(Incorporated in Singapore with Unique Entity No.: 201424579Z)
website: www.ughealthcarecorporation.com
SGX stock code: 8K7

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

*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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Table of contents **Page**

A.	Condensed interim consolidated statement of profit or loss and other comprehensive income	3
B.	Condensed interim statements of financial position	4
C.	Condensed interim statements of changes in equity	5
D.	Condensed interim consolidated statement of cash flows	7
E.	Notes to the condensed interim consolidated financial statements	8
F.	Other information required by Catalist Rules Appendix 7C	15

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Six months ended			Full year ended		
		30-June-24 2H FY24 S$'000	30-June-23 2H FY23 S$'000	Increase/ (Decrease) %	30-June-24 FY24 S$'000	30-June-23 FY23 S$'000	Increase/ (Decrease) %
Revenue	4	65,508	45,234	44.8	115,205	101,133	13.9
Cost of sales		(47,757)	(49,921)	(4.3)	(89,339)	(99,685)	(10.4)
Gross profit/(loss)		17,751	(4,687)	N.M.	25,866	1,448	>100.0
Other income		1,247	4,377	(71.5)	2,414	2,700	(10.6)
		18,998	(310)	N.M.	28,280	4,148	>100.0
Marketing and distribution expenses		(4,804)	(3,492)	37.6	(8,484)	(6,501)	30.5
Administrative expenses		(13,500)	(9,527)	41.7	(24,010)	(20,066)	19.7
Other expenses		(2,900)	(5,463)	(46.9)	(3,516)	(5,584)	(37.0)
Finance costs		(731)	(573)	27.6	(1,282)	(915)	40.1
Share of profits/(loss) from equity-accounted for associates		5	315	(98.4)	(77)	557	N.M.
Loss before income tax	6	(2,932)	(19,050)	(84.6)	(9,089)	(28,361)	(68.0)
Income tax credit	7	163	1,014	(83.9)	308	1,398	(78.0)
Loss for the period/year		(2,769)	(18,036)	(84.6)	(8,781)	(26,963)	(67.4)
Other comprehensive loss:							
Exchange differences on translating foreign operations		(5,047)	(5,391)	(6.4)	(8,908)	(11,948)	(25.4)
Total comprehensive loss for the period/year		(7,816)	(23,427)	(66.6)	(17,689)	(38,911)	(54.5)
Loss attributable to:							
Owners of the Company		(1,077)	(15,956)	(93.3)	(6,056)	(20,734)	(70.8)
Non-controlling interests		(1,692)	(2,080)	(18.7)	(2,725)	(6,229)	(56.3)
		(2,769)	(18,036)	(84.6)	(8,781)	(26,963)	(67.4)
Total comprehensive loss attributable to:							
Owners of the Company		(6,323)	(21,930)	(71.2)	(15,230)	(33,094)	(54.0)
Non-controlling interests		(1,493)	(1,497)	(0.3)	(2,459)	(5,817)	(57.7)
		(7,816)	(23,427)	(66.6)	(17,689)	(38,911)	(54.5)
Loss per share attributable to owners of the Company (cents)	8						
Basic		(0.17)	(2.56)		(0.97)	(3.32)	
Diluted		(0.17)	(2.56)		(0.97)	(3.32)	

N.M. – not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		30-Jun-24 S$'000	30-Jun-23 S$'000	30-Jun-24 S$'000	30-Jun-23 S$'000
ASSETS					
Non-current assets					
Subsidiaries		-	-	31,024	31,024
Joint Venture		305	-	-	-
Associates		655	7,061	-	-
Property, plant and equipment	**12**	57,546	59,786	-	-
Intangible assets	**10**	753	616	-	-
Goodwill	**11**	17,906	-	-	-
Deferred tax assets		3,120	2,600	-	-
Total non-current assets		80,285	70,063	31,024	31,024
Current assets					
Inventories		60,208	54,544	-	-
Amount due from subsidiaries		-	-	72,359	13,530
Trade and other receivables		53,347	35,653	246	260
Derivative financial assets		10	-	-	-
Income tax assets		3,500	7,991	-	-
Cash and bank balances		27,998	61,745	17,164	38,171
Total current assets		145,063	159,933	89,769	51,961
Total assets		225,348	229,996	120,793	82,985
EQUITY AND LIABILITIES					
Equity					
Share capital	**14**	59,652	59,652	59,652	59,652
Reserves		(70,951)	(59,556)	-	-
Retained earnings		174,692	180,748	22,644	21,834
Equity attributable to the owners of the Company		163,393	180,844	82,296	81,486
Non-controlling interests		(2,113)	346	-	-
Total equity		161,280	181,190	82,296	81,486
Non-current liabilities					
Deferred tax liabilities		1,742	1,621	-	-
Lease liabilities		374	595	-	-
Bank borrowings	**13**	24,927	13,813	-	-
Total non-current liabilities		27,043	16,029	-	-
Current liabilities					
Bank borrowings	**13**	17,907	16,137	-	-
Amount due to subsidiaries		-	-	36,922	-
Trade and other payables		18,167	14,071	1,433	1,445
Lease liabilities		508	582	-	-
Derivative financial liabilities		16	332	-	-
Income tax liabilities		427	1,655	142	54
Total current liabilities		37,025	32,777	38,497	1,499
Total liabilities		64,068	48,806	38,497	1,499
Total equity and liabilities		225,348	229,996	120,793	82,985

C. Condensed interim statements of changes in equity

	Attributable to equity holders of the Company							
	Share capital	Foreign currency translation reserve	Merger reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 July 2023	59,652	(22,646)	(25,940)	(10,970)	180,748	180,844	346	181,190
Loss for the year	-	-	-	-	(6,056)	(6,056)	(2,725)	(8,781)
Other comprehensive loss								
Exchange differences on translating foreign operations	-	(9,174)	-	-	-	(9,174)	266	(8,908)
Total comprehensive loss for the year	-	(9,174)	-	-	(6,056)	(15,230)	(2,459)	(17,689)
Changes arising from transactions between equity holders (N1)	-	-	-	(2,221)	-	(2,221)	-	(2,221)
Balance as at 30 June 2024	59,652	(31,820)	(25,940)	(13,191)	174,692	163,393	(2,113)	161,280
Balance as at 1 July 2022	59,652	(10,286)	(25,940)	-	205,474	228,900	6,163	235,063
Loss for the year	-	-	-	-	(20,734)	(20,734)	(6,229)	(26,963)
Other comprehensive loss								
Exchange differences on translating foreign operations	-	(12,360)	-	-	-	(12,360)	412	(11,948)
Total comprehensive loss for the year	-	(12,360)	-	-	(20,734)	(33,094)	(5,817)	(38,911)
Changes arising from transactions between equity holders (N2)	-	-	-	(10,970)	-	(10,970)	-	(10,970)
Dividend	-	-	-	-	(3,992)	(3,992)	-	(3,992)
Balance as at 30 June 2023	59,652	(22,646)	(25,940)	(10,970)	180,748	180,844	346	181,190

Note:

N1: Changes of other reserve arising from the increase in equity interest in Unigloves Germany.

N2: Changes of other reserve arising from the acquisition of 40% of capital of UGHC Brasil Importadora LTDA.

C. Condensed interim statements of changes in equity (continued)

	Company		
	Share Capital S$'000	**Retained earnings S$'000**	**Total S$'000**
Balance as at 1 July 2023	59,652	21,834	81,486
Profit for the year, representing total comprehensive income for the year	-	810	810
Balance as at 30 June 2024	59,652	22,644	82,296
Balance as at 1 July 2022	59,652	52,027	111,679
Loss for the year, representing total comprehensive loss for the year	-	(26,201)	(26,201)
Dividends	-	(3,992)	(3,992)
Balance as at 30 June 2023	59,652	21,834	81,486

D. Condensed interim consolidated statement of cash flows

	Note	Six months ended		Full year ended	
		30-June-24 2H FY24 S$'000	30-June-23 2H FY23 S$'000	30-June-24 FY24 S$'000	30-June-23 FY23 S$'000
Operating activities					
Loss before income tax		(2,932)	(19,050)	(9,089)	(28,361)
Adjustments for:					
Amortisation of intangible assets		9	13	21	23
Property, plant and equipment written off		101	210	231	406
Impairment of property, plant and equipment		-	5,327	-	5,327
Gain on disposal of lease		-	(20)	-	(20)
Depreciation of property, plant and equipment		2,096	1,889	3,851	3,451
Loss allowance on trade receivables		25	26	28	42
Interest expense		731	573	1,282	915
Interest income		(912)	(1,218)	(2,009)	(2,153)
Share of (profits)/loss from equity-accounted for associates		(5)	(315)	77	(557)
Fair value loss on derivative financial instruments		101	55	193	235
Unrealised exchange differences		(1,011)	(14,023)	(4,440)	(17,590)
Operating cash flows before movements in working capital		(1,797)	(26,533)	(9,855)	(38,282)
Movements in working capital					
Inventories		(13,665)	5,040	(5,664)	7,290
Trade and other receivables		(1,604)	5,029	(17,723)	5,211
Trade and other payables		5,623	(2,700)	4,096	(10,416)
Cash used in operations		(11,443)	(19,164)	(29,146)	(36,197)
Interest paid		(667)	(594)	(1,238)	(868)
Income taxes paid		(953)	(3,092)	3,170	(4,230)
Net cash used in operating activities		(13,063)	(22,850)	(27,214)	(41,295)
Investing activities					
Acquisition of property, plant and equipment		(1,876)	(1,408)	(2,960)	(7,854)
Additional of intangible assets		(128)	(101)	(162)	(175)
Additional of goodwill		(17,906)	-	(17,906)	-
Dividend received		-	-	335	-
Interest received		912	1,218	2,009	2,153
Net cash used in investing activities		(18,998)	(291)	(18,684)	(5,876)
Financing activities					
Drawdown of borrowings		29,102	19,830	40,241	33,180
(Increase)/Decrease in fixed deposits pledged to bank		(5)	26	(10)	41
Repayment of borrowings		(13,578)	(12,033)	(27,357)	(19,689)
Repayment of lease liabilities		(592)	(392)	(733)	(801)
Dividend paid		-	-	-	(3,992)
Net cash generated from financing activities		14,927	7,431	12,141	8,739
Net decrease in cash and cash equivalents		(17,134)	(15,710)	(33,757)	(38,432)
Cash and cash equivalents at beginning of financial period		44,525	76,858	61,148	99,580
Cash and cash equivalents at end of financial period		27,391	61,148	27,391	61,148
Cash and cash equivalents comprised the following:					
Cash and bank balances		27,998	61,745	27,998	61,745
Less: Fixed deposits pledged to bank		(607)	(597)	(607)	(597)
		27,391	61,148	27,391	61,148

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

UG Healthcare Corporation Limited (the "**Company**") (Registration Number 201424579Z) is incorporated and is domiciled in Singapore. The address of the Company's registered office is 38 Beach Road, #29–11 South Beach Tower, 189767 Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). These condensed interim consolidated financial statements as at and for the six months and full year ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the "**Group**").

The principal activity of the Company is that of investment holding.

The principal activities of the Group are manufacturing and trading of gloves and other medical disposables products such as latex examination gloves, nitrile examination gloves and other ancillary products.

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2023. The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1. The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there are no critical judgements made in applying the Group's accounting policies and no assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

Reportable segment revenues, profit or loss, assets and liabilities and other material items

The revenue is derived from the sale of goods which is recognised based on point in time.

	30-June-24 FY24 S$'000	30-June-23 FY23 S$'000	Increase/ (Decrease) %
Revenue			
Total revenue for reportable segments	226,522	238,677	(5.1)
Elimination of inter-segment revenue	(111,317)	(137,544)	(19.1)
	115,205	101,133	13.9
Profit or Loss			
Total loss reportable segments	(9,012)	(28,918)	(68.8)
Share of (loss)/profit of associate	(77)	557	N.M.
Loss before income tax	(9,089)	(28,361)	(68.0)
Assets			
Total assets for reportable segments	224,693	222,935	0.8
Investments in associate	655	7,061	(90.7)
Total assets	225,348	229,996	(2.0)
Liabilities			
Total liabilities for reportable segments	64,068	48,806	31.3
Total liabilities	64,068	48,806	31.3

	30-June-24 FY24 S$'000	30-June-23 FY23 S$'000	Increase/ (Decrease) %
Sales reported for first half year	49,697	55,899	(11.1)
Operating loss after tax before deducting minority interests for first half year	(6,012)	(8,927)	(32.7)
Sales reported for second half year	65,508	45,234	44.8
Operating loss after tax before deducting minority interests for second half year	(2,769)	(18,036)	(84.6)

By product segments

	30-June-24 2H FY24 S$'000	30-June-23 2H FY23 S$'000	Increase/ (Decrease) %	30-June-24 FY24 S$'000	30-June-23 FY23 S$'000	Increase/ (Decrease) %
Revenue						
Latex examination gloves	30,434	28,896	5.3	59,285	66,394	(10.7)
Nitrile examination gloves	27,414	12,027	>100.0	43,897	28,687	53.0
Other ancillary products	7,660	4,311	77.7	12,023	6,052	98.7
Total	65,508	45,234	44.8	115,205	101,133	13.9
Gross profit/(loss)						
Latex examination gloves	9,463	(3,779)	N.M.	14,391	457	>100.0
Nitrile examination gloves	6,830	(1,461)	N.M.	9,575	144	>100.0
Other ancillary products	1,458	553	>100.0	1,900	847	>100.0
Total	17,751	(4,687)	N.M.	25,866	1,448	>100.0
Gross profit/(loss) margin	**%**	**%**		**%**	**%**	
Latex examination gloves	31.1	(13.1)		24.3	0.7	
Nitrile examination gloves	24.9	(12.1)		21.8	0.5	
Other ancillary products	19.0	12.8		15.8	14.0	
Overall	27.1	(10.4)		22.5	1.4	

By geographical locations

	30-June-24 2H FY24 S$'000	30-June-23 2H FY23 S$'000	Increase/ (Decrease) %	30-June-24 FY24 S$'000	30-June-23 FY23 S$'000	Increase/ (Decrease) %
Revenue						
Europe	41,371	20,805	98.9	63,433	40,904	55.1
North America	3,358	2,567	30.8	5,039	7,262	(30.6)
South America	6,082	9,455	(35.7)	19,813	21,022	(5.8)
Africa	3,795	3,809	(0.4)	6,810	8,575	(20.6)
Asia	10,206	7,892	29.3	18,495	20,971	(11.8)
Others	696	706	(1.4)	1,615	2,399	(32.7)
Total	65,508	45,234	44.8	115,205	101,133	(13.9)

Locations of non-current assets

	30-June-24 FY24 S$'000	30-June-23 FY23 S$'000	Increase/ (Decrease) %
Non-current assets			
Europe	19,585	7,468	>100.0
North America	655	734	(10.8)
South America	6,164	6,826	(9.7)
Africa	1,496	1,740	(14.0)
Asia	52,385	53,295	(1.7)
Total	80,285	70,063	14.6

5. Financial assets and financial liabilities

Set out of below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 30 June 2023:

	The Group		The Company	
	30-June-24 S$'000	30-June-23 S$'000	30-June-24 S$'000	30-June-23 S$'000
Financial assets				
Trade and other receivables (excluding prepayment)	47,550	30,942	219	219
Cash and cash equivalents	27,998	61,745	17,164	38,171
Amounts due from subsidiaries	-	-	72,359	13,530
Financial assets measured at amortised cost	75,548	92,687	89,742	51,920
Financial liabilities				
Trade and other payables	18,167	14,071	1,433	1,445
Amounts due to subsidiaries	-	-	36,922	
Bank borrowings	42,834	29,950	-	-
Lease liabilities	882	1,177	-	-
Financial liabilities measured at amortised cost	61,883	45,198	38,355	1,445

6. Loss before taxation

6.1 Significant items

	30-June-24 2H FY24 S$'000	30-June-23 2H FY23 S$'000	30-June-24 FY24 S$'000	30-June-23 FY23 S$'000
Income				
Interest income	912	1,218	2,009	2,153
Gain on disposal of lease	-	20	-	20
Foreign exchange gain*	-	3,098	-	370
Expenses				
Interest expenses	731	573	1,282	915
Depreciation of property, plant and equipment	2,096	1,889	3,851	3,451
Property, plant and equipment written off	101	210	231	406
Impairment of property, plant and equipment	-	5,327	-	5,327
Inventory written down	-	6,568	-	6,568
Amortisation of intangible assets	9	13	21	23
Loss allowance on trade receivables	25	26	28	42
Foreign exchange loss*	2,714	-	3,250	-

Note

** Foreign exchange gain/loss includes net realised and unrealised foreign exchange gain/loss and fair value gain/loss on financial derivatives that are used mainly for hedging purposes.*

6.2 Related party transactions

During the year, in addition to those disclosed elsewhere in these financial statements, the Groups entities entered into the following transactions with related parties:

	30-June-24 2H FY24 S$'000	30-June-23 2H FY23 S$'000	30-June-24 FY24 S$'000	30-June-23 FY23 S$'000
Sales to associates	1,251	5,749	6,404	13,841

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	30-June-24 2H FY24 S$'000	30-June-23 2H FY23 S$'000	30-June-24 FY24 S$'000	30-June-23 FY23 S$'000
Current income tax				
- Current	98	2,151	519	2,652
- Under/(Over)-provision in prior years	496	366	(70)	(519)
Deferred income tax				
- Current	(665)	(3,332)	(665)	(3,332)
- Over-provision in prior years	(92)	(199)	(92)	(199)
Total income tax credit	(163)	(1,014)	(308)	(1,398)

8. Earnings per share

	30-June-24 2H FY24	30-June-23 2H FY23	30-June-24 FY24	30-June-23 FY23
Loss (S$'000)				
Loss for the purpose of basic and diluted earnings per share (loss for the year attributable to the Company)	(1,077)	(15,956)	(6,056)	(20,734)
Number of shares				
Weighted average number of ordinary shares for the purpose of				
- basic share	623,825,811	623,825,811	623,825,811	623,825,811
- effect of dilution from share options	-	-	-	-
- diluted share	623,825,811	623,825,811	623,825,811	623,825,811
Loss per share (cents)				
- basic	(0.17)	(2.56)	(0.97)	(3.32)
- diluted	(0.17)	(2.56)	(0.97)	(3.32)

9. Net asset value

	The Group		The Company	
	30-June-24	30-June-23	30-June-24	30-June-23
Number of ordinary shares	623,825,811	623,825,811	623,825,811	623,825,811
Total net asset value (attributable to owners of the Company) (S$'000)	163,393	180,844	82,296	81,486
Net asset value per share (cents)	26.19	28.99	13.19	13.06

10. Intangible assets

	30-June-24 S$'000	30-June-23 S$'000
Cost:		
Balance at 1 July	726	566
Addition	163	175
Exchange difference	(10)	(15)
Balance at 30 June	879	726
Accumulated amortisation:		
Balance at 1 July	(110)	(90)
Amortisation	(21)	(23)
Exchange difference	5	3
Balance at 30 June	(126)	(110)

	30-June-24 Carrying Amount S$'000	30-June-23 Carrying Amount S$'000
Business license	281	184
Computer software	445	405
Customer base	27	27
Balance at 30 June	753	616

11. Goodwill

	30-June-24 S$'000
Goodwill arising from increase in equity interest in Unigloves Germany*	17,479
Goodwill arising from the acquisition in UG Nitrex, S.L.*	427
Balance as at 30 June	17,906

Note
** The Company is still undergoing purchase price allocation exercise.*

12. Property, plant and equipment

During the financial year ended 30 June 2024, the Group acquired property, plant and equipment for an amounting of S$3,355,000 (30 June 2023: S$8,658,000) of which S$395,000 (30 June 2023: S$804,000) was acquired by means of a lease, and disposed and wrote off assets amounting to S$231,000 (30 June 2023: S$406,000).

13. Borrowings

	30-June-2024		30-June-2023	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Amount repayable in one year or less, or on demand	17,907	-	16,137	-
Amount repayable after one year	24,927	-	13,813	-
Total borrowings	42,834	-	29,950	-

Details of collaterals

As at 30 June 2024 and 30 June 2023, the borrowings of the Group were secured by:

(i) motor vehicles;
(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) keyman insurance

14. Share capital

	Group and Company	
	No. of share ('000)	S$'000
Issued and paid-up share capital as at 30 June 2023 and 30 June 2024	623,825,811	59,651,699

Save for the 2,750,000 share options granted to eligible employees on 16 February 2024 under Unigloves Employee Share Option Scheme which have yet to be vested, the Company had no outstanding convertibles, treasury shares and subsidiary holdings as at 30 June 2024 and 30 June 2023.

15. Acquisition of asset

(a) Unigloves (Ireland) Limited

On 28 September 2023, the Company's 55%-owned subsidiary company, Unigloves (UK) Limited, incorporated a wholly-owned subsidiary, namely Unigloves (Ireland) Limited in Ireland with an initial registered capital of €100. Please refer to the Company announcement dated 28 September 2023 for more details.

(b) Increase in Equity Interest in Unigloves Germany

On 7 May 2024, Unigloves GmbH ("Unigloves Germany"), an indirect associated company of the Company, had entered into a sale, purchase and transfer agreement with its existing shareholders, pursuant to which Unigloves Germany acquired 80.71% shares to be held as treasury shares from 2 out of 3 existing shareholders. Upon the completion of the acquisition, the Company remains as the sole shareholder of Unigloves Germany and the indirect equity interest of the Company held in Unigloves Germany increased from 19.29% to 100.00%. Please refer to the Company announcement dated 8 May 2024 for more details.

(c) Increase in Equity Interest in Health Focus Diagnostics Nigeria (PTY) Limited

During the financial year, the private individual investor who owns 15% equity interest in Health Focus Diagnostics Nigeria (PTY) Limited has transferred his interest to Uni-Medical Healthcare Limited, a 75%-owned subsidiary of the Company and another existing shareholder. Following the completion of the share transfer, the equity interest held by Uni-Medical Healthcare Limited in Health Focus Diagnostics Nigeria (PTY) Limited increased from 51% to 60%. Please refer to the Company announcement dated 13 May 2024 for more details.

(d) UG Nitrex S. L.

On 5 June 2024, the Company's wholly-owned subsidiary, Unigloves (Singapore) Pte Ltd had entered into a sale and purchase agreement to acquire 50% of share capital of UG Nitrex, S. L. for an aggregate purchase consideration of €500,000. Please refer to the Company announcement dated 6 June 2024 for more details.

16. Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

F. Other information required by Catalist Rules Appendix 7C

1. Review

The condensed consolidated statement of financial position UG Healthcare Corporation Limited and its subsidiaries as at 30 June 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Income Statements

The Group's revenue increased by S$14.1 million in from S$101.1 million in the financial year ended 30 June 2023 ("**FY23**") to S$115.2 million in the financial year ended 30 June 2024 ("**FY24**"). This was mainly due to the increase in average selling price ("**ASP**") of disposable gloves and ancillary products and the overall increase in sales volume. Revenue of nitrile examination gloves and other ancillary products have increased by 53.0% and 98.7% respectively in FY24 as compared to FY23 mainly due to the reasons describe above, while revenue of latex examination gloves decreased by 10.7% in FY24 as compared to FY23 due to decrease in sales volume for this operating segment.

Cost of sales decreased by S$10.4 million from S$99.7 million in FY23 to S$89.3 million in FY24. This was due to the decrease in the average purchase price of raw materials.

Gross profit increased by approximately S$24.5 million from S$1.4 million in FY23 to S$25.9 million in FY24 in tandem with both the increase in the ASP of disposable gloves and decrease in the average purchase price of raw materials. Correspondingly, the gross profit margin of the Group increased from 1.4% in FY23 to 22.5% in FY24. Gross profit margin for latex examination gloves, nitrile examination gloves and other ancillary products increased in FY24 as compared to FY23.

Other income decreased slightly from S$2.7 million in FY23 to S$2.4 million in FY24 mainly due to the decrease in interest income from the fixed deposits. The Group's other expenses decreased from S$5.6 million in FY23 to S$3.5 million in FY24 due to the absence of impairment of machineries recorded at the upstream manufacturing during FY23, partially offset by foreign exchange losses recorded in FY24.

Operating expenses comprising marketing and distribution expenses and administrative expenses increased by S$5.9 million from S$26.6 million in FY23 to S$32.5 million in FY24. This was mainly due to the increase in the marketing costs to promote new ancillary products, as well as increase in staff cost incurred for the expansion of the distributors network at the downstream distribution division.

Finance costs increased by S$0.4 million from S$0.9 million in FY23 to S$1.3 million in FY24 due to the increase in trade facilities utilisation, as well as an increase in the borrowing interest rate.

Share of losses/ profits from associates decreased from a gain of S$0.6 million in FY23 to a loss of S$0.1 million in FY24 due to losses reported by German and USA associates in the first six months of FY24. Following the increase in equity interest in Unigloves Germany, the German associate was reclassified as a subsidiary of the Company from 1 January 2024.

After taking into account the tax expenses and minority interests, the Group's net loss attributable to the shareholders recorded as S$6.1 million in FY24.

Financial Position

Non-current assets increased by approximately S$10.2 million from S$70.1 million as at 30 June 2023 to S$80.3 million as at 30 June 2024 mainly due to goodwill arising from the increase in the equity interest in Unigloves Germany and the acquisition of UG Nitrex S. L., partially offset by decrease in the investment in associates arising from the reclassification of Unigloves Germany as a subsidiary, as well as decrease in property, plant and equipment value which resulted mainly from depreciation.

Current assets decreased by approximately S$14.8 million from S$159.9 million as at 30 June 2023 to S$145.1 million as at 30 June 2024, mainly due to:

- Decrease in cash and bank balances of S$33.7 million from S$61.7 million as at 30 June 2023 to S$28.0 million as at 30 June 2024; and
- Decrease in income tax assets of S$4.5 million from S$8.0 million as at 30 June 2023 to S$3.5 million as at 30 June 2024; partially offset by
- Increase in trade and other receivables by S$17.6 million from S$35.7 million as at 30 June 2023 to S$53.3 million as at 30 June 2024 due mainly to the RM33.3 million funding (approximately S$9.42 million) provided by Indigo Teguh Sdn Bhd, a wholly-owned subsidiary of the Company, for the acquisition of a land in Desaru in relation to the active retirement homes, healthcare and wellness business; and
- Increase in inventories of S$5.7 million from S$54.5 million as at 30 June 2023 to S$60.2 million as at 30 June 2024.

Amount due from subsidiaries (at the Company level) increased by approximately S$58.9 million from S$13.5 million as at 30 June 2023 to S$72.4 million as at 30 June 2024 mainly due to funding for the increase in equity interest in Unigloves Germany and the acquisition of UG Nitrex S. L.

Non-current liabilities increased by approximately S$11.0 million from S$16.0 million as at 30 June 2023 to S$27.0 million as at 30 June 2024 mainly due to increase in long-term bank borrowing.

Current liabilities increased by approximately S$4.2 million from S$32.8 million as at 30 June 2023 to S$37.0 million as at 30 June 2024 mainly due to:

- Increase in trade and other payables by S$4.1 million from S$14.1 million as at 30 June 2023 to S$18.2 million as at 30 June 2024 due to increase in raw materials purchase volume in tandem with increase in sales volume; and
- Increase in current borrowings by S$1.8 million from S$16.1 million as at 30 June 2023 to S$17.9 million as at 30 June 2024 due to increase in trade facilities utilisation; partially offset by
- Decrease in income tax liabilities by S$1.3 million from S$1.7 million as at 30 June 2023 to S$0.4 million as at 30 June 2024 due to repayment of tax payable; and
- Decrease in derivative financial liabilities by S$0.3 million from S$0.3 million as at 30 June 2023 to S$16,000 as at 30 June 2024.

The Group's net asset value decreased from S$180.8 million as at 30 June 2023 to S$163.4 million as at 30 June 2024. Similarly, net asset value decreased from 28.99 Singapore cents as at 30 June 2023 to 26.19 Singapore cents as at 30 June 2024.

Statement of Cash Flow

In FY24, the net cash used in operations amounted to S$27.2 million taking into account of the loss before tax of S$9.1 million, adjusted for working capital outflows of S$19.3 million which was mainly due to increase in trade and other receivables and increase in inventory, as well as income tax refund of S$3.2 million. Net cash used in investing activities amounted to S$18.7 million due to cash outflows on investment in Unigloves Germany and UG Nitrex S. L. and acquisition of property, plant and equipment, partially offset by interest received from fixed deposits and dividend received. Net cash generated from financing activities amounted to S$12.1 million mainly due to the net increase in the bank borrowings.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement has been previously disclosed to shareholders.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The normalisation of disposable gloves demand and supply continued to improve in the second half of FY24, resulting in a significant rise in gross profit margin compared to the first half of FY24 and the second half of FY23.

According to Research and Markets, the global disposable gloves market will expand at a compound annual growth rate of 7.44% between 2023 and 2029, reaching US$ 39.87 billion in 2029.[1] The Group believes that its continuous efforts to drive stable and sustainable long-term growth will pave the way for improved performance as it capitalises on market trends while the market reaches a new equilibrium.

The Group will continue to invest in its downstream distribution business with the goal of (i) strengthening its distinctive **UNI**GLOVES® brand position and (ii) expanding into new markets and products. The strategic acquisitions in Germany and Spain, announced on 8 May 2024 and 6 June 2024, respectively, are crucial for the Group's efforts to improve its distribution network, market presence, and market position in Europe.

The Group has the option of outsourcing the production of disposable gloves under its proprietary **UNI**GLOVES® brand for its upstream manufacturing business. With disposable gloves market demand recovering and the average selling price of disposable gloves remaining stable, the Group is now preparing to commence production at its third manufacturing facility.

The Group's non-glove healthcare business, the joint development, management, and operation of the active retirement homes located in Desaru, Malaysia (the "**Active Retirement Home Project**"), has begun site clearance activities. As announced on 1 February 2024, all essential and relevant approvals for the development of the Active Retirement Home Project have been obtained. The planning and development of the Active Retirement Home Project are still ongoing, and further updates will be provided in due course.

The Group will update shareholders on material developments as and when they arise.

Source:
1 Global Disposable Gloves Market Insights Report 2024-2029: Increased Usage of Gloves in Non-Healthcare Settings, Growing Demand for Sustainable & Biodegradable Gloves
https://finance.yahoo.com/news/global-disposable-gloves-market-insights-091000095.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAEgCEUCQp2DwqWHHTzbnsHlAhJQaDxxDSWI75EUt_3QKMjiaBgXylUaNiaGPztPAIe81qZzcxZ3g30_3AlUUqU3uDlXbQhj3lvlaoR5pVwMgaT4cSaI_zqf1QHw1NlJS-ACruBmC6N5UMSVo4i_fwItaQ9JX9QT2eBTrBd5UKsdi

5. Dividend

No dividend has been declared or recommended for FY24.

6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for FY24 as the Group wishes to conserve cash for expansion and growth.

7. Breakdown of total annual dividend

No dividend has been declared during the current financial year end corresponding period of the immediate preceding financial year.

8. Interested person transactions

The Group has not obtained any IPT mandate from the shareholders. There is no IPT entered into during FY24.

9. Confirmation pursuant to Rule 720(1) of the Catalist Listing Rules

The Company has received undertaking from all its Directors and Executive Officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules of the SGX-ST.

10. Disclosure pursuant to Rule 706A of the Catalist Rules

Save as disclosed in Part E – Note 15, there was no acquisition or sale of shares by the Company in FY24 which requires disclosure pursuant to Rule 706A of the Catalist Rules.

11. 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 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

29 August 2024