UG HEALTHCARE CORPORATION LIMITED

Company Registration No. 201424579Z

QUARTERLY AND FULL YEAR ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

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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.*

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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- FOURTH QUARTER ("4QFY2017") AND FULL YEAR ENDED 30 JUNE 2017 ("FY2017")

	4QFY2017 3 months ended			FY2017 Full year ended		
	30-June-17 S$'000	30-June-16 S$'000	Increase/ (Decrease) %	30-June-17 S$'000	30-June-16 S$'000	Increase/ (Decrease) %
Revenue	16,702	13,632	22.5	65,239	58,823	10.9
Cost of sales	(14,770)	(11,503)	28.4	(55,573)	(46,130)	20.5
Gross profit	1,932	2,129	(9.3)	9,666	12,693	(23.8)
Other income	408	980	(58.4)	1,830	2,379	(23.1)
	2,340	3,109	(24.7)	11,496	15,072	(23.7)
Marketing and distribution expenses	(460)	(57)	N.M.	(1,784)	(1,334)	33.8
Administrative expenses	(1,463)	(2,191)	(33.2)	(6,576)	(6,738)	(2.8)
Other expenses	(42)	696(1)	N.M.	(604)	(46)	N.M.
Finance costs	(94)	218(2)	N.M.	(497)	(176)	N.M.
Share of profits from associates	(44)	147	N.M.	534	691	(22.7)
Profit before tax	237	1,922	(87.7)	2,569	7,469	(65.6)
Income tax expense	(16)	(1,008)	(98.5)	(389)	(1,950)	(80.1)
Profit for the period	221	914	(75.8)	2,180	5,519	(60.5)
Other comprehensive loss						
Exchange differences on translating foreign operations	(70)	(1,533)	(95.5)	(3,244)	(4,278)	(24.2)
Total comprehensive (loss)/ income for the period	151	(619)	(75.4)	(1,064)	1,241	N.M.
Profit/(loss) attributable to:						
Owners of the Company	111	542	(79.5)	2,444	5,450	(55.1)
Non-controlling interests	110	372	(70.5)	(264)	69	N.M.
	221	914	(75.8)	2,180	5,519	(60.5)
Total comprehensive income/(loss) attributable to:						
Owners of the Company	433	(674)	N.M.	(791)	1,206	N.M.
Non-controlling interests	(282)	55	N.M.	(273)	35	N.M.
	151	(619)	N.M.	(1,064)	1,241	N.M.
Earnings per share (cents)						
Basic	0.06	0.29		1.28	2.90	
Diluted	0.06	0.29		1.27	2.89	

N.M. – not meaningful

Notes:

(1) Other expenses for 4QFY2017 was positive due to a reversal of foreign exchange loss.
(2) Finance costs for 4QFY2017 was positive due to the capitalisation of borrowing costs.

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

	4QFY2017 3 months ended			FY2017 Full year ended		
	30-June-17 S$'000	30-June-16 S$'000	Increase/ (Decrease) %	30-June-17 S$'000	30-June-16 S$'000	Increase/ (Decrease) %
Interest income	(9)	(32)	(71.9)	(38)	(34)	11.8
Fair value loss/(gain) on financial derivatives	133	963	(86.2)	133	(394)	N.M.
Foreign exchange gain – unrealised	(902)	(591)	52.6	(1,285)	(591)	N.M.
Foreign exchange gain – realised	637	(1,349)	N.M.	(284)	(1,349)	78.9
Sundry income	(267)	28	N.M.	(357)	(12)	N.M.
Interest expense on borrowings	94	(218)	N.M.	497	176	N.M.
Allowance for doubtful debts	42	-	N.M.	45	-	N.M.
Amortisation of intangible assets	9	10	(10.0)	9	10	(10.0)
Depreciation	584	302	93.3	1,357	1,051	29.1
Foreign exchange loss – unrealised	(196)	-	N.M.	203	-	N.M.
Foreign exchange loss – realised	193	(652)	N.M.	356	-	N.M.
(Over)/Under provision of tax in prior years	(39)	44	N.M.	(39)	46	N.M.

N.M. – not meaningful

1(b)(i) STATEMENT OF FINANCIAL POSITION OF THE GROUP AND THE COMPANY

	Group		Company	
	30-June-17 S$'000	30-June-16 S$'000	30-June-17 S$'000	30-June-16 S$'000
ASSETS				
Non-current assets				
Subsidiaries	-	-	33,091	30,802
Associates	5,578	5,288	-	-
Property, plant and equipment	19,164	17,078	-	-
Intangible assets	261	297	-	-
Deferred tax assets	396	158	-	-
Total non-current assets	25,399	22,821	33,091	30,802
Current assets				
Inventories	15,699	13,586	-	-
Amount due from subsidiaries	-	-	20,486	26,696
Trade and other receivables	21,289	13,651	2	9
Derivative financial assets	316	-	-	-
Cash and bank balances	3,538	5,985	537	629
Total current assets	40,842	33,222	21,025	27,334
Total assets	66,241	56,043	54,116	58,136
EQUITY AND LIABILITIES				
Equity				
Share capital	37,126	36,243	37,126	36,243
Reserve	(35,842)	(32,607)	-	-
Retained earnings	35,850	34,510	16,877	21,784
Equity attributable to the owners of the Company	37,134	38,146	54,003	58,027
Non-controlling interests	(75)	198	-	-
Total equity	37,059	38,344	54,003	58,027
Non-current liabilities				
Deferred tax liabilities	1,535	1,269	-	-
Bank borrowings	1,654	3,014	-	-
Total non-current liabilities	3,189	4,283	-	-
Current liabilities				
Trade and other payables	8,760	5,519	113	109
Derivative financial liabilities	-	143	-	-
Bank borrowings	17,233	7,754		-
Total current liabilities	25,993	13,416	113	109
Total liabilities	29,182	17,699	113	109
Total equity and liabilities	66,241	56,043	54,116	58,136

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

	30-June-17		30-June-16	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Amount repayable in one year or less, or on demand	17,233	-	7,754	-
Amount repayable after one year	1,654	-	3,014	-
Total borrowings	18,887	-	10,768	-

Details of collaterals

As at 30 June 2017 and 30 June 2016, the Group's borrowings were 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
(v) corporate guarantees; and
(vi) personal guarantees provided by certain directors, related parties and a third party

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	4QFY2017 3 Months Ended		FY2017 Full year ended	
	30-June-17	30-June-16	30-June-17	30-June-16
	S$'000	S$'000	S$'000	S$'000
Operating activities				
Profit before income tax	237	1,922	2,569	7,469
Adjustments for:				
Allowance for doubtful debts	42	-	45	-
Depreciation expense	584	302	1,357	1,051
Fair value (gain)/loss on financial derivatives	133	963	(133)	(394)
Interest expense	94	(218)	497	176
Interest income	(9)	(32)	(38)	(34)
Share of loss/(profits) from associates	44	(147)	(534)	(691)
Unrealised exchange differences	(85)	(1,071)	(2,118)	(3,200)
Operating cash flows before movements in working capital	1,040	1,719	1,645	4,377
Movements in working capital				
Inventories	457	(255)	(3,129)	(3,353)
Trade and other receivables	(1,568)	2,535	(7,197)	388
Trade and other payables	(2,295)	(2,361)	2,915	(1,706)
Cash used in operations	(2,366)	1,638	(5,766)	(294)
Interest paid	(94)	218	(497)	(176)
Income taxes paid	(49)	(254)	(847)	(935)
Net cash used in operating activities	(2,509)	1,602	(7,110)	(1,405)
Investing activities				
Acquisition of property, plant and equipment	(145)	(1,174)	(3,621)	(4,564)
Dividend received from an associate	324	-	324	-
(Placement)/Withdrawal of fixed deposits	(273)	-	593	(262)
Interest received	9	32	38	34
Net cash used in investing activities	(85)	(1,142)	(2,666)	(4,792)
Financing activities				
Drawdown of borrowings	7,030	5,106	27,156	20,103
Repayment of borrowings	(5,908)	(4,487)	(19,037)	(14,900)
Dividend paid	-	-	(197)	-
Net cash from financing activities	1,122	619	7,922	5,203
Net increase/(decrease) in cash and cash equivalents	(1,472)	1,079	(1,854)	(994)
Cash and cash equivalents at beginning of financial period	4,737	4,326	5,406	5,905
Effects on currency translation on cash and cash equivalents	273	1	(14)	495
Cash and cash equivalents at end of financial period	3,538	5,406	3,538	5,406
Cash and cash equivalents comprised the following:				
Cash and bank balances	3,538	5,985	3,538	5,985
Less: Fixed deposits pledged to bank	-	(579)	-	(579)
	3,538	5,406	3,538	5,406

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 2016	36,243	(25,940)	(6,667)	34,510	38,146	198	38,344
Issuance of shares, net of expenses directly attributable to issuance of new shares	883	-	-	-	883	-	883
Profit for the financial period	-	-	-	2,444	2,444	(264)	2,180
Dividend	-	-	-	(1,104)	(1,104)	-	(1,104)
Other comprehensive loss							
Exchange differences on translating foreign operations	-	-	(3,235)	-	(3,235)	(9)	(3,244)
Balance as at 30 June 2017	37,126	(25,940)	(9,902)	35,850	37,134	(75)	37,059
Balance as at 1 July 2015	36,243	(25,940)	(2,423)	29,060	36,940	163	37,103
Profit for the financial period	-	-	-	5,450	5,450	69	5,519
Other comprehensive 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

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

	Company		
	Share capital	**(Accumulated losses)/Retained earnings**	**Total**
	S$'000	**S$'000**	**S$'000**
Balance as at 1 July 2016	36,243	21,784	58,027
Issuance of new shares, net of expenses directly attributable to issuance of new shares	883	-	883
Total comprehensive loss for the period	-	(3,803)	(3,803)
Dividend	-	(1,104)	(1,104)
Balance as at 30 June 2017	37,126	16,877	54,003
Balance as at 1 July 2015	36,243	(1,076)	35,167
Total comprehensive income for the period	-	22,860	22,860
Balance as at 30 June 2016	36,243	21,784	58,027

1(d)(ii) SHARE CAPITAL

	Company	
	Number of ordinary shares	Issued and paid up share capital S$
Issued and paid up share capital as at 1 April 2017	191,460,054	37,125,570
Issued and paid-up share capital as at 30 June 2017	191,460,054	37,125,570

There were no changes to the Company's issued and paid up share capital from 1 April 2017 to 30 June 2017. Other than 1,570,000 share options granted to eligible employees on 28 August 2015 under the Unigloves Employee Share Option Scheme, the Company had no outstanding convertibles, ,treasury shares and subsidiary holdings as at 30 June 2017 and 30 June 2016.

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

	Company	
	30-June-17	30-June-16
Total number of issued shares excluding treasury shares	191,460,054	188,023,530

As at 30 June 2017 and 30 June 2016, the Company did not have treasury shares.

1(d)(iv) TREASURY SHARES

There were no sales, transfers, cancellation and / or use of treasury shares during and as at the end of the current financial period reported on.

As at 30 June 2017, the Company did not hold any of its issued shares as treasury shares.

1(d)(v) SUBSIDIARY HOLDINGS

There were no sales, transfers, cancellation and / or use of subsidiary holdings as at the end of the current financial period reported on. As at 30 June 2017, the Company did not have any subsidiary holdings.

2 REVIEW OR AUDIT OF FIGURES PRESENTED

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

3. AUDITORS' 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 2016.

5. EFFECT OF CHANGES IN ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year as compared to the audited financial statements as at 30 June 2016, except for the adoption of the Financial Reporting Standard (FRS) and Interpretations of FRS (INT FRS) which become effective for the financial year beginning on or after 1 January 2016. 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

	Group 3 months ended		Group Full year ended	
	30-June-17	30-June-16	30-June-17	30-June-16
Profit attributable to owners of the Company (S$'000)	111	542	2,445	5,450
Number of shares				
Weighted average number of ordinary shares for the purpose of Basic share	191,460,054	188,023,530	191,460,054	188,023,530
Effect of dilution from share options	514,030	635,207	514,030	635,207
Diluted share	191,974,084	188,658,737	191,974,084	188,658,737
Earnings per share (cents)				
Basic	0.06	0.29	1.28	2.90
Diluted	0.06	0.29	1.27	2.89

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

	Group		Company	
	30-June-17	30-June-16	30-June-17	30-June-16
NAV per share (cents)	19.36	20.39	28.21	30.86
Total NAV (including non-controlling interests) (S$'000)	37,059	38,344	54,003	58,027
Number of ordinary shares used in computation of NAV per share	191,460,054	188,023,530	191,460,054	188,023,530

8. REVIEW OF GROUP PERFORMANCE

(A) REVIEW OF GROUP RESULTS

Revenue
Revenue increased by approximately S$6.4 million or 10.9%, from S$58.8 million in the financial year ended 30 June 2016 ("**FY2016**") to S$65.2 million in the financial year ended 30 June 2017 ("**FY2017")**, mainly due to an increase in the volume of gloves produced and sold resulting from full commercial production of the new production lines and higher sale through expansion of its distribution networks. This was further bolstered by higher average selling price of the Group's products which have increased as compared to the average selling price in FY2016 after taking into account the hike in raw materials costs during FY2017.

The Group's expansion of production capacity to 2.4 billion gloves per annum has been achieved as at financial year end. The new production lines adding to the new capacity have been progressively coming on stream since the 3rd quarter of FY2017 and was at full production capacity in the 4th quarter of FY2017 **("4QFY2017")**. However, this increase was moderated by the temporary reduction of capacity of certain older production lines for upgrading to increase productivity and efficiency.

For the 4QFY2017, revenue generated amounted to S$16.7 million as compared to S$13.6 million for the 4th quarter ended 30 June 2016 ("**4QFY2016**"). The increase in revenue of S$3.1 million or 22.5% was mainly due to an increase in the volume of gloves produced and sold.

Cost of Sales
Cost of sales increased by S$9.5 million from S$46.1 million in FY2016 to S$55.6 million in FY2017 due to (i) the significant increase in natural latex and nitrile raw materials prices due to a shortage in supply this year, (ii) the hike in gas tariff in Malaysia, (iii) higher depreciation charge for new production lines that commenced commercial production in the fourth quarter of FY2017 and (iv) higher foreign workers' levy with an increase in staff employed.

In 4QFY2017, cost of sales increased to S$14.8 million as compared to S$11.5 million in 4QFY2016, representing a 28.4% increase, mainly due to an increase in raw materials costs, higher depreciation charge for new production lines, which only started full commercial production in 4QFY2017 and the payment of levy for the increase in employment of foreign workers, which can be deducted from their salaries when they begin employment at a later date.

Gross Profit and Gross Profit Margin
Gross profit reduced by S$3.0 million from S$12.7 million in FY2016 to S$9.7 million in FY2017. The Group's gross profit margin reduced from 21.6% in FY2016 to 14.9% in FY2017, mainly due to the increase in raw materials price.

Gross profit for 4QFY2017 and 4QFY2016 remained fairly stable at S$1.9 million and S$2.1 million respectively while gross profit margin decreased to 11.6% in 4QFY2017 from 15.6% in 4QFY2016 due to the reasons described above.

Other income
Other income reduced from S$2.4 million in FY2016 to S$1.8 million in FY2017, a decrease of S$0.6 million or 23.1%. The decrease is mainly due to the lower net foreign exchange gain of S$0.8 million and fair value loss on financial derivatives of S$0.1 million incurred in FY2017, mitigated by an increase in sundry income of S$0.3 million.

Other income decreased by S$0.6 million from S$1.0 million in 4QFY2016 to S$0.4 million in 4QFY2017. The decrease is mainly due to decrease in foreign exchange gain of S$1.7 million, mitigated by reduction in fair value loss on financial derivatives of S$0.8 million and increase in sundry income of S$0.3 million.

Marketing and Distribution Expenses
Marketing and distribution expenses increase by S$0.5 million or 33.8% from S$1.3 million in FY2016 to S$1.8 million in FY2017 as the Group continued to expand its distribution network in the UK, China and Nigeria.

Marketing and distribution expenses increased by S$0.4 million from S$0.06 million in 4QFY2016 to S$0.46 million in 4QFY2017 as the Group increased its marketing efforts in China.

Administrative Expenses
Administrative expenses reduced marginally by S$0.1 million or 2.8% from S$6.7 million in FY2016 to S$6.6 million in FY2017, mainly due to close monitoring of the administrative expenses by the management in order to reduce costs.

Administrative expenses reduced by S$0.7 million or 33.2% from S$2.2 million in 4QFY2016 to S$1.5 million in 4QFY2017 mainly due to cost saving measures taken by the management, especially for those trading subsidiaries.

Other Expenses
Other expenses increased by S$0.6 million from S$0.046 million in FY2016 to S$0.6 million in FY2017 mainly due to net realised foreign exchange loss in FY2016 of S$0.6 million.

In 4QFY2017, other expenses reduced by S$0.7 million mainly due to reduction in net foreign exchange loss amounting to S$0.6 million.

Finance Costs
Finance costs increased by S$0.3 million from S$0.2 million in FY2016 to S$0.5 million in FY2017 due to interests arising from increased utilisation of trade facilities and non-capitalisation of borrowing costs in FY2017.

Finance costs increased by S$0.3 million in 4QFY2017 as compared to 4QFY2016 mainly due to absence of non-capitalisation of borrowing costs in 4QFY2017.

Share of Profits from Associates
The Group's share of profits from associates amounted to S$0.5 million in FY2017, a decrease of S$0.2 million as compared to S$0.7 million in FY2016 due to lower profits from the German and US's associates. The German associate posted lower profits due to paid out dividend of €1.5 million during FY2017.

Share of profits from associates recorded a loss of $0.04 million in 4QFY2017 as compared to gain of S$0.15 million in 4QFY2016 mainly due to lower profits of the associates, which was mainly due to higher bonus payments to the management of the associates.

(B) REVIEW OF GROUP'S FINANCIAL POSITION

As at 30 June 2017

Non-current Assets
Non-current assets increased by S$2.6 million from S$22.8 million as at 30 June 2016 to S$25.4 million as at 30 June 2017, mainly due to acquisition of property, plant and equipment of S$3.6 million, reclassification of hand moulds to property, plant and equipment from inventories of S$1.0 million and recognition of associates' profits of S$0.3 million, partially offset by depreciation charge of S$1.4 million and foreign exchange translation loss of approximately S$1.2 million resulting from converting Malaysian subsidiaries' property, plant and equipment's net book value to the reporting currency.

Current Assets
Current assets increased by S$7.6 million from S$33.2 million as at 30 June 2016 to S$40.8 million as at 30 June 2017, mainly due to:

(a) Increase in inventories by S$2.1 million or 15.6% from S$13.6 million as at 30 June 2016 to S$15.7 million as at 30 June 2017. The increase in inventories was a result of the Group's continuous effort to stock up gloves' inventories in the Group's overseas warehouses to cater for demand of the Group's products without compromising the delivery lead time to end customers;
(b) Increase in trade and other receivables by S$7.6 million or 55.9% from S$13.7 million as at 30 June 2016 to S$21.3 million as at 30 June 2017. The increase was due to the longer credit terms given to long term customers;
(c) Recognition of derivative financial assets of $0.3 million representing forward exchange contracts entered into by the Group for hedging purposes; and
(d) Decrease in cash and bank balances by S$2.5 million or 40.9% from S$6.0 million as at 30 June 2016 to S$3.5 million as at 30 June 2017.

Equity
Equity comprises share capital, merger reserve, retained earnings, foreign currency translation reserves and non-controlling interests. The decrease in equity of $1.3 million was mainly due to:

(a) dividend paid of S$1.1 million;
(b) decrease in share of results to non-controlling interests of S$0.3 million; and
(c) decrease in foreign currency translation reserves of S$3.2 million mainly due to weakening of Malaysian Ringgit (functional currency of major subsidiaries) against Singapore Dollars (presentation currency); and
(d) partially offset by scrip dividend issued of S$0.8 million and profit attributable to owners of the Company for FY2017 of S$2.4 million.

Non-current Liabilities
Non-current liabilities decreased by S$1.1 million from S$4.3 million as at 30 June 2016 to S$3.2 million as at 30 June 2017, mainly due to repayment of term loans.

Current Liabilities

Current liabilities increased by S$12.6 million from S$13.4 million as at 30 June 2016 to S$26.0 million as at 30 June 2017, mainly due to:

(a) Increase of S$9.5 million of bank borrowings from increased utilisation of bank facilities; and

(b) Increase of S$3.1 million in trade and other payables mainly due to an increase in raw material costs.

(C) REVIEW OF GROUP'S CASH FLOWS

In FY2017, the net cash used in operations amounted to S$7.1 million. This comprises of positive operating cash flows before changes in working capital of approximately S$1.6 million, adjusted by net working capital outflow of S$7.4 million, interest and taxes paid of S$0.5 million and S$0.8 million respectively. The net working capital outflow was mainly due to increases in inventories and trade and other receivables of S$3.1 million and S$7.2 million respectively, partially offset by increase in trade and other payables of S$2.9 million.

Net cash used in investing activities amounted to S$2.7 million in FY2017. This was due to the purchases of property, plant and equipment of S$3.6 million, partially offset by dividend received from the German associate of S$0.3 million, withdrawal of fixed deposits of S$0.6 million and interest received of S$0.03 million.

Net cash from financing activities amounted to S$7.9 million in FY2017. This was due to a net drawdown of borrowings from trade facility, of S$8.1 million, mitigated by payment of cash dividend of S$0.2 million.

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 is on track in the execution of its expansion plans. It has achieved its target production capacity of 2.4 billion gloves per annum at end of FY2017 to meet with the increase in market demand for the Group's products. Construction of a new production facility on an adjoining piece of land to its existing factory is underway, with commercialization of the production lines expected by March 2018. This is expected to increase annual production capacity by 500 million gloves per annum. The additional capacity will be progressively rolled out to achieve a total of 2.9 billion gloves in production capacity by end of FY2018.

While the macroeconomic factors including movements in commodity prices that affects the prices of raw materials and fluctuations in the US dollar and other currencies that the Group deals with, continue to be a challenge to the Group, it will continue to drive growth through its two business platforms – manufacturing and global distribution.

The Group will continue to increase its production capacity prudently, while it concurrently strengthens and builds its marketing and global distribution network infrastructure, and broaden its range of proprietary "*Unigloves*" brand of products.

11. DETAILS OF DIVIDEND DECLARED OR RECOMMENDED

(i) Proposed dividend

	30-June-17	30-June-16
Name of dividend	N.A.	Final dividend
Type of dividend	N.A.	Cash and/or scrip
Dividend rate	N.A.	S$0.00587 per ordinary share
Tax rate	N.A.	Tax exempted
Book closure date	N.A.	1 November 2016
Payment date	N.A	12 December 2016

N.A. – not applicable

No dividend has been proposed or declared by the Directors for the full year ended 30 June 2017 as the Group embarks on its expansion plans.

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-17	30-June-16	Increase/ (decrease)
Revenue	S$'000	S$'000	%
Total revenue for reportable segments	128,971	134,349	(4.0)
Elimination of inter-segment revenue	(63,732)	(75,526)	(15.6)
	65,239	58,823	10.9
Profit or Loss			
Total profit for reportable segments	2,035	6,778	(70.0)
Share of profit of associates	534	691	(22.7)
Profit before income tax	2,569	7,469	(65.6)
Assets			
Total assets for reportable segments	60,663	50,755	19.5
Investments in associates	5,578	5,288	5.5
Total assets	66,241	56,043	18.2
Liabilities			
Total liabilities for reportable segments	29,182	17,699	64.9
Total liabilities	29,182	17,699	64.9

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

	Group		
Business segments	30-June-17	30-June-16	Increase/ (decrease)
Revenue	S$'000	S$'000	%
Latex examination gloves	33,585	30,991	8.4
Nitrile examination gloves	23,783	21,191	12.2
Other ancillary products	7,871	6,641	18.5
Total	65,239	58,823	10.9
Gross profit			
Latex examination gloves	5,431	6,165	(11.9)
Nitrile examination gloves	3,528	4,670	(24.5)
Other ancillary products	707	1,858	(62.0)
Total	9,666	12,693	(23.8)
Gross profit margin	%	%	
Latex examination gloves	16.2	19.9	
Nitrile examination gloves	14.8	22.0	
Other ancillary products	9.0	28.0	
Overall	14.8	21.6	

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

	Group		
	30-June-17	30-June-16	Increase/ (decrease)
	S$'000	S$'000	%
Europe	31,482	29,182	7.9
North America	12,928	10,844	19.2
South America	8,915	5,953	49.8
Africa	2,216	1,748	26.8
Asia	5,161	5,321	(3.0)
Malaysia[#]	4,537	5,775	(21.4)
Total	65,239	58,823	10.9

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-17	30-June-16	Increase/ (decrease)
Location of non-current assets	S$'000	S$'000	%
Europe	5,365	4,908	9.3
North America	573	575	(0.4)
Africa	492	417	18.0
Asia	135	129	4.7
Malaysia	18,834	16,792	12.2
Total	25,399	22,821	11.3

N.M. – Not meaningful

15. REVIEW OF PERFORMANCE BY OPERATING SEGMENTS

Revenue for all operating segments have increased in FY2017 as compared to FY2016 due to the increase in the volume of products produced and sold, following the commencement of new production lines, and slight increase in average selling price of Group's products.

The gross profit margin for all operating segments have reduced in FY2017 as compared to FY2016 due to increase in raw materials price during FY2017.

With the expansion of distribution network being underway in UK, China and Nigeria, sales in these regions have also increased significantly. In addition, the Group is also monitoring the market in Brazil with the revenue in this region increasing by 48.3% from S$6.0 million in FY2016 to S$8.9 million in FY2017.

16. BREAKDOWN OF REVENUE AND RESULTS

	30-June-17	30-June-16	Increase/ (Decrease)
	$ '000 Group	$ '000 Group	% Group
(a) Sales reported for first half year	30,960	30,143	2.7
(b) Operating profit after tax before deducting minority interests reported for first half year	1,212	3,078	(60.6)
(c) Sales reported for second half year	34,279	28,680	19.5
(d) Operating profit after tax before deducting minority interests reported for second half year	968	2,441	(60.3)

17. BREAKDOWN OF ANNUAL DIVIDEND

Annual dividend

	30-June-17 S$	30-June-16 S$
Ordinary dividend	N.A.	1,103,855

N.A.- Not applicable

The Board of Directors do not propose any final dividend for the financial year ended 30 June 2017 as the Group embarks on its expansion plan.

Note: The proposed dividend of S$0.00587 per ordinary share amounting to S$1,103,855 for the financial year ended 30 June 2016 has been approved by the shareholders at the Annual General Meeting of the Company held on 19 October 2016 and paid on 12 December 2016.

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.

The Company confirms that, to the best of its knowledge as of the date hereof, none of the person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

By order of the Board
UG Healthcare Corporation Limited

LEE KECK KEONG
Executive Director and CEO

24 August 2017