UG HEALTHCARE CORPORATION LIMITED

Company Registration No. 201424579Z

UNAUDITED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the **"Sponsor"**), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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PART I INFORMATION REQUIRED FOR QUARTERLY (1Q, 2Q & 3Q), HALF-YEAR (HY) AND FULL YEAR ANNOUNCEMENTS

1(a)(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	30-June-16 S$'000	30-June-15 S$'000	Increase/(Decrease) %
Revenue	58,823	55,740	5.5
Cost of sales	(46,130)	(44,191)	4.4
Gross profit	12,693	11,549	9.9
Other income	2,379	1,394	70.7
	15,072	12,943	16.5
Marketing and distribution expenses	(1,334)	(1,332)	0.2
Administrative expenses	(6,738)	(6,859)	(1.8)
Other expenses	(46)	(144)	(68.0)
IPO expenses	-	(817)	N.M.
Finance costs	(176)	(347)	(49.3)
Share of profits from associates	691	513	34.6
Profit before tax	7,469	3,957	88.8
Income tax expense	(1,950)	(1,025)	90.3
Profit for the year	5,519	2,932	88.2
Other comprehensive loss			
Exchange difference on translating foreign operations	(4,278)	(2,471)	73.3
Total comprehensive income for the year	1,241	461	N.M.
Profit/(Loss) attributable to:			
Owners of the Company	5,450	3,164	72.3
Non-controlling interests	69	(232)	N.M.
	5,519	2,932	88.2
Total comprehensive income attributable to:			
Owners of the Company	1,206	707	N.M.
Non-controlling interests	35	(246)	N.M.
	1,241	461	N.M.
Earnings per share (cents)			
Basic and diluted	2.90	1.68	

N.M. – Not meaningful

1(a)(ii) NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group	
	30-June-16 S$'000	30-June-15 S$'000
Profit for the financial year is arrived at after charging/(crediting) the following:		
Fair value (gain)/loss on financial derivatives	(394)	696
Foreign exchange gain – unrealised	(590)	(1,212)
Foreign exchange (gain)/loss – realised	(1,349)	444
Provision for doubtful debts	36	-
Interest expense on borrowings	176	347
Interest income	(34)	(47)
Negative goodwill	-	(100)
Other sundry income	(12)	(35)
Depreciation of property, plant and equipment	1,051	917
Under provision of tax in prior years	46	10

1(b)(i) STATEMENT OF FINANCIAL POSITION OF THE GROUP AND THE COMPANY AS AT 30 JUNE 2016

	Group		Company	
	30-June-16 S$'000	30-June-15 S$'000	30-June-16 S$'000	30-June-15 S$'000
ASSETS				
Non-current assets				
Investment in subsidiaries	-	-	30,802	30,802
Associates	5,288	4,765	-	-
Property, plant and equipment	17,078	14,479	-	-
Intangibles	297	326	-	-
Deferred tax assets	158	74	-	-
Total non-current assets	22,821	19,644	30,802	30,802
Current assets				
Inventories	13,586	10,233	-	-
Amount due from subsidiaries	-	-	26,696	921
Trade and other receivables	13,651	14,833	9	30
Cash and bank balances	5,985	7,101	629	3,549
Total current assets	33,222	32,167	27,334	4,500
Total assets	56,043	51,811	58,136	35,302
EQUITY AND LIABILITIES				
Equity				
Share capital	36,243	36,243	36,243	36,243
Reserve	(32,607)	(28,363)	-	-
Retained earnings/(Accumulated loss)	34,510	29,060	21,784	(1,076)
Equity attributable to the owners of the Company	38,146	36,940	58,027	35,167
Non-controlling interests	198	163	-	-
Total equity	38,344	37,103	58,027	35,167
Non-current liabilities				
Deferred tax liabilities	1,269	953	-	-
Bank borrowings	3,014	4,078	-	-
Total non-current liabilities	4,283	5,031	-	-
Current liabilities				
Trade and other payables	5,519	7,225	109	135
Derivate financial instruments	143	571	-	-
Bank borrowings	7,754	1,881	-	-
Total current liabilities	13,416	9,677	109	135
Total liabilities	17,699	14,708	109	135
Total equity and liabilities	56,043	51,811	58,136	35,302

1(b)(ii) GROUP'S BORROWINGS AND DEBT SECURITIES

	30-June-16		30-June-15	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Amount repayable in one year or less, or on demand	862	6,892	1,881	-
Amount repayable after one year	3,014	-	4,078	-
Total borrowings	3,876	6,892	5,959	-

Details of collaterals

As at 30 June 2016 and 30 June 2015, certain of the Group's borrowings are secured by:

(i) fixed and floating charges over assets of a subsidiary
(ii) debentures over certain production lines
(iii) charge on certain leasehold land and building of a subsidiary
(iv) fixed deposits pledged as collateral and
(v) corporate guarantee
(vi) personal guarantees provided by certain directors and related parties

1(c) CONSOLIDATED CASH FLOW STATEMENT

	Group	
	30-June-16 S$'000	**30-June-15 S$'000**
Operating activities		
Profit before income tax	7,469	3,957
Adjustments for:		
Provision for doubtful debts	36	-
Depreciation of property, plant and equipment	1,051	917
Fair value (gain)/loss of derivative financial instrument	(394)	696
Negative goodwill ***[Note 1(c)(i)]***	-	(100)
Interest expense	176	347
Interest income	(34)	(47)
Property, plant and equipment written off	14	(1)
Share of profits from associates	(691)	(513)
Unrealised exchange differences	(3,214)	7
Operating cash flows before movements in working capital	4,413	5,263
Movements in working capital		
Inventories	(3,353)	(748)
Trade and other receivables	352	(4,092)
Trade and other payables	(1,706)	3,124
Cash (used in)/generated from operations	(294)	3,547
Interest paid	(176)	(347)
Income taxes paid	(935)	(1,217)
Net cash (used in)/ from operating activities	(1,405)	1,983
Investing activities		
Acquisition of a subsidiary, net of cash and cash equivalents ***[Note 1(c)(i)]***	-	151
Acquisition of property, plant and equipment	(4,564)	(3,606)
Acquisition of intangibles	-	(142)
Additional net placement of fixed deposits	(262)	-
Interest received	34	47
Net cash used in investing activities	(4,792)	(3,550)
Financing activities		
Drawdown of borrowings	20,103	834
Repayment of borrowings	(14,900)	(818)
Shares issue expenses	-	(1,451)
Proceeds from issuance of shares	-	6,192
Net cash from financing activities	5,203	4,757
Net (decrease)/increase in cash and cash equivalents	(994)	3,190
Cash and cash equivalents at beginning of financial year/period	5,905	2,678
Effects on currency translation on cash and cash equivalents	495	37
Cash and cash equivalents at end of financial year/period	5,406	5,905
Cash and cash equivalents comprised the following:		
Cash and bank balances	5,985	7,101
Less: Fixed deposits pledged to bank	(579)	(812)
Less: Bank overdrafts	-	(384)
	5,406	5,905

1(c)(i) ACQUISITION OF A SUBSIDIARY

During FY2015, the Group acquired 75% equity interest in a subsidiary, Uni-Medical Healthcare Limited, a company incorporated in Nigeria for a total consideration of S$579,750. The details of the acquisition are as follows:

	Group 30-June-15 S$'000
Total net assets acquired	906
Less: Non-controlling interest	(226)
	680
Less: Negative goodwill	(100)
Total consideration	580
Consideration satisfied by shares issued	(525)
Consideration satisfied by cash	(55)
Add: Cash and cash equivalents acquired	206
Net cash inflow on acquisition	151

1(d)(I) STATEMENT OF CHANGES IN EQUITY

	Group						
	Attributable to owners of the Company						
	Share capital S$'000	Merger reserve S$'000	Foreign currency translation reserves S$'000	Retained earnings S$'000	Total S$'000	Non-controlling interests S$'000	Total S$'000
Balance as at 1 July 2015	36,243	(25,940)	(2,423)	29,060	36,940	163	37,103
Profit for the financial year	-	-	-	5,450	5,450	69	5,519
Other comprehensive income/(loss)							
Exchange differences on translating foreign operations	-	-	(4,244)	-	(4,244)	(34)	(4,278)
Balance as at 30 June 2016	36,243	(25,940)	(6,667)	34,510	38,146	198	38,344
Balance as at 1 July 2014	3,988	-	38	25,957	29,983	101	30,084
Profit for the financial year	-	-	-	3,164	3,164	(232)	2,932
Other comprehensive income/(loss)							
Exchange differences on translating foreign operations	-	-	(2,457)	-	(2,457)	(14)	(2,471)
Dilution of equity in a subsidiary	-	-	(4)	(61)	(65)	65	-
IPO expenses	(1,451)	-	-	-	(1,451)	-	(1,451)
Issuance of new shares for cash	6,192	-	-	-	6,192	-	6,192
Issuance of new shares to acquire a subsidiary	525	-	-	-	525	-	525
Effects on acquisition of subsidiaries and associates	26,989	(25,940)	-	-	1,049	243	1,292
Balance as at 30 June 2015	36,243	(25,940)	(2,423)	29,060	36,940	163	37,103

1(d)(i) STATEMENT OF CHANGES IN EQUITY (continued)

	Company		
	Share capital S$'000	**Accumulated losses S$'000**	**Total S$'000**
Balance as at 1 July 2015	36,243	(1,076)	35,167
Total comprehensive profit for the financial year	-	22,860	22,860
Balance as at 30 June 2016	36,243	21,784	58,027
Balance as at date of incorporation	-*	-	-*
Issuance of new shares for cash	6,192	-	6,192
Issuance of new shares pursuant to the Restructuring Exercise	30,977	-	30,977
Issuance of new shares to acquire a subsidiary	525	-	525
Total comprehensive loss for the period	-	(1,076)	(1,076)
IPO expenses	(1,451)	-	(1,451)
Balance as at 30 June 2015	36,243	(1,076)	35,167

*Note: * denotes amount less than S$1,000*

1(d)(ii) SHARE CAPITAL

	Company	
	Number of ordinary shares	Issued and paid up share capital S$
Balance as at 1 January 2016	188,023,530	36,243,188
Balance as at 30 June 2016	188,023,530	36,243,188

There was no new issuance of shares since the last reported period up to 30 June 2016.

As at 30 June 2016, the Company had outstanding share options which are exercisable into 1,570,000 new shares. The options were granted on 28 August 2015 to the employees of the Company and 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 2015, the Company did not have outstanding convertibles.

As at 30 June 2016 and 2015, the Company had no treasury shares.

1(d)(iii) TOTAL NUMBER OF ISSUED SHARES EXCLUDING TREASURY SHARES

	Company	
	30-June-16	30-June-15
Total number of issued shares excluding treasury shares	188,023,530	188,023,530

1(d)(iv) TREASURY SHARES

Not applicable. There were no sales, transfers disposals, cancellation and/or use of treasury shares during the current financial year as the Company did not have treasury shares at the beginning or end of the financial year.

2 REVIEW OR AUDIT OF FIGURES PRESENTED

The figures presented have not been reviewed or audited by the Company's auditors.

3. AUDITOR'S REPORT

Not applicable.

4. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year as compared to its audited financial statements for the financial year ended 30 June 2015.

5. CHANGES IN ACCOUNTING POLICIES AND METHODS OF COMPUTATION

In the current financial year, the Group has adopted all the new and revised financial reporting standards (**"FRS"**) and Interpretations of FRS (**"INT FRS"**) that are relevant to the Group and effective for the financial period beginning 1 July 2015. The adoption of these new and revised FRS and INT FRS does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

6. EARNINGS PER SHARE ("EPS")

	Group	
	30-June-16	30-June-15
Profit attributable to owners of the Company (S$'000)	5,450	3,164
Weighted average number of ordinary shares used for calculating:		
- basic EPS	188,023,530	188,023,530
- diluted EPS	188,658,737	188,023,530
Earnings per share (cents)		
- basic EPS	2.90	1.68
- diluted EPS	2.89	1.68

7. NET ASSETS VALUE ("NAV") PER SHARE

	Group		Company	
	30-June-16	30-June-15	30-June-16	30-June-15
NAV per share (cents)	20.39	19.73	30.86	18.70
Total equity (S$'000)	38,344	37,103	58,027	35,167
Number of ordinary shares used in computation of NAV per share	188,023,530	188,023,530	188,023,530	188,023,530

8. REVIEW OF GROUP PERFORMANCE

(A) REVIEW OF GROUP RESULTS

Revenue
Revenue increased by approximately S$3.1 million or 5.5%, from S$55.7 million in FY2015 to S$58.8 million in FY2016, due to increase in volume of gloves produced and sold, which was partially mitigated by reduction in average selling price of the Group's products, mainly latex examination gloves. The increase in volume of gloves produced was mainly due to new production lines constructed, resulted in increase in exports to existing customers in Europe, USA, Africa and South America.

Cost of Sales
Cost of sales increased by S$1.9 million or 4.4% from S$44.2 million in FY2015 to S$46.1 million in FY2016, in tandem with the increase in revenue.

Gross Profit and Gross Profit Margin
Gross profit increased by S$1.2 million or 9.9% from S$11.5 million in FY2015 to S$12.7 million in FY2016. The Group's gross profit margin increased slightly from 20.7% in FY2015 to 21.6% in FY2016, mainly due to reduction in cost of purchases of other ancillary products.

Other income
Other income increased by S$1.0 million or 70.7% from S$1.4 million in FY2015 to S$2.4 million in FY2016 mainly due to fair value gain on financial derivatives of S$0.3 million, realised foreign exchange gain of S$1.3 million, partially offset by decrease in unrealised foreign exchange gain of S$0.6 million and absence of negative goodwill of S$0.1 million in FY2016.

Marketing and Distribution Expenses
Marketing and distribution expenses remained the same at S$1.3 million for both FY2016 and FY2015.

Administrative Expenses
Administrative expenses remained fairly stable at S$6.8 million and S$6.9 million for FY2016 and FY2015 respectively. The higher depreciation of property, plant and equipment for FY2016 as compared to FY2015 was mainly due to higher capital expenditure on property, plant and equipment during FY2016.

Other Expenses
Other expenses reduced by S$0.1 million from S$0.14 million to S$0,04 million mainly due to absence of realised foreign exchange loss.

Share of Profits from Associates
The Group's share of profits from associates amounted to S$0.7 million in FY2016, an increase of S$0.2 million or 34.6% as compared to S$0.5 million in FY2015, mainly due to higher contribution of profits from the Group's associated company in Germany.

Finance Costs
Finance costs decreased by S$0.17 million or 49.3% from S$0.35 million in FY2015 to S$0.18 million in FY2016. The decrease was due to capitalisation of interest on borrowings relating to construction of new production lines and also due to lower interest rate from new banking facilities obtained.

Income Tax Expense
Income tax expense increased by S$0.9 million or 90.3% from S$1.0 million in FY2015 to S$1.9 million in FY2016 due to higher profit before taxation. Effective tax rate remained fairly stable at 26.1% and 25.9% for FY2016 and FY2015 respectively.

(B) REVIEW OF GROUP'S FINANCIAL POSITION

As at 30 June 2016

Non-current Assets
Non-current assets increased by S$3.2 million or 16.2% from S$19.6 million as at 30 June 2015 to S$22.8 million as at 30 June 2016, due to:

(a) Acquisition of property, plant and equipment of S$4.6 million, partially offset by depreciation charge of S$1.1 million and translation loss of S$0.9 million;
(b) Share of results from associates of S$0.5 million (after netting off foreign exchange effect); and
(c) Increase in deferred tax assets of S$0.1 million.

Current Assets
Current assets increased by S$1.1 million or 3.3% from S$32.2 million as at 30 June 2015 to S$33.3 million as at 30 June 2016, mainly due to:

(a) Increase in inventories by S$3.4 million or 32.8% from S$10.2 million as at 30 June 2015 to S$13.6 million as at 30 June 2016. The increase in inventories was a result of stocking up gloves inventories in the Group's overseas warehouse to cater for demand of the Group's products without compromising the delivery lead time to end customers.

The increase was partially offset by:
(b) Decrease in trade and other receivables by S$1.1 million or 8.0% from S$14.8 million as at 30 June 2015 to S$13.7 million as at 30 June 2015. The decrease in trade and other receivables was mainly due to prompt payment made by customers.
(c) Decrease in cash and bank balances by S$1.1 million or 15.7% from S$7.1 million as at 30 June 2015 to S$6.0 million as at 30 June 2016. The decrease in cash and bank balances was mainly due to utilisation of the remaining unused IPO proceeds.

Equity
Equity comprises share capital, merger reserve, retained earnings, foreign currency translation reserve and non-controlling interests. The increase in equity was mainly due to:

(a) profit attributable to owners of the Company for the financial year of S$5.5 million; and
The increase was partially offset by:
(b) decrease in foreign currency translation reserves of S$4.2 million mainly due to weakening of Ringgit Malaysia (functional currency of major subsidiaries) against Singapore Dollars (presentation currency)

Non-current liabilities
Non-current liabilities decreased by S$0.7 million or 14.9% from S$5.0 million as at 30 June 2015 to S$4.3 million as at 30 June 2016 which was due to reduction in long term borrowings of S$1.1 million, partially offset by an increase in recognition of deferred tax liabilities of S$0.3 million,

Current liabilities
Current liabilities increased by S$3.7 million or 38.6% from S$9.7 million as at 30 June 2015 to S$13.4 million as at 30 June 2016, mainly due to:

(a) Increase in short term borrowings of S$5.9 million as a result of utilisation of new trade facilities obtained and partially offset by lower usage of bank overdraft for working capital purposes;
The increase was partially offset by:
(b) Decrease of S$1.7 million or 23.6% in trade and other payables due to prompt payment made to suppliers and vendors of the Group; and
(c) Reduction in recognition of derivative financial liabilities of S$0.4 million arising from purchase of forward foreign exchange contracts with favourable rates.

(C) REVIEW OF GROUP'S CASH FLOWS

In FY2016, the net cash used in operations amounted to S$1.4 million. This comprises positive operating cash flows before changes in working capital of S$4.4 million, adjusted by net working capital outflow of S$4.7 million, interest and taxes paid of S$0.2 million and S$0.9 million respectively. The net working capital outflow was mainly due to increase in inventories of S$3.4 million and a decrease in trade and other payables of S$1.7 million, partially offset by a decrease in trade and other receivables of S$0.4 million.

Net cash used in investing activities amounted to S$4.8 million in FY2016. This was mainly due to the purchases of property, plant and equipment of S$4.6 million and placement of additional fixed deposits of S$0.2 million.

Net cash from financing activities amounted to S$5.2 million in FY2016. This was due to net drawdown of new trade facilities.

9. ACTUAL RESULTS VS PROFIT FORECAST
No forecast or prospect statement has been previously disclosed to shareholders.

10. COMMENTARY OF THE INDUSTRY TREND AND GROUP'S PROSPECT

The Group's expansion plan has been progressing well. It has achieved the planned production capacity of 1.9 billion gloves per annum at end June 2016. The Group is expected to increase its production capacity prudently to cope with the expected market demand for the Group's products. It is on track to commercialise its planned annual production capacity by additional 500 million gloves per annum progressively to 2.4 billion by end of FY2017.

The movement in commodity prices (which affects the price of raw materials of the Group) and fluctuations of US and other currencies which the Group deals with, are macro-economic factors that will continue to be a challenge to the Group.

11. DETAILS OF DIVIDEND DECLARED OR RECOMMENDED

(i) Proposed dividend

	30-June-16	30-June-15
Name of dividend	Final dividend	N/A
Type of dividend	Cash and/or scrip	N/A
Dividend rate	S$0.00587 per ordinary share	N/A
Tax rate	Tax exempted	N/A
Book closure date	To be announced later	N/A
Payment date	To be announced later	N/A

12. GENERAL MANDATE FOR INTERESTED PERSON TRANSACTION ("IPT")

The Company has not obtained any IPT mandate from the shareholders.

13. RULE 720(1) OF THE CATALIST LISTING RULES

The Company hereby confirms that it has procured undertakings from all its Directors and Executive Officers in accordance with Rule 720(1) of the Catalist Listing Rules.

PART I INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. SEGMENT INFORMATION AND ANALYSIS OF REVENUE AND RESULTS

Segment information

	Group		
	30-June-16	30-June-15	Increase/ (decrease)
Revenue	S$'000	S$'000	%
Total revenue for reportable segments	134,349	62,476	N.M.
Elimination of inter-segment revenue	(75,526)	(6,736)	N.M.
	58,823	55,740	5.5
Profit or Loss			
Total profit or loss for reportable segments	6,778	3,444	96.8
Share of profit of associates	691	513	34.7
	7,469	3,957	88.8
Assets			
Total assets for reportable segments	50,755	47,046	7.9
Investments in associates	5,288	4,765	11.0
Total assets	56,043	51,811	8.2
Liabilities			
Total liabilities for reportable segments	17,699	14,708	20.3
Total liabilities	17,699	14,708	20.3

N.M. – Not meaningful

14. SEGMENT INFORMATION AND ANALYSIS OF REVENUE AND RESULTS (continued)

	Group		
Business segments	30-June-16	30-June-15	Increase/ (decrease)
Revenue	S$'000	S$'000	%
Latex examination gloves	30,991	32,202	(3.8)
Nitrile examination gloves	21,191	20,015	5.9
Other ancillary products	6,641	3,523	88.5
Total	58,823	55,740	5.5
Gross profit			
Latex examination gloves	6,165	6,150	0.2
Nitrile examination gloves	4,670	4,671	N.M.
Other ancillary products	1,858	728	N.M.
Total	12,693	11,549	9.9
Gross profit margin	%	%	
Latex examination gloves	19.9	19.1	
Nitrile examination gloves	22.0	23.3	
Other ancillary products	28.0	20.6	
Overall	21.6	20.7	

The breakdown of the Group's revenue by geographical locations is set out below:

	Group		
	30-June-16	30-June-15	Increase/ (decrease)
	S$'000	S$'000	%
Europe	29,182	28,014	4.2
North America	10,844	14,570	(25.6)
South America	5,953	3,382	76.0
Africa	1,748	558	N.M.
Asia	5,321	4,423	20.3
Malaysia#	5,775	4,793	20.5
Total	58,823	55,740	5.5

N.M. – Not meaningful

 # - includes revenue from intermediaries that export our products to overseas markets.

14. SEGMENT INFORMATION AND ANALYSIS OF REVENUE AND RESULTS (continued)

	Group		
	30-June-16	30-June-15	Increase/ (decrease)
Location of non-current assets	S$'000	S$'000	%
Europe	4,908	4,371	12.3
North America	575	543	5.9
Africa	417	517	(19.3)
Asia	129	138	(6.5)
Malaysia	16,792	14,075	19.3
Total	22,821	19,644	16.2

N.M. – Not meaningful

15. REVIEW OF PERFORMANCE BY OPERATING SEGMENTS

Revenue for all operating segments have increased, except for latex examination gloves, in FY2016 as compared to FY2015 due to the increase in the volume of products produced and sold following the commencement of new production lines. Revenue for latex examination gloves has decreased by 3.8% from S$32.2 million in FY2015 to S$31.0 mainly due to reduction in average selling price.

The gross profit margin for nitrile examination gloves have reduced from 23.3% to 22.2% as the rate of increase in the cost is higher than rate of increase in the revenue. On the other hand, gross profit margin for latex examination gloves has increase from 19.1% in FY2015 to 19.9% in FY2016 due to production efficiency and better cost control derived from the new production lines, which outweighs the effects of lower average selling price for the latex gloves. Gross profit margin for other ancillary products increased from 20.6% to 28.0% mainly due to lower cost of purchases. In addition, as these products are sold together with the Group's latex and nitrile products, they are able to garner a premium price.

With the expansion of distribution network being underway in UK, China and Nigeria, sales in these regions have also increased significantly. However, sales in North America has reduced by 25.6% due to lower average selling price. This reduction was partially mitigated from higher demand from customers in Malaysia and Asia, and a customer in South America, which is undergoing its own expansion plan as well.

16. BREAKDOWN OF REVENUE AND RESULTS

	30-June-16	30-June-15	Increase/ (Decrease)
	$ '000 Group	$ '000 Group	% Group
(a) Sales reported for first half year	30,143	25,108	20.1
(b) Operating profit after tax before deducting minority interests reported for first half year	3,078	2,349	31.0
(c) Sales reported for second half year	28,680	30,632	(6.4)
(d) Operating profit after tax before deducting minority interests reported for second half year	2,441	583	N.M.

N.M. – Not meaningful

17. BREAKDOWN OF ANNUAL DIVIDEND

Annual dividend

	30-June-16 S$	30-June-15 S$
Ordinary dividend	1,103,855	N/A

N.A.- Not applicable

Note: The proposed dividend of S$0.00587 per ordinary share amounting to S$1,103,855 is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company are detailed below:

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ang Beng Chee	62	Brother of Ang Beng Teck, Executive Director and Chief Executive Officer	Head of Administration since 1988, overseeing administrative matters of Malaysian operations	Not applicable
Ang Chien Hway	43	Nephew of Ang Beng Teck, Executive Director and Chief Executive Officer	Finance Manager since 2002,, overseeing finance functions of Malaysia operations and reporting to the Group Chief Financial Officer	Not applicable

By order of the Board
UG Healthcare Corporation Limited

ANG BENG TECK
Executive Director and CEO

24 August 2016