UG HEALTHCARE CORPORATION LIMITED

Company Registration No. 201424579Z

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

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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- FOURTH QUARTER ("4QFY2018") AND FULL YEAR ENDED 30 JUNE 2018 ("FY2018")

	3 months ended			Full year ended		
	30-June-18 S$'000	30-June-17 S$'000	Increase/ (Decrease) %	30-June-18 S$'000	30-June-17 S$'000	Increase/ (Decrease) %
Revenue	22,151	16,702	32.6	78,060	65,239	19.7
Cost of sales	(18,926)	(14,770)	28.1	(65,296)	(55,573)	17.5
Gross profit	3,225	1,932	66.9	12,764	9,666	32.1
Other income	2,548	408	>100.0	4,219	1,830	>100.0
	5,773	2,340	>100.0	16,983	11,496	47.7
Marketing and distribution expenses	(440)	(460)	(4.3)	(1,800)	(1,784)	0.9
Administrative expenses	(2,535)	(1,463)	73.3	(8,853)	(6,576)	34.6
Other expenses	(1,093)	(42)	>100.0	(1,168)	(604)	93.4
Finance costs	(244)	(94)	>100.0	(758)	(497)	52.5
Share of profits from associate	68	(44)	N.M	643	534	20.4
Profit before tax	1,529	237	>100.0	5,047	2,569	96.5
Income tax expense	(350)	(16)	>100.0	(734)	(389)	88.7
Profit for the period	1,179	221	>100.0	4,313	2,180	97.8
Other comprehensive (loss)/income						
Exchange difference on translating foreign operations	(1,020)	(70)	>100.0	392	(3,244)	N.M.
Total comprehensive income/(loss) for the period	159	151	5.3	4,705	(1,064)	N.M.
Profit/(loss) attributable to:						
Owners of the Company	1,329	111	>100.0	4,335	2,444	77.4
Non-controlling interests	(150)	110	N.M	(22)	(264)	(91.7)
	1,179	221	>100.0	4,313	2,180	97.8
Total comprehensive income/(loss) attributable to:						
Owners of the Company	276	433	(36.3)	4,713	(791)	N.M.
Non-controlling interests	(117)	(282)	(58.5)	(8)	(273)	(97.1)
	159	151	5.3	4,705	(1,064)	N.M.
Earnings per share (cents)						
Basic	0.69	0.06		2.26	1.28	
Diluted	0.69	0.06		2.26	1.27	

N.M. – not meaningful

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

	3 months ended			Full year ended		
	30-June-18 S$'000	30-June-17 S$'000	Increase/ (Decrease) %	30-June-18 S$'000	30-June-17 S$'000	Increase/ (Decrease) %
Amortisation of intangible assets	9	9	N.M.	9	9	N.M.
Allowance for doubtful debts	-	42	N.M.	-	45	N.M.
Depreciation	331	584	(43.3)	1,432	1,357	5.5
Fair value loss on financial derivatives	1,067	133	>100.0	1,067	133	N.M.
Net foreign exchange gain - unrealised	(2,399)	(1,098)	>100.0	(3,012)	(1,827)	64.9
Net foreign exchange (gain)/loss – realised	(116)	830	>100.0	(1,115)	-	N.M
Gain on disposal of property, plant and equipment	(8)	-	N.M.	(8)	-	N.M.
Interest expense on borrowings	244	94	>100.0	758	497	52.5
Interest income	(11)	(9)	(22.2)	(36)	(38)	(5.3)
Property, plant and equipment written off	26	-	N.M.	393	-	N.M.
Sundry income	(14)	(267)	(94.8)	(48)	(357)	(86.6)
Over provision of tax in prior years	-	(39)	N.M.	-	(39)	N.M.

N.M. – not meaningful

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

	Group		Company	
	30-June-18 S$'000	30-June-17 S$'000	30-June-18 S$'000	30-June-17 S$'000
ASSETS				
Non-current assets				
Subsidiaries	-	-	32,621	33,091
Associate	5,869	5,578	-	-
Property, plant and equipment	23,364	19,164	-	-
Intangible assets	251	261	-	-
Deferred tax assets	516	396	-	-
Total non-current assets	30,000	25,399	32,621	33,091
Current assets				
Inventories	22,130	15,699	-	-
Amount due from subsidiaries	-	-	18,063	20,486
Trade and other receivables	26,323	21,289	16	2
Derivative financial assets	-	316	-	-
Cash and bank balances	6,731	3,538	528	537
Total current assets	55,184	40,842	18,607	21,025
Total assets	85,184	66,241	51,228	54,116
EQUITY AND LIABILITIES				
Equity				
Share capital	37,126	37,126	37,126	37,126
Reserves	(35,354)	(35,842)	110	-
Retained earnings	40,185	35,850	13,859	16,877
Equity attributable to the owners of the Company	41,957	37,134	51,095	54,003
Non-controlling interests	(83)	(75)	-	-
Total equity	41,874	37,059	51,095	54,003
Non-current liabilities				
Deferred tax liabilities	2,092	1,535	-	-
Bank borrowings	5,478	1,654	-	-
Total non-current liabilities	7,570	3,189	-	-
Current liabilities				
Trade and other payables	13,625	8,760	133	113
Derivative financial liabilities	753	-	-	-
Bank borrowings	21,362	17,233	-	-
Total current liabilities	35,740	25,993	133	113
Total liabilities	43,310	29,182	133	113
Total equity and liabilities	85,184	66,241	51,228	54,116

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

	30-June-18		30-June-17	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Amount repayable in one year or less, or on demand	21,362	-	17,233	-
Amount repayable after one year	5,478	-	1,654	-
Total borrowings	26,840	-	18,887	-

Details of collaterals

As at 30 June 2018 and 30 June 2017, 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) corporate guarantees; and
(v) personal guarantees provided by certain directors, related parties and a third party.

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	3 Months Ended		Full year ended	
	30-June-18	30-June-17	30-June-18	30-June-17
	S$'000	S$'000	S$'000	S$'000
Operating activities				
Profit before income tax	1,529	237	5,047	2,569
Adjustments for:				
Amortisation of intangible assets	9	9	9	9
Allowance for doubtful debs	-	42	-	45
Depreciation of property, plant and equipment	331	584	1,432	1,357
Fair value loss on financial derivatives	1,067	133	1,067	133
Interest expense	244	94	758	497
Interest income	(11)	(9)	(36)	(38)
Gain on disposal of property, plant and equipment	(8)	-	(8)	-
Property, plant and equipment written off	26	-	393	-
Share of (profits)/loss from associate	(68)	44	(643)	(534)
Unrealised exchange differences	(850)	(94)	864	(2,122)
Operating cash flows before movements in working capital	2,269	1,040	8,883	1,916
Movements in working capital				
Inventories	(3,192)	457	(6,432)	(3,129)
Trade and other receivables	(2,829)	(1,568)	(4,732)	(7,197)
Trade and other payables	1,578	(2,295)	3,583	2,649
Cash (used in)/from operations	(2,174)	(2,366)	1,302	(5,761)
Interest paid	(244)	(94)	(758)	(497)
Income taxes paid	(69)	(49)	(947)	(847)
Net cash used in operating activities	(2,487)	(2,509)	(403)	(7,105)
Investing activities				
Acquisition of property, plant and equipment	(2,045)	(145)	(4,679)	(3,626)
Decrease/(Increase) of fixed deposits pledged to bank	211	(273)	(327)	593
Interest received	11	9	36	38
Dividend received from an associate	-	324	285	324
Net cash used in investing activities	(1,823)	(85)	(4,685)	(2,671)
Financing activities				
Drawdown of borrowings	14,777	7,030	46,573	27,156
Repayment of borrowings	(9,646)	(5,908)	(38,619)	(19,037)
Dividend paid	-	-	-	(197)
Net cash from financing activities	5,131	1,122	7,954	7,922
Net increase/(decrease) in cash and cash equivalents	821	(1,472)	2,866	(1,854)
Cash and cash equivalents at beginning of financial period	6,121	4,737	3,538	5,406
Effects on currency translation on cash and cash equivalents	(211)	273	327	(14)
Cash and cash equivalents at end of financial period	6,731	3,538	6,731	3,538
Cash and cash equivalents comprised the following:				
Cash and bank balances	6,731	3,538	6,731	3,538

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

	Attributable to equity holders of the Company							
	Share capital S$'000	Currency translation reserves S$'000	Merger reserve S$'000	Share-based payment reserve S$'000	Retained earnings S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
Balance as at 1 July 2017	37,126	(9,902)	(25,940)	-	35,850	37,134	(75)	37,059
Profit for the year	-	-	-	-	4,335	4,335	(22)	4,313
Other comprehensive (loss)/income								
Exchange differences on translating foreign operations	-	378	-	-	-	378	14	392
Total comprehensive (loss)/income for the year	-	378	-	-	4,335	4,713	(8)	4,705
Share option	-	-	-	110	-	110	-	110
Balance as at 30 June 2018	37,126	(9,524)	(25,940)	110	40,185	41,957	(83)	41,874
Balance as at 1 July 2016	36,243	(6,667)	(25,940)	-	34,510	38,146	198	38,344
Profit for the year	-	-	-	-	2,444	2,444	(264)	2,180
Other comprehensive loss								
Exchange differences on translating foreign operations	-	(3,235)	-	-	-	(3,235)	(9)	(3,244)
Total comprehensive (loss)/income for the year	-	(3,235)	-	-	2,444	(791)	(273)	(1,064)
Issuance of shares, net of expenses directly attributable to issuance of new shares	883	-	-	-	-	883	-	883
Dividend	-	-	-	-	(1,104)	(1,104)	-	(1,104)
Balance as at 30 June 2017	37,126	(9,902)	(25,940)	-	35,850	37,134	(75)	37,059

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

	Company			
	Share Capital S$'000	Share-based payment reserve S$'000	Retained earnings S$'000	Total S$'000
Balance as at 1 July 2017	37,126	-	16,877	54,003
Loss for the year, representing total comprehensive loss for the year	-	-	(3,018)	(3,018)
Share option	-	110	-	110
Balance as at 30 June 2018	37,126	110	13,859	51,095
Balance as at 1 July 2016	36,243	-	21,784	58,027
Loss for the year, representing total comprehensive loss for the year	-	-	(3,803)	(3,803)
Issuance of shares, net of expenses directly attributable to issuance of new shares	883	-	-	883
Dividend	-	-	(1,104)	(1,104)
Balance as at 30 June 2017	37,126	-	16,877	54,003

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 30 June 2017	191,460,054	37,125,570
Issued and paid-up share capital as at 30 June 2018	191,460,054	37,125,570

There were no changes to the Company's issued and paid up share capital from 1 April 2018 to 30 June 2018. Other than the 1,570,000 share options granted to eligible employee 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 2018 and 30 June 2017 respectively.

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

	Company	
	30-June-18	30-June-17
Total number of issued shares excluding treasury shares	191,460,054	191,460,054

As at 30 June 2018 and 30 June 2017, 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 2018, 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 2018, 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 period as compared to its audited financial statements for the financial year ended 30 June 2017.

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 period as compared to the audited financial statements as at 30 June 2017, except for the adoption of the Financial Reporting Standard (FRS) and interpretation of FRS (INT FRS) which become effective for the financial year beginning on or after 1 January 2018. The adoption of these revised FRS and INT FRS does not result in changes to the Group's accounting policies and does not have material effect on the amounts reported for the current or prior financial years.

6. EARNINGS PER SHARE

	Three months ended		Full year ended	
	30-June-18	30-June-17	30-June-18	30-June-17
Profit attributable to owners of the Company (S$'000)	1,329	111	4,335	2,444
Number of shares				
Weighted average number of ordinary shares for the purpose of				
Basic share	191,460,054	191,460,054	191,460,054	191,460,054
Effect of dilution from share options	330,383	514,030	330,383	514,030
Diluted share	191,790,437	191,974,084	191,790,437	191,974,084
Earnings per share (cents)				
Basic	0.69	0.06	2.26	1.28
Diluted	0.69	0.06	2.26	1.27

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

	Group		Company	
	30-June-18	30-June-17	30-June-18	30-June-17
NAV per share (cents)	21.87	19.36	26.69	28.21
Total NAV (including non-controlling interests) (S$'000)	41,874	37,059	51,095	54,003
Number of ordinary shares used in computation of NAV per share	191,460,054	191,460,054	191,460,054	191,460,054

8. REVIEW OF GROUP PERFORMANCE

(A) REVIEW OF GROUP RESULTS

Revenue
Revenue increased by approximately S$12.8 million or 19.7%, from S$65.2 million in the financial year ended 30 June 2017 ("**FY2017**") to S$78.1 million in the financial year ended 30 June 2018 ("**FY2018")** mainly due to increase in production and sales of gloves resulting from increase in demand of gloves.

For the fourth quarter ended 30 June 2018 ("**4QFY2018**"), revenue generated amounted to S$22.2 million as compared to S$16.7 million for the fourth quarter ended 30 June 2017 ("**4QFY2017**"). The increase in revenue of S$5.4 million or 32.6% was mainly due to increase in production and sales of gloves.

Cost of Sales
Cost of sales increased by approximately S$9.7 million from S$55.6 million in FY2017 to S$65.3 million in FY2018, in tandem with the increase in revenue.

In 4QFY2018, cost of sales increased to S$18.9 million as compared to S$14.8 million in 4QFY2017, representing a 28.1% increase, in tandem with the increase in revenue.

Gross Profit and Gross Profit Margin
Gross profit increased by approximately S$3.1 million or 32.1% from S$9.7 million in FY2017 to S$12.8 million in FY2018. The Group's gross profit margin increased from 14.8% in FY2017 to 16.4% in FY2018 mainly due to reduction in raw material prices and increase in production volume and manufacturing capacity.

Gross profit increased by S$1.3 million or 66.9% from S$1.9 million in 4QFY2017 to S$3.2 million in 4QFY2018. The Group's gross profit margin increased from 11.6% in 4QFY2017 to 14.6% in 4QFY2018 mainly due to increase in production volume and manufacturing capacity while raw material prices reduced.

Other income
Other income increased by S$2.4 million from S$1.8 million in FY2017 to S$4.2 million in FY2018 mainly due to increase in unrealised and realised foreign exchange gain.

Other income increased by S$2.1 million from S$0.4 million in 4QFY2017 to S$2.5 million in 4QFY2018 mainly due to increase in unrealised foreign exchange gain.

Marketing and Distribution Expenses
Marketing and distribution expenses remained fairly stable at approximately S$1.8 million for both FY2018 and FY2017 as the Group continued to expand its distribution network.

Accordingly, marketing and distribution expenses also remained fairly stable at approximately S$0.5 million for both 4QFY2018 and 4QFY2017.

Administrative Expenses
Administrative expenses increased by approximately S$2.3 million or 34.6% from S$6.6 million in FY2017 to S$8.9 million in FY2018 mainly due to administrative expenses incurred for expansion of the distribution network in the UK, China and Nigeria. In FY2018, our headcount and hiring of key personnel have increase significantly across all departments including Sales and Marketing, Production and Technical, Quality Control, Branding, Logistics, Purchasing as well as various support functions including Customer Service and Business Development.

Furthermore, in FY2018, we have also increased our overseas warehouse space, infrastructure and logistics, to cater for the upcoming expansion growth, which resulted in the increase in administrative expenses.

There were also one-off costs in FY2018 including office and warehouse relocation cost and stamp duty fees. We have also written-off property, plant and equipment of S$0.4 million in FY2018.

The Group believes all these new hires and increase in headcounts are essential to cater for the upcoming expansion.

As aforementioned, administrative expenses increased by approximately S$1.0 million or 73.3% from S$1.5 million in 4QFY2017 to S$2.5 million in 4QFY2018 due to the reason as set out above.

Other Expenses
Other expenses increased by approximately S$0.6 million or 93.4% from S$0.6 million in FY2017 to S$1.2 million in FY2018, mainly due to the increase in the fair value loss on financial derivatives of S$1.1 million, mitigated by the non-incurrence of unrealised and realised foreign exchange losses of S$0.5 million in FY2018.

In 4QFY2018, other expenses increased to S$1.1 million from S$42,000 in 4QFY2017 mainly due to the reasons stated above.

Finance Costs
Finance costs increased by approximately S$0.3 million or 52.5% from S$0.5 million in FY2017 to S$0.8 million in FY2018, due to the increased usage of trade facilities and term loan.

Finance costs increased by S$0.2 million in 4QFY2018 as compared to S$0.1 million in 4QFY2017 due to the reason stated above.

Share of Profits from Associate
The Group's share of profits from associate amounted to S$0.6 million in FY2018, an increase of S$0.1 million from S$0.5 million in FY2017, due to higher profits reported by the German associate.

Share of profits from associate recorded a gain of S$68,000 in 4QFY2018 as compared to a loss of S$44,000 in 4QFY2017 mainly due to higher profits achieved by the German associate in the last quarter of the financial year.

(B) REVIEW OF GROUP'S FINANCIAL POSITION

As at 30 June 2018

Non-current Assets
Non-current assets increased by approximately S$4.6 million from S$25.4 million as at 30 June 2017 to S$30.0 million as at 30 June 2018, mainly due to acquisition of property, plant and equipment of S$4.2 million for the new production facilities and new production line and increase in net investment in associates of S$0.3 million.

Current Assets
Current assets increased by approximately S$14.3 million from S$40.8 million as at 30 June 2017 to S$55.2 million as at 30 June 2018, mainly due to:

(a) Increase in cash and bank balances by S$3.2 million or 90.3% from S$3.5 million as at 30 June 2017 to S$6.7 million as at 30 June 2018;
(b) Increase in inventories of S$6.4 million or 41.0% from S$15.7 million as at 30 June 2017 to S$22.1 million as at 30 June 2018 as the Group stock up its products at its own overseas distribution companies; and
(c) Increase in trade and other receivables of S$5.0 million or 23.7% from S$21.3 million as at 30 June 2017 to S$26.3 million as at 30 June 2018, mainly due to increase in sales of gloves.

Equity
Equity comprises share capital, merger reserve, retained earnings, foreign currency translation reserves, share-based payment reserves and non-controlling interests. The total equity of the Group increased by approximately S$4.8 million or 13.0% from S$37.1 million as at 30 June 2017 to S$41.9 million as at 30 June 2018.

Non-current Liabilities
Non-current liabilities increased by approximately S$4.4 million from S$3.2 million as at 30 June 2017 to S$7.6 million as at 30 June 2018, mainly due to drawdown of new term loan facilities, which is being used for the Group's expansion of its production facility.

Current Liabilities
Current liabilities increased by S$9.7 million from S$26.0 million as at 30 June 2017 to S$35.7 million as at 30 June 2018, mainly due to the increase of S$0.8 million in derivative financial liabilities as a result of the weakening ringgit against USD, increase of S$4.9 million in trade and other payables due to increase in purchases of raw materials and increase in bank borrowings by S$4.1 million.

(C) REVIEW OF GROUP'S CASH FLOWS

In FY2018, the net cash used in operations amounted to S$0.4 million. This comprises positive operating cash flows before changes in working capital of approximately S$8.9 million which is reduced by net working capital outflow of S$7.6 million, and interests and taxes paid of S$0.8 million and S$0.9 million respectively. The net working capital outflow was mainly due to increase in inventories and trade and other receivables of S$6.4 million and S$4.7 million respectively, partially offset by increase in trade and other payables of S$3.6 million.

Net cash used in investing activities amounted to S$4.7 million in FY2018. This was due to the purchases of property, plant and equipment of S$4.7 million, increase in fixed deposits pledged to bank of S$0.3 million, and partially offset by dividend received from the German associate of S$0.3 million.

Net cash from financing activities amounted to S$8.0 million in FY2018. This was due to drawdown of borrowings from trade and term loan facilities of $46.6 million mainly for the construction of new production lines and increase in usage of trade facilities, partially offset by repayment of total borrowings of S$38.6 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

Manufacturing

The Group's expansion plan of construction of a new production facility on an adjoining piece of land to its existing factory has progressed successfully. The infrastructure of this new production facility is now completed. Phase 1 of this new production facility will boost the Group's total capacity by an additional 500 million gloves per annum, increasing total Group's capacity to 2.9 billion gloves per annum. A portion of this new capacity has been in commercial production, with the rest to come by September and October 2018.

The new production facility has the potential to increase another 300 million gloves per annum production capacity ("**Phase 2**"). The timing of Phase 2 has yet to be determined by the Group. The completion of Phase 2 will potentially bring the Group's total capacity to 3.2 billion gloves per annum.

Downstream distribution

The Group has spent the last few years developing infrastructure in its downstream distribution companies. In key markets of Europe, China, Nigeria and Brazil, the Group operates its own downstream distribution business with local logistics warehouse infrastructure to distribute locally in the respective domestic markets, as well as its own local sales and marketing teams. In FY2018, the Group has also acquired a new subsidiary in Brazil to cater for the potential growth market in South America.

Raw materials prices have reduced and stabilised since the last financial year. Currency has also fluctuated significantly in this financial year, with the USD weakening against the Ringgit Malaysia in the earlier part of this year, but has recently strengthened again. Raw materials prices and currency fluctuations are the two main key risks for the Group.

11. DETAILS OF DIVIDEND DECLARED OR RECOMMENDED

Proposed dividend

	30-June-18	**30-June-17**
Name of dividend	Final dividend	N.A
Type of dividend	Cash and/or scrip	N.A
Dividend rate	S$0.00235 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

N.A. – not applicable

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.

14. SEGMENT INFORMATION AND ANALYSIS OF REVENUE AND RESULTS

Segment information

	Group		
Revenue	30-June-18 S$'000	30-June-17 S$'000	Increase/ (decrease) %
Total revenue for reportable segments	156,840	128,971	21.6
Elimination of inter-segment revenue	(78,780)	(63,732)	23.6
	78,060	65,239	19.7
Profit or Loss			
Total profit for reportable segments	4,404	2,035	>100.0
Share of profit of associate	643	534	20.4
Profit before income tax	5,047	2,569	96.5
Assets			
Total assets for reportable segments	79,315	60,663	30.8
Investments in associate	5,869	5,578	5.2
Total assets	85,184	66,241	28.6
Liabilities			
Total liabilities for reportable segments	43,310	29,182	48.4
Total liabilities	43,310	29,182	48.4

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

	Group		
Product segments	30-June-18	30-June-17	Increase/ (decrease)
Revenue	S$'000	S$'000	%
Latex examination gloves	38,756	33,585	15.4
Nitrile examination gloves	28,594	23,783	20.2
Other ancillary products	10,710	7,871	36.1
Total	78,060	65,239	19.7
Gross profit			
Latex examination gloves	6,552	5,431	20.6
Nitrile examination gloves	4,729	3,528	34.0
Other ancillary products	1,483	707	>100.0
Total	12,764	9,666	32.1
Gross profit margin	%	%	
Latex examination gloves	16.9	16.2	
Nitrile examination gloves	16.5	14.8	
Other ancillary products	13.8	9.0	
Overall	16.4	14.8	

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

	Group		
	30-June-18	30-June-17	Increase/ (decrease)
	S$'000	S$'000	%
Europe	34,192	31,482	8.6
North America	15,279	12,928	18.2
South America	12,640	8,915	41.8
Africa	2,573	2,216	16.1
Asia	7,683	5,161	48.9
Malaysia	5,693	4,537	25.5
Total	78,060	65,239	19.7

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-18	30-June-17	Increase/ (decrease)
Location of non-current assets	S$'000	S$'000	%
Europe	5,813	5,365	8.4
North America	540	573	(5.8)
South America	294	-	N.M.
Africa	552	492	12.2
Asia	251	135	85.9
Malaysia	22,550	18,834	19.7
Total	30,000	25,399	18.1

N.M. – Not meaningful

15. REVIEW OF PERFORMANCE BY OPERATING SEGMENTS

Revenue for all business segments have increased in FY2018 as compared to FY2017 due to the increase in the volume of products produced and sold following the commencement of new production lines. Revenue for latex examination gloves, nitrile gloves and other ancillary products have increased by 15.4%, 20.2% and 36.1% respectively in FY2018 as compared to FY2017 mainly due to increase in products produced and sold.

Overall, the gross profit margin of the Group has increased from 14.8% in FY2017 to 16.4% in FY2018 due to increase in gross profit margin for all the Group's products as well as those ancillary products, which were sold together with the Group's latex and nitrile products.

With the continued expansion of its downstream distribution network, sales in all key regions have increase significantly including South America, Europe, Africa and China, as it continues to sell and develop its own brand in all these key regions.

16. BREAKDOWN OF REVENUE AND RESULTS

		30-June-18 S$'000 Group	30-June-17 S$'000 Group	Increase/ (decrease) % Group
(a)	Sales reported for first half year	36,548	30,960	18.0
(b)	Operating profit after tax before deducting minority interests reported for first half year	1,934	1,212	59.6
(c)	Sales reported for second half year	41,512	34,279	21.1
(d)	Operating profit after tax before deducting minority interests reported for second half year	2,379	968	>100.0

17. BREAKDOWN OF ANNUAL DIVIDEND

Annual dividend

	30-June-18	30-June-17
	S$	S$
Ordinary dividend	450,000	N.A.

N.A. – Not applicable

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

23 August 2018