3210

Registered professional: Ms. Charmian Lim

## Investor Relations

### OCTAVE FINCOMM PRIVATE LIMITED

富登财经通讯私人有限公司

Email: [enquiry@octavecomms.com](mailto:enquiry@octavecomms.com)

Website: [www.octavecomms.com](http://www.octavecomms.com)



**UGHEALTHCARE**  
CORPORATION

**UG HEALTHCARE**  
**CORPORATION LIMITED**  
(Unique Entity No. : 201424579Z)

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