



UG HEALTHCARE CORPORATION LIMITED

Company Registration No. 201424579Z

UNAUDITED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

*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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BACKGROUND

The Company was incorporated in the Republic of Singapore on 21 August 2014 under the Companies Act (Chapter 50) of Singapore as a private company limited by shares under the name of "UG Healthcare Corporation Pte. Ltd.". On 25 November 2014, the Company was converted into a public limited company and its name was changed to UG Healthcare Corporation Limited. The Group (which comprises the Company and its subsidiaries) was formed pursuant to a restructuring exercise ("**Restructuring Exercise**") prior to the Initial Public Offering and listing of the Company on the Catalist Board of the SGX-ST ("**Catalist**"). Please refer to the Company's Offer Document dated 28 November 2014 ("**Offer Document**") for further details on the Restructuring Exercise.

The Company was admitted to the Catalist on 8 December 2014. For the purpose of this announcement, the comparative results of the Group for the corresponding financial year ended 30 June 2014 have been prepared on the assumption that the Group's structure following the completion of the Restructuring Exercise had been in place since 1 July 2013. No comparative figures will be presented for the Company as the Company was only incorporated on 21 August 2014.

PART I INFORMATION REQUIRED FOR QUARTERLY (1Q, 2Q & 3Q), HALF-YEAR (HY) AND FULL YEAR ANNOUNCEMENTS

1(a)(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		Increase/(Decrease) %
	30-June-15 S\$'000	30-June-14 S\$'000	
Revenue	55,740	49,009	13.7
Cost of sales	(44,191)	(38,807)	13.9
Gross profit	<u>11,549</u>	<u>10,202</u>	<u>13.2</u>
Other income	1,394	500	178.8
	<u>12,943</u>	<u>10,702</u>	<u>20.9</u>
Marketing and distribution expenses	(1,332)	(343)	288.1
Administrative expenses	(6,859)	(4,275)	60.4
Other expenses	(144)	(160)	(10.0)
IPO expenses	(816)	(73)	N.M.
Finance costs	(347)	(285)	21.8
Share of profits from associates	513	564	(9.0)
Profit before tax	3,957	6,130	(35.4)
Income tax expense	<u>(1,025)</u>	<u>(1,218)</u>	<u>(15.8)</u>
Profit for the year	2,932	4,912	(40.3)
Other comprehensive loss			
Exchange difference on translating foreign operations	(2,471)	(598)	N.M.
Total comprehensive income for the year	<u>461</u>	<u>4,314</u>	<u>(89.3)</u>
Profit/(Loss) attributable to:			
Owners of the Company	3,164	4,900	(35.4)
Non-controlling interests	(231)	12	N.M.
	<u>2,932</u>	<u>4,912</u>	<u>(40.3)</u>
Total comprehensive income attributable to:			
Owners of the Company	461	4,292	(89.3)
Non-controlling interests	-	22	N.M.
	<u>461</u>	<u>4,314</u>	<u>(89.3)</u>
Earnings per share (cents)			
Basic and diluted	<u>1.68</u>	<u>2.61</u>	

N.M. – Not Meaningful

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

	Group	
	30-June-15	30-June-14
	S\$'000	S\$'000
Profit for the financial year is arrived at after charging/(crediting) the following:		
Fair value loss/(gain) on financial derivatives	666	(394)
Foreign exchange (gain)/loss – unrealised	(1,212)	153
Foreign exchange loss – realised	444	15
Interest expense on borrowings	347	285
Interest income	(47)	(48)
Negative goodwill	(100)	-
Other sundry income	(35)	(58)
Depreciation of property, plant and equipment	917	832
Over provision of tax in prior years	(128)	(20)

1(b)(i) **STATEMENT OF FINANCIAL POSITION OF THE GROUP AND THE COMPANY AS AT 30 JUNE 2015**

	Group		Company
	30-June-15 S\$'000	30-June-2014 S\$'000	30-June-2015 S\$'000
ASSETS			
Non-current assets			
Investment in subsidiaries	-	-	30,802
Associates	4,765	4,555	-
Property, plant and equipment	14,479	12,853	-
Intangibles	326	-	-
Deferred tax assets	74	-	-
Total non-current assets	<u>19,644</u>	<u>17,408</u>	<u>30,802</u>
Current assets			
Inventories	10,233	9,019	-
Amount due from subsidiaries	-	-	921
Derivative financial instruments	-	95	-
Trade and other receivables	14,833	10,065	30
Cash and bank balances	7,101	3,781	3,549
Total current assets	<u>32,167</u>	<u>22,960</u>	<u>4,500</u>
Total assets	<u>51,811</u>	<u>40,368</u>	<u>35,302</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	36,243	3,988	36,243
Reserve	(28,363)	38	-
Retained earnings/(Accumulated loss)	29,060	25,957	(1,076)
Equity attributable to the owners of the Company	<u>36,940</u>	<u>29,983</u>	<u>35,167</u>
Non-controlling interests	163	101	-
Total equity	<u>37,103</u>	<u>30,084</u>	<u>35,167</u>
Non-current liabilities			
Deferred tax liabilities	963	388	-
Bank borrowings	4,068	4,300	-
Total non-current liabilities	<u>5,031</u>	<u>4,688</u>	<u>-</u>
Current liabilities			
Income tax payable	-	18	-
Trade and other payables	7,225	4,102	135
Derivate financial instruments	571	-	-
Bank borrowings	1,881	1,476	-
Total current liabilities	<u>9,677</u>	<u>5,596</u>	<u>135</u>
Total liabilities	<u>14,708</u>	<u>10,284</u>	<u>135</u>
Total equity and liabilities	<u>51,811</u>	<u>40,368</u>	<u>35,302</u>

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

	30-June-15		30-June-14	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	869	1,012	923	553
Amount repayable after one year	4,068	-	4,300	-
Total borrowings	<u>4,937</u>	<u>1,012</u>	<u>5,223</u>	<u>553</u>

Details of collaterals

As at 30 June 2015 and 30 June 2014, certain of the Group's borrowings are secured by:

- (i) fixed and floating charges over assets of a subsidiary
- (ii) debentures over certain production lines
- (iii) charge on certain leasehold land and building of a subsidiary
- (iv) fixed deposits pledged as collateral
- (v) corporate guarantee and
- (vi) personal guarantees from certain directors of the Company

1(c) **CONSOLIDATED CASH FLOW STATEMENT**

	Group	
	30-June-15 S\$'000	30-June-14 S\$'000
Operating activities		
Profit before income tax	3,957	6,130
Adjustments for:		
Bad debts written off	-	1
Depreciation of property, plant and equipment	917	832
Fair value loss/(gain) of derivative financial instrument	666	(394)
Negative goodwill [Note 1(c)(i)]	(100)	-
Interest expense	347	285
Interest income	(47)	(48)
Loss on disposal of property, plant and equipment	7	-
Share of profits from associates	(513)	(564)
Unrealised exchange differences	(1,104)	(364)
Operating cash flows before movements in working capital	4,130	5,878
<i>Movements in working capital</i>		
Inventories	(748)	(2,280)
Trade and other receivables	(4,092)	611
Amount due from a director	-	40
Trade and other payables	3,124	(602)
Cash generated from operations	2,414	3,647
Interest paid	(347)	(285)
Income taxes paid	(1,217)	(1,435)
Net cash from operating activities	850	1,927
Investing activities		
Additional investment in associates	-	(2,303)
Acquisition of a subsidiary, net of cash and cash equivalents [Note 1(c)(i)]	151	-
Acquisition of property, plant and equipment	(2,499)	(1,144)
Acquisition of intangibles	(142)	-
Fixed deposits pledged to bank	-	(24)
Interest received	47	48
Net cash used in investing activities	(2,443)	(3,423)
Financing activities		
Dividend paid	-	(83)
Repayment of borrowings	(43)	(894)
Shares issue expenses	(1,451)	-
Proceeds from issuance of shares	6,192	2,824
Net cash from financing activities	4,698	1,847
Net increase in cash and cash equivalents	3,105	351
Cash and cash equivalents at beginning of financial period	2,678	2,394
Effects on currency translation on cash and cash equivalents	122	(67)
Cash and cash equivalents at end of financial period	5,905	2,678
Cash and cash equivalents comprised the following:		
Cash and bank balances	7,101	3,781
Less: Fixed deposits pledged to bank	(812)	(848)
Less: Bank overdrafts	(384)	(255)
	5,905	2,678

1(c)(i) ACQUISITION OF A SUBSIDIARY

During FY2015, the Group acquired 75% equity interest in a subsidiary, Uni-Medical Healthcare Limited, a company incorporated in Nigeria for a total consideration of S\$579,750. The details of the acquisition are as follows:

	Group
	30-June-15
	S\$'000
Total net assets acquired	906
Less: Non-controlling interest	<u>(226)</u>
	680
Less: Negative goodwill	<u>(100)</u>
Total consideration	580
Consideration satisfied by shares issued	<u>(525)</u>
Consideration satisfied by cash	(55)
Add: Cash and cash equivalents acquired	<u>206</u>
Net cash inflow on acquisition	<u>151</u>

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

	Group						
	Attributable to owners of the Company						
	Share capital S\$'000	Merger reserve S\$'000	Foreign currency translation reserves S\$'000	Retained earnings S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total S\$'000
Balance as at 1 July 2014	3,988	-	38	25,957	29,983	101	30,084
Profit for the financial period	-	-	-	3,164	3,164	(231)	2,932
Other comprehensive income/(loss)							
Exchange differences on translating foreign operations	-	-	(2,457)	-	(2,457)	(14)	(2,471)
Dilution of equity in a subsidiary	(16)	-	(4)	(61)	(81)	81	-
IPO expenses	(1,451)	-	-	-	(1,451)	-	(1,451)
Issuance of new shares for cash	6,192	-	-	-	6,192	-	6,192
Issuance of new shares to acquire a subsidiary	525	-	-	-	525	-	525
Effects on acquisition of subsidiaries and associates	27,005	(25,940)	-	-	1,065	226	1,291
Balance as at 30 June 2015	36,243	(25,940)	(2,423)	29,060	36,940	163	37,103
Balance as at 1 July 2013	1,281	-	646	21,120	23,047	99	23,146
Profit for the financial period	-	-	-	4,900	4,900	12	4,912
Other comprehensive income/(loss)							
Exchange differences on translating foreign operations	-	-	(608)	-	(608)	10	(598)
Issuance of shares	2,824	-	-	-	2,824	-	2,824
Distribution*	(117)	-	-	-	(117)	-	(117)
Dividend	-	-	-	(63)	(63)	(20)	(83)
Balance as at 30 June 2014	3,988	-	38	25,957	29,983	101	30,084

* Distribution represents the dividends from an associate that have been distributed to the shareholders.

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

	Company		
	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance as at date of incorporation	-*	-	-*
Issuance of new shares for cash	6,192	-	6,192
Issuance of new shares pursuant to the Restructuring Exercise	30,977	-	30,977
Issuance of new shares to acquire a subsidiary	525	-	525
Total comprehensive loss for the period	-	(1,076)	(1,076)
IPO expenses	(1,451)	-	(1,451)
Balance as at 30 June 2015	36,243	(1,076)	35,167

Note: * denotes amount less than S\$1,000

1(d)(ii) SHARE CAPITAL

	Company	
	Number of ordinary shares	Issued and paid up share capital S\$
Balance as at 1 January 2015	188,023,530	37,694,218
Listing expenses set-off against share capital	-	(1,451,030)
Balance as at 30 June 2015	188,023,530	36,243,188

There was no new issuance of shares since the last reported period up to 30 June 2015.

As at 30 June 2015, the Company had no outstanding convertibles and treasury shares. There are no comparative figures for the Company as at the end of the corresponding period of the immediately preceding financial year as the Company was incorporated on 21 August 2014.

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

	Total number of issued shares excluding treasury shares
Balance as at 30 June 2015	188,023,530

There are no comparative figures as at the end of the immediately preceding financial year as the Company was incorporated on 21 August 2014.

1(d)(iv) TREASURY SHARES

Not applicable. There were no treasury shares as at the beginning and end of the current financial year.

2 REVIEW OR AUDIT OF FIGURES PRESENTED

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

3. AUDITOR'S REPORT

Not applicable.

4. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year as compared to its audited financial statements for the financial year ended 30 June 2014.

5. CHANGES IN ACCOUNTING POLICIES AND METHODS OF COMPUTATION

In the current financial year, the Group has adopted all the new and revised financial reporting standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to the Group and effective for the financial period beginning 1 July 2014. The adoption of these new and revised FRS and INT FRS does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

6. EARNINGS PER SHARE

	Group	
	30-June-15	30-June-14
Profit attributable to owners of the Company (S\$'000)	3,164	4,900
Weighted average number of ordinary shares	188,023,530	188,023,530
Earnings per share (basic and diluted)(cents)	1.68	2.61

Note:

For illustrative and comparative purposes, earnings per share for both financial years have been computed based on the post IPO share capital of 188,023,530 shares.

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

	Group		Company
	30-June-15	30-June-14	30-June-15
NAV per share (cents)	19.73	16.00	18.70
Total equity (S\$'000)	37,103	30,084	35,167
Number of ordinary shares used in computation of NAV per share	188,023,530	188,023,530	188,023,530

Note:

1. For illustrative and comparative purposes, NAV per share for the Group as at 30 June 2014 have been computed based on the post IPO share capital of 188,023,530 shares.
2. There are no comparative figures for the NAV per share for the Company as at 30 June 2014 as the Company was incorporated on 21 August 2014.

8. REVIEW OF GROUP PERFORMANCE

(A) REVIEW OF GROUP RESULTS

Revenue

Revenue increased by approximately S\$6.7 million or 13.7%, from S\$49.0 million in FY2014 to S\$55.7 million in FY2015, due to increase in volume of gloves produced and sold, which was partially mitigated by reduction in average selling price of the Group's products, mainly latex examination gloves. The increase in volume of gloves produced was mainly due to a new production line constructed, resulted in increase in exports to UK, US, China, Nigeria & Brazil.

Cost of Sales

Cost of sales increased by S\$5.4 million or 13.9% from S\$38.8 million in FY2014 to S\$44.2 million in FY2015, in tandem with the increase in revenue.

Gross Profit and Gross Profit Margin

Gross profit increased by S\$1.3 million or 13.2% from S\$10.2 million in FY2014 to S\$11.5 million in FY2015. The Group's gross profit margin decreased slightly from 20.8% in FY2014 to 20.7% in FY2015, mainly due to reduction in average selling price of the Group's latex examination gloves.

Other income

Other income increased by S\$0.9 million or 178.8% from S\$0.5 million in FY2014 to S\$1.4 million in FY2015 mainly due to negative goodwill arising from acquisition of Uni-Medical Healthcare Limited of S\$0.1 million, unrealised foreign exchange gain of S\$1.2 million, partially offset by absence of gain on fair value of financial derivatives in FY2015.

Marketing and Distribution Expenses

Marketing and distribution expenses increased by S\$1.0 million or 288.3% from S\$0.3 million in FY2014 to S\$1.3 million in FY2015. The increase was due to additional marketing expenses incurred to expand the Group's distribution network in UK, China and Nigeria.

Administrative Expenses

Administrative expenses increased by S\$2.6 million or 60.4% from S\$4.3 million in FY2014 to S\$6.9 million in FY2015, mainly due to increase in personnel costs as a result of expansion of distribution network, realised foreign exchange loss and loss in fair value of derivative financial instrument .

Other Expenses

Other expenses remained fairly stable at S\$0.14 million and S\$0.16 million for FY2015 and FY2014 respectively.

IPO Expenses

Total IPO expenses was S\$2.3 million, of which S\$1.5 million in relation to the funds raised set-off was against share capital account, while the remaining S\$0.8 million was charged out to the income statement.

Share of Profits from Associates

The Group's share of results of associates amounting to S\$0.5 million in FY2015, a reduction of S\$0.1 million or 9.0% as compared to S\$0.6 million in FY2014, mainly due to lower contribution of profits from the Group's associated company in Germany.

Finance Costs

Finance costs increased by S\$0.06 million or 21.8% from S\$0.29 million in FY2014 to S\$0.35 million in FY2015. The increase was due to additional interest incurred as a result of new term loan drawdown for the construction of a new production line in FY2015.

(B) REVIEW OF GROUP'S FINANCIAL POSITION

As at 30 June 2015

Non-current Assets

Non-current assets increased by S\$2.2 million or 12.8% from S\$17.4 million as at 30 June 2014 to S\$19.6 million as at 30 June 2015, due to:

- (a) Acquisition of property, plant and equipment of S\$2.5 million, partially offset by depreciation charge of S\$0.9 million;
- (b) Share of results from associates of S\$0.2 million (after netting off foreign exchange effect); and
- (c) Acquisition of intangible assets, comprising business licences and goodwill, amounting to S\$0.3 million upon acquisition of Uni-Medical Healthcare Limited and a local UK distribution business.

Current Assets

Current assets increased by S\$9.2 million or 40.1% from S\$23.0 million as at 30 June 2014 to S\$32.2 million as at 30 June 2015, mainly due to:

- (a) Increase in inventories by S\$1.2 million or 13.5% from S\$9.0 million as at 30 June 2014 to S\$10.2 million as at 30 June 2015. The increase in inventories was a result of stocking up gloves inventories in the Group's overseas warehouse to cater for demand of the Group's products without compromising the delivery lead time to end customers.
- (b) Increase in trade and other receivables by S\$ 4.8 million or 47.4% from S\$10.1 million as at 30 June 2014 to S\$14.8 million as at 30 June 2015. The increase in trade and other receivables was mainly due to increase in orders from customers towards the end of FY2015.
- (c) Increase in cash and bank balances by S\$3.3 million or 87.8% from S\$3.8 million as at 30 June 2014 to S\$7.1 million as at 30 June 2015. The increase in cash and bank balances was mainly due to remaining unutilised IPO proceeds received.

Equity

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

- (a) increase in share capital due to new shares issued from the Restructuring Exercise of S\$33.7 million;
- (b) profit attributable to owners of the Company for the financial year of S\$3.2 million; and

The increase was partially offset by:

- (c) decrease in foreign currency translation reserves of S\$2.4 million mainly due to weakening of Ringgit Malaysia (functional currency of major subsidiaries) against Singapore Dollars (presentation currency);
- (d) IPO expenses of S\$1.5 million; and
- (e) merger reserve of S\$25.9 million arising from the Restructuring Exercise.

Non-current liabilities

Non-current liabilities increased by S\$0.3 million or 7.3% from S\$4.7 million as at 30 June 2014 to S\$5.0 million as at 30 June 2015 which was due to the increase in recognition of deferred tax liabilities of S\$0.6 million, partially offset by a reduction in long term borrowings of S\$0.2million.

Current liabilities

Current liabilities increased by S\$4.1 million or 72.9% from S\$5.6 million as at 30 June 2014 to S\$9.7 million as at 30 June 2015, mainly due to:

- (a) Increase of S\$3.1 million or 74.9% in trade and other payables due to increase in purchases of raw materials and usage of utilities, arising from increase in production volume from the new production line;
- (b) Recognition of derivative financial instruments of S\$0.6 million arising from purchase of forward foreign exchange contracts;
- (c) Increase in utilisation of trade financing facilities by S\$0.2 million; and
- (d) Increase in usage of bank overdraft of S\$0.1 million for working capital purposes.

(C) REVIEW OF GROUP'S CASH FLOWS

In FY2015, the net cash from operations amounted to S\$0.9 million. This comprises positive operating cash flows before changes in working capital of S\$4.1 million, adjusted by net working capital outflow of S\$1.7 million, interest and taxes paid of S\$0.3 million and S\$1.2 million respectively. The net working capital outflow was mainly due to increases in inventories of S\$0.7 million and trade and other receivables of S\$4.1 million, which was partially offset by an increase in trade and other payables of S\$3.1 million.

Net cash used in investing activities amounted to S\$2.4 million in FY2015. This was mainly due to the purchases of property, plant and equipment of S\$2.5 million, intangibles of S\$0.1 million, partially offset by net cash inflow on acquisition of a subsidiary of S\$0.2 million.

Net cash from financing activities amounted to S\$4.7 million in FY2015. This was mainly due to IPO proceeds of S\$6.2 million and payment of shares issue expenses of S\$1.5 million.

9. ACTUAL RESULTS VS PROFIT FORECAST

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

10. COMMENTARY OF THE INDUSTRY TREND AND GROUP'S PROSPECT

The Group expects the next 12 months to remain challenging due to competition among major gloves producers. However, the Group believes it can still enjoy continuous growth due to reasons and industry trends as stated under the section "Business - Prospect" in the Company's Offer Document.

The Group will continue to explore its plans and strategies as outlined in the Offer Document, which includes:

- (a) Expansion of production capacity;
- (b) Expansion of sales and distribution network;
- (c) Developing new products and engaging in research and development; and
- (d) Inorganic expansion of business.

11. DETAILS OF DIVIDEND DECLARED OR RECOMMENDED

Not applicable

12. NEGATIVE STATEMENT IF NO DIVIDEND DECLARED OR RECOMMENDED

No dividend has been declared or recommended.

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

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

PART I INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. SEGMENT INFORMATION AND ANALYSIS OF REVENUE AND RESULTS

Segment information

	Group		Increase/ (decrease) %
	30-June-15	30-June-14	
Revenue	S\$'000	S\$'000	
Total revenue for reportable segments	62,476	55,147	13.3
Elimination of inter-segment revenue	(6,736)	(6,138)	9.7
	<u>55,740</u>	<u>49,009</u>	<u>13.7</u>
Profit or Loss			
Total profit or loss for reportable segments	3,444	5,566	(38.1)
Share of profit of associates	513	564	(9.0)
	<u>3,957</u>	<u>6,130</u>	<u>(35.4)</u>
Assets			
Total assets for reportable segments	47,046	35,813	31.4
Investments in associates	4,765	4,555	4.6
Total assets	<u>51,811</u>	<u>40,368</u>	<u>28.3</u>
Liabilities			
Total liabilities for reportable segments	14,708	10,284	43.0
Total liabilities	<u>14,708</u>	<u>10,284</u>	<u>43.0</u>

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

<i>Business segments</i>	Group		Increase/ (decrease) %
	30-June-15	30-June-14	
Revenue	S\$'000	S\$'000	
Latex examination gloves	32,202	28,921	11.3
Nitrile examination gloves	20,015	17,292	15.7
Other ancillary products	3,523	2,796	26.0
Total	55,740	49,009	13.7
Gross profit			
Latex examination gloves	6,150	5,959	3.2
Nitrile examination gloves	4,671	3,667	27.4
Other ancillary products	728	576	26.4
Total	11,549	10,202	13.2
Gross profit margin	%	%	
Latex examination gloves	19.1	20.6	
Nitrile examination gloves	23.3	21.2	
Other ancillary products	20.6	20.6	
Overall	20.7	20.8	

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

	Group		Increase/ (decrease) %
	30-June-15	30-June-14	
	S\$'000	S\$'000	
Germany	12,295	13,488	(8.8)
UK	12,683	10,266	23.5
USA & Canada	14,570	9,716	50.0
China, Hong Kong & Taiwan	3,779	2,286	65.3
Malaysia	2,214	7,793	(71.6)
Others	10,199	5,460	86.8
Total	55,740	49,009	13.7

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

	Group		Increase/ (decrease) %
	30-June-15	30-June-14	
Location of non-current assets	S\$'000	S\$'000	
Malaysia	14,075	12,728	10.6
Germany	4,168	3,926	6.2
United Kingdom	203	44	361.4
China	135	131	3.05
USA	543	579	(6.2)
Nigeria	517	-	N.M.
Singapore	3	-	N.M.
Total	19,644	17,408	12.8

N.M. – Not Meaningful

15. REVIEW OF PERFORMANCE BY OPERATING SEGMENTS

Revenue for all operating segments have increased in FY2015 as compared to FY2014 due to the commencement of a new production line. However, due to lower average selling price of latex examination gloves, gross profit margin for latex examination gloves have reduced from 20.6% to 19.1%.

Meanwhile, the average selling price of nitrile examination gloves have increased in FY2015 as compared to FY2014, thus, resulting in the improvement of gross profit margin from 21.2% in FY2014 to 23.3% in FY2015.

With the expansion of distribution network being underway in UK, China and Nigeria, sales in these regions have also increased significantly.

The Group's Malaysian customers are also intermediaries which export to overseas countries. With the implementation of the Goods and Service Tax on 1 April 2015, most billings were done by the Group directly to these overseas customers, as instructed by the Group's Malaysian customers for their cash flows management. Therefore, the geographical sales in Malaysia has reduced significantly from S\$7.8 million in FY2014 to S\$2.2 million in FY2015. The sales are recorded as sales from other regions mainly the US, which recorded an increase in sales of S\$4.9 million from S\$9.7 million in 2014 to S\$14.6 million in 2015.

16. BREAKDOWN OF REVENUE AND RESULTS

	30-June-15	30-June-14	Increase/ (Decrease)
	\$ '000 Group	\$ '000 Group	% Group
(a) Sales reported for first half year	25,108	26,008	(3.46)
(b) Operating profit after tax before deducting minority interests reported for first half year	2,349	2,935	(19.97)
(c) Sales reported for second half year	30,632	23,001	33.18
(d) Operating profit after tax before deducting minority interests reported for second half year	583	1,977	(70.51)

17. BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

No dividend has been declared or paid by the Company for FY2015 and FY2014.

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.

Persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company are detailed below:

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ang Beng Chee	61	Brother of Ang Beng Teck, Executive Director and Chief Executive Officer	Head of Administration since 1988, overseeing administrative matters of Malaysian operations	Not applicable
Ang Chien Hway	42	Nephew of Ang Beng Teck, Executive Director and Chief Executive Officer	Finance Manager since 2002,, overseeing finance functions of Malaysia operations	Not applicable

19. USE OF IPO PROCEEDS

In accordance with the section entitled “Use of Proceeds From The Invitation and Listing Expenses Incurred” in the Offer Document, and as at 30 June 2015, the Company wishes to announce that the net proceeds of approximately S\$6.19 million have been utilised as follows:

	Amount allocated	Amount utilised	Balance of net proceeds as at 30-June-15
	S\$ million	S\$ million	S\$ million
Expansion of production capacity	3.20	0.70	2.50
Expansion of sales and distribution network	0.65	0.65	-
Developing new products and engaging in research and development	0.30	0.30	-
General working capital	0.07	0.07	-
Listing expenses	1.97	1.97	-
	<u>6.19</u>	<u>3.69</u>	<u>2.50</u>

By order of the Board
UG Healthcare Corporation Limited

ANG BENG TECK
Executive Director and CEO

20 August 2015