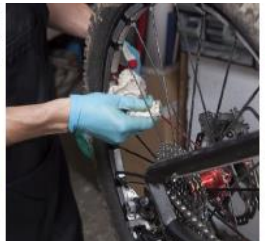
UG HEALTHCARE CORPORATION LIMITED
优格医疗有限公司

(Stock Code – **SGX: 41A** | **Bloomberg: UGHC SP** | **Reuters: UGHE.SI**)



Annual General Meeting

24 OCTOBER 2018







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The contact person for the Sponsor is Ms. Alicia Sun (Telephone: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

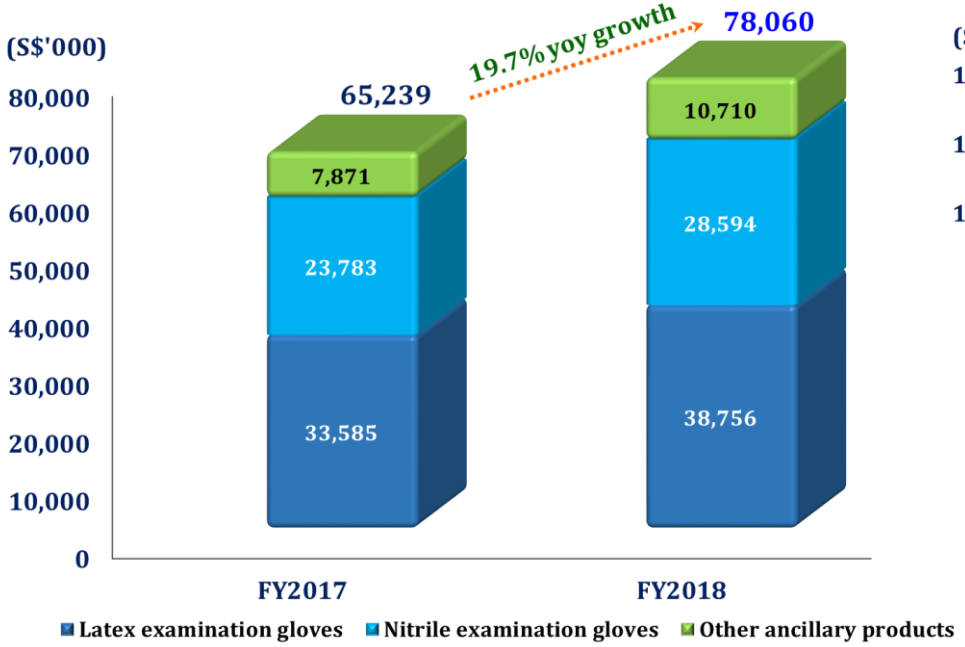
Corporate Update

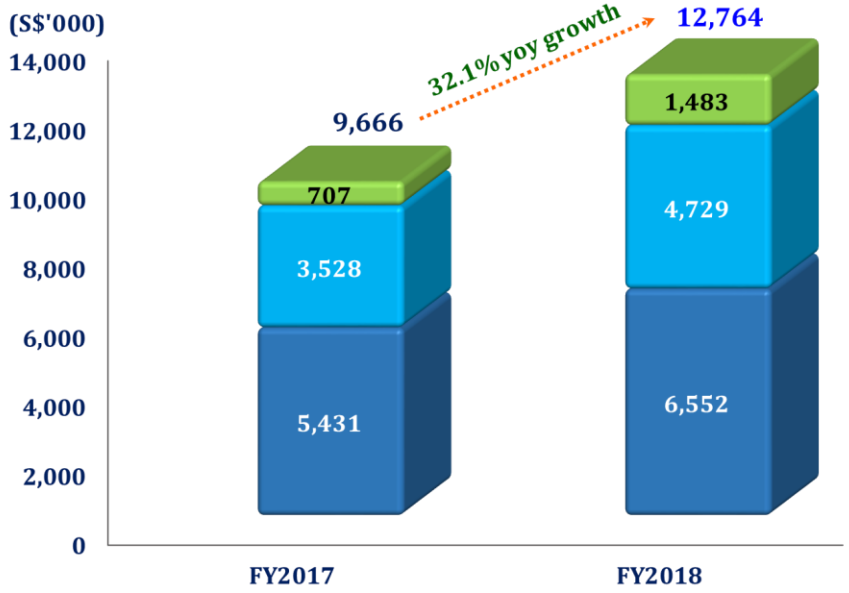
- **Broadened downstream distribution business** through acquisition of 50% stake in UGHC Brazil in May 2018
- **Reconfiguration of existing production lines** for its wide range of products **resulted in higher production volume and higher average utilization rate**, leading to **four consecutive quarters of growth**

FYE Jun (S$'000)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Revenue	15,656	15,304	17,578	16,702	18,265	18,283	19,361	22,151
Gross profit	2,223	2,228	3,283	1,932	2,969	3,256	3,315	3,225
Gross margin	*14.2%*	*14.6%*	*18.7%*	*11.6%*	*16.3%*	*17.8%*	*17.1%*	*14.6%*
Profit before tax	755	692	884	237	1,093	1,181	1,244	1,529
PBT margin	*4.8%*	*4.5%*	*5.0%*	*1.4%*	*6.0%*	*6.5%*	*6.4%*	*6.9%*
Net profit	789	597	946	111	859	1,044	1,104	1,329

- Additional 500mn pieces of gloves per annum in the new manufacturing block is fully operational in October, and it is expected to improve efficiency and bring about higher production volume going forward
  - ✓ **achieving better economies of scale and potentially higher sales in FY2019**

Financial Performance



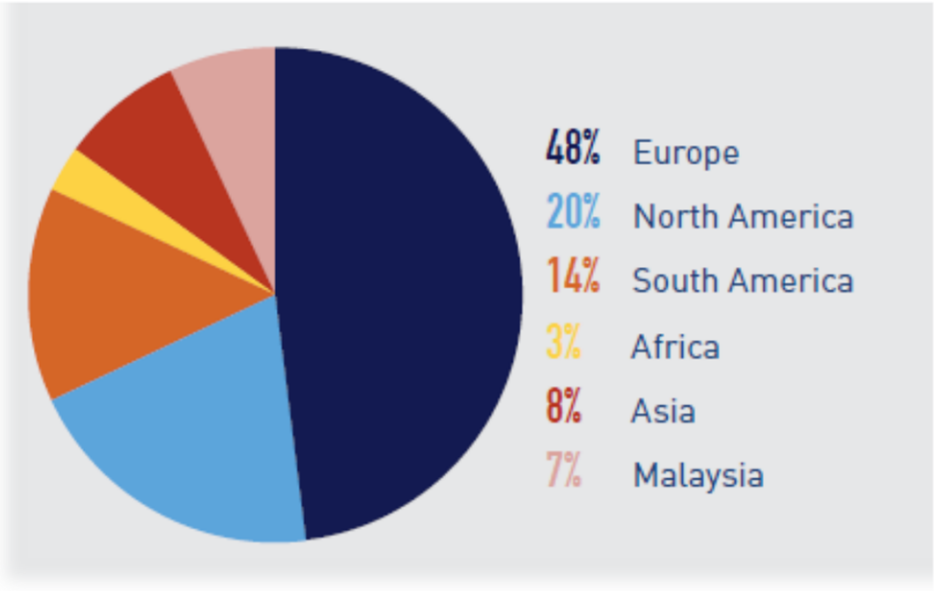


- **Achieved record revenue of S$78.1 million**, driven by
  - ✓ higher production efficiency led to higher sales of own brand of gloves which then marketed and sold through own downstream global distribution network
- **Gross profit increased to S$12.8 million**, attributable to
  - ✓ reduction in raw material prices and higher production efficiency
- **Overall gross profit margin increased to 16.4% in FY2018**, as compared to 14.8% in FY2017
- **Net profit increased by 77.4%** from S$2.4 million in FY2017 **to S$4.3 million in FY2018**

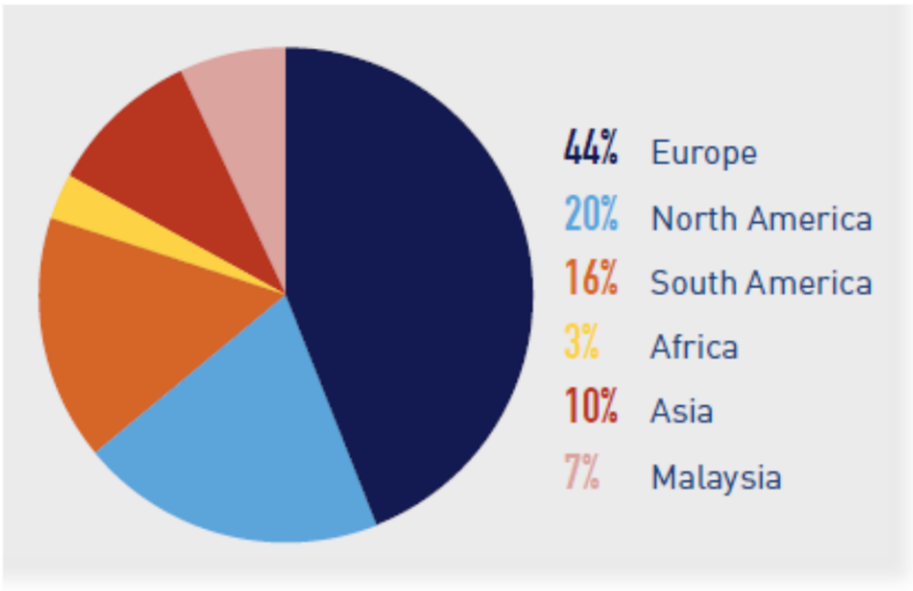
Revenue by Geographical Regions

- Contribution from the South American market is growing faster than other regions
  - ✓ **newly acquired distribution company in Brazil will continue to drive growth in South America**

FY2017: S$65.2 MILLION



FY2018: S$78.1 MILLION



Note:

* Malaysia includes revenue from intermediaries that export our products to overseas markets.

Revenue by Geographical Regions (in S$)

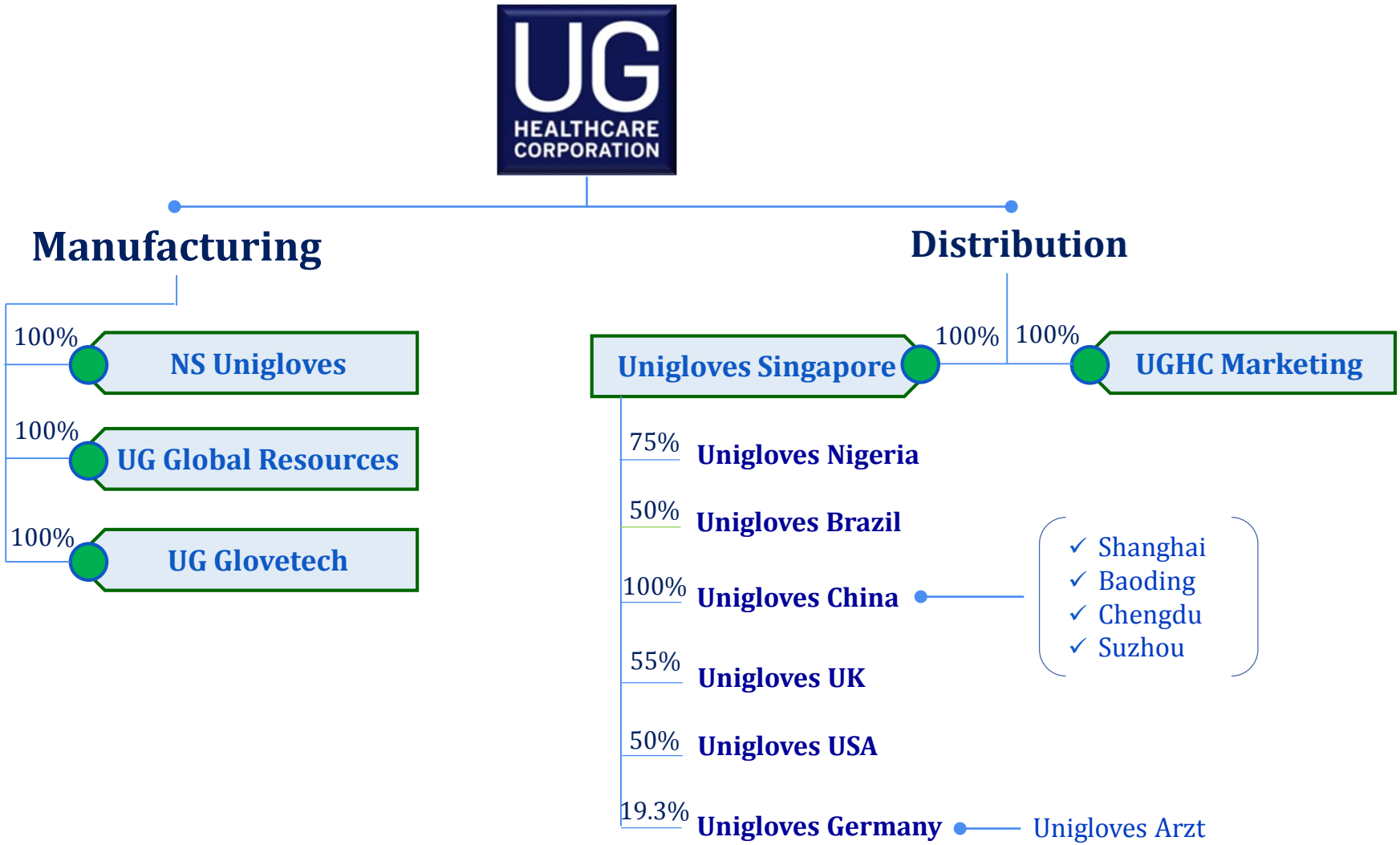
- All regions, except for Europe, registered double-digit growth in sales revenue
  - ✓ **Asia (mainly China) and South America regions continue to demonstrate strong growth**

Market	FY18 (S$'000)	FY17 (S$'000)	YoY Change
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%**

Note:

* Malaysia includes revenue from intermediaries that export our products to overseas markets.

Corporate Structure



Upstream Manufacturing Capabilities

Unigloves
Safety through quality







Compounding





Water Tight Test





Packing

Expansion of Production Capacity

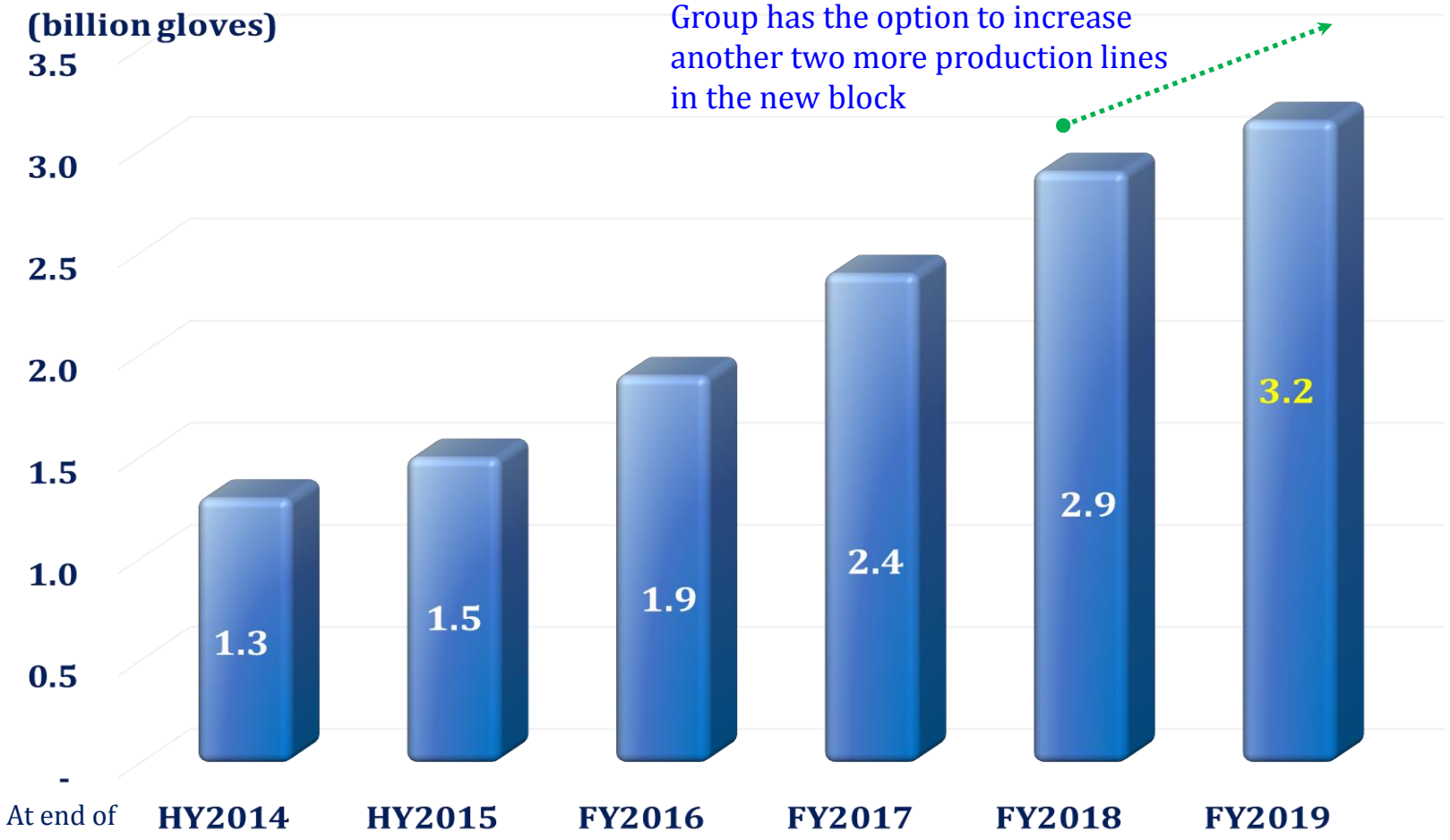




New extension of manufacturing facility with installation of production lines in June 2018

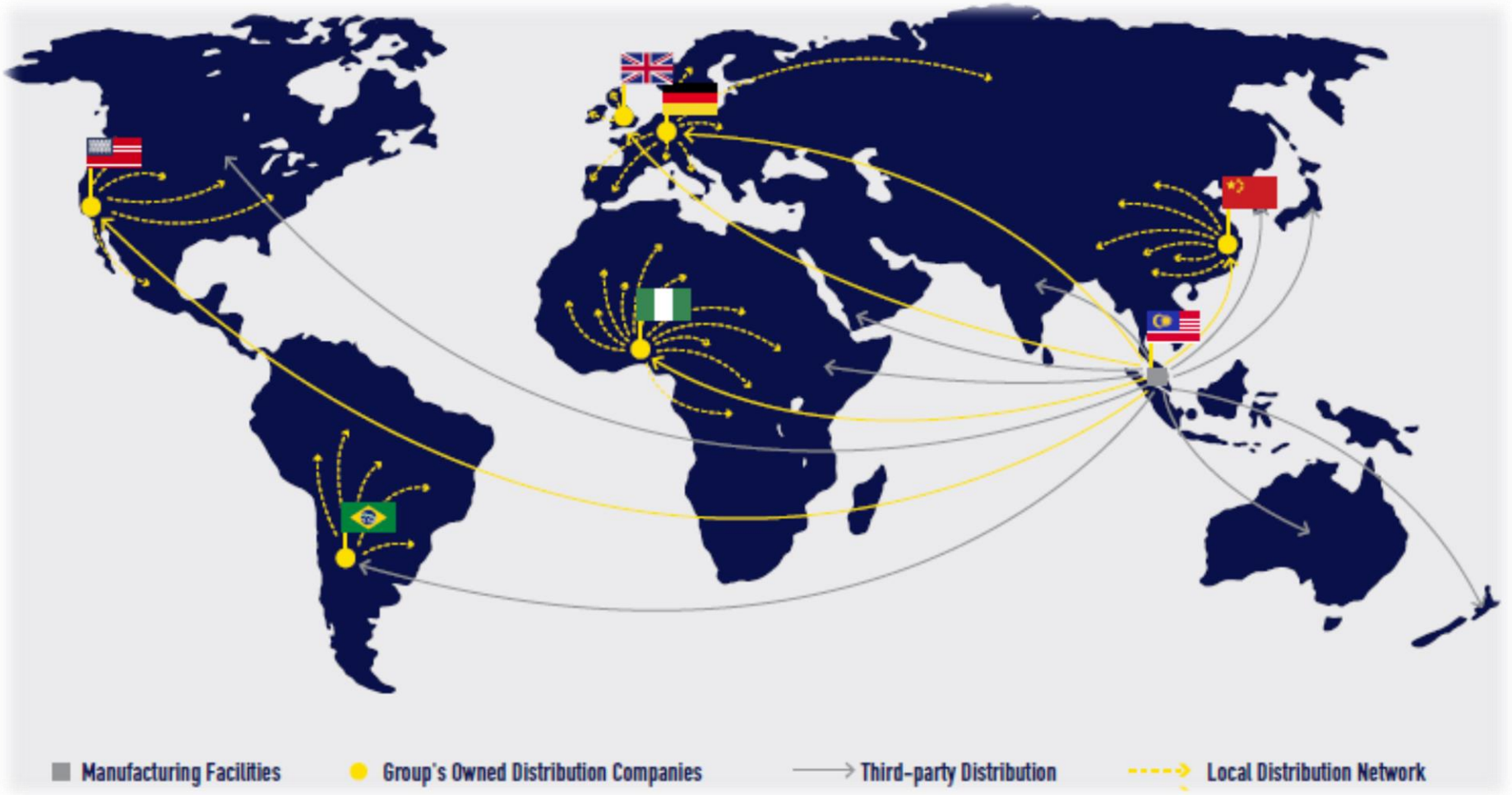
Expansion of Production Capacity

- The Group will **explore further expansion of production capacity by another 300 million gloves per annum** in the new block.



Downstream Distribution Network

- The Group focuses on **driving our own "Unigloves" brand of products** through our **own distribution platforms in both developing and developed countries**.



Distribution through Local Presence

- The Group emphasizes on **building its own "Unigloves" brand** of disposable glove products by **cultivating demand through its established local presence in the identified markets** for both developed and emerging countries.

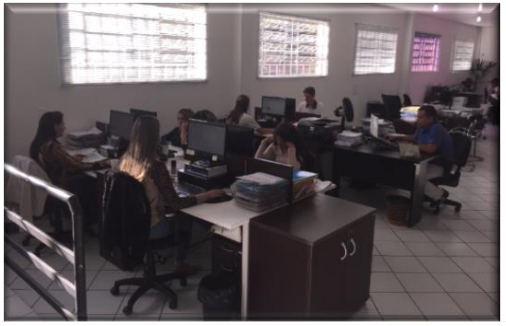
  ✓ Each distribution company **manages its own business operation and distribution infrastructure**, and drives sales through **marketing campaigns customised for its respective markets**.



Unigloves Nigeria

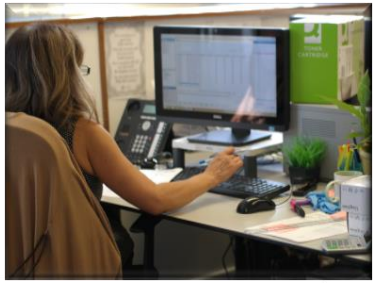


Unigloves China





Unigloves Brazil





Unigloves UK

Integrated Business Model

Unigloves
Safety through quality

Upstream Manufacturing



Produces disposable gloves in "**Unigloves**" brand to sell to Group's own established distribution companies with local presence and infrastructure in these countries

Downstream Distribution

Respective local marketing teams market and sell "**Unigloves**" range of glove products through own distribution channels to customers

Customer Base (Uses and Applications)



Uses and applications of disposable gloves in various industries:

- **Healthcare**
  - hospitals
  - clinics (dental)
  - nursing homes and hospices
- **Manufacturing**
  - automotive
  - electronics
- **Life Sciences**
  - laboratories
  - manufacturers
- **Food & Beverage**
  - food processing
- **Beauty**
  - hair salons
  - tattoo studios

increase efficiency and capacity ← → **end users**

Meeting Demand through Product Differentiation

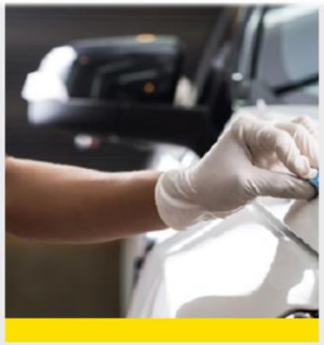
- The downstream distribution companies **facilitate product innovation** by providing the Group on **the evolving requirements and preferences of direct end users**.

- **Supported and complemented by its upstream manufacturing capabilities**, the Group has been able to **reinforce its market presence effectively** in both developed and emerging markets.

Extensive range of glove products focused on niche and specialised applications



Healthcare
- Hospitals
- Clinics (dental)
- Nursing homes and hospices



Industrials
- Automotive
- Electronics
- Construction



Life Sciences
- Laboratories
- Manufacturers



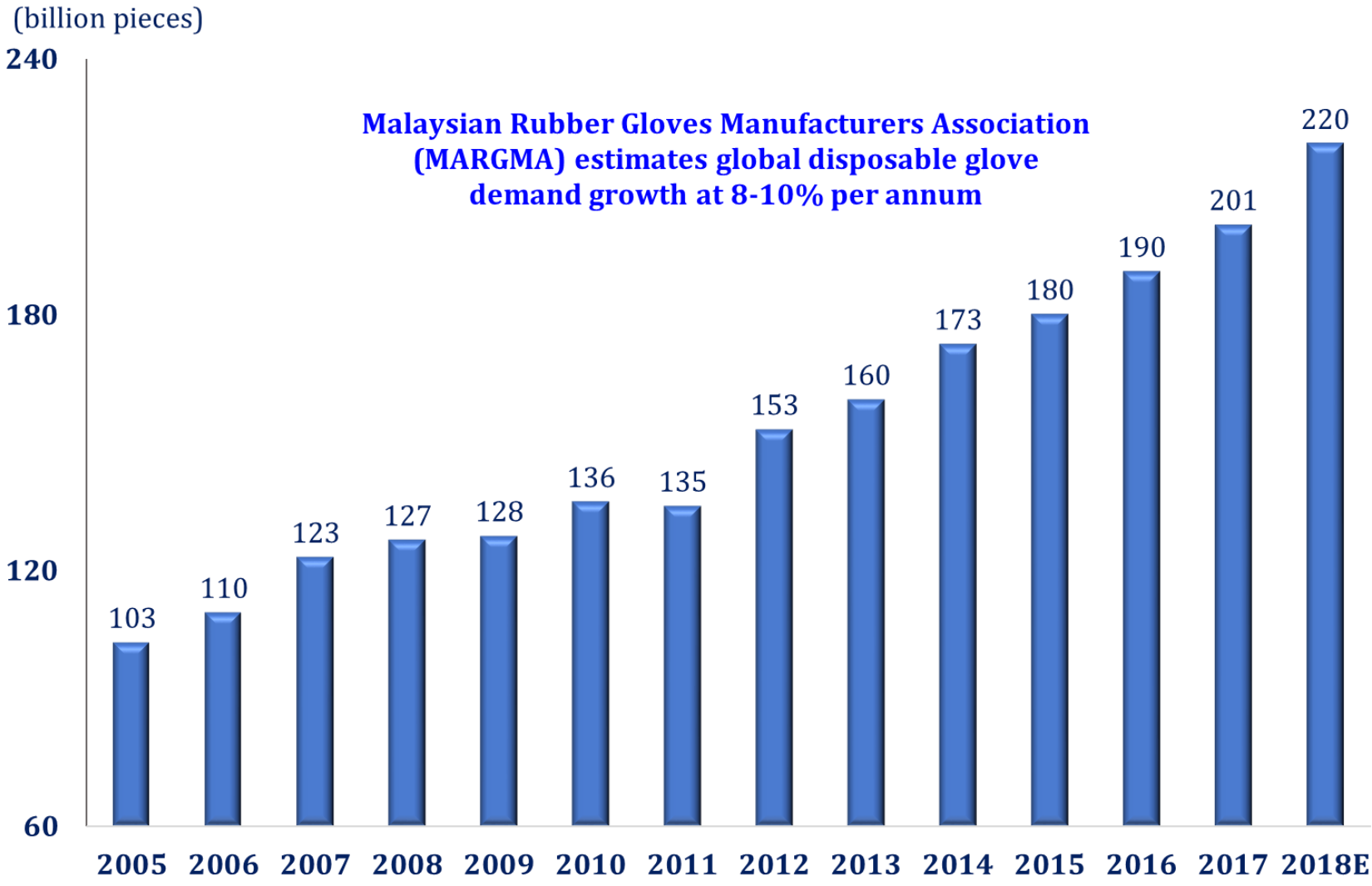
Food and Beverage
- Food processing
- Food distribution
- Food retailers
- Agriculture



Beauty
- Hair salons
- Tattoo studios

Global Glove Demand

- The Group believes that **increasing awareness of health-related issues and healthcare needs will continue to drive demand** for quality disposable gloves



Strategies & Future Plans

- **Beneficiary of strong global demand and increasing consumption of gloves**
  established distribution companies in identified key markets in both developed and developing countries
  ⇨ continue to **fine tune manufacturing business** to raise efficiency further and **drive marketing campaigns** at its downstream distribution business to **increase sales and gain market share**
  ⇨ potential to **broaden product range for downstream distribution network**

- **Own established Unigloves range of products drives market demand, facilitates innovation, and reinforces market presence**
  market intelligence from direct end users customer base
  ⇨ continue to **innovate new products to meet the specific application requirements** of its end-user base of customers
  ⇨ to achieve mass customisation

- **Integrated business model to manage the entire value chain seamlessly and efficiently**
  upstream manufacturing + established downstream distribution network + own Unigloves brand of glove products
  ⇨ ability to stay ahead of competition
  ⇨ to achieve **stable and sustainable earnings**

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THANK YOU!

Visit us at **www.ughealthcarecorporation.com**

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