

UG Healthcare Corporation Limited (Incorporated in Singapore with Unique Entity No.: 201424579Z) SGX Stock Code: 8K7 website: www.ughealthcarecorporation.com

HALF YEARLY ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

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

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this 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 HALF-YEAR (1H FY21) AND FULL YEAR ANNOUNCEMENTS

1(a)(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME- FIRST HALF AND 6 MONTHS ENDED 31 DECEMBER 2020

	Group Six months ended		
	31-Dec-20 1H FY21 S\$'000	31-Dec-19 1H FY20 S\$'000	Increase/ (Decrease) %
Revenue	159,417	53,178	>100.0
Cost of sales Gross profit	<u>(60,189)</u> 99,228	<u>(43,415)</u> 9,763	38.6 >100.0
Other income	<u> </u>	132 9,895	26.5 >100.0
Marketing and distribution expenses Administrative expenses Other expenses Finance costs Share of profits from associates	(3,610) (13,476) (1,683) (377) 1,800	(1,568) (6,375) (353) (1,008) 255	>100.0 >100.0 >100.0 (62.6) >100.0
Profit before tax Income tax expense	82,049 (20,921)	846 (540)	>100.0 >100.0
Profit for the period	61,128	306	>100.0
Other comprehensive loss Exchange differences on translating foreign operations	1,861	(663)	N.M.
Total comprehensive income/(loss) for the period	62,989	(357)	N.M.
Profit/(loss) attributable to:			
Owners of the Company Non-controlling interests	54,939 6,189 61,128	846 (540) 306	>100.0 N.M. >100.0
Total comprehensive income/(loss) attributable to:			
Owners of the Company Non-controlling interests	56,567 6,422 62,989	236 (593) (357)	>100.0 <u>N.M.</u> N.M.
Earnings per share (cents) Basic	9.05	0.14	
Diluted	9.05	0.14	

N.M. - not meaningful

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

	Group Six months ended			
	31-Dec-20 1H FY21 S\$'000	31-Dec-19 1H FY20 S\$'000	Increase/ (Decrease) %	
Interest income	(74)	(90)	(17.8)	
Net foreign exchange loss*	1,509	209	>100.0	
Sundry income	(86)	(37)	>100.0	
Interest expense on borrowings	377	1,008	(62.6)	
Depreciation	1,153	1,008	14.4	
Property, plant and equipment written off	137	174	(21.3)	
Amortisation of intangible assets	9	10	(10.0)	
Loss allowance on trade receivables	5	6	(16.7)	
Gain on disposal of property, plant and equipment	(7)	(5)	40.0	

N.M. - not meaningful

<u>Note</u> * Net foreign exchange loss includes realised and unrealised foreign exchange loss/(gain) and fair value loss/(gain) on financial derivatives that are used mainly for hedging purposes.

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

31-Dec-20 30-Jun-20 31-Dec-20 30-Jun-20 ASSETS S\$'000 \$\$'000 \$\$'000 \$\$'000 \$\$'000 ASSETS Non-current assets 5.996 4.932 32.621 32.621 Associates 5.996 4.932 - - - Property plant and equipment 37.119 31.516 - - Intrangible assets 271 262 - - Total non-current assets 43.485 37.028 32.621 32.621 Current assets 43.485 37.028 32.621 32.621 32.621 Current assets 52.715 32.858 357 34 Derivative financial assets 32.7 114 - - Cash and bank balances 43.896 9.292 12.171 28 Total current assets 197.833 113.015 68.089 51.919 Equity S7.745 37.870 57.745 37.870 S7.445 37.870 57.745		Group		Company	
ASETS Non-current assets 32,621 32,621 32,621 Associates 5,996 4,932 - - - Property, plant and equipment 37,119 31,516 - - - Intangible assets 271 262 -		31-Dec-20	30-Jun-20	31-Dec-20	30-Jun-20
Non-current assets 32,621 32,621 32,621 Subsidiaries 5,996 4,932 - - Property, plant and equipment 37,119 31,516 - - Intangible assets 291 262 - - Deferred tax assets 99 318 - - - Total non-current assets 43,485 37,028 32,621 32,621 32,621 Current assets - - - - - - Inventories 57,410 33,723 - - - - Amount due from subsidiaries 52,715 32,886 357 34 - <th>A 66570</th> <th>S\$'000</th> <th>S\$'000</th> <th>S\$'000</th> <th>S\$'000</th>	A 66570	S\$'000	S\$'000	S\$'000	S\$'000
Subsidiaries - - 32,621 32,621 Associates 5,996 4,932 - - Property, plant and equipment 37,119 31,516 - - Intangible assets 271 262 - - - Deferred tax assets 99 318 - - - - Current assets 43,485 37,028 32,621 32,621 32,621 Current assets 43,485 37,028 32,621 32,621 32,621 Current assets 43,485 37,028 32,621 32,621 32,621 Current assets 52,715 32,868 357 34 - - Cash and bank balances 43,896 9,292 12,171 28 -					
Associates 5.996 4.932 - - Property, plant and equipment Intangible assets 37,119 31,516 - - Deferred tax assets 99 318 - - - Total non-current assets 43,485 37,028 32,621 32,621 Current assets 43,485 37,028 32,621 32,621 Inventories 57,410 33,723 - - Amount due from subsidiaries - 22,840 19,236 Trade and other receivables 52,715 32,858 357 34 Derivative financial assets 32,73 - - - Total current assets 154,348 75,967 35,468 19,298 Total assets 197,833 113,015 68,089 51,919 EQUITY AND LIABILITIES Equity 53,446 12,039 Equity Share capital 57,745 37,870 57,745 37,870 Retained earnings Equity 135,493 54,272		_	-	32 621	32 621
Property, plant and equipment Intengible assets 37,119 31,516 - - Intengible assets 271 262 - - - Total non-current assets 43,485 37,028 32,621 32,621 32,621 Current assets 1 33,723 - - - 29,940 19,236 Trade and other receivables 52,715 32,858 357 34 Derivative financial assets 32,727 114 - - Cash and bank balances 43,896 9,292 12,171 28 Total current assets 154,348 75,967 35,468 19,298 Total assets 197,833 113,015 68,089 51,919 EQUITY AND LIABILITIES Equity 54,434 75,967 37,870 57,745 37,870 Reserve (39,344) (40,792) - 180 12,039 180 Retained earnings Equity attributable to the owners of the Company 0,221 63,591 50,089 50,089		5 996	4 932		52,021
Intangibe assets 271 262 - - Deferred tax assets 99 318 - - - Total non-current assets 43,485 37,028 32,621 32,621 Current assets 57,410 33,723 - - Amount due from subsidiaries 57,410 33,723 - - Carrent assets 52,715 32,858 357 34 Derivative financial assets 52,715 32,858 357 34 Cash and bank balances 43,896 9,292 12,171 28 Total current assets 197,833 113,015 68,089 51,919 EQUITY AND LIABILITIES Equity Stare capital 57,745 37,870 57,745 37,870 Retained earnings 108,619 55,143 5,846 12,039 Equity 130,619 55,143 5,0,689 Non-controlling interests 8,473 2,051 - - - - Total equity 135,493		,		-	-
Deferred tax assets 99 318 - - Total non-current assets 43,485 37,028 32,621 32,621 Current assets 1nventories 57,410 33,723 - - Amount due from subsidiaries - - 22,940 19,236 Trade and other receivables 52,715 32,888 357 34 Derivative financial assets 32,727 114 - - Cash and bank balances 43,896 9,292 12,171 28 Total current assets 197,833 113,015 68,089 51,919 EQUITY AND LIABILITIES Equity Equity - 180 Reserve (39,344) (40,72) - 180 Company 108,619 55,143 5,846 12,039 Equity attributable to the owners of the Company 02,221 63,591 50,089 Non-courtolling interests 8,473 2,051 - - Total equity 135,493 54,272 63,59				-	-
Total non-current assets 43,485 37,028 32,621 32,621 Current assets 33,723 - <td></td> <td></td> <td></td> <td>-</td> <td>-</td>				-	-
Inventories 57,410 33,723 -	Total non-current assets	43,485	37,028	32,621	32,621
Inventories 57,410 33,723 -	Current assets				
Amount due from subsidiaries - - 22,940 19,236 Trade and other receivables 52,715 32,858 337 34 Derivative financial assets 327 114 - - Cash and bank balances 43,896 9,292 12,171 28 Total current assets 1154,348 75,987 35,468 19,298 Total assets 197,833 113,015 68,089 51,919 EQUITY AND LIABILITIES 57,745 37,870 57,745 37,870 Retained earnings 108,619 55,143 5,846 12,039 Equity attributable to the owners of the Company 135,493 54,272 63,591 50,089 Non-current liabilities 8,473 2,051 - - - Deferred tax liabilities 366 3,142 - - - Lease liabilities 366 3,428 - - - - Deferred tax liabilities 366 3,422 - - -		57,410	33,723	-	-
Derivative financial assets 327 114 - - Cash and bank balances 43,896 9,292 12,171 28 Total current assets 154,348 75,987 35,468 19,298 Total assets 197,833 113,015 68,089 51,919 EQUITY AND LIABILITIES Equity 57,745 37,870 57,745 37,870 Share capital 57,745 37,870 57,745 37,870 140,792) - 180 Retained earnings 108,619 55,143 5,846 12,039 108,619 50,089 50,089 Non-controlling interests 8,473 2,051 - </td <td>Amount due from subsidiaries</td> <td>-</td> <td>-</td> <td>22,940</td> <td>19,236</td>	Amount due from subsidiaries	-	-	22,940	19,236
Cash and bank balances 43,896 9,292 12,171 28 Total current assets 154,348 75,987 35,468 19,298 Total assets 197,833 113,015 68,089 51,919 EQUITY AND LIABILITIES Equity 58,476 37,870 57,745 37,870 Share capital 57,745 37,870 57,745 37,870 180 Retained earnings 108,619 55,143 5,846 12,039 Equity attributable to the owners of the Company 127,020 52,221 63,591 50,089 Non-current liabilities 8,473 2,051 - - - Deferred tax liabilities 366 3,142 - - - Lease liabilities 319 191 - - - - Bank borrowings 4.486 30,520 - - - - Total non-current liabilities 25.456 18,469 4,498 120 Amount due to subsidiaries - -	Trade and other receivables	52,715	32,858	357	34
Total current assets 154,348 75,987 35,468 19,298 Total assets 197,833 113,015 68,089 51,919 EQUITY AND LIABILITIES Equity 37,745 37,870 57,745 37,870 Share capital 57,745 37,870 57,745 37,870 57,745 37,870 Reserve (39,344) (40,792) - 180 Retained earnings 108,619 55,143 5,846 12,039 Equity attributable to the owners of the Company 127,020 52,221 63,591 50,089 Non-controlling interests 8,473 2,051 - - Total equity 135,493 54,272 63,591 50,089 Non-current liabilities 366 3,142 - - Lease liabilities 319 191 - - Lease liabilities 7,548 7,928 - - Total non-current liabilities - - - - Bank borrowings	Derivative financial assets	327	114	-	-
Total assets 197,833 113,015 $68,089$ $51,919$ EQUITY AND LIABILITIES Equity Share capital Retained earnings 57,745 37,870 $57,745$ $37,870$ Retained earnings $(39,344)$ $(40,792)$ - 180 Equity attributable to the owners of the Company $127,020$ $52,221$ $63,591$ $50,089$ Non-controlling interests $8,473$ $2,051$ - - Total equity $135,493$ $54,272$ $63,591$ $50,089$ Non-current liabilities $8,473$ $2,051$ - - Deferred tax liabilities 366 $3,142$ - - Lease liabilities 366 $3,142$ - - Deferred tax liabilities 7.548 7.928 - - Total non-current liabilities 7.548 7.928 - - Current liabilities 25.456 $18,469$ 4.498 120 Amount due to subsidiaries $ 1.710$ - $-$ </td <td>Cash and bank balances</td> <td>43,896</td> <td>9,292</td> <td></td> <td></td>	Cash and bank balances	43,896	9,292		
EQUITY AND LIABILITIES Equity Share capital 57,745 37,870 57,745 37,870 Reserve (39,344) (40,792) - 180 Retained earnings 108,619 55,143 5,846 12,039 Equity attributable to the owners of the Company 127,020 52,221 63,591 50,089 Non-controlling interests 8,473 2,051 - - Total equity 135,493 54,272 63,591 50,089 Non-current liabilities 319 191 - - Lease liabilities 319 191 - - Deferred tax liabilities 7,548 7,928 - - Total non-current liabilities 7,548 7,928 - - Current liabilities 25,456 18,469 4,498 120 Amount due to subsidiaries - - 1,710 - - Lease liabilities 377 345 - - -	Total current assets	154,348	75,987	35,468	19,298
Equity 57,745 37,870 57,745 37,870 Reserve (39,344) (40,792) - 180 Retained earnings 108,619 55,143 5,846 12,039 Equity attributable to the owners of the Company 127,020 52,221 63,591 50,089 Non-controlling interests $8,473$ 2,051 - - Total equity 135,493 54,272 63,591 50,089 Non-current liabilities $8,473$ 2,051 - - Lease liabilities 366 3,142 - - Lease liabilities 319 191 - - Bank borrowings 6.863 4,595 - - Total non-current liabilities 7.548 7,928 - - Current liabilities 25.456 18,469 4,498 120 Amount due to subsidiaries - - - 1,710 Lease liabilities 377 345 - - Income tax liabilities 24.473 1,481 - -	Total assets	197,833	113,015	68,089	51,919
Equity 57,745 37,870 57,745 37,870 Reserve (39,344) (40,792) - 180 Retained earnings 108,619 55,143 5,846 12,039 Equity attributable to the owners of the Company 127,020 52,221 63,591 50,089 Non-controlling interests $8,473$ 2,051 - - Total equity 135,493 54,272 63,591 50,089 Non-current liabilities $8,473$ 2,051 - - Lease liabilities 366 3,142 - - Lease liabilities 319 191 - - Bank borrowings 6.863 4,595 - - Total non-current liabilities 7.548 7,928 - - Current liabilities 25.456 18,469 4,498 120 Amount due to subsidiaries - - - 1,710 Lease liabilities 377 345 - - Income tax liabilities 24.473 1,481 - -	EQUITY AND LIABILITIES				
Share capital 57,745 37,870 57,745 37,870 Reserve (39,344) (40,792) - 180 Retained earnings 108,619 55,143 5,846 12,039 Equity attributable to the owners of the Company 127,020 52,221 63,591 50,089 Non-controlling interests 8,473 2,051 - - - Total equity 135,493 54,272 63,591 50,089 Non-current liabilities 366 3,142 - - Lease liabilities 319 191 - - Lease liabilities 7.548 7,928 - - Total non-current liabilities 7.548 7,928 - - Current liabilities 377 345 - - - Bank borrowings 4.486 30,520 - - - - Trade and other payables 25.456 18,469 4,498 120 - - 1,710 Lease liabilities 377 345 - - - - <td>Equity</td> <td></td> <td></td> <td></td> <td></td>	Equity				
Retained earnings 108,619 55,143 5,846 12,039 Equity attributable to the owners of the Company 127,020 52,221 63,591 50,089 Non-controlling interests 8,473 2,051 - - Total equity 135,493 54,272 63,591 50,089 Non-current liabilities 366 3,142 - - Lease liabilities 319 191 - - Bank borrowings 6.863 4,595 - - Current liabilities 7.548 7,928 - - Trade and other payables 25.456 18,469 4,498 120 Amount due to subsidiaries - - - 1,710 Lease liabilities 377 345 - - Income tax liabilities 54,792 50,815 4,498 1,830 Trade and other payables 54,792 50,815 4,498 1,830 Total current liabilities 377 345 - - <td></td> <td>57,745</td> <td>37,870</td> <td>57,745</td> <td>37,870</td>		57,745	37,870	57,745	37,870
Equity attributable to the owners of the Company 127,020 52,221 63,591 50,089 Non-controlling interests 8,473 2,051 - <td>Reserve</td> <td></td> <td></td> <td>-</td> <td></td>	Reserve			-	
Company Non-controlling interests 127,020 8,473 52,221 2,051 63,591 50,089 Total equity 135,493 54,272 63,591 50,089 Non-current liabilities 366 3,142 - - Lease liabilities 319 191 - - Bank borrowings 6.863 4,595 - - Total non-current liabilities 7.548 7,928 - - Current liabilities 25.456 18,469 4,498 120 Amount due to subsidiaries - - - 1,710 Lease liabilities 377 345 - - Trade and other payables 27.473 1,481 - - Income tax liabilities 377 345 - - Total current liabilities 54,792 50,815 4,498 1,830 Trade and other payables 27.473 1,481 - - - Income tax liabilities 27.473 1,481 - <td< td=""><td>e</td><td>108,619</td><td>55,143</td><td>5,846</td><td>12,039</td></td<>	e	108,619	55,143	5,846	12,039
Non-controlling interests 8,473 2,051 - <					
Total equity 135,493 54,272 63,591 50,089 Non-current liabilities 366 3,142 - - Lease liabilities 319 191 - - Bank borrowings 6.863 4,595 - - Total non-current liabilities 7.548 7,928 - - Current liabilities 7.548 7,928 - - Bank borrowings 4.486 30,520 - - Trade and other payables 25.456 18,469 4,498 120 Amount due to subsidiaries - - 1,710 - 1,710 Lease liabilities 377 345 - - Income tax liabilities 54,792 50,815 4,498 1,830 Total current liabilities 54,792 50,815 4,498 1,830 Total liabilities 62,340 58,743 4,498 1,830				63,591	50,089
Non-current liabilities 366 3,142 - - Lease liabilities 319 191 - - - Bank borrowings 6.863 4,595 - - - - Total non-current liabilities 7.548 7,928 - - - - Current liabilities 7.548 7,928 - - - - - Bank borrowings 4.486 30,520 - <			· · · · · · · · · · · · · · · · · · ·	-	
Deferred tax liabilities 366 3,142 - - Lease liabilities 319 191 - - Bank borrowings 6.863 4,595 - - Total non-current liabilities 7.548 7,928 - - Current liabilities 7.548 7,928 - - Sank borrowings 4.486 30,520 - - Trade and other payables 25.456 18,469 4,498 120 Amount due to subsidiaries - - - 1,710 Lease liabilities 377 345 - - Income tax liabilities 24.473 1,481 - - Total current liabilities 54,792 50,815 4,498 1,830 Total liabilities 62,340 58,743 4,498 1,830	Total equity	135,493	54,272	63,591	50,089
Lease liabilities 319 191 - Bank borrowings 6.863 4,595 - - Total non-current liabilities 7.548 7,928 - - Current liabilities 7.548 7,928 - - Bank borrowings 4.486 30,520 - - Trade and other payables 25.456 18,469 4,498 120 Amount due to subsidiaries - - 1,710 - 1,710 Lease liabilities 377 345 - - - Income tax liabilities 24.473 1,481 - - - Total current liabilities 54,792 50,815 4,498 1,830 Total liabilities 62,340 58,743 4,498 1,830					
Bank borrowings 6.863 4,595 -				-	-
Total non-current liabilities 7.548 7,928 - - Current liabilities 8 4.486 30,520 - - - Bank borrowings 4.486 30,520 - <td></td> <td></td> <td></td> <td></td> <td>-</td>					-
Current liabilities Bank borrowings 4.486 30,520 - - Trade and other payables 25.456 18,469 4,498 120 Amount due to subsidiaries - - - 1,710 Lease liabilities 377 345 - - Income tax liabilities 24.473 1,481 - - Total current liabilities 54,792 50,815 4,498 1,830 Total liabilities 62,340 58,743 4,498 1,830	0			-	
Bank borrowings 4.486 30,520 - - - Trade and other payables 25.456 18,469 4,498 120 Amount due to subsidiaries - - - 1,710 Lease liabilities 377 345 - - Income tax liabilities 24.473 1,481 - - Total current liabilities 54,792 50,815 4,498 1,830 Total liabilities 62,340 58,743 4,498 1,830	Total non-current liabilities	7.548	7,928		
Trade and other payables 25.456 18,469 4,498 120 Amount due to subsidiaries - - - 1,710 Lease liabilities 377 345 - - Income tax liabilities 24.473 1,481 - - Total current liabilities 54,792 50,815 4,498 1,830 Total liabilities 62,340 58,743 4,498 1,830					
Amount due to subsidiaries - - - 1,710 Lease liabilities 377 345 - - Income tax liabilities 24.473 1,481 - - Total current liabilities 54,792 50,815 4,498 1,830 Total liabilities 62,340 58,743 4,498 1,830	0			-	-
Lease liabilities 377 345 - - Income tax liabilities 24.473 1,481 - - Total current liabilities 54,792 50,815 4,498 1,830 Total liabilities 62,340 58,743 4,498 1,830		25.456	18,469	4,498	
Income tax liabilities 24.473 1,481 - - Total current liabilities 54,792 50,815 4,498 1,830 Total liabilities 62,340 58,743 4,498 1,830		-	-	-	1,710
Total current liabilities 54,792 50,815 4,498 1,830 Total liabilities 62,340 58,743 4,498 1,830				-	-
Total liabilities 62,340 58,743 4,498 1,830				-	-
,	l otal current liabilities	54,792	50,815	4,498	1,830
Total equity and liabilities 197,833 113,015 68,089 51,919	Total liabilities	62,340	58,743	4,498	1,830
	Total equity and liabilities	197,833	113,015	68,089	51,919

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

	31-Dec-20		30-J	lun-20
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less,				
or on demand	4,486	-	30,520	-
Amount repayable after one year	6,863	-	4,595	-
Total borrowings	11,349	-	35,115	-

Details of collaterals

As at 31 December 2020 and 30 June 2020, the Group's borrowings were secured by:

- (i) motor vehicles;
- (ii) debentures over certain production lines;
- charge on certain leasehold land and building of a subsidiary; fixed deposits pledged as collateral corporate guarantees; and (iii)
- (iv)
- (v)
- (vi) keyman insurance

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Six months ended		
	31-Dec-20 1H FY21 \$\$'000	31-Dec-19 1H FY20 \$\$'000	
Operating activities		·	
Profit before income tax	82,049	846	
Adjustments for: Amortisation of intangible assets	9	10	
Property, plant and equipment written off	137	174	
Gain on disposal of property, plant and equipment	(7)	(5)	
Depreciation expense	1,153	1,008	
Loss allowance on trade receivables	5	6	
Interest expense Interest income	377 (74)	1,008 (90)	
Share of profits from associates	(1,800)	(255)	
Fair value loss on financial derivatives	(814)	(475)	
Unrealised exchange differences	2,276	(50)	
Operating cash flows before movements in working capital Movements in working capital	83,311	2,177	
Inventories	(23,687)	(7,523)	
Trade and other receivables	(19,861)	41	
Trade and other payables	6,987	3,724	
Cash used in operations	46,750	(1,581)	
Interest paid	(354)	(1,008)	
Income taxes (paid)/refund	(482)	859	
Net cash from/(used in) operating activities	45,914	(1,730)	
Investing activities	(6,600)	(0, 190)	
Acquisition of property, plant and equipment Dividend received	(6,690) 682	(2,182)	
(Increase)/Decrease in fixed deposits pledged to bank	(18)	(16)	
Interest received	74	<u> </u>	
Net cash used in investing activities	(5,952)	(2,108)	
Financing activities			
Drawdown of borrowings	3,949	44,052	
Repayment of borrowings Repayment of lease liabilities	(27,715) 159	(41,089)	
Share placement exercise	18,437	-	
Exercise of share options	235	-	
Dividend paid	(441)	(104)	
Net cash (used in)/from financing activities	(5,376)	2,859	
Net increase/(decrease) in cash and cash equivalents	34,586	(979)	
Cash and cash equivalents at beginning of financial period	8,660	4,256	
Cash and cash equivalents at end of financial period	43,246	3,277	
Cash and cash equivalents comprised the following:			
Cash and bank balances	43,896	3,909	
Less: Fixed deposits pledged to bank	(650) 43,246	(632)	
	43,240	3,211	

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

		Attributa	ble to equity h	olders 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 2020	37,870	(15,032)	(25,940)	180	55,143	52,221	2,051	54,272
Profit for the year <u>Other</u> <u>comprehensive</u>	-	-	-	-	54,939	54,939	6,189	61,128
(loss)/income Exchange differences on translating foreign operations	-	1,628	-	-		1,628	233	1,861
Total comprehensive (loss)/income for	-	1,628	-	-	54,939	56,567	6,422	62,989
the year Issuance of shares, pursuant to placement agreement	18,437		-	-	-	18,437	-	18,437
Issuance of shares, pursuant to exercise of share options	415	-	-	(161)	-	254	-	254
Share options forfeited	-	-	-	(19)	-	(19)	-	(19)
Issuance of shares, pursuant to scrip dividend	1,023	-	-	-	-	1,023	-	1,023
Dividend		-	-	-	(1,463)	(1,463)	-	(1,463)
Balance as at 31 December 2020	57,745	(13,404)	(25,940)		108,619	127,020	8,473	135,493
Balance as at 1 July 2019	37,473	(11,617)	(25,940)	170	42,242	42,328	1,036	43,364
Profit for the year <u>Other</u> <u>comprehensive</u> (loca)/income	-	-	-	-	846	846	(540)	306
(loss)/income Exchange differences on translating foreign operations	-	(610)	-	-	-	(610)	(53)	(663)
Total comprehensive (loss)/income for the year	-	(610)	-	-	846	236	(593)	(357)
Share option Issuance of shares, pursuant	- 397	-	:	10 -	-	10 397	-	10 397
to scrip dividend Dividend		-	-	-	(501)	(501)	-	(501)
Balance as at 31 December 2019	37,870	(12,227)	(25,940)	180	42,587	42,470	443	42,913

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 2020 Loss for the year, representing total comprehensive loss for the year	37,870 -	180	12,039 (4,730)	50,089 (4,730)
Issuance of shares, pursuant to placement agreement	18,437	-	-	18,437
Issuance of shares, pursuant to exercise of share options	415	(161)	-	254
Share option forfeited Issuance of shares, pursuant to scrip dividend	- 1,023	(19)	-	(19) 1,023
Dividend	-	-	(1,463)	(1,463)
Balance as at 31 December 2020	57,745	-	5,846	63,591
Balance as at 1 July 2019 Loss for the year, representing total comprehensive loss for the year	37,473 -	170 -	12,747 (63)	50,390 (63)
Share option Issuance of shares, pursuant to scrip dividend	- 397	10	-	10 397
Dividend	-	-	(501)	(501)
Balance as at 31 December 2019	37,870	180	12,183	50,233

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 2020	196,092,856	37,869,789	
Issuance of shares, pursuant to the placement agreement on 27 August 2020	7,500,000	18,436,875	
Issuance of shares, pursuant to the exercise of share options on 28 August 2020	1,400,000	415,240	
Share split of every 1 existing ordinary share into 3 ordinary shares on 2 October 2020	409,985,712	-	
Issuance of shares, pursuant to the UG Healthcare Scrip Dividend Scheme on 21 December 2020	1,280,184	1,022,867	
Issued and paid-up share capital as at 31 December 2020	616,258,752	57,744,771	

The Company had no outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2020.

Other than 1,570,000 share options granted to eligible employees on 28 August 2015 under the Unigloves Employee Share Option Scheme of which 1,400,000 had been exercised on 28 August 2020, the Company had no outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2019.

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

	Company		
	31-Dec-20 30-Jun-20		
Total number of issued shares excluding treasury shares	616,258,752	196,092,856	

As at 31 December 2020 and 30 June 2020, 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 31 December 2020, 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 31 December 2020, 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.

3A. LATEST FINANCIAL STATEMENTS SUBJECT TO AN ADVERSE OPINION, QUALIFIED OPINION OR DISCLAIMER OF OPINION

Not applicable as the Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion. as the Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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 2020.

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 statement for the current financial period as compared to the audited financial statements as at 30 June 2020, except for the adoption of the following Singapore Financial Reporting Standards (International) ("SFRS(I)s"):

- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Definition of a Business (Amendments to SFRS(I) 3)
- Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)

- Interest Rate Benchmark Reform (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7)
- Covid-19-Related Rent Concessions (Amendment to SFRS(I) 16)

The adoption of the above standards will not have a material effect on the Group's financial statements for 1H FY21.

6. EARNINGS PER SHARE

	Group Six months ended		
	31-Dec-20 1H FY21	31-Dec-19 1H FY20	
Profit attributable to owners of the Company (S\$'000)	54,939	846	
Number of shares Weighted average number of ordinary shares for the purpose of Basic share Effect of dilution from share options Diluted share	606,761,079 606,761,079	588,278,568* (1,399,542)* 586,879,026*	
Earnings per share (cents) Basic Diluted	<u>9.05</u> 9.05	0.14	

* After share split of every 1 existing ordinary share into 3 ordinary shares, where the following adjustments were made:

- Basic share: 196,092,856 x 3 = 588,278,568

- Effect of dilution from share options: $(466,514) \times 3 = (1,399,542)$

- Diluted share: 195,626,342 x 3 = 586,879,026

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

	Group		Comp	any
	31-Dec-20	30-Jun-20	31-Dec-20	30-Jun-20
NAV per share (cents)	20.61	8.88	10.32	8.51
Total NAV (attributable to owners of the Company) (S\$'000)	127,020	52,221	63,591	50,089
Number of ordinary shares used in computation of NAV per share	616,258,752	588,278,568*	616,258,752	588,278,568*

* After share split of every 1 existing ordinary share into 3 ordinary shares

- 196,092,856 x 3 = 588,278,568

8. REVIEW OF GROUP PERFORMANCE

(A) REVIEW OF GROUP RESULTS

Revenue

Revenue increased by approximately S\$106.2 million or 200%, from S\$53.2 million in the financial period ended 31 December 2019 ("**1H FY20**") to S\$159.4 million in the financial period ended 31 December 2020 ("**1H FY21**"). This was mainly due to the increase in the volume of gloves produced and sold driven by the significant increase in demand of gloves due to the outbreak of COVID-19, as well as the increased selling prices of gloves sold, as demand outstripped supply.

		Group	
	1H FY21	1H FY20	Increase/
	S\$'000	S\$'000	(decrease) %
_			100
Europe	69,516	20,714	>100
North America	10,598	8,780	20.7
South America	42,255	14,220	>100
Africa	7,218	2,536	>100
Asia	23,305	4,184	>100
Others	6,525	2,744	>100
Total	159,417	53,178	>100

Cost of Sales

In tandem with the increase in revenue, cost of sales increased by S\$16.8 million or 38.6% from S\$43.4 million in 1H FY20 to S\$60.2 million in 1H FY21.

Gross Profit and Gross Profit Margin

Gross profit increased by approximately \$\$89.4 million from \$\$9.8 million in 1H FY20 to \$\$99.2 million in 1H FY21 mainly due to increase in gloves selling price from the significant increase in demand due to COVID-19 outbreak, as well as increase in production efficiency resulting from an increase in manufacturing capacity.

The Group's gross profit margin increased from 18.4% in 1H FY20 to 62.2% in 1H FY21 due to the same reasons described above.

Other income

Other income remained fairly stable at approximately S\$0.2 million in 1H FY21 and S\$0.1 million in 1H FY20.

Marketing and Distribution Expenses

Marketing and distribution expenses increased by S\$2.0 million or 130% from S\$1.6 million in 1H FY20 to S\$3.6 million in 1H FY21 due to the increase in distribution and logistics cost from the higher volume of sales at the Group's overseas distribution subsidiaries, as well as increased marketing costs to further enhance brand awareness, as the Group continues to invest heavily in building our own marketing infrastructure.

Administrative Expenses

Administrative expenses increased by approximately S\$7.1 million or 111% from S\$6.4 million in 1H FY20 to S\$13.5 million in 1H FY21 mainly due to administrative expenses incurred for expansion of the distribution networks in Brazil, UK, China and Nigeria, along with the increase in staff costs. Furthermore, the Group has incurred additional costs in implementing strict SOPs for the prevention of COVID-19 infection in the workplace, including but not limited to increased purchase of additional PPEs, constant disinfection of workplaces and costs relating to regular testing of employees.

Other Expenses

Other expenses increased by approximately S\$1.3 million from S\$0.4 million in 1H FY20 to S\$1.7 million in 1H FY21 mainly due to the loss from foreign exchange amounting to S\$1.5 million. Brazilian Real being the functional currency of subsidiary in Brazil has been very volatile against US dollar, as well as the volatility of the Renminbi and British Pound against US dollar, where the Renminbi and British Pound being the functional currency of subsidiaries in China and UK.

Finance Costs

Finance costs decreased by S\$0.6 million or 62.6% from S\$1.0 million in 1H FY20 to S\$0.4 million in 1H FY21 due to the decrease of utilisation of trade facilities, and dropped in the interest rate charged on borrowings.

Share of Profits from Associates

Share of profits from its German and USA associates increased by S\$1.5 mil to S\$1.8 million in 1H FY21, as compared with S\$0.3 million in 1H FY20.

(B) REVIEW OF GROUP'S FINANCIAL POSITION

As at 31 December 2020

Non-current Assets

Non-current assets increased by approximately S\$6.5 million from S\$37.0 million as at 30 June 2020 to S\$43.5 million as at 31 December 2020, mainly due to increase in acquisition of property, plant and equipment of S\$5.6 million and increase in associates of S\$1.0 million as a result of profit recorded by the German and US associates, partially offset by decrease in deferred tax assets of approximately S\$0.2 million.

Current Assets

Current assets increased by approximately S\$78.4 million from S\$76.0 million as at 30 June 2020 to S\$154.3 million as at 31 December 2020, mainly due to:

- (a) Increase in cash and bank balances of S\$34.6 million from S\$9.3 million as at 30 June 2020 to S\$43.9 million as at 31 December 2020 due to higher profit and operating cash flow and fund raising from share placement;
- (b) Increase in inventories of S\$23.7 million or 70.2% from S\$33.7 million as at 30 June 2020 to S\$57.4 million as at 31 December 2020 as the Group stock up its products at its own overseas distribution companies; and
- (c) Increase in trade and other receivables by S\$19.8 million or 60.4% from S\$32.9 million as at 30 June 2020 to S\$52.7 million as at 31 December 2020 resulting from higher sales to customers.

Equity

Equity comprises share capital, merger reserve, retained earnings, share-based payment reserve, foreign currency translation reserves and non-controlling interests. The total equity of the Group increased by approximately S\$81.2 million from S\$54.3 million as at 30 June 2020 to S\$135.5 million as at 31 December 2020.

Non-current Liabilities

Non-current liabilities decreased by approximately S\$0.4 million or 4.8% from S\$7.9 million as at 30 June 2020 to S\$7.5 million as at 31 December 2020 mainly due to the decrease in deferred tax liabilities of S\$2.8 million, partially offset by increase in long-term bank borrowings of S\$2.3 million.

Current Liabilities

Current liabilities increased by S\$4.0 million or 7.8% from S\$50.8 million as at 30 June 2020 to S\$54.8 million as at 31 December 2020, mainly due to:

- (a) Increase of S\$23.0 million in income tax liabilities from S\$1.5 million as at 30 June 2020 to S\$24.5 million as at 31 December 2020 mainly due to increases in tax expenses resulting from the increase in profit before tax; and
- (b) Increase in trade and other payables by S\$7.0 million or 37.8% from S\$18.5 million as at 30 June 2020 to S\$25.5 million as at 31 December 2020 mainly due to increase in purchases of raw materials for the increase in volume of glove sold, as well as increase in the owing to the vendors for the construction of new production lines; partially offset by
- (c) Decrease of S\$26.0 million in bank borrowings from S\$30.5 million as at 30 June 2020 to S\$4.5 million as at 31 December 2020 due to the repayment of trade facilities and term loans.

(C) REVIEW OF GROUP'S CASH FLOWS

In 1H FY21, the net cash from operations amounted to S\$45.9 million taking into account the profit before tax of S\$82.0 million, adjusted for working capital outflows of S\$36.6 million. The net working capital outflows was mainly due to increase in inventories of S\$23.7 million and increase in trade and other receivables of S\$19.9 million, which was partially offset by increase in trade and other payables of S\$7.0 million. The Group paid income tax expenses and interest of S\$0.5 million and S\$0.4 million respectively.

Net cash used in investing activities amounted to S\$6.0 million in 1H FY21. This was due to the purchases of property, plant and equipment, which mainly for the construction of new production lines.

Net cash used in financing activities amounted to S\$5.4 million in 1H FY21. This was mainly due to a net repayment of borrowings from trade facilities amounting to S\$23.8 million, partially offset by the fund raising from share place exercise of S\$18.4 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 global gloves demand remains intense as COVID-19 infections worsened drastically, with many countries suffering second and third wave of infections. Across the markets in which the Group operates, demand continues to outstrip supply. This situation is expected to persist in this new calendar year.

The additional capacity of 500 million pieces of gloves per annum is on track to come on stream by March / April 2021. The Group's new factory, which will increase an additional capacity of 1.2 billion pieces of gloves per annum, is currently under construction and is expected to start commissioning in the third quarter of this calendar year (July – September 2021). Both these expansions will increase the Group's total manufacturing capacity to 4.6 billion pieces of gloves per annum.

The Group is currently studying the possibility of further capacity expansion beyond 4.6 billion pieces of gloves per annum and will update shareholders in due course.

On the overseas market distribution companies, the Group will continue to invest heavily in building and expanding its distribution network, local infrastructure and logistics, as well as marketing to further entrench and enhance brand awareness of its own "Unigloves" brand.

11. DETAILS OF DIVIDEND DECLARED OR RECOMMENDED

Proposed dividend

	31-Dec-20	31-Dec-19
Name of dividend	Special dividend	N.A.
Type of dividend	Cash	N.A.
Dividend rate	S\$0.00105 per ordinary share	N.A.
Tax rate	Tax exempted	N.A.
Record date	To be announced later	N.A.
Payment date	To be announced later	N.A.

N.A. – not applicable

12. NEGATIVE STATEMENT IF NO DIVIDEND DECLARED OR RECOMMENDED

The Board has declared a special dividend of 0.105 Singapore cents per share for 1H FY21 reflecting the improved performance of the Group during this financial period.

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

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

14. 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.

15. RULE 705(5) OF THE CATALIST LISTING RULES

The Board of Directors of the Company hereby confirms, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results for the first half and six months financial period ended 31 December 2020 to be false or misleading in any material aspect.

By order of the Board UG Healthcare Corporation Limited

LEE KECK KEONG Executive Director and CEO

4 February 2021