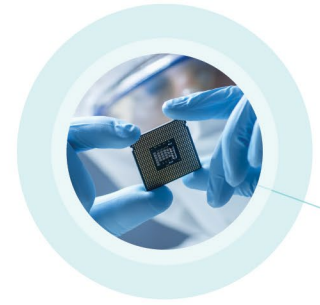


**Enriching Experience
Through
Strategic Diversification**

ANNUAL REPORT 2023



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Industry Solutions



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

This Annual Report 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 Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

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

Company Profile



UG Healthcare Corporation Limited 优格医疗集团 (“**UG Healthcare**” or the “**Company**” and together with its subsidiaries, the “**Group**”) is an own brand manufacturer that markets and sells proprietary **UNIGLOVES**[®] branded products through its own established global downstream distribution network.

The Group owns and operates an extensive downstream network of distribution companies with a local presence in Europe, the United Kingdom, the USA, China, Africa, and South America, where it primarily markets and sells its proprietary **UNIGLOVES**[®] range of disposable examination gloves, and reusable gloves for users in the heavy industries. These disposable and reusable hand protection products are used across a diverse range of industries requiring safety and cross-infection protection and high hygiene standards, whilst catering to different applications and preferences. The Group also enriches its product portfolio with ancillary products comprising surgical, vinyl, and cleanroom gloves, and non-glove products such as face masks, and other medical disposables.

The downstream distribution division is supported and complemented by the Group's own upstream manufacturing division, manufacturing natural latex and nitrile disposable

examination gloves under its **UNIGLOVES**[®] brand and third-party labels in its manufacturing facilities located in Seremban, Malaysia. The Group's upstream manufacturing is certified by the British Standards Institution (“**BSI**”) for ISO 9001:2015, ISO 13485:2016, EN ISO 13485:2016+A11:2021, ISO 14971 and EN ISO 14971 for the scope of manufacture and supply of natural latex and nitrile examination gloves. The Group's proprietary brand of products conform to various international standards and requirements.

The Group has also strategically diversified into non-glove healthcare related businesses including the joint development, management and operation of active retirement homes in Malaysia.

UG Healthcare is listed on the Singapore Exchange Securities Trading Limited under stock code **8K7** since 8 December 2014.

Letter to Shareholders



In anticipation of the trend reversal, we have been working on viable opportunities to maximise the potential of our OBM foundation with a niche in hand protection solutions, while concurrently diversifying into strategic non-glove healthcare related businesses.



Dear Fellow Shareholders,

The World Health Organisation (“WHO”) declared that the COVID-19 pandemic had come to an official end on 5 May 2023.

During the last few years, we have been bracing ourselves for this potential reversal in trend, where demand for personal protective products had surged when COVID-19 was declared a pandemic in early 2020. The rapid and aggressive capacity expansion in the upstream manufacturing of disposable examination gloves in the region in the last few years, however, shifted the balance from a shortage in supply to excess supply. Consequently, the average selling prices (“ASP”) of disposable examination gloves continued their downward adjustments in response to the increasing supply.

As downstream market adjustments always come before upstream manufacturing cost adjustments, our downstream distribution division was affected by the dismal economic recovery at the endemic phase resulting in lower consumption from customers who were not in a hurry to stockpile.

For the financial year ended 30 June 2023 (“FY23”), our Group registered a 56.5% year-on-year decline in revenue to S\$101.1 million, down from S\$232.6 million in FY22, which corresponded with lower demand and slower consumption resulting in lower sales volume and ASP of disposable examination gloves. Gross profit decreased significantly from S\$84.4 million in FY22 to S\$1.4 million in FY23, which was primarily undermined by higher operating costs and lower economies of scale at our upstream manufacturing division, as well as the write-down of higher-priced inventories to current market value at our downstream distribution division.

Despite intense competition across the industrial value chain of personal protective equipment, we took the opportunity to strengthen our business development teams according to product and marketing segmentation, to maximise the growth potential of our entrenched downstream global distribution network. Our own brand manufacturing (“OBM”) business model, which integrates our downstream distribution operations, not only moderates risks but also opens up options for the expansion of our product portfolio into reusable industrial gloves and ancillary products to complement our disposable examination gloves.

Letter to Shareholders

During FY23, we implemented stringent cost management initiatives Group-wide, and we also embarked on new initiatives to pave the way the Group's next level of growth. Against the global economic slowdown and rising inflationary pressure, our Group recorded a net loss attributable to shareholders of S\$20.7 million in FY23, a reversal from a net profit attributable to shareholders of S\$36.8 million in FY22.

Moving ahead, after much delay, we are planning to commission our third manufacturing facility with the installed production capacity of 1.2 billion disposable examination gloves in the financial year ending 30 June 2024. This is targeted at improving our Group's production efficiency with relatively advanced production lines, mitigating rising inflationary pressure on operating costs, and enhancing economies of scale at our upstream manufacturing operations.

In anticipation of the trend reversal, we have been working on viable opportunities to maximise the potential of our OBM foundation with a niche in hand protection solutions, while concurrently diversifying into strategic non-glove healthcare related businesses.

ENRICHING EXPERIENCE THROUGH STRATEGIC DIVERSIFICATION

During FY23, we unveiled our strategic diversification into non-glove healthcare related businesses comprising (i) the joint development, management, and operation of active retirement homes, and healthcare and wellness business⁽¹⁾, and (ii) the joint establishment of a medical diagnostic centre in Nigeria⁽²⁾, which are currently at various stages of progress.

According to WHO, the population in WHO South-East Asia Region is ageing rapidly. It is expected that the proportion of people aged 60 and above will increase from 9.8% in 2017 to 13.7% and 20.3% by 2030 and 2050, respectively.⁽³⁾ This rising ageing population across the Asia Pacific region is likely to spur demand for good quality retirement facilities, healthcare and wellness services.

While we believe the end of the pandemic will bring us a new beginning, and it has been our culture to nurture businesses for sustainable growth for the long term. Our strategic diversification into non-glove healthcare businesses targeted at balancing our Group's overall risk profile, will require time and effort to achieve fruition.

We will keep all stakeholders updated on the material developments of the non-glove healthcare businesses as and when they arise. Meanwhile, we are mindful and remain prudent in the utilisation of our cash resources for our strategic diversification. In view of the financial performance of the Group for FY23, the Board did not recommend a dividend for FY23.

ACKNOWLEDGMENTS AND APPRECIATION

On behalf of the Board, we would like to express our heartfelt thanks to our management and employees for their dedicated efforts, as well as our fellow Directors for their invaluable guidance and advice in the past financial year.

We value the unwavering trust and support of our customers, business partners, and bankers, who continue to participate in our growth journey, overcoming challenges for good times ahead.

Last but not least, we are thankful to our shareholders who have demonstrated patience and support for our aspiration of becoming a healthcare related organisation through strategic diversification to create better sustainability for key stakeholders in the long term.

Mr. Yip Wah Pung

Non-Executive Chairman and Independent Director

Mr. Lee Keck Keong

Chief Executive Officer and Executive Director

(1) Company's announcement dated 14 October 2022 - Proposed Acquisition and Diversification

(2) Company's announcement dated 27 December 2022 - Incorporation of a Joint Venture Medical Diagnostic Company in Nigeria

(3) <https://www.who.int/southeastasia/health-topics/ageing>

Business Operations

Our expansion plans within the downstream distribution division and strategic diversification into non-glove healthcare related businesses such as the active retirement homes project, are aimed at creating a natural moderation against volatility during uncertain times and safeguarding the interests of our prioritised stakeholders – customers, employees, business partners, and shareholders.

UG Healthcare is motivated to deliver excellence consistently through our integrated OBM business to support our customers, who placed their trust and loyalty in our proprietary **UNIGLOVES®** branded products, particularly our hand protection solutions.

Our integrated OBM business model, comprising upstream manufacturing and downstream distribution for our proprietary **UNIGLOVES®** branded products, enables us to be in better control of the quality and reliability of our products that are being used by our end users who require cross infection protection and high hygiene standards. We remain committed to address the evolving requirements of our end users across diverse industries and develop suitable hand protection solutions, healthcare related products, and ancillary products for their applications in their professions, thereby keeping them safe.

The strong brand preference by end users raises our proprietary **UNIGLOVES®** brand presence beyond our core markets, allowing us to expand into new markets within Europe. Harnessing the strengths of our entrenched downstream distribution capabilities not only provide us direct market access in our core markets in both developed and developing countries, but also our market intelligence opens up possibilities beyond our specialised disposable / single-use examination glove products. These opportunities comprise (i) new sales and distribution channels, (ii) a more diversified product portfolio, and (iii) potential strategic collaborations with product manufacturers.

As we strengthen our integrated OBM business foundation, we embarked on a strategic diversification into non-glove healthcare related businesses as part of our growth strategy to balance the Group's risk profile for the long term. Our expansion plans within the downstream distribution division and strategic diversification into non-glove healthcare related businesses such as the active retirement homes project, are aimed at creating a natural moderation against volatility during uncertain times and safeguarding the interests of our prioritised stakeholders – customers, employees, business partners, and shareholders.



Business Operations



TOTAL INSTALLED PRODUCTION CAPACITY

4.6 billion

pieces of gloves per annum from FY23



UPSTREAM MANUFACTURING IS CERTIFIED BY

British Standards Institution ("BSI")

for ISO 9001:2015, ISO 13485:2016, EN ISO 13485:2016+A11:2021, ISO 14971, and EN ISO 14971

OUR UPSTREAM MANUFACTURING CAPABILITIES

Whilst greater awareness of the need for hand protection for safety and hygiene purposes continues to drive demand, the rapid and aggressive capacity expansion in the region over the last few years changed the upstream manufacturing landscape. Disequilibrium in the demand and supply of disposable examination gloves resulted in intense price competition amidst rising inflationary pressures on fixed overheads, including electricity and gas tariffs, and the hike in minimum wage under the new employment act in Malaysia.

Our integrated OBM business model provides us with the option of outsourcing some of the generic products to cost-efficient manufacturers to produce in our proprietary **UNIGLOVES®** brand. This approach allows us to focus our production capacity on higher margin disposable examination glove products.

As the downward trend of ASP for both natural latex and nitrile disposable examination gloves continues, we are planning to commission our third manufacturing facility with an installed production capacity of 1.2 billion pieces of gloves per annum in the financial year ending 30 June 2024 ("**FY24**"). The relatively advanced production lines at the third manufacturing facility could potentially improve the Group's overall production efficiency, ease the pressure of escalating operating costs, and achieve better economies of scale.

Our upstream manufacturing is certified by the British Standards Institution ("**BSI**") for ISO 9001:2015, ISO 13485:2016, EN ISO 13485:2016+A11:2021, ISO 14971, and EN ISO 14971 for the scope of manufacture and supply of natural latex and nitrile disposable examination gloves. The Group is also registered with the Supplier Ethical Data Exchange, a not-for-profit membership organisation that leads work with buyers and suppliers to deliver improvements in responsible and ethical business practices in global supply chains, and our manufacturing facilities are audited under Sedex Members Ethical Trade Audit ("**SMETA**").

Business Operations

WE OWN AND OPERATE AN EXTENSIVE NETWORK OF DOWNSTREAM DISTRIBUTION COMPANIES WITH A LOCAL PRESENCE IN

- EUROPE
- THE UNITED KINGDOM
- THE USA
- CHINA
- AFRICA
- SOUTH AMERICA

UNIGLOVES® brand of disposable examination gloves are marketed and sold to more than 50 countries globally

OUR DOWNSTREAM DISTRIBUTION NETWORK

We own and operate an extensive network of downstream distribution companies with a local presence in Europe, the United Kingdom, the USA, China, Africa, and South America, where we market and sell our proprietary **UNIGLOVES®** brand of disposable examination gloves to more than 50 countries globally. Our prior investments in our distribution network and capabilities include managing our warehousing and logistics infrastructure and operating with our local marketing teams in our key strategic markets.

Our downstream distribution division primarily offers an extensive range of natural latex and nitrile disposable examination glove products comprising a variety of colours and scents, antimicrobial properties, and eco-friendly materials, to appeal to the different applications and preferences of end users across diverse industries. We continue to enrich our product portfolio with

reusable glove products for professionals in heavy industries, and ancillary products including surgical, vinyl, and cleanroom gloves, and non-glove products such as face masks and medical disposables, to maximise the evolving requirements of our diverse customer base.

We value the trust and brand loyalty that our customers have in our **UNIGLOVES®** branded products. The growing market share in all key markets in both the developed and developing countries is a strong testament to their support and confidence. Our established warehousing and logistics infrastructure enables the Group to adopt the hub and spoke model as we expand into new markets from our key strategic markets, and thereby building new customer base.

We strive to strengthen our **UNIGLOVES®** brand presence in our target markets and nurture more end users on the applications of our **UNIGLOVES®** branded quality products.

Business Operations

OWN BRAND OF PRODUCTS

The Group's mainstay - **UNIGLOVES**[®] brand of disposable examination gloves, offers an extensive product range that includes both specialised products, amongst others, a variety of coatings, scents, colours, thickness, antimicrobial properties, and eco-friendly materials for more specialised users, as well as generic products. These products are used across a diverse range of industries requiring cross-infection protection and high hygiene standards, catering to different applications and preferences.

Our proprietary branded products continues to conform to various international standards and requirements, including the ASTM International (formerly known as American Society for Testing and Materials), European standard for medical gloves ("**EN455**"), **ISO 11193** standards (International Organization for Standardization for Single-use medical examination gloves), CE and UKCA Type Examination Certificates of Latex and Nitrile Examination Gloves PPE 2016(425) Cat III, Acceptance Quality Level requirements under the Food and Drug Administration ("**USFDA**"), National Medical Products Administration ("**NMPA**"), Brazilian Health Regulatory Agency ("**ANVISA**"), National Institute of Metrology, Standardization and Industrial Quality ("**INMETRO**") and the National Agency for Food and Drug Administration and Control ("**NAFDAC**").

We constantly keep abreast of developments in technology and process improvements as well as developments in latex compounding formulations to attain certain desired properties and characteristics for the customisation of our products to meet the evolving hand protection requirements by users in diverse industries. We also collaborate with renowned research laboratories to achieve breakthroughs in products to provide better protection solutions for end users.

Although most of the manufactured products are done in-house, we believe strategic collaboration can be more efficient and beneficial to the end users. Hence, we will continue to look into broadening our proprietary branded portfolio through potential opportunities for non-glove healthcare related products and services to provide a wider range of offerings to our customers.

STRATEGIC BUSINESSES

The Group has been exploring appropriate opportunities to diversify our business into the non-glove healthcare related sector to balance our risk exposure, broaden our earnings base sustainably, and enhance stakeholders' returns in the long term.

During FY23, we embarked on our strategic diversification into non-glove healthcare businesses through (i) the development, management, and operation of active retirement homes, and healthcare and wellness business in Desaru, Johor, Malaysia, and (ii) the joint partnership between our 75%-owned Nigeria subsidiary, Uni-Medical Healthcare Limited ("**UNIGLOVES Nigeria**") and Health Focus Diagnostics GmbH to set up a medical diagnostic centre in the state of Enugu, Nigeria. The medical diagnostic centre will be set up in a ready-built and ready-to-use property owned by **UNIGLOVES Nigeria** and the business activities will be focused on laboratory diagnostics, occupational health screening and medical imaging.

These business opportunities require time and effort to bring to fruition.



Business Operations

This strong **UNIGLOVES®** brand presence opens up opportunities for the Group to expand our product portfolio to include complementary PPE such as face masks, reusable gloves, and ancillary products.

BUSINESS STRATEGY

It has always been the Group's culture to nurture businesses for sustainable growth for the long term.

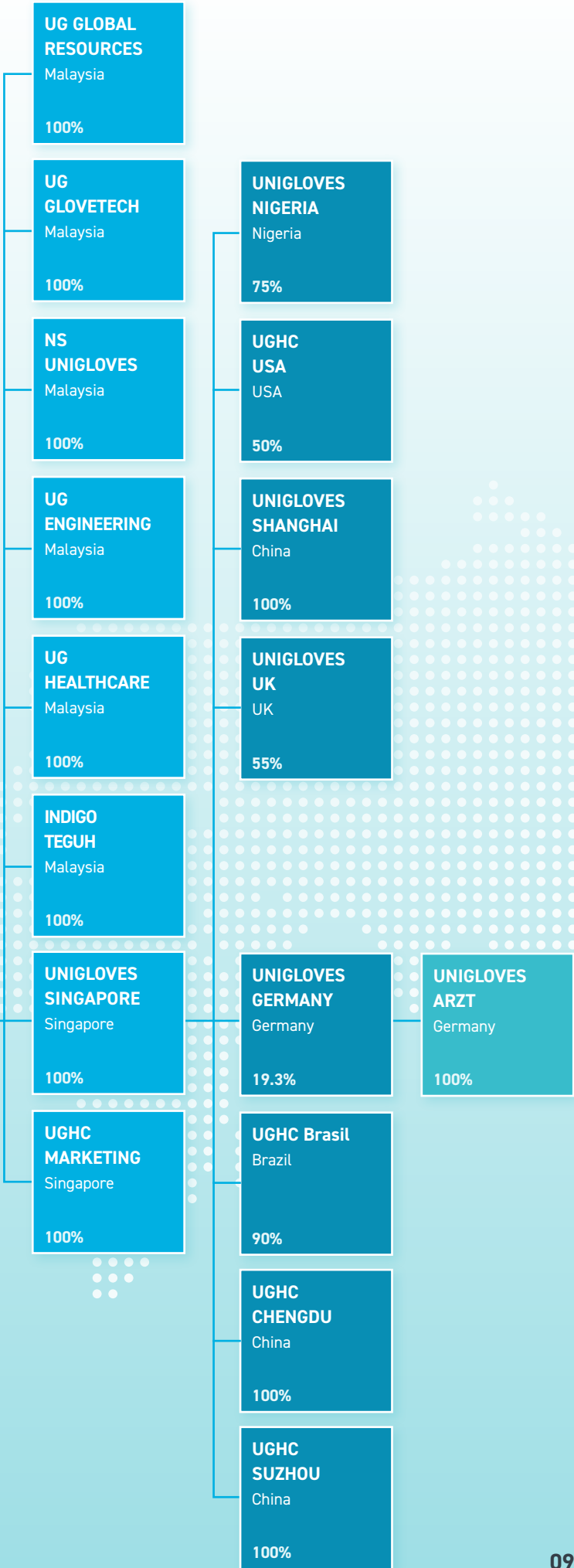
We built the OBM foundation with the aim of achieving a seamless and efficient value chain for personal protective equipment ("PPE"), in particular, disposable / single-use natural latex and nitrile examination gloves. Constructing the OBM foundation through a three-pronged approach concurrently, while slow in progress, allows us to understand from end users on their preferences and applications of our hand protection solutions through our downstream distribution channels. This, in turn, drives the upstream manufacturing capabilities to produce the 'market preferred' products, which are sold through the trusted **UNIGLOVES®** brand.

We value the trust and brand loyalty that our customers have in our **UNIGLOVES®** branded products. This strong **UNIGLOVES®** brand presence opens up opportunities for the Group to expand our product portfolio to include complementary PPE such as face masks, reusable gloves, and ancillary products. Our entrenched downstream distribution network infrastructure is an essential conduit for both our proprietary and the original equipment manufacturer ("OEM") products.

The unprecedented COVID-19 pandemic led the Group to viable opportunities to embark on our strategic diversification into non-glove healthcare related businesses. These strategic businesses will require time and conscientious effort to nurture, while we continue to build on the success of the OBM glove business.



Corporate Structure



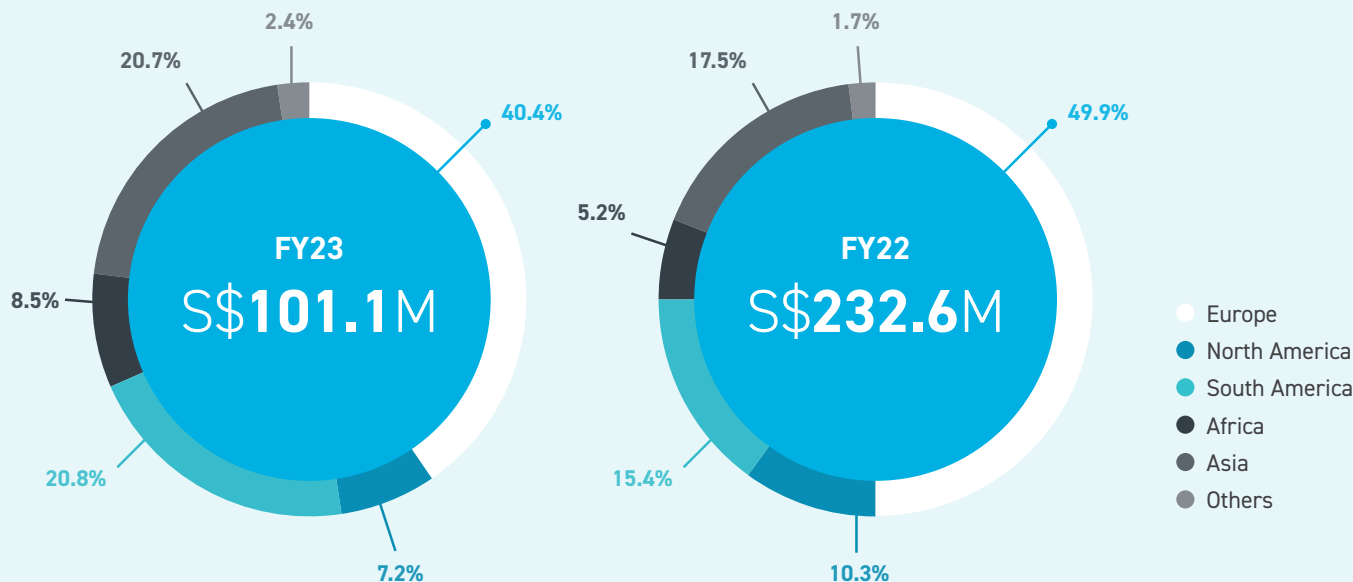
Financial Highlights

FOR THE FINANCIAL YEAR ENDED 30 JUNE	2023	2022	2021	2020	2019
INCOME STATEMENT (S\$'000)					
Revenue	101,133	232,598	338,401	144,209	91,712
Gross profit	1,448	84,386	196,160	42,519	18,716
(Loss)/Profit before tax	(28,361)	48,761	159,403	18,057	2,763
(Loss)/Profit attributable to owners of the Company	(20,734)	36,795	118,765	13,402	2,507
BALANCE SHEET (S\$'000)					
Total equity	181,190	235,063	194,760	54,272	43,364
Total assets	229,996	288,039	268,287	113,015	99,089
Net asset value ⁽¹⁾	180,844	228,900	190,636	52,221	42,328
Net tangible asset value	180,228	228,424	190,373	51,959	42,031
PER SHARE (SINGAPORE CENTS)					
Basic earnings ⁽²⁾	(3.32)	5.93	19.42	2.28	0.43
Net asset value ⁽³⁾	28.99	36.69	30.93	8.88	7.30
Net tangible asset value ⁽³⁾	28.89	36.62	30.89	8.83	7.25
Dividends ⁽³⁾	-	0.640	0.611	0.238	0.086
FINANCIAL RATIOS					
Return on equity ⁽⁴⁾	-10.1%	17.5%	97.8%	28.3%	5.9%
Return on assets ⁽⁵⁾	-8.0%	13.2%	62.3%	12.6%	2.7%
Dividend payout ratio	0.0%	10.8%	3.1%	11.2%	20.0%
Net gearing ratio ⁽⁶⁾	Net Cash	Net Cash	Net Cash	49.2%	79.10%

Notes:

- (1) Net asset value refers to the net asset value attributable to the owners of the Company, which is shareholders' equity.
- (2) Basic earnings per share was computed based on weighted average number of shares of 623.8 million for FY23, 620.2 million for FY22, 611.5 million for FY21, 588.3 million for FY20, and 579.9 million for FY19 (adjusted for share split of 1 existing ordinary share into 3 ordinary shares on 2 October 2020 for comparative purpose).
- (3) Net asset value per share, net tangible asset per share and dividends per share were computed based on the share capital of 623.8 million shares for FY23 and FY22, 616.3 million ordinary shares for FY21, 588.3 million shares for FY20, and 579.9 million shares for FY19 (adjusted for share split of 1 existing ordinary share into 3 ordinary shares on 2 October 2020 for comparative purpose).
- (4) Return on equity was computed based on net profit attributable to owners of the Company as a percentage of average net asset value.
- (5) Return on assets was computed based on net profit attributable to owners of the Company as a percentage of average total assets.
- (6) Net gearing ratio was computed based on total bank borrowings and derivative financial instruments less cash as a percentage of shareholders' equity.

REVENUE ANALYSIS BY KEY MARKETS

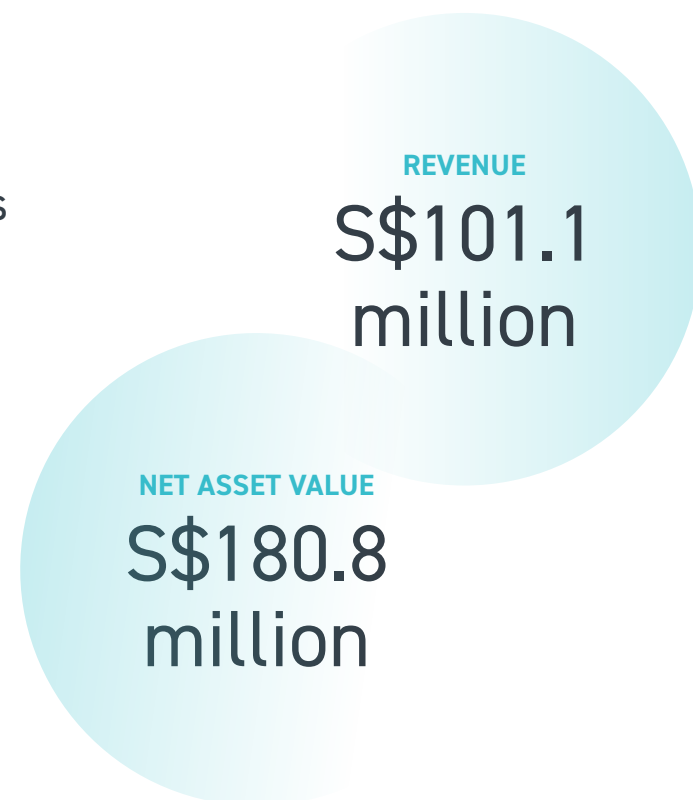


Performance Review

The Group has also embarked on strategic expansions into (i) product portfolio and business development teams to maximise the growth potential of its entrenched downstream global distribution network, and (ii) strategic diversification into non-glove healthcare related businesses including the joint development, management, and operation of active retirement homes in Johor, Malaysia.

The normalisation of post-pandemic global demand and supply of disposable examination gloves had been gradual for the financial year ended 30 June 2023 ("FY23"). While the Group had anticipated this trend reversal from the time when COVID-19 was declared a pandemic in early 2020, the unexpected rapidness and aggressiveness in capacity expansion in the Asia-Pacific region over the last few years changed the upstream manufacturing landscape. This surge in production capacities increased the global supply of disposable examination gloves, and led to intense price competition and rapid downward adjustments in average selling price ("ASP") of disposable examination gloves to lower than pre-COVID levels.

In the financial year under review, the Group's upstream manufacturing operations based in Malaysia were further undermined by the inflationary pressure on its fixed overheads. Consequently, the production volume of disposable examination gloves for FY23 was lowered and the commencement of the new manufacturing facility with installed production capacity of 1.2 billion pieces of gloves per annum was also delayed. It was also more cost efficient to collaborate with third-party manufacturers to supply the products that its upstream manufacturing operations do not produce to support its downstream distribution operations. The rapid downward adjustments in ASP also affected the Group's downstream distribution operations as inventory consumption was slower than expected with customers preferring to hold lower inventory as there was lower urgency to stockpile.



Nevertheless, the Group will be commissioning the new glove manufacturing facility in the financial year ending 30 June 2024 to improve efficiency and economies of scale as the disposable gloves industry, which was in rapid and disorderly growth in the past few years, undergoes rationalisation.

Building on its own brand manufacturing ("OBM") foundation and cultivating sustainable growth with its customers through its stronger brand presence and market positioning in its key markets, the Group has also embarked on strategic expansions into (i) product portfolio and business development teams to maximise the growth potential of its entrenched downstream global distribution network, and (ii) strategic diversification into non-glove healthcare related businesses including the joint development, management, and operation of active retirement homes in Johor, Malaysia. These initiatives will pave the way for sustainable long-term growth for the Group.

In FY23, the Group recorded significantly lower revenue of S\$101.1 million, a 56.5% year-on-year decline from S\$232.6 million in FY22. The lower revenue corresponded to lower sales volume and lower ASP across all product and geographical segments in FY23 as compared to FY22.

Performance Review

PRODUCT SEGMENT ANALYSIS

FYE 30 JUNE (S\$'000)	REVENUE		GROSS PROFIT		GROSS MARGIN	
	FY23	FY22	FY23	FY22	FY23	FY22
Latex examination gloves	66,394	110,496	457	39,924	0.7%	36.1%
Nitrile examination gloves	28,687	115,451	144	43,828	0.5%	38.0%
Other ancillary products	6,052	6,651	847	634	14.0%	9.5%
Total	101,133	232,598	1,448	84,386	1.4%	36.3%

The decline in revenue was mainly due to the gradual normalisation of post-pandemic global demand and supply for disposable examination gloves amid excess capacity, which resulted in intense price competition and slow consumption of relatively high-priced inventories at the downstream distribution segment.

REVENUE ANALYSIS BY KEY MARKETS

FYE 30 JUNE (S\$'000)	FY23	FY22	VARIANCE
Europe	40,904	116,010	- 64.7%
North America	7,262	24,005	- 69.7%
South America	21,022	35,707	- 41.1%
Africa	8,575	11,998	- 28.5%
Asia	20,971	40,751	- 48.5%
Others	2,399	4,127	- 41.9%
Total	101,133	232,598	- 56.5%

Note: As a result of the integrated supply chain, the Group recognises sales only after the products have been sold by the distribution companies. The goods in transit and in the warehouses of its distribution companies are recorded as inventory, and can only be recognised as revenue when they are sold to end consumers.

Correspondingly, slower demand for disposable examination gloves have led to lower productivity at the upstream manufacturing segment, which were insufficient to cover the higher fixed operating costs including electricity and gas tariffs, as well as higher minimum labour wage under the new employment act in Malaysia. This undermined the cost savings generated from the decrease in the average purchase price of raw materials.

Gross profit decreased significantly from S\$84.4 million in FY22 to S\$1.4 million in FY23 in tandem with the decrease in ASP of both latex and nitrile disposable examination gloves, the write-down of inventory value of disposable examination gloves, and higher overhead expenses at the upstream manufacturing segment. This led to the steep decline in gross profit margin from 36.3% in FY22 to 1.4% in FY23.

Other income increased from S\$0.7 million in FY22 to S\$2.7 million in FY23 as a result of higher interest income from fixed deposits with the banks.

Other expenses increased from S\$2.4 million in FY22 to S\$5.6 million in FY23, arising mainly from the impairment of machineries at the upstream manufacturing segment.

Total operating expenses comprising marketing and distribution expenses and administrative expenses decreased from S\$33.2 million in FY22 to S\$26.6 million in FY23. The decrease was mainly due to the reduction in groupwide staff bonuses and commission, in tandem with the decline in revenue and profit.

Finance costs increased marginally from S\$0.8 million in FY22 to S\$0.9 million in FY23 due to an increase in utilisation of trade facilities and higher borrowing interest rate.

Performance Review

Share of results from associates saw an increase in profit from S\$0.1 million in FY22 to S\$0.6 million in FY23 on higher profits reported by its associates in Germany and the USA.

After taking into account the tax expenses and minority interests, the Group registered a net loss attributable to shareholders of S\$20.7 million in FY23, a reversal from a net profit attributable to shareholders of S\$36.8 million in FY22.

FINANCIAL POSITION

Despite the net loss attributable to shareholders of S\$20.7 million in FY23, the Group's financial position remained strong with net asset value of S\$180.8 million as at 30 June 2023, a decline from S\$228.9 million as at 30 June 2022. Correspondingly, net asset value per share decreased from S\$0.3669 as at 30 June 2022 to S\$0.2899 as at 30 June 2023. The Group continues to maintain a net cash position¹ of approximately S\$31.8 million as at 30 June 2023.

Non-current assets decreased by 6.3% or approximately S\$4.6 million from S\$74.7 million as at 30 June 2022 to S\$70.1 million as at 30 June 2023. This was mainly due to the impairment of machineries amounting to S\$5.3 million that resulted in a decrease in value of property, plant and equipment ("PPE"), and partially offset by marginal increases in deferred tax asset, intangible assets and associates amounting to S\$1.6 million in aggregate.

Current assets decreased by 25.0% or approximately S\$53.4 million from S\$213.3 million as at 30 June 2022 to S\$159.9 million as at 30 June 2023. The decline was mainly due to:

- a) the decrease in cash and bank balances of S\$38.5 million, down from S\$100.2 million as at 30 June 2022 to S\$61.7 million as at 30 June 2023;
- b) the decrease in inventories of S\$7.3 million from S\$61.8 million as at 30 June 2022 to S\$54.5 million as at 30 June 2023, due to inventory written down of S\$6.6 million;
- c) the decrease in trade and other receivables of S\$5.2 million from S\$40.9 million as at 30 June 2022 to S\$35.7 million as at 30 June 2023, due to lower sales revenue on the back of lower ASP of disposable examination gloves; and
- d) the decrease in income tax assets from S\$10.3 million as at 30 June 2022 to S\$8.0 million as at 30 June 2023.

The Group's non-current liabilities increased marginally by 1.3% or approximately S\$0.2 million from S\$15.8 million as at 30 June 2022 to S\$16.0 million as at 30 June 2023. This increase was due to the increase in non-current borrowings of S\$3.5 million for the construction of the new factory and new production lines, which was partially offset by the decrease in deferred tax liabilities of S\$3.2 million.

Current liabilities decreased by 11.8% or approximately S\$4.4 million from S\$37.2 million as at 30 June 2022 to S\$32.8 million as at 30 June 2023. This was mainly due to:

- (a) the decrease in trade and other payables of S\$10.4 million from S\$24.5 million as at 30 June 2022 to S\$14.1 million as at 30 June 2023, was due to the decrease in the purchasing prices of raw materials;
- (b) the decrease in income tax liabilities of S\$3.9 million from S\$5.6 million as at 30 June 2022 to S\$1.7 million as at 30 June 2023, following the payment of tax payable; and

partially offset with:

- (c) the increase in borrowings by S\$9.9 million from S\$6.2 million as at 30 June 2022 to S\$16.1 million as at 30 June 2023, arose from the the increase in the utilisation of trade facilities.

CASH FLOW

The Group's net cash used in operations amounted to approximately S\$41.3 million in FY23. This comprised negative operating cash flows before changes in working capital of S\$38.3 million, adjusted by net working capital inflows of S\$2.1 million. The net working capital inflow was mainly due to the decrease in inventories of S\$7.3 million, trade and other receivables of S\$5.2 million, which was partially offset by a decrease in trade and other payables of S\$10.4 million.

Net cash used in investing activities amounted to S\$5.9 million in FY23. This was mainly due to the purchases of property, plant and equipment for the construction of the new manufacturing facility and new production lines, which was partially offset by cash inflows from interest received from bank deposits.

Net cash generated from financing activities amounted to S\$8.7 million in FY23. This was due to the net increase in the drawdown of trade facilities.

Note:

- 1 Net cash was computed based on cash and bank balances less total bank borrowings.

Board of Directors

MR. YIP WAH PUNG

Non-Executive Chairman and Independent Director

Mr. Yip Wah Pung is the Non-Executive Chairman and Independent Director of the Company, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. He was appointed to the Board on 20 November 2014 and was last re-elected on 28 October 2022.

Mr. Yip has over 40 years of experience in the audit and tax industry. He started his career as a tax examiner at the Income Tax Department of Malaysia in February 1977, where he worked for 12 years. From February 1989 to August 1989, he joined W.M Lam & Co, an audit firm, as a senior associate. Subsequently, he joined K.W. Chong & Co as an audit manager from September 1989 to November 1994 before he started his own audit firm, W.P. Yip & Co in 1994, where he is currently a partner. The audit firm is principally engaged in the provision of tax and audit services.

Mr. Yip graduated from Tunku Abdul Rahman College with a Diploma in Commerce in June 1977. He has been a member of (i) the Malaysian Institute of Accountants since 1980, (ii) the Association of Chartered Certified Accountants since 1980, (iii) the Malaysian Institute of Chartered Secretaries and Administrators since 1980, and (iv) the Chartered Tax Institute of Malaysia since 1995.

MR. LEE KECK KEONG

Executive Director and Chief Executive Officer

Mr. Lee Keck Keong is the Executive Director and Chief Executive Officer of the Company. He is a member of the Nominating Committee. He was appointed to the Board on 20 November 2014 and was last re-elected on 28 October 2022.

Mr. Lee has been instrumental in successfully leading the Group to become an established player in the gloves manufacturing industry. He also serves as a director to the boards of the Company's subsidiaries and associated companies.

Mr. Lee graduated from the University of Surrey in 1977 with a degree in chemical engineering. Upon graduation, he started his career as a chemical engineer in a state-owned company. Thereafter, he entered into various business ventures in diverse industries, including mining, saw milling, property development and timber development.

MR. LEE JUN YIH

Executive Director and Finance Director

Mr. Lee Jun Yih is the Executive Director and Finance Director of the Company. He was appointed to the Board on 10 November 2014 and was last re-elected on 30 October 2020.

Mr. Lee is primarily responsible for oversight and management of the Group's business and corporate development and works together with the Chief Executive Officer to formulate the overall business and corporate policies and strategies for the Group. He is also responsible for the oversight and control of the Group's overall accounting and finance function, including monitoring and coordinating the Group's financial accounts, consolidation and financial reporting.

Mr. Lee joined the Group in July 2011 and currently serves as a director to the boards of the Company's subsidiaries and associated companies.

Mr. Lee graduated from Pembroke College, University of Cambridge with a Bachelor of Arts (Law) in June 2004. He began his career as a solicitor with Freshfields Bruckhaus Deringer, an international law firm, in its Hong Kong, London and Beijing offices in 2005 before joining JP Morgan, London, and UBS AG, Hong Kong as an analyst in the Investment Banking Division in August 2007 and April 2008, respectively. Thereafter, he joined AEGON Asset Management as an associate in January 2010.

He was admitted as a Solicitor of the High Court of the Hong Kong Special Administrative Region in September 2007.

Board of Directors

MR. LEE JUN LINN

Executive Director and Chief Operating Officer

Mr. Lee Jun Linn is the Executive Director and Chief Operating Officer of the Company. He was appointed to the Board on 20 November 2014 and was last re-elected on 29 October 2021.

He is responsible for directing and management of the Group's sales, marketing and distribution platforms, and focuses on formulating the Group's marketing strategies and broadening its distribution network.

Started his career with the Group as an Assistant General Manager of Unigloves Shanghai in April 2008, Mr. Lee rose through ranks to become General Manager of Unigloves Shanghai in 2012. He was also appointed as a director of Unigloves Shanghai in July 2011 and a director of Unigloves (UK) Limited in April 2015.

Mr. Lee graduated from University College London with a Bachelor of Science (Economics) degree in August 2006 and subsequently obtained a Master of Science (International Management (China)) degree from the School of Oriental & African Studies in London in December 2007.

MR. WONG SEE KEONG

Executive Director

Mr. Wong See Keong is the Executive Director of the Company. He was appointed to the Board on 20 November 2014 and was last re-elected on 29 October 2021.

He is responsible for oversight and management of the Group's manufacturing, operations and administrative departments.

Mr. Wong has been with the Group for more than 30 years and played a crucial role in its expansion of manufacturing capacity and development of new products over the years. He started his career with the Group in November 1988 as a technologist and rose through ranks to become the Manufacturing Manager in July 1994 and General Manager of Operations in September 2007.

Mr. Wong graduated from Universiti Pertanian Malaysia with a Bachelor of Science (Chemistry and Education) in August 1986.

MR. NG LIP CHI, LAWRENCE

Independent Director

Mr. Ng Lip Chi, Lawrence is the Independent Director of the Company, Chairman of the Remuneration Committee and member of the Audit and Nominating Committees. He was appointed to the Board on 20 November 2014 and was last re-elected on 30 October 2020.

Mr. Ng is currently an executive director of NLC Advisory Pte. Ltd., a firm that provides corporate advisory services. He has extensive experience in international mergers and acquisitions and corporate finance, having worked in a professional services firm and investment banks, such as Arthur Andersen, Credit Agricole Indosuez Merchant Bank Asia Ltd, and DBS Bank Ltd., as well as in-house corporate finance for an Asian natural resources conglomerate.

Mr. Ng has advised companies on a wide range of transactions including acquisitions, divestitures, joint ventures, spin-offs, buyouts, reverse takeovers and capital raisings. His previous clients included multi-national companies, local and overseas listed companies, private enterprises and private equity firms.

Mr. Ng graduated from the National University of Singapore with a Bachelor of Business Administration and is also a Chartered Financial Analyst.

Mr. Ng is currently an independent director of Sanli Environmental Limited listed on the SGX-ST.

Board of Directors

MR. VINCENT LEOW

Independent Director

Mr. Vincent Leow is the Independent Director of the Company, Chairman of the Nominating Committee and member of the Audit and Remuneration Committees. He was appointed to the Board on 29 February 2020 and was re-elected on 30 October 2020.

Mr. Leow is currently a partner at Allen & Gledhill LLP, where he handles dispute resolution, investigations, and financial regulatory and compliance work.

Mr. Leow graduated from the National University of Singapore with a Bachelor of Laws (Honours) and was admitted to act as an advocate and solicitor of the Singapore Supreme Court. He also obtained a Master of Laws from Harvard Law School.

Mr. Leow is currently a director of Heartware Network, and he sits on the Board of Governors of Hometeam NS.

Key Management

MS. WONG PEK WEE

Head of Manufacturing

Ms. Wong Pek Wee is Head of Manufacturing of the Group and she is responsible for oversight and management of the Group's entire glove manufacturing process. This includes planning for the whole glove manufacturing and production process, quality assessment as well as research and development focusing on cost efficiency.

Ms. Wong joined the Group as a chemist in January 1997. She rose through ranks to become Executive (manufacturing) in January 1998, Production Manager in January 2000, Manufacturing Manager in September 2007, and subsequently promoted to be the Head of Manufacturing.

Ms. Wong started her career as a chemist with Cospac Sdn Bhd from June 1993 to May 1995. Prior to joining the Group, she was a temporary teacher with Sekolah Menengah Chung Ching, Raub Pahang.

Ms. Wong graduated from University of Malaya with a Bachelor of Science (Chemistry) in July 1993.

Sustainability Report

BOARD STATEMENT

The Board of Directors (the “**Board**”) of UG Healthcare Corporation Limited (“**UG Healthcare**” or the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to present the annual sustainability report for the financial year ended 30 June 2023 (“**FY23**”).

With countries embracing the endemic phase of the COVID-19 and the subsequent declaration that the pandemic had come to an official end in early May 2023, there had been a reverse in demand for personal protective products, including disposable examination gloves, as opposed to when COVID-19 was declared a pandemic in early 2020.

The Group has been managing fairly well amidst lower demand for disposable examination gloves, declining average selling price (“**ASP**”) of disposable examination gloves and inflationary pressure on the fixed overheads for our operations, as well as intense competition resulting from the previously rapid and aggressive capacity expansion at the upstream manufacturing division during the pandemic. These dynamic challenges throughout the industrial value chain of personal protective disposable products are likely to undermine financial performance in the short to medium term as markets seek new equilibrium in demand and supply.

Nevertheless, we believe the Group’s ethos and conscientious efforts in conducting our business activities responsibly will continue to guide us through both the good times and the trying times. We value the trust and support of our stakeholders, particularly our customers, employees, business partners and shareholders, over the years.

As the Group strives to recalibrate with the evolving business environment to grow prudently and sustainably, we remain committed to making good progress in our economic, environmental, social, and governance (“**EESG**”) material factors. Together with the impact of climate-related risks and opportunities, these EESG material factors will be taken into consideration in the determination of the Group’s strategic direction and policies, and ensuring they are relevant and current for the business and our expansion plans.

The Board maintains oversight over the Sustainability Committee and monitors the Group’s sustainability practices with the Sustainability Committee, which is chaired by the Group’s Chief Executive Officer. We look to improving our disclosures as well as progressively updating our targets that are material to the sustainability of our business as we continue to pave the way for our growth journey.

This sustainability report highlights our key EESG performance in FY23, where our focus will be on the Group’s upstream manufacturing operations located in Seremban, Negeri Sembilan, Malaysia. As our Singapore operations is primarily involved in the corporate reporting of the listed company and acts as the sales, marketing and distribution hub for the downstream distribution operations, the performance data from our Singapore and global downstream distribution operations managed locally in the six key markets have not been included as part of this report. Nevertheless, the Group remains committed to upholding our integrity and business ethics across our businesses globally, as our downstream distribution operations are conducted in accordance with the rules and regulations of the respective countries. There were no restatements made from the previous report.

The Group continues to conform to various international standards and requirements for our **UNIGLOVES®** brand of products and our upstream manufacturing is certified by the British Standards Institution (“**BSI**”) for ISO 9001:2015, ISO 13485:2016, EN ISO 13485:2016+A11:2021, ISO 14971, and EN ISO 14971 for the scope of manufacture and supply of natural latex and nitrile examination gloves. We are also registered with the Supplier Ethical Data Exchange, a not-for-profit membership organisation that leads work with buyers and suppliers to deliver improvements in responsible and ethical business practices in global supply chains, and our manufacturing facilities are audited under Sedex Members Ethical Trade Audit (“**SMETA**”) annually. We value the trust and loyalty of our stakeholders and remain committed to assure and support them with consistent quality and reliability of our products and services to achieve sustainable growth together.

Sustainability Report

This sustainability report has been prepared with reference to the 2021 Global Reporting Initiative (“GRI”) Standards (“GRI Standards”) and in compliance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (the “Catalist Rules”). We have chosen the GRI framework as it is a well-known and globally recognised sustainability reporting standard.

As the Group does not fall under any of the priority Task Force on Climate-related Financial Disclosures (“TCFD”) industries identified for mandatory disclosures, we will work on progressively reporting climate-related disclosures consistent with TCFD recommendations.

While external assurance has not been sought for the sustainability report, an internal review of our sustainability reporting processes was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors by our internal auditor, on a cycle basis, as part of the internal audit plan.

We welcome stakeholders to provide us with feedback and suggestions on this report. You may contact us through our investor relations email at ir@ughcc.com.

YIP WAH PUNG

Non-Executive Chairman and Independent Director

LEE KECK KEONG

Chief Executive Officer and Executive Director

Sustainability Report

SUSTAINABILITY GOVERNANCE

At UG Healthcare, our sustainability focus is to make a positive difference and progress together with our prioritised stakeholders – customers, employees, business partners, and the communities where we operate. We believe our sustainability approach that embraces the EESG aspects including labour practices and societal responsibilities is a holistic approach of inclusivity, which forms the cornerstone of our organisation culture.

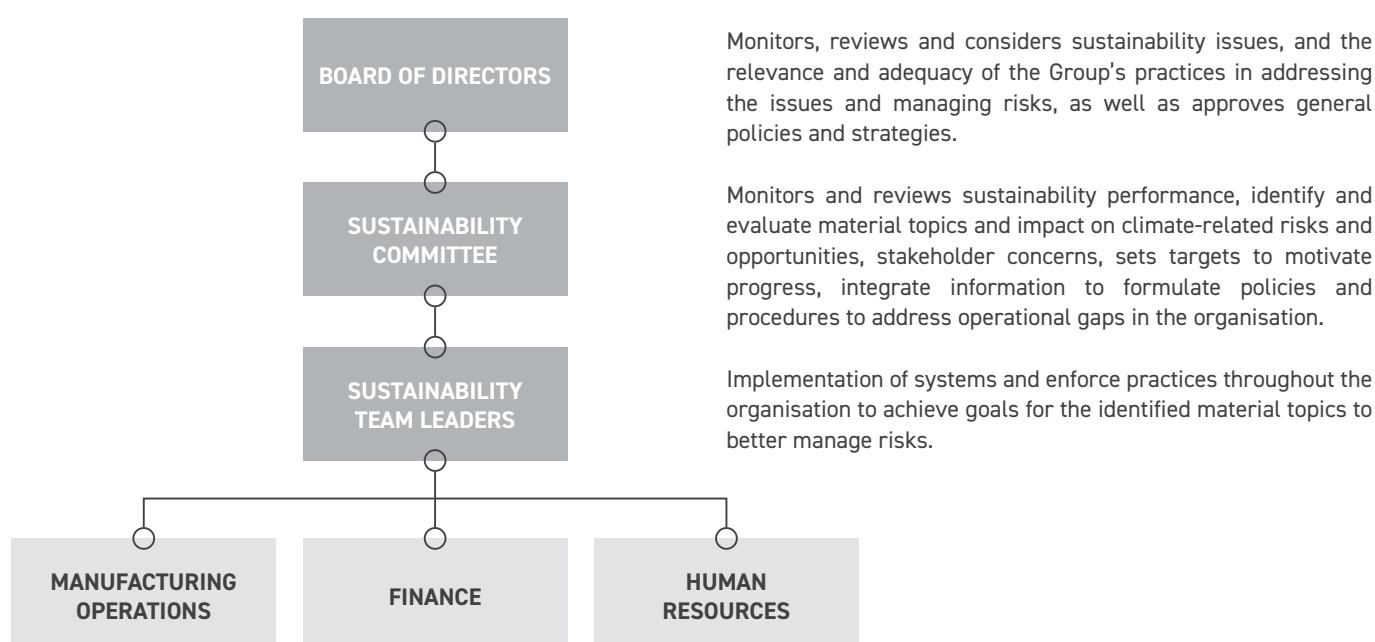
The Board and management through this sustainability approach cultivates sustainable values throughout the organisation and pass them on to our external stakeholders. We believe that managing the EESG impacts from within will manage the risks and opportunities present in our business, and correspondingly, generate stable and sustainable value for our stakeholders.

The Group has in place a Sustainability Committee (“**SC**”) comprising key management executives who oversee the various departments in the organisation and is overseen by the Chief Executive Officer of the Group, who in turn, reports to the Board for advice and guidance. Sustainability concerns with respect to the risks and opportunities of the Group will be brought to attention of the SC. The SC will then conduct an assessment on the sustainability concerns before raising its findings to the Board. The Board maintains efficient oversight over the SC by reviewing and considering the relevance and adequate practices in place to address potential sustainability issues. The Board will also incorporate these findings when formulating strategies and policies to better manage the potential sustainability risks and opportunities that may be encountered by the Group. This process helps to ensure all EESG and climate-related matters significant to the business are considered and adequately addressed.

The Board will review and deliberate on the sustainability issues, while the SC has the responsibility to ensure that the EESG factors and climate-related matters are monitored on an ongoing basis and appropriately managed. The SC is responsible for reviewing the Group’s sustainability performance and material topics, analysing climate-related risks and opportunities, addressing stakeholder concerns, setting of targets and goals for material factors, and establishing systems to collect, verify, monitor, and report information required for sustainability reporting. The SC meets at least once a year to discuss, propose, coordinate, and promote the Group’s sustainability practices.

In FY23, we have formalised the Sustainability Reporting Policy to reinforce our commitment to address sustainability of our Group, and this policy serves as a reference on the conduct of our sustainability reporting. The Board has also kept themselves abreast of rising concerns about sustainability and climate-related topics through continuous training and education.

The Group’s sustainability governance structure is set out as follows:



We believe that managing the EESG impacts from within will manage the risks and opportunities present in our business, and correspondingly, generate sustainable value for our stakeholders.

Sustainability Report

STAKEHOLDER ENGAGEMENT

At UG Healthcare, we believe that sustainable operations require regular communication of both internal and external stakeholders. The Group remains committed to engaging with our stakeholders through efficient communication and strengthening mutually beneficial relationships to grow sustainably together.

Sustainability reporting provides us with a valuable opportunity to engage our stakeholders and respond to issues that matter most to them and to our business, while at the same time, enhances the Group's assessment in risk management, strategy development, and stakeholder engagement activities as we work to further focus and prioritise our sustainability and corporate social responsibility initiatives. We are committed to understand the concerns of our key stakeholders and seek to address them adequately, and align our key stakeholders to participate with the Group's sustainable and steadfast growth journey.

In FY23, we continued to engage our key stakeholders through multiple established channels to evaluate the relevance of the material topics that are of significance to our business and our stakeholders.

Our engagements with our key stakeholders are summarised below:

STAKEHOLDERS	AREAS OF CONCERN	OUR ENGAGEMENT APPROACH	OUR ACTIONS
INTERNAL			
Board of Directors	<ul style="list-style-type: none"> Effectiveness and relevance of internal policies and systems Regulatory compliance 	<ul style="list-style-type: none"> Board meetings Regular updates via electronic communications (emails, phone calls, virtual meetings) 	<ul style="list-style-type: none"> Regular updates on corporate activities, developments, and financial performance Seek advice and approvals from the Board on all material proposed developments
Employees	<ul style="list-style-type: none"> Career growth Training opportunities Competitive salaries and incentives Pleasant and safe working environment 	<ul style="list-style-type: none"> Regular internal communications through staff meetings and electronic communications (emails, phone calls, internal notices, virtual meetings) Training and development programmes Performance appraisal Employee feedback/survey 	<ul style="list-style-type: none"> Ensure effective implementation of human resources policies, internal systems and procedures Regular internal meetings to review safety and healthy work environment Sponsor employees to attend courses and conferences Annual review on performance

Sustainability Report

STAKEHOLDERS	AREAS OF CONCERN	OUR ENGAGEMENT APPROACH	OUR ACTIONS
EXTERNAL			
Government & Regulators	<ul style="list-style-type: none"> Regulatory compliance Occupational health & safety Environmental compliance Socioeconomic issues Corporate governance 	<ul style="list-style-type: none"> Meetings Electronic communications Through external professionals and agencies Announcements on SGXNet 	<ul style="list-style-type: none"> Ensure compliance with applicable laws and regulations Regular communication with external professionals and agencies Correspondence with relevant authorities as and when necessary Consistent update on relevant laws and regulations through seminars and training
Customers / Distributors	<ul style="list-style-type: none"> Quality control Reliability, on-time delivery, and after sales services Technical support Reasonable payment terms Competitive pricing Long-term working relationship 	<ul style="list-style-type: none"> Regular customer feedback management (survey, face-to-face meetings) Regular follow-up and support services (calls, face-to-face meetings) Trade fair (trade show, exhibition) Electronic communications (emails, phone calls, virtual meetings) 	<ul style="list-style-type: none"> ISO 9001, ISO 13485, and ISO 14971 certifications to assure consistent quality standards in products and services SMETA audit to assure products are produced ethically Active follow-up on customers' needs and product applications Regular internal meetings to review customers' fulfilment and evolving requirements Update customers on new products Provide timely responses to customers Ensure all relevant requirements and compliance with standards are met for all products manufactured and sold Perform periodic evaluation
Suppliers / Business Partners	<ul style="list-style-type: none"> Timely payment and adherence to agreed terms Long-term working relationship 	<ul style="list-style-type: none"> Regular interactions and updates with suppliers Electronic communications (emails, phone calls, virtual meetings) 	<ul style="list-style-type: none"> Regular review and feedback on the quality and evolving requirements Ensure compliance with standards, relevant laws and regulations, as well as good corporate practices Perform periodic evaluation
Shareholders & Investment Community	<ul style="list-style-type: none"> Better financial returns Business sustainability and profitability Industry conditions and prospect Market presence Transparency and good governance 	<ul style="list-style-type: none"> Announcements on SGXNet Shareholders' general meetings Analysts' meetings (face-to-face meetings, emails, virtual meetings, conference calls) Electronic communications (emails, virtual meetings) Annual report Company website 	<ul style="list-style-type: none"> Ensure all public disclosures on corporate results and material developments are disclosed accurately and timely via official announcements as and when required Half-yearly meetings with analysts and investment community to update on corporate developments Ensure sustainable business growth

Sustainability Report

MATERIALITY ASSESSMENT

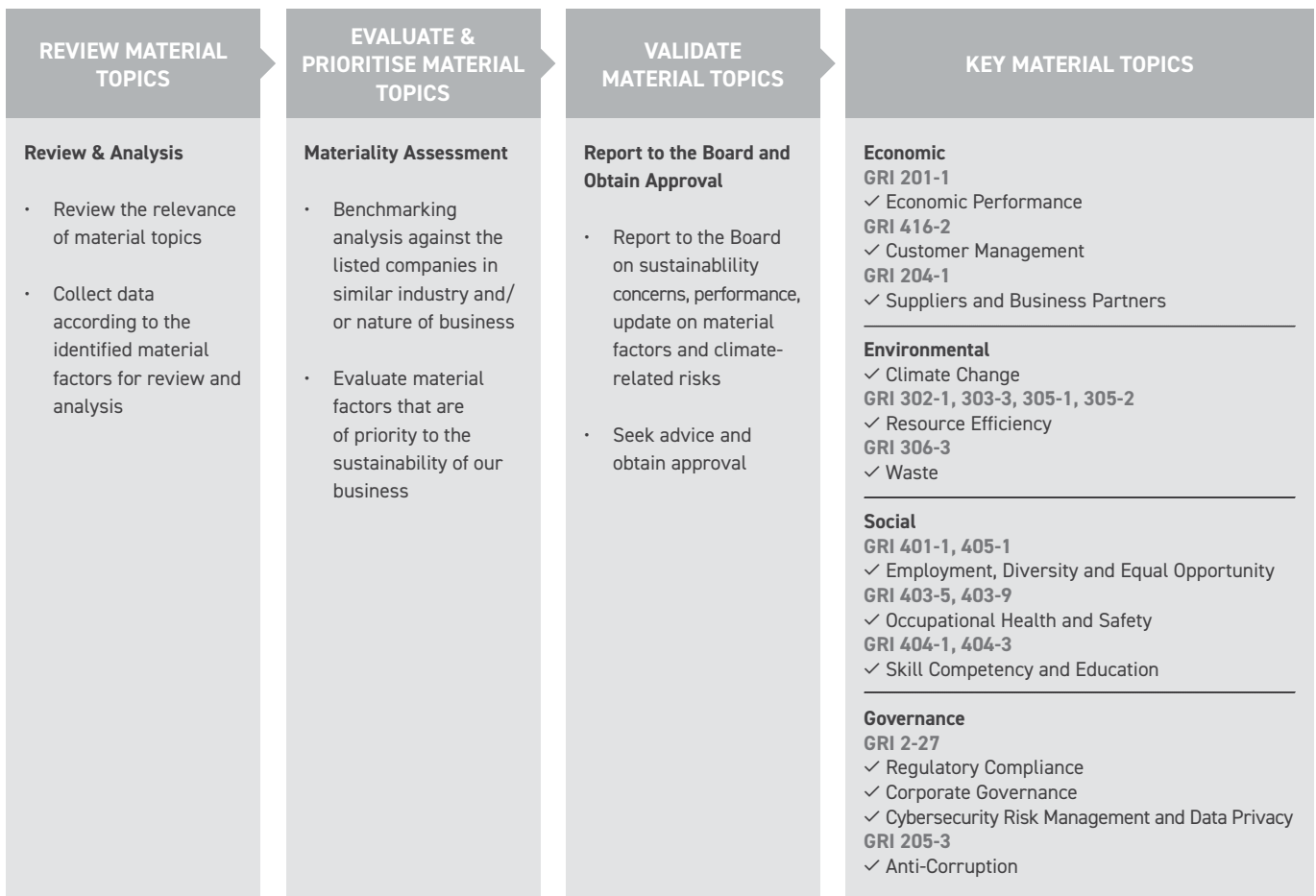
The Group carried out an internal review on the relevance of the material topics for FY23. We explored the criteria of material analysis based on industry standards, and reviewed peer benchmarking based on companies with similar operations and management awareness. The selection of the material topics and its level of importance were based on discussion with both internal and external stakeholders, as well as the sustainability team leaders and their influence on stakeholders and impact on our business risks and opportunities in FY23. These material topics were also presented to the Board for review and approval before their inclusion in this sustainability report.

Whilst the Group continues to overcome challenges from the impact of the post-pandemic, we expanded coverage on the material topics to include training and education of our employees at our upstream manufacturing operations. Data has been collected according to our material topics to facilitate analysis of our performance to set targets for the respective material topics for the financial year ending 30 June 2024 ("FY24").

The chart below summarises our materiality assessment process and the relevant GRI Standards which we have referenced in this sustainability report. We will continue to improve our interactions with our stakeholder groups related to the material topics identified as economies recover from post-pandemic as well as the impact of climate-related risks and opportunities on our business.

The GRI Standards that have been referenced in this sustainability report include GRI 2 General Disclosures 2021, GRI 3 Material Topics 2021, GRI 201 Economic Performance 2016, GRI 204 Procurement Practices 2016, GRI 416 Customer Health and Safety 2016, GRI 302 Energy 2016, GRI 303 Water and Effluents 2018, GRI 305 Emissions 2016, GRI 306 Waste 2020, GRI 401 Employment 2016, GRI 403 Occupational Health and Safety 2018, GRI 404 Training and Education 2016, GRI 405 Diversity and Equal Opportunity 2016, and GRI 205 Anti-Corruption 2016.

The sustainability reporting process and specific disclosures for each GRI Standard reported under the various material topics are set out in the chart below.



Sustainability Report

MATERIAL TOPIC: ECONOMIC

Economic Performance

GRI 201-1

Over the last few years, the rapid and aggressive capacity expansion in the Asia-Pacific region tilted the equilibrium of global demand and supply, and led intense competition throughout the industrial value chain. This, coupled with inflationary pressure on fixed overheads including higher electricity and gas tariffs, and minimum wage under the new employment act in Malaysia during FY23, aggravated the financial performance of the Group.

The prolonged disequilibrium in global demand and supply undermined the average selling price ("ASP") of disposable examination gloves. While the Group's own brand manufacturing ("OBM") business model moderated the impact, the higher overheads at our upstream manufacturing division and the write-down of inventory value led to the steep decline in gross profit, and correspondingly, the gross profit margin. Despite stringent cost rationalisation efforts, the Group recorded a net loss attributable to shareholders of S\$20.7 million in FY23, a reversal from a net profit attributable to shareholders of S\$36.8 million in FY22.

Please refer to the following sections in the annual report for more details on our operations and financial information:

- Business Operations on page 4 to 8
- Financial Highlights on page 10
- Performance Review on page 11 to 13
- Financial Statements on page 78 to 143

Notwithstanding the challenges, we will commission our third manufacturing facility with an installed production capacity of 1.2 billion pieces of gloves per annum in the financial year ending 30 June 2024, targeted at improving efficiency and economies of scale at our upstream manufacturing division. While we are mindful of the global economic slowdown, we are committed to nurture our Group towards a new level of sustainable growth in the long term. These strategic initiatives include (i) product portfolio and business development teams to maximise the growth potential of its entrenched downstream global distribution network, and (ii) strategic diversification into non-glove healthcare related businesses including the joint development, management, and operation of active retirement homes in Johor, Malaysia. We believe these strategic efforts will enhance our risk profile, as well as cultivate growth sustainably to our operations and financial performance.

The table below provides an analysis of our economic value distributed to various stakeholders, and the economic value retained.

FINANCIAL YEAR ENDED 30 JUNE

(S\$'000)	FY23	FY22
Economic value generated	101,133	232,598
Economic value distributed		
Operating costs	(110,991)	(157,391)
Employee wages and benefits	(20,845)	(26,467)
Payments to providers of capital	(4,860)	(1,949)
Payments to government by country (taxes)	(4,230)	(22,597)
Economic value (distributed)/retained	(39,793)	24,194

Notes:

- Operating costs include cost of sales, marketing and distribution expenses, administrative expenses, other expenses and exclude employee wages and benefits.
- Employee wages and benefits include Directors' remuneration and employee salaries.
- Payments to providers of capital denotes interest paid to banks and dividends paid to shareholders.
- Payments to government by country (taxes) denotes to income taxes paid.

Performance in FY23

- Did not maintain financial performance compared to pre-COVID levels due to lower volume produced and sold amid lower ASP, higher overheads at upstream manufacturing division, and write-down of inventory value in FY23.
- The commissioning of production capacity of 1.2 billion pieces of gloves per annum at the third manufacturing facility was delayed due to slower consumption by customers.
- Recorded no incident of non-compliance with management controls and procedures.

Targets for FY24

- To achieve profitability through better economies of scale with higher production efficiency with the commissioning of the third manufacturing facility in FY24.
- To maximise OBM growth potential through expansion of product portfolio and market presence from key markets of the downstream distribution division.
- To nurture the new identified businesses in the non-glove healthcare related sector.
- Continue to maintain no incident of non-compliance with management controls and procedures.

Sustainability Report

Customer Management

GRI 416-2

It has always in our Group's culture to nurture long term business relationships with our customers. Our integrated OBM business allows the Group to manage our supply chain efficiently and seamlessly, ensuring our customers on the quality and reliability of our **UNIGLOVES®** branded products.

We value the trust and brand loyalty of our customers in our **UNIGLOVES®** branded products, and we remain committed to uphold our best practices and standards to address the evolving requirements of our end users across diverse industries and develop suitable hand protection solutions (both disposable and reusable gloves), healthcare related products, and ancillary products for their applications in their professions, thereby keeping them safe.

The direct interaction with our customers through our downstream distribution operations provides the Group the competitive advantage to understanding and responding to their requirements with the support of our upstream manufacturing operations.

Our upstream manufacturing is certified by the British Standards Institution ("**BSI**") for ISO 9001:2015, ISO 13485:2016, EN ISO 13485:2016+A11:2021, ISO 14971, and EN ISO 14971 for the scope of manufacture and supply of natural latex and nitrile examination gloves. The Group is also registered with the Supplier Ethical Data Exchange, a not-for-profit membership organisation that leads work with buyers and suppliers to deliver improvements in responsible and ethical business practices in global supply chains. Our manufacturing facilities are audited under the 4-pillar SMETA which covers (i) Labour Standards, (ii) Health & Safety, (iii) Environment and (iv) Business Ethics.

Our proprietary brand of products continues to conform to various international standards and requirements. Please refer to the Business Operations section found on page 4 to 8 for more details on the accreditations of our products.

The Group has recorded no incident of non-compliance with the relevant laws and regulations on customers' health and safety in FY23.

Performance in FY23

- Achieved target set in FY23.
- Our manufacturing facilities and products continue to comply with all international safety and quality standards.
- Strong brand presence and market position in key markets of Europe, Brazil, Nigeria and China.
- Recorded no incident of non-compliance with relevant laws and regulations on health and safety impacts of products and services.

Targets for FY24

- Continue to ensure that our upstream manufacturing facilities maintain international standards of production and products produced are of high safety and quality standards.
- Continue to cultivate demand for proprietary **UNIGLOVES®** branded products through new markets and product portfolio expansions with the strong brand presence and position.
- Continue to maintain no incident of non-compliance with the relevant laws and regulations on health and safety impacts of products and services.

Sustainability Report

Suppliers and Business Partners

GRI 204-1

The Group remains committed to maintaining mutually beneficial partnerships with the local suppliers for our upstream manufacturing operations, whenever possible.

We believe sourcing raw materials from local suppliers not only supports the local economy and sustainability of their businesses, but also enhances cost efficiency and ensures consistent supply of raw materials for our manufacturing operations.

We are mindful that the sustainability of our suppliers and business partners contributes to the sustainability of our Group's business. Hence, we value the trust and strong business relationships built with our suppliers and business partners to grow sustainably together.

Of the total raw materials purchased in FY23, we continued to purchase 100.0% of packaging materials and increased our purchase of chemicals from 99.0% in FY22 to 99.8% in FY23, from local suppliers for our manufacturing operations. Our purchases of natural latex and nitrile decreased from 3.0% and 23.0% in FY22 to 1.3% and 19.8% in FY23, respectively due to lower sales demand.

In FY23, our manufacturing operations did not encounter any disruption in the supply of raw materials as we continued to be well supported by our long-term suppliers.

Performance in FY23

- Achieved target set for FY23 except for the marginal decrease in natural latex and nitrile raw materials.
- Purchased 100% of packaging materials and 99.8% of chemicals from local suppliers.
- No disruption on raw materials supply with the easing of the pandemic measures.

Targets for FY24

- To maintain similar percentage of purchases locally as FY23.
- To maintain strong business relationships with our suppliers.

MATERIAL TOPIC: ENVIRONMENTAL

Climate Change

The Group is aware that climate change poses risks to our business and industry, as well as broader society. As part of our commitment to operate ethically and sustainably, we are dedicated to understanding climate-related risks and opportunities, and embedding responses to these into our business strategy and operations.

We recognise that the aim of the Task Force on Climate-related Financial Disclosures ("TCFD") is to improve transparency of organisations' climate-related risks and opportunities so that investors can make informed decisions on where to deploy their capital.

We have started gradually adopting the recommendations of the TCFD, as well as begun reporting our Scope 1 and Scope 2 greenhouse gas emissions to understand and monitor our baseline emissions in order to set realistic targets. We endeavour to share our progress towards meeting all the recommendations of the TCFD in our subsequent sustainability reports.

As the Group does not fall under any of the priority TCFD industries identified for mandatory disclosures, we will work on progressively reporting climate-related disclosures consistent with TCFD recommendations.

Sustainability Report

Resource Efficiency

GRI 302-1, 303-3, 305-1, 305-2

The energy consumption at our upstream manufacturing facilities comprises electricity and natural gas. Natural gas usage is purely for production lines to support functions such as drying processes, heating chemicals and water for gloves manufacturing purpose, while electricity is used for lighting, cooling, and operation of equipment. Water consumed is primarily for production lines in the manufacturing facilities.

We postponed the commissioning of our third manufacturing facility with an installed production capacity of 1.2 billion pieces of gloves per annum from FY23 to FY24 amidst the disequilibrium of global demand and supply of disposable examination gloves. Nevertheless, we continued to monitor and measure our environmental footprint from our energy and water consumption for FY23.

Our total energy consumed for the Group's two existing manufacturing facilities decreased by 19.7% from 1,203,924 gigajoules ("GJ") in FY22 to 966,271 GJ in FY23. Electricity usage decreased 13.8% from 78,082 GJ in FY22 to 67,333 GJ in FY23. Similarly, natural gas usage decreased by 20.2% from 1,125,842 GJ in FY22 to 898,938 GJ in FY23. The decrease in total energy consumed, however, raised the average of consumption of electricity per 1,000 pieces of gloves from 8.11 kilowatt hour ("kWh") in FY22 to 9.09 kWh in FY23, and the consumption of natural gas per 1,000 pieces of gloves from 0.40 Metric Million British Thermal Unit ("MMBtu") in FY22 to 0.41 MMBtu in FY23 due to lower productivity.

The Group's overall greenhouse gas ("GHG") emissions reduced by 19.0% from 78,007 tonnes CO₂e ("tCO₂e") in FY22 to 63,214 tCO₂e in FY23.

Water consumed is provided by the local municipal water supply. The total volume of water consumed at the Group's upstream manufacturing facilities decreased by 20.6% from 1,804.8 megaliters ("ML") in FY22 to 1,432.2 ML in FY23. However, the water consumed for the average per 1,000 pieces of gloves produced increased by 4.5% from 0.67 litre in FY22 to 0.70 litre in FY23 due to lower productivity.

Whilst this is the second year of data collection and reporting, we shall continue to monitor our performance following the commissioning of our third manufacturing facility and as the upstream manufacturing situation normalises. We believe a better understanding of our baseline at normal operations situation would facilitate us in setting realistic targets.

Performance in FY23

- Recorded a decrease of 19.7% in total energy consumption from 1,203,924 GJ in FY22 to 966,271 GJ in FY23.
- Recorded a decrease of 13.8% in electricity usage and 20.2% in natural gas usage from 78,082 GJ of electricity and 1,125,842 GJ of natural gas in FY22 to 67,333 GJ of electricity and 898,938 GJ of natural gas in FY23.
- Overall GHG emissions decreased by 19.0% from 78,007 tCO₂e in FY22 to 63,214 tCO₂e in FY23.
- Total volume of water consumed reduced by 20.6% from 1,804.8 ML in FY22 to 1,432.2 ML in FY23.
- Due to lower productivity, average consumption of electricity, natural gas and water per 1,000 pieces of gloves produced increased from 8.11 kWh in FY22 to 9.09 kWh in FY23, and from 0.40 MMBtu in FY22 to 0.41 MMBtu in FY23, and 0.67 litre in FY22 to 0.70 litre in FY23, respectively.

Targets for FY24

- To monitor our overall performance when our third manufacturing facility commissioned progressively in FY24.
- To raise production efficiency and productivity in order to reduce average consumption of energy per 1,000 pieces of gloves produced.

Sustainability Report

Energy consumed from non-renewable sources

GRI 302-1

ENERGY SOURCES / CONSUMPTION (IN GJ)	FY23	FY22	VARIANCE
Electricity	67,333	78,082	- 13.8%
Natural gas	898,938	1,125,842	- 20.2%
Total energy consumed	966,271	1,203,924	- 19.7%

Direct (Scope 1) and Energy Indirect (Scope 2) GHG Emissions

GRI 305-1, GRI 305-2

GHG EMISSIONS (IN tCO ₂ e)	FY23	FY22	VARIANCE
Scope 1	50,683	63,475	- 20.2%
Scope 2	12,531	14,532	- 13.8%
Total GHG Emissions	63,214	78,007	- 19.0%

Water consumed from third-party (local municipal water supply)

GRI 303-3

CONSUMPTION (IN ML)	FY23	FY22	VARIANCE
Total consumption	1,432.2	1,804.8	- 20.6%

Average consumption of energy and water per 1,000 pieces of gloves produced

AVERAGE CONSUMPTION	UNIT	FY23	FY22	VARIANCE
Electricity	kWh	9.09	8.11	+ 12.1%
Natural gas	MMBtu	0.41	0.40	+ 2.5%
Water	litre	0.70	0.67	+ 4.5%

Sustainability Report

Waste

GRI 306-2

The Group is committed to the preservation and protection of the environment and has met all applicable environmental requirements and standards. We have industrial effluent treatment plants within our manufacturing facilities to treat effluent before discharging the wastewater into the environment. Our treatment plants are in compliant with the Department of Environment in Malaysia.

We have also continued to monitor and measure our waste materials from our manufacturing facilities where most of the waste materials that we manage arise from the manufacturing of natural latex and nitrile examination disposable gloves.

Our manufacturing facilities discharged 1,252,626m³ of wastewater in FY23, a 17.7% decrease from 1,522,842m³ in FY22. Notwithstanding the lower production volume, average wastewater discharge per 1,000 pieces of gloves increased from 0.57m³ in FY22 to 0.61m³ in FY23 as the amount of water required for the production process remains the same.

The scheduled waste comprising latex lump, rubber sludge, laboratory waste, used oil, rags and ink, and empty containers, will be sent to designated premises for recovery and disposal by an approved licensed collector. However, the latex lump and rubber sludge will have to undergo a drying and compressing process done in-house before they can be collected. In FY23, the scheduled disposable waste recorded was 1,341 metric tons ("MT"), an increase from 1,165 MT in FY22. The increase was mainly due to inefficient drying and compressing of rubber sludge by the existing sludge dryers, which led to relatively heavier amount of scheduled waste in FY23. Due to lower productivity, scheduled waste per 1,000 pieces of gloves increased by 50.0% from 0.44 kilograms ("kg") in FY22 to 0.66 kg in FY23.

We are looking to purchase a more efficient sludge dryer to compress rubber sludge waste to reduce the total weight of scheduled waste. Nevertheless, we shall continue to monitor our performance when we commissioned our third manufacturing facility in FY24. We believe a better understanding of our baseline at normal operations situation would facilitate us in setting targets.

Waste Generated

AVERAGE WASTE GENERATED	FY23	FY22	VARIANCE
Wastewater discharged	1,252,626m ³	1,522,842m ³	- 17.7%
Per 1,000 pieces of gloves	0.61m ³	0.57m ³	+7.0%
Scheduled waste	1,341 MT	1,165 MT	+ 15.1%
Per 1,000 pieces of gloves	0.66 kg	0.44 kg	+ 49.0%

Performance in FY23

- Recorded a 17.7% decrease in wastewater discharge from 1,522,842m³ in FY22 to 1,252,626m³ in FY23.
- Recorded a 15.1% increase in scheduled waste from 1,165 MT in FY22 to 1,341 MT in FY23, due to inefficient drying and compressing of rubber sludge dryers.
- Due to lower productivity, average waste generated per 1,000 pieces of gloves increased with wastewater discharged increased from 0.57m³ in FY22 to 0.61m³ in FY23 and scheduled waste increased from 0.44 kg in FY22 to 0.66 kg in FY23.

Targets for FY24

- To monitor on our overall performance when the third manufacturing facility is commissioned progressively in FY24.
- Looking to purchase a more efficient sludge dryer to compress rubber sludge waste to reduce the total weight of scheduled waste.

Sustainability Report

MATERIAL TOPIC: SOCIAL

Employment, Diversity and Equal Opportunity

GRI 401-1, 405-1

At UG Healthcare, we are committed to fair employment practices and maintaining a working environment where our employees are respected and empowered to perform at their best. We believe the continual growth of our business and maintaining success over the long term is integrated with the health, career growth, and well-being of our employees.

We value our employees as fellow colleagues with an aligned vision of doing well together in our roles and responsibilities. At UG Healthcare, we prohibit any form of forced labour, human trafficking, and modern slavery in our Group. The Group does not discriminate our employees or new hires based on race, age, gender, religion, marital status, ethnicity, physical impairments, sexual preference, political viewpoints, or nationality. Recruitment, remuneration, promotion, and benefits are required to be handled based on objective assessment of merit, equal opportunity, and non-discrimination.

Whilst the Group has in place our staff handbook and human resources manual that adhere to the legislation and guidelines in the country of operations, we also conduct engagement sessions twice weekly, particularly for our foreign employees, through our HR Helpdesk programme to assist them when any issues arise.

We placed emphasis on communicating and educating our foreign employees regularly to help them settle down, and encouraged appointment of employee representatives via nomination and election process to ensure welfare of all nationalities are taken care of. Various communication channels are also put in place for our employees to raise their issues and grievances to the management. These include suggestion boxes that are located at various points in the premises, online submission through the Employee Self Service (“ESS”) system or direct contact with any human resources personnel either in person or via phone calls.

The construction of the centralised workers’ accommodation with communal recreational amenities are still ongoing in FY23. We are committed to improving the living conditions and work-life balance of our foreign employees, who are currently staying in various rented hostels.

We maintained approximately 99.1% of our staff strength as full-time employees in FY23, similar to FY22. All our employees are paid fair wages and our employees are given the option to decide if they wish to work overtime in accordance with the local employment law in Malaysia.

Amidst the challenging outlook of the disposable glove industry, our lower productivity resulted in lesser workforce needed. Employee turnover was mainly due to natural attrition and recruitment was as and when requirements arise. Our headcount decreased by 2.0% from 1,076 employees in FY22 to 1,054 employees in FY23, and our hiring rate declined from 33.2% in FY22 to 16.2% in FY23.

Performance in FY23

- Achieved target of no incident of non-compliance with the relevant laws and regulations related to fair employment practices which is in line with the target set for FY23.
- Maintained approximately 97% of our workforce to be below 50 years old of age.
- Did not achieve improvement in diversity in gender of our workforce with 85.0% males in FY23, an increase from 83.8% in FY22.
- Continued hiring new employees at a slower rate at 16.2% in FY23, down from 33.2% in FY22.
- Completed 4-pillar SMETA audit on Labour Standards, Health & Safety, Environment and Business Ethics.

Targets for FY24

- Continue to maintain no incident of non-compliance with the relevant laws and regulations in fair employment practices.
- Continue to monitor and review the recruitment procedure and systems to ensure fair and non-discrimination in hiring.
- Continue to conduct annual SMETA audits against 4-pillars.
- Continue to improve the diversity of our workforce in terms of gender diversity.
- Construction of the centralised workers accommodation is ongoing.

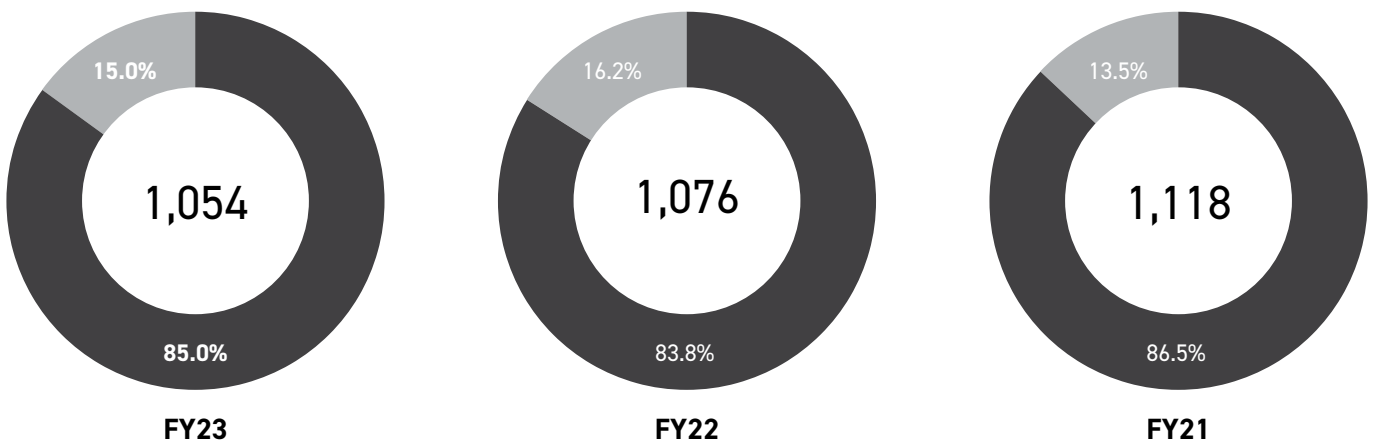
Sustainability Report

Due to the nature of the job, the diversity by gender industry-wide is male dominated. In FY23, approximately 85.0% of our employees comprises of males and 15.0% are females, compared to 83.8% males and 16.2% females in FY22. Nevertheless, we continue to maintain a relatively young workforce with approximately 97.1% of our total employees are below the age group of 50 years old in FY23.

In FY23, we conducted the annual 4-pillar SMETA audit that covers Labour Standards, Health & Safety, Environment, and Business Ethics for our upstream manufacturing operations.

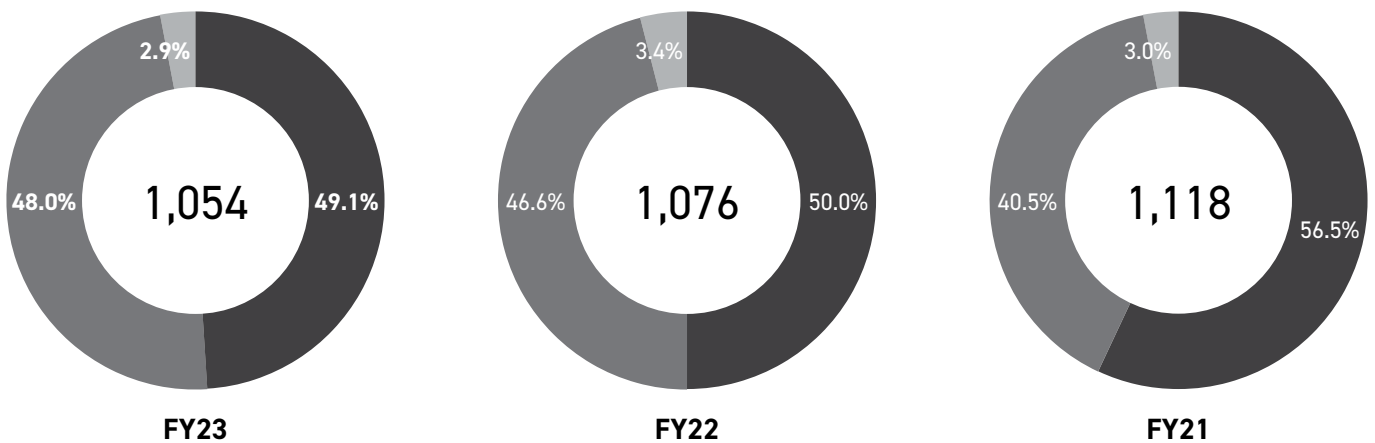
The demographics of our employees for our upstream manufacturing operations in Malaysia and corporate office in Singapore are as follows:

TOTAL NUMBER OF EMPLOYEES BY GENDER



● Male ● Female

TOTAL NUMBER OF EMPLOYEES BY AGE GROUP



● Under 30 years old ● 30-50 years old ● Over 50 years old

Sustainability Report

DIVERSITY BY EMPLOYEE CATEGORY AND AGE GROUP IN FY23

CATEGORY / AGE GROUP	BELOW 30 YEARS OLD		30 - 50 YEARS OLD		OVER 50 YEARS OLD	
	FY23	FY22	FY23	FY22	FY23	FY22
Management	0.2%	0.6%	5.4%	6.2%	19.4%	25.0%
Executive	11.4%	11.9%	6.1%	6.8%	16.1%	19.4%
Non-Executive	88.4%	87.6%	88.5%	87.0%	64.5%	55.6%
Total Employees	517	539	506	501	31	36

DIVERSITY BY AGE GROUP AND GENDER ON HIRING RATE

	FY23		FY22		FY21	
	NUMBER	RATE ¹	NUMBER	RATE ¹	NUMBER	RATE ¹
By Age Group (years old)						
Below 30	96	9.1%	237	22.0%	266	23.8%
30 – 50	74	7.0%	116	10.8%	103	9.2%
Above 50	1	0.1%	4	0.4%	4	0.4%
By Gender						
Male	150	14.2%	253	23.5%	312	27.9%
Female	21	2.0%	104	9.7%	61	5.5%
Total Employees	171	16.2%	357	33.2%	373	33.4%

Note:

1 Based on total number of 1,054 employees as at 30 June 2023, 1,076 employees as at 30 June 2022 and 1,118 employees as at 30 June 2021.

Sustainability Report

Occupational Health and Safety

GRI 403-5, 403-9

We acknowledged that our workforce is of utmost priority to our Group and we are committed to providing a healthy and safe working environment for our people. We enforce a strong culture on health and safety within the organisation that requires all members of our workforce to be leaders in creating a safe work environment. We believe self-responsibility through regular reminders and education will minimise work-related injuries and accidents, and at the same time, improve cohesiveness among members of the organisation.

We continue to stay vigilant in identifying and managing occupational risks exposure, minimise occurrences of occupational illness and promote healthy lifestyles. A Health & Safety Committee ("HSC") comprising employee representatives of various sections of the workplace is in place to meet every quarter to review and discuss on the relevance and currency of the courses, policies and procedures.

The responsibilities of the HSC and its members include: (i) assist in the development of safety and health rules and safe system of work, (ii) review the effectiveness of safety and health programmes, (iii) carry out studies on the trends of accident, near-miss accident, dangerous occurrence, occupational hazards, and report the same to the Group's management together with recommendation for corrective actions, and (iv) review the safety and health policies at the work place and make recommendations to the Group's management for any revision of such policies.

All employees will have to undergo courses to equip themselves with the necessary knowledge and skills required for their roles and responsibilities. New and existing employees are also required to attend trainings under our Occupational Health & Safety programme which includes health and safety policies, basic first aid training, emergency response training, safe work procedures and work instructions on a regular basis.

The following safety requirements will be briefed and obeyed by our subcontractors and visitors before they enter into our manufacturing facilities:

- smoking in the manufacturing vicinity is strictly prohibited
- safety requirements to be fulfilled when handling equipment
- good housekeeping during and after completion of work
- emergency response procedure

In FY23, we maintained zero incidents resulting in fatality and permanent disabilities. However, we recorded 46 recordable work-related injuries that led to 0.06% of work days lost in FY23, as compared to 33 recordable work-related injuries that resulted in 0.02% work days lost in FY22. While those were minor injuries, we will continue to emphasise on the health, safety and well-being of our employees, and maintaining their livelihoods remain our Group's highest priority.

Performance in FY23

- Recorded zero incidents of resulting in fatality and permanent disability.
- Recorded no incident of non-compliance with the relevant laws and regulations relating to occupational health and safety.
- Recorded 46 recordable work-related injuries and 0.06% total work days lost in FY23, as compared to 33 incidents and 0.02% work days lost in FY22.
- Achieved targets set for FY23.

Targets for FY24

- Continue to carry out refresher training regularly for our employees to ensure they are aware of the various policies and standard procedures, and continuous emphasis on the importance of complying with the safety standards and rules in the workplace to ensure work-related injuries are kept to the minimal.
- To reduce incidents on recordable work-related injuries to below 40 cases a year.
- Maintain zero incidents resulting in fatality and permanent disability.
- Maintain no incident of non-compliance with the relevant laws and regulations relating to occupational health and safety, providing a safe working environment and protecting our employees from occupational hazards.

Note: Work days lost in percentage denotes total lost days due to injuries over total number working days of total workforce.

Sustainability Report

Skills Competency and Education

GRI 404-1. 404-3

We view our employees as the lifeline of our organisation and it is essential to continue our practice in enhancing the value of our employees who contribute to the success of our businesses.

Every employee in the UG Healthcare is given the opportunity to upgrade and improve their skills and knowledge through formal and on-the-job training programmes. Training programmes are selected according to the role and responsibilities of the employees. These training programmes include: a) hygiene and disease prevention measures, b) basic occupational first aid, cardiopulmonary resuscitation (“CPR”), and automated external defibrillator (“AED”), c) 5S Towards Quality Work Environment, d) skills enhancement programmes, e) self-contained breathing apparatus (“SCBA”) handling and training, f) workplace safety, g) administrative management methods and concepts, and h) corporate culture and management. We will continue to develop programmes to enable our employees to grow with the organisation.

We achieved an aggregate of 5,543.8 of training hours for 1,054 employees and an average of 5.3 hours of training programmes per employee in FY23. As this is our first year of data collection and reporting, we shall monitor our performance to have a better understanding of our baseline before setting targets.

AVERAGE TRAINING HOURS PER EMPLOYEE FOR FY23

GENDER / CATEGORY	MANAGEMENT	EXECUTIVE	NON-EXECUTIVE
Male	16.5	27.4	3.2
Female	30.3	14.0	4.0
Average	22.6	18.5	3.3

Discretionary incentives are granted to eligible employees based on their performance and contributions to the Group. Annual reviews with clear career progression path are also carried out with our employees, where trainings will be arranged to pave way for the progression to assume the required responsibilities. Remuneration policies and packages are reviewed regularly to ensure that compensation and benefits are in line with the industry. This helps the Group in recruitment and retention of talent.

All our full-time employees received annual performance appraisal in FY23.

Performance in FY23

- Recorded an average of 5.3 hours of training per employee for all employees in Malaysia and Singapore.
- All full-time employees received annual performance evaluation.

Targets for FY24

- Continue to explore new training programmes to upgrade the knowledge and skills of our employees.
- To monitor on our performance and understand the training requirements for all employees before setting targets.
- To maintain annual performance evaluation for all full-time employees.

Note: 5S refers to five steps - sort, set in order, shine, standardise and sustain. It is designed to decrease waste while optimising productivity through maintaining an orderly workplace and using visual cues to attain more consistent operational results.

Sustainability Report

MATERIAL TOPIC: GOVERNANCE

Regulatory Compliance

GRI 2-27

The Group remains committed to operating our business in compliance with the relevant social and economic as well as the environmental regulations and standards through internal checks and balances, and regular reporting and updates to the relevant authorities and agencies. We believe that having good corporate governance and observing compliance with legislative requirements is a minimum standard that should be achieved whilst striving to perform beyond these requirements.

We continue to proactively monitoring, identifying and addressing a broader range of socioeconomic and environmental concerns, as well as potential risks and impacts on our global businesses beyond our upstream manufacturing operations in Malaysia and corporate office in Singapore. We remain committed to conducting our business with integrity and safeguarding the interest of all stakeholders.

Corporate Governance

The Board and the management of UG Healthcare are committed to observing high standards of corporate governance and transparency in ensuring the sustainability of the Group's operations and safeguarding the interests of all our stakeholders.

We continue to uphold best practices in corporate transparency and disclosures, and we have in place a set of procedures and policies governing our compliance with applicable legislation and adherence to our risk management guidelines. The goal towards corporate excellence constantly motivates us to improving ourselves with a more transparent, accountable, and equitable system.

Please refer to the Corporate Governance Report found on page 40 to 68 of the annual report.

Cybersecurity Risk Management and Data Privacy

The Group is committed to complying with the Personal Data Protection Act and all relevant legislation. With the digital transformation trend, we are also stepping up efforts to have systems and procedures in place to protect information related to our businesses and prioritised stakeholders including our employees and customers.

We will continue to stay vigilant and observe compliance with all applicable laws and regulations to maintain our record of zero incidents of non-compliance.

Performance in FY23

- Recorded no incident of non-compliance with the relevant laws and regulations relating to social and economic that could potentially result in internal disciplinary action or public allegation.
- Complied with the principles and guidelines set out in the Code of Governance 2018, where appropriate.
- Recorded no incident of non-compliance with management controls and procedures.
- Recorded no incident of non-compliance on cybersecurity and data privacy.
- Achieved targets set for FY23.

Targets for FY24

- Maintain no incident of non-compliance with the relevant laws and regulations in the social and economic aspect.
- Maintain no incident of non-compliance with management controls and procedures.
- Continue to monitor and update the adequacy of the management controls and procedures as the Group reviews the impacts of climate-related issues on its operations and expansion plans.
- Maintain our track record of zero incidents of non-compliance on cybersecurity and data privacy.

Sustainability Report

Anti-Corruption

GRI 205-3

The Group remains committed to conducting our business with integrity and transparency with no compromise on corruption and bribery. We have zero-tolerance for fraudulent and corrupt practices that may disrupt business operations and impede the growth of our business.

We have in place the Corruption Prevention Policy and Framework ("CPPF") and provided Anti-Corruption and Anti-Bribery Guidelines to our employees on taking reasonable actions and steps to ensure the Group does not engage in bribery activities.

We have also implemented several policies including the Conduct and Discipline Policy, the Conflict-of-Interest Policy, and the Whistle-Blowing Policy, where all members of the organisation are reminded as pre-emptive measures to prevent, govern, and facilitate the reporting of any illegal and/or unethical practices in the organisation.

The Group maintained no incident of non-compliance relating to bribery, extortion, fraud, and money laundering in FY23. There were no reported incidents pertaining to whistle-blowing for FY23. We will continue to stay vigilant in monitoring and keeping our policy and practices relevant and updated.

Performance in FY23

- Achieved the target set for FY23.
- Recorded zero incident of non-compliance with the relevant laws and regulations that cover corruption, bribery, extortion, fraud, and money laundering.

Targets for FY24

- To monitor and keep policies and practices relevant and updated.
- Continue to maintain no incident of non-compliance with the relevant laws and regulations that cover corruption, bribery, extortion, fraud, and money laundering.

Sustainability Report

GRI CONTENT INDEX

Statement of use	UG Healthcare Corporation Limited has reported this information cited in this GRI Content Index for the year from 1 July 2022 to 30 June 2023 ("FY23") with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARDS	DISCLOSURE	REFERENCE
GRI 2: General Disclosures 2021	2-1: Organisational details	Annual Report ("AR") – Company Profile, page 1
	2-2: Entities included in the organisation's sustainability reporting	Sustainability Report ("SR") - Board Statement, page 17 to 18
	2-3: Reporting period, frequency and contact point	SR - Board Statement, page 17 to 18
	2-4: Restatements of information	SR – Board Statement, page 17
	2-5: External assurance	SR- Board Statement, page 18
	2-6: Activities, value chain, and other business relationships	AR – Letter to Shareholders, page 2 to 3 AR – Business Operations, page 4 to 8
	2-7 Employees	SR – Employment, Diversity and Equal Opportunity, page 29 to 31
	2-9: Governance structure and composition	SR – Sustainability Governance, page 19 AR – Board of Directors, page 14 to 16 AR – Corporate Governance, page 40 to 68
	2-10: Nomination and selection of the highest governance body	AR – Corporate Governance Report, page 46 to 48
	2-15 Conflicts of interest	AR – Corporate Governance, page 41
	2-16 Communication of critical concerns	AR – Corporate Governance, page 65 and 67
	2-17 Collective knowledge of the highest governance body	AR – Corporate Governance, page 41
	2-18 Evaluation of the performance of the highest governance body	AR – Corporate Governance, page 55
	2-19 Remuneration policies	AR – Corporate Governance, page 56 to 57
	2-20 Process to determine remuneration	AR – Corporate Governance, page 55 to 57
	2-22 Statement on sustainable development strategy	SR - Board Statement, page 17 to 18
	2-23 Policy commitments	SR - Board Statement, page 17 to 18 SR – Sustainability Governance, page 19 SR – Stakeholder Engagement, page 20 to 21
	2-24 Embedding policy commitments	SR – Sustainability Governance, page 19 SR – Materiality Assessment, page 22
	2-25 Processes to remediate negative impacts	AR – Corporate Governance, page 61 to 65
	2-26: Mechanisms for seeking advice and raising concerns	SR – Employment, Diversity and Equal Opportunity, page 29 to 31 SR - Skills Competency and Education, page 33 AR – Corporate Governance Report, page 65
2-27: Compliance with laws and regulations	SR – Regulatory Compliance, Corporate Governance, Cybersecurity Risk Management and Data Privacy and Anti-Corruption, page 34 to 35	
2-28: Membership associations	SR – Customer Management, page 24	
2-29: Approach to stakeholder engagement	SR – Stakeholder Engagement, page 20 to 21	

Sustainability Report

GRI STANDARDS	DISCLOSURE	REFERENCE
GRI 3: Material Topics 2021	3-1: Process to determine material topics	SR – Materiality Assessment, page 22
	3-2: List of material topics	
	3-3: Management of material topics	
GRI 201: Economic Performance	201-1: Direct economic value generated and distributed	SR – Economic Performance, page 23
GRI 204: Procurement Practices 2016	204-1: Proportion of spending on local suppliers	SR – Suppliers and Business Partners, page 25
GRI 302: Energy 2016	302-1: Energy consumption	SR – Resource Efficiency, page 26 to 27
GRI 303: Water and Effluents 2018	303-3: Water withdrawal	SR – Resource Efficiency, page 26 to 27
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	SR – Resource Efficiency, page 26 to 27
	305-2: Energy Indirect (Scope 2) GHG emissions	
GRI 306: Waste 2020	306-3: Waste generated	SR – Waste, page 28
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	SR – Employment, Diversity and Equal Opportunity, page 29 to 31
GRI 403: Occupational Health and Safety (2018)	403-5: Worker training on occupational health and safety	SR – Occupational Health and Safety, page 32
	403-9: Work related injuries	
GRI 404: Training & Education (2016)	404-1: Average hours of training per year per employee	SR – Skills Competency and Education, page 33
	404-3: Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and equal opportunity (2016)	405-1: Diversity of governance bodies and employees	SR – Employment, Diversity and Equal Opportunity, page 29 to 31
GRI 416: Customer Health and Safety 2016	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	SR – Customer Management, page 24

Sustainability Report

TCFD CONTENT INDEX

Based on the requirements in the Rule 711B of the Catalyst Rules and Practice Note 7F Sustainability Reporting Guide, we have mapped our climate-related disclosures based on TCFD Recommendations as shown in the table below.

TCFD RECOMMENDATIONS	DISCLOSURE	REFERENCE
GOVERNANCE		
Describe the board's oversight of climate-related risks and opportunities.	The Board of Directors oversees the Group's overall sustainability practices and climate-related risks and opportunities, and considers EESG and climate-related issues in the formulation of and approving overall long-term strategic objectives and directions.	SR – Board Statement, page 17 to 18 SR – Sustainability Governance, page 19
Describe management's role in assessing and managing climate-related risks and opportunities.	<p>The Group has in place a Sustainability Committee ("SC") comprising key management executives who oversee the various departments in the organisation and is overseen by the Chief Executive Officer of the Group, who in turn, reports to the Board for advice and guidance. Sustainability concerns with respect to the risks and opportunities of the Group will be brought to attention of the SC. The SC will then conduct an assessment on the raised concern before raising its findings to the Board.</p> <p>The Board maintains efficient oversight over the SC by reviewing and considering the relevance and adequate practices in place to address potential sustainability issues. The Board will also incorporate these findings when formulating strategies and policies to better manage the potential sustainability risks and opportunities that could possibly be encountered by the Group. This process helps to ensure all EESG and climate-related matters significant to the business are considered and adequately addressed.</p>	SR – Sustainability Governance, page 19
STRATEGY		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	UG Healthcare is adopting a phased approach towards managing climate-related risks. Identifying climate-related risks and opportunities of the Group will be carried out post-FY23.	-
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	UG Healthcare is adopting a phased approach towards managing climate-related risks. Identifying the impact on climate-related risks and opportunities on the Group's business, strategy and financial planning will be carried out post-FY23.	-

Sustainability Report

TCFD RECOMMENDATIONS	DISCLOSURE	REFERENCE
STRATEGY		
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	UG Healthcare is adopting a phased approach towards managing climate-related risks. Scenario analysis will be carried out post-FY23.	-
RISK MANAGEMENT		
Describe the organisation's processes for identifying and assessing climate-related risks.	UG Healthcare is adopting a phased approach towards managing climate-related risks. Identifying and assessing climate-related risks will be carried out post-FY23.	-
Describe the organisation's processes for managing climate-related risks.	UG Healthcare is adopting a phased approach towards managing climate-related risks. The Group's processes for managing climate-related risks will be determined and carried out post-FY23.	-
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	UG Healthcare is adopting a phased approach towards managing climate-related risks. Analysis on integration with enterprise risk management of the Group will be carried out post-FY23.	-
METRICS AND TARGETS		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	As part of UG Healthcare's annual sustainability reporting, we track metrics such as: <ul style="list-style-type: none"> - Scope 1 and 2 GHG emissions - Non-renewal energy and water consumption - Waste 	SR – Resource Efficiency, page 26 to 27 SR – Waste, page 28
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	Scope 1 and Scope 2 GHG emissions are disclosed in our SR. We have reported and compared our Scope 1 and Scope 2 GHG emissions for both FY22 and FY23 based on our upstream manufacturing operations in Malaysia. We will review and develop and report our Scope 3 GHG emissions, as and when appropriate.	SR – Resource Efficiency, page 26 to 27
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	UG Healthcare is adopting a phased approach towards managing climate-related risks. Appropriate targets shall be analysed and set post-FY23.	-

Corporate Governance Report

UG Healthcare Corporation Limited (the “**Company**” or “**UG Healthcare**”) and its subsidiaries (collectively, the “**Group**”) are committed to maintaining a high standard of corporate governance in complying with the Code of Corporate Governance 2018 (the “**Code**”) which forms part of the continuing obligations of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Catalist Rules**”).

This report outlines the Company’s corporate governance practices and structures for the financial year ended 30 June 2023 (“**FY23**”), with specific references made to each of the principles and provisions of the Code and the accompanying practice guidance by the SGX-ST pursuant to Rule 710 of the Catalist Rules. The Company has generally adhered to the framework and complied with all principles outlined in the Code for FY23. Where there were deviations from the provisions of the Code, appropriate explanations have been provided in the relevant sections. The Company will also continue to enhance its corporate practices appropriate to the conduct and growth of its business and to review such practices from time to time and ensure compliance with the Catalist Rules.

BOARD MATTERS

Principle 1: The Board’s Conduct of its Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provision 1.1 – Principal functions of the Board

The primary function of the Board of Directors (the “**Board**”) is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board oversees the business affairs of the Group. The Board has the overall responsibility for reviewing the strategic plans and performance objectives, financial plans, key operating initiatives, major funding and investment proposals, financial performance reviews and corporate governance practices.

In addition, the principal duties of the Board include:

- Setting the Group’s strategic objectives and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives.
- Overseeing the process for evaluating the adequacy of internal controls, risk Management, financial reporting and compliance.
- Reviewing the performance of Management and overseeing succession planning for Management.
- Setting the Group’s values and standards (including ethical standards) and ensuring the obligations to shareholders and other stakeholders are understood and met.
- Considering sustainability issues as part of the strategic formulation.

Corporate Governance Report

Code of ethics and independent judgement

The Board adopted a set of ethical values and standards which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. Each Director is required to promptly disclose any conflicts or potential conflicts of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. Where a potential conflict of interest arises, the Director concerned will recuse himself from discussions and decisions involving the issue of conflict and refrain from exercising any influence over other members of the Board in respect of the issue. All Directors exercise due diligence and independent judgement and make decisions objectively in the best interests of the Group. The current members of the Board and their membership on the Board Committees of the Company are as follows:

	DIRECTORS	BOARD APPOINTMENTS	AUDIT COMMITTEE	NOMINATING COMMITTEE	REMUNERATION COMMITTEE
1	Yip Wah Pung	Non-Executive Chairman and Independent Director	Chairman	Member	Member
2	Lee Keck Keong	Executive Director and Chief Executive Officer	-	Member	-
3	Lee Jun Yih	Executive Director and Finance Director	-	-	-
4	Lee Jun Linn	Executive Director and Chief Operating Officer	-	-	-
5	Wong See Keong	Executive Director	-	-	-
6	Ng Lip Chi, Lawrence ("Lawrence Ng")	Independent Non-Executive Director	Member	Member	Chairman
7	Vincent Leow	Independent Non-Executive Director	Member	Chairman	Member

Provision 1.2 – Directors' induction, training and development

The Company ensures that incoming new Directors are given guidance and orientation (including onsite visits and meeting up with key management personnel, if necessary) to get them familiarised with the Group's business, operations and corporate governance practices upon their appointment and to facilitate the effective discharge of their duties. Newly appointed Directors will be provided a formal letter setting out their duties and obligations and for those without prior experience as directors of a listed company in Singapore, they will undergo training and/or briefing on the roles and responsibilities as directors. Directors are encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group through the extension of opportunities for participation in training courses, seminars and workshops as relevant and/or applicable. The Group has an open policy for professional training for all the Board members. The Company endorses the Singapore Institute of Directors ("SID") training programs and sets a budget for such training and professional development programs. All Board members are encouraged to attend relevant training organised by the SID or any other organisation which provides relevant training courses for directors. The cost of such training will be borne by the Company.

Pursuant to Catalist Rules 406(3)(a), the Nominating Committee ("NC") will ensure that any new director appointed by the Board, who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST.

During FY23, no new director was appointed.

All Board members have completed the mandated sustainability training course required under the Catalist Rules.

Briefings and updates provided for Directors in FY23

The NC reviews and makes recommendations on training and professional development programs to the Board.

During the Audit Committee ("AC") meetings, the Directors were briefed by the external auditors on the recent changes to the accounting standards and regulatory updates. The Chief Executive Officer updates the Board during the Board meetings on the business and strategic developments of the Group. News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority, including amendments of Companies Act and the Catalist Rules as well as updates on the Code, were circulated to the Board. Management keeps the Board informed of business trends in the industry by circulating to the Board articles, reports and press releases relevant to the Group's business.

Corporate Governance Report

Provision 1.3 – Matters requiring Board’s approval

Matters specifically reserved for the Board’s approval are listed below:

- Strategies and objectives of the Group;
- Announcement of interim and full year financial results and release of annual reports;
- Issuance of shares;
- Declaration of interim dividends and proposal of final dividends;
- Convening of shareholders’ meetings;
- Material investments, divestments or capital expenditure;
- Commitments to term loans and lines of credits from banks and financial institutions;
- Interested person transactions; and
- The appointment, re-appointment (where applicable) and remuneration packages of the Directors and key management personnel.

Clear directions have been imposed on Management that the above matters must be approved by the Board.

Provision 1.4 - Delegation by the Board

The Board has delegated certain functions to the Board Committees, namely the AC, NC and Remuneration Committee (“RC”). Each of the Board Committees has its own written terms of reference and whose actions are reported to and monitored by the Board. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

More details on each of the Board Committees, including the names of the committee members, the terms of reference, any delegation of the Board’s authority to make decisions and a summary of their activities, are set out in the respective sections of this report.

Provision 1.5 – Board meetings, attendance and multiple commitments

The dates of Board and Board Committee meetings as well as annual general meetings (“AGM”) are scheduled in advance. To assist Directors in planning their attendance, the Company Secretary consults every Director before fixing the dates of these meetings. The Board will meet at least two times a year and as warranted by particular circumstances. Ad hoc meetings are also convened to deliberate on urgent substantive matters. Telephonic attendance and conference via audio-visual communication at Board and Board Committee meetings are allowed under the Company’s Constitution. Details on the number of Board and Board Committee meetings held in the financial year as well as the attendance of each board member at those meetings are disclosed below.

Directors’ attendance at Board and Board Committee meetings in FY23

DIRECTORS	BOARD		AUDIT COMMITTEE		NOMINATING COMMITTEE		REMUNERATION COMMITTEE	
	NO. OF MEETINGS HELD ⁽¹⁾	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD ⁽¹⁾	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD ⁽¹⁾	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD ⁽¹⁾	NO. OF MEETINGS ATTENDED
	Yip Wah Pung	2	2	3	3	1	1	1
Lee Keck Keong	2	2	3	3 ⁽²⁾	1	1	1	1 ⁽²⁾
Lee Jun Yih	2	2	3	3 ⁽²⁾	1	1 ⁽²⁾	1	1 ⁽²⁾
Lee Jun Linn	2	2	3	3 ⁽²⁾	1	1 ⁽²⁾	1	1 ⁽²⁾
Wong See Keong	2	2	3	3 ⁽²⁾	1	1 ⁽²⁾	1	1 ⁽²⁾
Lawrence Ng	2	2	3	3	1	1	1	1
Vincent Leow	2	2	3	3	1	1	1	1

(1) Represents the number of meetings held as applicable to each individual director.

(2) Attendance at meetings on a “By Invitation” basis.

Corporate Governance Report

Multiple Directorships

All Directors are required to declare their board appointments. When a director has multiple board representations, the NC will consider whether the director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that notwithstanding multiple board appointments, the Directors have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Director of the Company. Please refer to Principle 4 below for further disclosure in relation to multiple board representations.

Provision 1.6 – Access to information

Each Director is given access to the Board resources, including the Company's constitutional and governing documents, terms of references of the Board and the Board Committees, the Group's policy, Annual Reports, Board meeting papers and other pertinent information for his/her reference. Management ensures that all Directors are furnished on an on-going basis with relevant, complete, adequate and timely information concerning the Company, to enable them to make informed decisions and discharge their duties and responsibilities. Prior to each Board meeting, board papers and files are circulated for each meeting and the Board is provided with relevant background or explanatory information relating to the business of the meeting and information on major operational, financial and corporate issues. This is to give the Directors sufficient time to review and consider the matters being tabled and/or discussed. Any other matters may also be tabled at the Board meeting and discussed without papers being distributed. The business/ projects updates with information on financial, operating and corporate issues, the explanations on the financial information, and the rationale for the key decisions taken by the Management may also be made in the form of presentations by the Management in attendance at the meetings. The Directors are entitled to request additional information as needed to make informed decisions. The Management is invited to attend Board meetings to provide additional insights into matters being discussed, and to respond to any queries that the Directors may have.

Provision 1.7 – Access to Management and Company Secretary

The Directors have separate and independent access to the Management, and the Company Secretary and where it is necessary for the Directors to seek independent professional advice to effectively discharge their duties, the Directors can, whether as a group or individually, seek the requisite advice at the Company's expense.

The Company Secretary is responsible for, among other things, ensuring that the Board's procedures are observed and the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act, Companies Act and Catalist Rules, are complied with. The Company Secretary also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value, as well as assisting the Chairman in ensuring good information flows within the Board and its Board Committees and between Management and the Non-Executive and Independent Directors.

The Company Secretary or her representative attends and prepares minutes for all Board and Board Committee meetings. As secretary for all Board Committees, the Company Secretary assists in ensuring coordination and liaison between the Board, the Board Committees and Management. The Company Secretary assists the Chairman of the Board, the Chairman of Board Committees and Management in the development of the agendas for the various Board and Board Committee meetings.

The appointment and the removal of the Company Secretary is subject to the Board's approval.

Corporate Governance Report

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provision 2.1 – Board Independence

Provision 2.2 – Majority independent Directors where Chairman is not independent

Provision 2.3 – Majority non-executive Directors in a Board

The Board comprises seven (7) Directors, of which four (4) are Executive Directors, and three (3) are Independent Non-Executive Directors. The Chairman of the Board is independent. Notwithstanding that Non-Executive Directors do not make up majority of the Board, the Board is of the view that there is at present a sufficiently strong independent element on the Board to maintain appropriate checks and balances to avoid undue influence of the Management on the Board's decision-making process taking into account the following:

- (a) The current Board composition is also in compliance with Rule 406(3)(c) of the Catalist Rules, which requires, the independent directors to make up at least one-third of the Board;
- (b) The Non-Executive Directors, who are also Independent Directors, chair the Board Committees, and are able to provide the appropriate level of independence and integrity to make decisions in the best interests of the Company; and
- (c) Majority of the members of the Board Committees are independent.

Provision 2.4 – Board composition and diversity

The Board is committed that a diverse Board will help improve the overall performance and operational capability of the Company, ensuring that the decisions made by the Board have been considered from a range of viewpoints. The Board has adopted a Board Diversity Policy and the measurable objectives identified include:

1. In designing the Board's composition, Board diversity has been considered from a wide range of aspects, including but not limited to age, gender, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. Directors with technical, legal, financial, Management and audit background will provide various extensive business experiences to the Company. High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenges that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Group, and support succession planning and development of the Board.
2. For achieving an optimal Board, additional measurable objectives/specific diversity targets may be set and reviewed from time to time to ensure their appropriateness. Such factors will be considered by the Company based on its business model and specific needs and the ultimate decision will be based on merit, value and contribution that the selected candidates will bring to the Board.
3. The Board is of the view that, while it is important to promote boardroom diversity in terms of gender, age and ethnicity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority. In addition to ensuring a balanced composition of skills and experience at the Board, the Board has deliberated the following:
 - (a) Gender diversity

The Company does not set any specific target for female Directors in the Board but will work towards having a female director for future board renewal, if opportunity arises. The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same

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principle is applied to the selection of potential candidates for appointment to the Board in order to attract and retain women participation on the Board;

(b) Age diversity

The Company does not set any specific target for the boardroom age diversity but will work towards having appropriate age diversity in the Board, if opportunity arises. The Company does not fix age limit for its Directors given that such Directors are normally reputed and experienced in the corporate world and could continue to contribute to the Board in steering the Company. The Board is fully committed to promoting age, diversity, valuing the contribution of its members regardless of age, and seek to eliminate age stereotyping and discrimination on age; and

(c) Ethnic diversity

The Company does not set any specific target for ethnic diversity in the boardroom but will work towards having appropriate ethnic diversity in the Board, if opportunity arises.

Taking into account the nature and scope of the Group's business and the number of Board Committees, the Board believes that the current size and composition provide sufficient diversity without interfering with efficient decision making.

The Company is committed to implementing the Board Diversity Policy and will review this Policy periodically to ensure its effectiveness and alignment with best practice and the requirements of the Code, or as amended from time to time, and any other relevant legislation. Any progress made towards the implementation of this Policy will be disclosed in future Corporate Governance Reports of the Company, as appropriate.

The NC is tasked to determine on an annual basis and as and when the circumstances require whether or not a Director is independent, bearing in mind the guidelines set forth in the Code and any other salient factor which would render a Director to be deemed not independent. The NC has reviewed, determined and confirmed the independence of the Independent Directors. More details are set out under Principle 4 of the Code.

Pursuant to Rule 406(3)(d)(iv), a director of the issuer for an aggregate period of more than 9 years will not be independent. As at the date of this report, none of the Independent Directors have served on the Board for a period exceeding 9 years from the date of their appointments.

Notwithstanding, the tenure of office for Mr. Yip Wah Pung and Mr. Lawrence Ng who were both appointed on 20 November 2014, will exceed the 9-year limit after 19 November 2023. The Company will seek to refresh the Board membership progressively and in an orderly manner.

The Independent Directors make up more than one-third of the Board, which meets the requirements set out in the Code. This provides a strong and independent element on the Board which is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined.

Provision 2.5 – Non-Executive Directors and Independent Directors meet regularly

The Independent Non-Executive Directors communicate regularly to discuss matters such as Group's financial performance and corporate governance measures and provide constructive advice and guidance on directions in relation to the Group's business strategies. They also review performance of the Management in achieving agreed goals and objectives and monitor the reporting of performance. Where necessary, the Independent Non-Executive Directors meet and discuss on the Group's affairs without the presence of the Management.

Corporate Governance Report

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 – Separation of the role of the Chairman and the CEO

The Chairman of the Board and the Chief Executive Officer (the “CEO”) are two separate persons to ensure an appropriate balance of power, increased accountability and greater capacity for independent decision making.

Provision 3.2 – Role of the Chairman and the CEO

Mr. Yip Wah Pung, is an Independent Non-Executive Director and also the Chairman of the Board. He assumes the responsibility for the smooth functioning of the Board and ensures timely flow of information between the Management and the Board; sets the agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues; promotes a culture of openness and debate at the Board; ensures effective communication with shareholders; facilitates the effective contribution of Non-Executive Directors in particular; and promotes high standards of corporate governance.

Mr. Lee Keck Keong is the CEO and Executive Director of the Company. He assumes responsibility for running the day-to-day business of the Group; ensures implementation of policies and strategy across the Group as set by the Board; manages the Management team; and leads the development of the Group's future strategy including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing business.

Provision 3.3 – Lead Independent Director

There is a sufficiently strong independent element on the Board to enable independent exercise of objective judgement on affairs and operations of the Group by members of the Board, taking into account factors such as the number of Independent Directors on the Board as well as the contributions made by each member at meetings which relate to the affairs and operations of the Group. The Board is satisfied that a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Group's business and no one individual should represent a considerable concentration of power.

No Lead Independent Director has been appointed to the Board as the Chairman is independent.

All the Board Committees are chaired by Independent Directors and more than one third of the Board consists of Independent Directors.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 – Role of the NC

Provision 4.2 – Composition of the NC

The NC consists of three (3) Independent Non-Executive Directors and one (1) Executive Director, the majority of whom, including the NC Chairman, are independent:

Mr. Vincent Leow	–	Chairman
Mr. Yip Wah Pung	–	Member
Mr. Lawrence Ng	–	Member
Mr. Lee Keck Keong	–	Member

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The NC, which has written terms of reference, is responsible for making recommendations to the Board on all board appointments and re-appointments. The key terms of reference of the NC include the following:

- review the size, structure and composition of the Board;
- identify, review and recommend candidates to the Board including the appointment of alternate directors, if any, Board Committees members, CEO, deputy CEO, Finance Director/Chief Financial Officer (“CFO”) and key Management;
- recommend to the Board re-nominations of existing directors for re-election in accordance with the Company’s Constitution, taking into account the Director’s competencies, commitment, contribution and performance;
- establish a process for the selection, appointment and re-appointment of Directors;
- review and approve any new employment of employees related to the Directors, substantial shareholders of the Company or related persons, including the proposed terms of such employment;
- undertake board succession plans for Directors, in particular, the Chairman and the CEO;
- determine annually whether or not a Director is independent;
- in respect of a Director who has multiple board representations on various companies, if any, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the director when serving on multiple boards and discharging his duties towards other principal commitments;
- review training and professional development programs for the Board;
- make recommendation to the Board in determining the maximum number of listed company board representations which any Director may hold, and disclose this in the Company’s annual report;
- decide whether or not a Director is able to and has been adequately carrying out his/her duties as a director;
- develop a process for evaluating the performance of the Board, its Board Committees and Directors by setting objective performance criteria for the Board and implementing such process for assessing the effectiveness of the Board as a whole and assessing the contribution of each individual Directors to the effectiveness of the Board; and
- ensure complete disclosure of key information of Directors in the Company’s annual report as required under the Code, as amended from time to time.

Provision 4.3 - Board Renewal

The NC has in place formal, written procedures for making recommendations to the Board on the selection and appointment of Directors. Such procedures would be activated when a vacancy on the Board arises or when the Board is considering making a new Board appointment either to enhance the core competency of the Board or for purpose of progressive renewal of the Board.

In identifying suitable candidates, the NC may:

1. advertise or use the services of external advisers to facilitate a search;
2. approach alternative sources such as the SID; or
3. consider candidates from a wide range of backgrounds from internal or external sources.

Corporate Governance Report

After short listing the candidates, the NC shall:

- (a) consider and interview all candidates on merit against objective criteria, taking into consideration that appointees have enough time available to devote himself or herself to the position; and
- (b) evaluate and agree to a preferred candidate for recommendation to and appointment by the Board.

Provision 4.4 - Independence review of Directors

The NC reviews the independence of each Director annually, and as and when circumstances require.

Annually, each Independent Director is required to complete a Director's Independence Checklist (the "**Checklist**") to confirm his independence. The Checklist is drawn up based on the guidelines provided in the Code. Thereafter, the NC reviews the Checklist completed by each Independent Director, assesses the independence of the Independent Directors and recommends its assessment to the Board.

As set out under the Code, an Independent Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. The NC assesses and reviews annually the independence of a director bearing in mind the salient factors as set out under the Code, the Catalist Rules as well as all other relevant circumstances and facts. The Independent Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code.

Based on the Checklist submitted by the Independent Directors, the NC was of the view that Mr. Yip Wah Pung, Mr. Lawrence Ng and Mr. Vincent Leow are independent on the following basis:

- (a) The Independent Directors: (i) are not employed by the Company or any of its related corporations for the current or any of the past 3 financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past 3 financial years, and whose remuneration is determined by the RC.
- (b) None of the Independent Directors have served on the Board beyond 9 years from the date of first appointment.
- (c) None of the Independent Directors and their immediate family member had in the current or immediate past financial year (i) provided or received significant payments or material services aggregated over any financial year in excess of S\$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organisation which provided or received significant payments or material services aggregated over any financial year in excess of S\$200,000 for services rendered.
- (d) None of the Independent Directors are directly associated with a substantial shareholder of the Company in the current or immediate past financial year.

The NC is responsible for re-appointment of Directors. In its deliberations on the re-appointment of existing Directors, the NC takes into consideration the Director's contribution and performance.

Pursuant to Rule 720(4) of the Catalist Rules, the Company must have all Directors submit themselves for re-nomination and re-appointment at least once every three years. Regulation 104 of the Company's Constitution provides that one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation while Regulation 108 provides that any Director so appointed shall hold office until the next AGM and be eligible for re-election at the Company's AGM. Mr. Lee Jun Yih, Mr. Lawrence Ng and Mr. Vincent Leow shall retire pursuant to Regulation 104 of the Company's Constitution at the Company's forthcoming AGM and shall be eligible for re-election.

Corporate Governance Report

The NC is satisfied that Mr. Lee Jun Yih and Mr. Lawrence Ng, retiring at the forthcoming AGM are properly qualified for re-appointment by virtue of their skills, experience and their contribution of guidance and time and recommended to the Board that the retiring Directors be nominated for re-election.

Mr. Vincent Leow, who is due for retirement at the forthcoming AGM, will not seek for re-election.

The requirements as required under Rule 720(5) (information as set out in Appendix 7F) of the Catalist Rules are stipulated in the table below: -

NAME OF PERSON	LEE JUN YIH	NG LIP CHI, LAWRENCE
Date of Appointment	10 November 2014	20 November 2014
Date of last re-appointment (if applicable)	30 October 2020	30 October 2020
Age	42	52
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity and the search and nomination process)	Not Applicable	Not Applicable
Whether appointment is executive, and if so, the area of responsibility	Mr. Lee Jun Yih is the Executive Director of the Company and primarily responsible for oversight and Management of the Group's business and corporate development and works with the Chief Executive Officer to formulate the overall business and corporate policies and strategies for the Group. In addition, Mr. Lee Jun Yih is also the Finance Director of the Company and responsible for the oversight and control of the Group's overall accounting and finance functions, including monitoring and coordinating the Group's financial accounts, consolidation and financial reporting.	Not Applicable.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> • Executive Director and Finance Director 	<ul style="list-style-type: none"> • Independent Non-Executive Director • Remuneration Committee Chairman • Audit Committee Member • Nominating Committee Member
Professional qualifications	Solicitor of the High Court of the Hong Kong Special Administrative Region	Chartered Financial Analyst
Working experience and occupation(s) during the past 10 years	Mr. Lee Jun Yih has been working for the Group since July 2011 and was subsequently appointed as an Executive Director and Finance Director of the Company on 10 November 2014 and 8 August 2019 respectively.	Mr. Lawrence Ng is currently an executive director of NLC Advisory Pte. Ltd., a firm that provides corporate advisory services. Prior to this, Mr. Lawrence Ng worked in professional services firm and investment banks, such as Arthur Andersen, Credit Agricole Indosuez Merchant Bank Asia Ltd and DBS Bank Ltd., as well as in-house corporate finance for an Asian natural resources conglomerate.

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NAME OF PERSON	LEE JUN YIH	NG LIP CHI, LAWRENCE
Shareholding interest in the listed issuer and its subsidiaries	Directly interested in 2,845,063 ordinary shares, representing 0.46% shareholding of the Company. Deemed interested in 374,729,122 shares through Zen UG Pte. Ltd. and Raydion Direct Global Inc, representing 60.07% shareholdings of the Company.	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr. Lee Jun Yih is the son of Mr Lee Keck Keong (the Executive Director, Chief Executive Officer and a controlling shareholder of the Company) and Ms. Sim Ai Cheng (a controlling shareholder of the Company). He is also the brother of Mr. Lee Jun Linn (the Executive Director, Chief Operating Officer and a controlling shareholder of the Company).	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships#		
* "Principal Commitments" has the same meaning as defined in the Code.		
# These fields are not applicable for announcements of appointments pursuant to Rule 704(8) of the Catalist Rules.		
Past (for the last 5 years)	<ol style="list-style-type: none"> Glorious Bloom Group Limited (dissolved) Vast Capital Investment Limited (dissolved) 	<ol style="list-style-type: none"> SIA X Infotech Group SIA X Infotech X-Infotech Africa Limited LifeBrandz. Ltd.
Present	<ol style="list-style-type: none"> UGHC Marketing Pte. Ltd. Unigloves (Singapore) Pte. Ltd. N.S. Uni-Gloves Sdn Bhd UG Global Resources Sdn Bhd UG Glovetech Sdn Bhd UGHC Brasil Importadora Ltda Uni-Medical Healthcare Limited Unigloves (UK) Limited UG Healthcare (USA) Inc. Unigloves Shanghai Co Ltd 友利格 (苏州) 国际贸易有限公司 优格 (成都) 国际贸易有限公司 Zen UG Pte. Ltd. Raydion Direct Global Inc Health Focus Diagnostics Nigeria Limited 	<ol style="list-style-type: none"> Sanli Environmental Limited NLC Advisory Pte. Ltd. ZEZZ FundQ Pte. Ltd. Spaze Ventures Fund Management Pte. Ltd.

Corporate Governance Report

NAME OF PERSON
LEE JUN YIH
NG LIP CHI, LAWRENCE

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

Corporate Governance Report

NAME OF PERSON	LEE JUN YIH	NG LIP CHI, LAWRENCE
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or Management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the Management of any entity or business trust?	No	No

Corporate Governance Report

NAME OF PERSON	LEE JUN YIH	NG LIP CHI, LAWRENCE
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the Management or conduct, in Singapore or elsewhere, of the affairs of :-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		

Corporate Governance Report

NAME OF PERSON	LEE JUN YIH	NG LIP CHI, LAWRENCE
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	This relates to re-appointment of Director.	This relates to re-appointment of Director.
If yes, please provide details of prior experience.	Not Applicable	Not Applicable
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not Applicable	Not Applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not Applicable	Not Applicable

There is currently no alternate Director on the Board.

Each member of the NC abstains from voting on any resolutions and making any recommendation and or participating in discussion on matters in which he is interested.

Key information on the Director's particulars and backgrounds can be found on page 14 to 16 of the Annual Report, while information on the Directors' shareholding in the Company can be found on page 69, 144, 145 and 173 of the Annual Report.

Provision 4.5 – Directors' time commitments

The NC has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards. The guidelines provide that, as a general rule, each Director should hold no more than five listed company board representations.

The NC determines annually whether a Director with multiple board representations and/or other principal commitments is able to and has been adequately carrying out his duties as a Director of the Company. The NC takes into account the respective Directors' actual conduct on the Board, in making this determination.

Corporate Governance Report

None of the Directors, save for Mr. Lawrence Ng, has multiple listed company board representation. Mr. Lawrence Ng is an independent director and non-executive chairman of Sanli Environmental Limited, a company listed on the Catalist Board of the SGX-ST. The NC has reviewed and considered Mr Lawrence Ng's directorship in this other listed company, as well as all his other principal commitments, and is satisfied that Mr Lawrence Ng has been able to devote sufficient time and attention to the affairs of the Group to adequately discharge his duties as Director of the Company. The NC is of the view that each Director's directorships is in line with the Company's guideline of a maximum of five listed company board representations and that each Director has discharged his duties adequately.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

Provision 5.1 and 5.2 – Board Evaluation Process

A review of the Board's and Board Committees' performance and the individual Director's performance is conducted by the NC annually. On the recommendation of the NC, the Board has adopted an internal process for evaluating the effectiveness of the Board as a whole and the respective Board Committees, and the contribution of each Director to the effectiveness of the Board. Each Board member will be required to complete an appraisal form to be returned to the NC Chairman for evaluation. Based on the evaluation results, the NC Chairman will present his recommendations to the Board. The key objective of the evaluation exercise is to obtain constructive feedback from the Directors to continually improve the Board's performance.

In evaluating the Board's and Board Committees', and individual Director's performance, the NC considers a set of quantitative and qualitative performance criteria that has been approved by the Board.

The performance criteria for the Board and Board Committees's evaluation are in relation to:-

- a. Board structure
- b. Board process and accountability
- c. Access to information
- d. Performance monitoring
- e. Risk Management and internal control
- f. Compensation
- g. Communication with shareholders

The individual Director's performance criteria is in relation to the Director's:

- a. Duties including attendance at board meetings, meeting preparation, participation in related activities
- b. Interactive skill
- c. Contribution of knowledge such as industry or professional expertise, specialist or functional contribution

The Board has not engaged any external consultant to conduct an assessment of the performance of the Board and each individual Director. Where relevant, the NC will consider such an engagement.

The NC has assessed the performance of the Board, and each individual Director for FY23 and is of the view that the performance of the Board as a whole and each individual Director was satisfactory.

Corporate Governance Report

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1 and 6.2 – Composition of the RC

Provision 6.3 – Remuneration framework

Provision 6.4 – Remuneration consultant

The RC consists of three (3) members, all of whom including the RC Chairman, are independent:

Mr Lawrence Ng	–	Chairman
Mr Yip Wah Pung	–	Member
Mr Vincent Leow	–	Member

The RC is responsible for ensuring a formal and transparent procedure for developing policies on executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel.

The members of the RC carried out their duties in accordance with the terms of reference which include the following:

- recommend to the Board a general framework of remuneration for the Board and key management personnel;
- review and recommend to the Board the specific packages for each Director as well as key management personnel;
- review annually the remuneration packages (including remuneration, bonuses, pay increases or promotions) of the employees of the Group who are immediate family members of or related to a Director or CEO or substantial shareholders of the Company so as to ensure that their remuneration packages are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- review all aspects of remuneration of the Board and key management personnel, including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;
- in seeking expert advice in/or outside the Company on Director's remuneration, the RC shall ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants; and
- in reviewing and making recommendations for remuneration for the Board and key management personnel, the RC shall consider:
 - level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company;
 - the use of long-term incentive schemes for Executive Directors and key management personnel;

Corporate Governance Report

- that the remuneration of Non-Executive Directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors. Non-Executive Directors should not be overcompensated to the extent that their independence may be compromised. The RC should also consider implementing schemes to encourage Non-Executive Directors to hold shares in the Company so as to better align the interests of such Non-Executive Directors with the interests of shareholders;
- the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company; and
- the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The Company should aim to be fair and avoid rewarding poor performance.

The Company had adopted a share option scheme known as the Unigloves Employee Share Option Scheme (the “**Unigloves ESOS**”) and a share scheme known as the Unigloves Performance Share Plan (the “**Unigloves PSP**”). The RC's duties also include the administration of the Unigloves ESOS and Unigloves PSP.

Unigloves ESOS

The aggregate number of shares to be issued pursuant to the Unigloves ESOS, when aggregated to the aggregate number of shares issued and issuable or transferred and to be transferred in respect of all options or awards under any other share option schemes or share schemes, shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares), on the day immediately preceding the date on which an offer to grant an option is made.

On 28 August 2015, the Company granted to the employees (excluding directors, controlling shareholders or their associates) 1,570,000 share options pursuant to the Unigloves ESOS which are vested equally over three (3) years, first year of vesting being after two (2) years from the date of grant. On 28 August 2020, the Company had issued and allotted an aggregate of 1,400,000 new ordinary shares in the capital of the Company pursuant to the exercise of 1,400,000 options granted under the Unigloves ESOS at the exercise price of S\$0.1816 per share. The remaining 170,000 share options were forfeited in FY21. No share options were granted during FY23.

No participant received 5% or more of the total number of share options under the Unigloves ESOS.

The exercise price of the options granted was S\$0.1816 for each share, being a discount of 20% to the average of the last dealt prices of the Company's shares on the SGX-ST over the five (5) consecutive trading days immediately preceding the date of grant of options. The exercise price was at a discount to the market price of the shares on the date of grant, being S\$0.23 per share.

Unigloves PSP

The aggregate number of shares to be issued pursuant to the awards granted under the Unigloves PSP, when aggregated with the aggregate number of shares over which options are granted under any other share option schemes, shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time. During FY23, there were no awards granted pursuant to the Unigloves PSP.

The RC from time to time and where necessary will seek advice from the external remuneration consultant in framing the remuneration policy and determining the level and mix of remuneration for Directors and key management personnel. The RC did not seek the service of an external remuneration consultant in FY23.

None of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation or any form of benefits to be granted to him.

Corporate Governance Report

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provision 7.1 – Remuneration of Executive and Key Management

As part of its review, the RC ensures that the Directors and key management personnel are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. The RC also takes into consideration the Group's relative performance and the performance of individual Directors and key management personnel. The Executive Directors are paid a basic salary and entitled to a discretionary bonus.

Key Management personnel are paid basic salary and variable bonus. The variable bonus varies according to the Group's performance objectives. The allocation will also be based on the individual performance and their contributions towards the Group's performance.

The Company has entered into separate service agreement ("**Service Agreements**") with the Executive Directors, Mr. Wong See Keong, Mr. Lee Jun Yih and Mr. Lee Jun Linn respectively for an initial period of three (3) years from 8 December 2014. The Service Agreements are renewable thereafter unless otherwise terminated by either party giving not less than six (6) months' notice in writing to the other.

The Company has also entered into a Service Agreement with Mr. Lee Keck Keong, Executive Director and CEO for an initial period of three (3) years from 19 October 2016 and is renewable thereafter unless otherwise terminated by either party giving not less than six (6) months' notice in writing to the other.

Pursuant to the terms of the Service Agreements, the Executive Directors are entitled to a discretionary bonus to be recommended and determined by the RC. The compensation package, including changes to annual salary and/or the inclusion of suitable profit-sharing terms, may be adjusted as the RC may, determine from time to time.

On 11 December 2020, the Company entered into new service agreements with Mr. Lee Keck Keong (Executive Director and CEO), Mr. Lee Jun Yih (Executive Director and Finance Director) and Mr. Lee Jun Linn (Executive Director and COO), to revise their respective remuneration structure closer in line with the prevailing market standards.

The Company has also entered into separate employment contracts with the key management personnel which provides for remuneration payable to them, annual leave entitlement and termination arrangements.

Provision 7.2 – Remuneration of Non-Executive Directors

The RC also ensures that the remunerations of the Non-Executive Directors are appropriate to their level of contribution taking into account factors such as efforts and time spent, and their responsibilities. Non-Executive Directors receive a basic fee for their services. The RC ensures that the Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised.

All revisions to the remuneration packages for the Directors and key management personnel are subject to the review by and approval of the RC and the Board. Directors' fees are further subject to the approval of the shareholders at the AGM.

Provision 7.3 – Remuneration appropriately structured to link to long-term performance

The Company believes in aligning its level and structure of remuneration with the interests of shareholders to promote the long-term success of the Company. To initiate this, the Unigloves ESOS and Unigloves PSP have been adopted to link rewards to eligible employees including Executive Directors, Non-Executive Directors, key management personnel and other employees based on corporate and individual performance and align their interests with those of shareholders.

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Typically the total remuneration mix available comprises annual fixed salary in cash, annual performance-related variable bonus in cash, and the Unigloves ESOS and Unigloves PSP, where appropriate.

Having reviewed and considered the variable components of the remuneration packages for the Directors and key management personnel, which are moderate, the RC is of the view that there is no need to institute contractual provisions to allow the Company to reclaim incentive components in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss or fraud by key management personnel.

Principle 8: Disclosure of Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 – Disclosure of remuneration

Provision 8.2 – Remuneration of related employees

Provision 8.3 – Forms of remuneration and details of employee share schemes

The Code recommends that companies fully disclose the name and remuneration of each Director and the CEO. For confidentiality reasons, the Board has reviewed and decided to deviate from complying with the above recommendation and has provided below a breakdown, showing the level and mix of remuneration of each Director and the CEO in bands of S\$250,000 for FY23:

REMUNERATION BAND AND NAME OF DIRECTORS	SALARY %	BONUS %	FEES %	OTHER BENEFITS %	PROFIT SHARING %	TOTAL %
S\$250,001 up to S\$500,000						
Mr Lee Keck Keong	-	-	100	-	-	100
Up to S\$250,000						
Mr Lee Jun Yih	95	-	-	5	-	100
Mr Lee Jun Linn	94	-	-	6	-	100
Mr Wong See Keong	49	34	-	17	-	100
Mr Yip Wah Pung	-	-	100	-	-	100
Mr Lawrence Ng	-	-	100	-	-	100
Mr Vincent Leow	-	-	100	-	-	100

The Company only has one (1) key management personnel (who is not a Director or the CEO) during FY23. The Board is of the opinion that it is not in the best interest of the Company to disclose the exact details of the key management personnel due to competitiveness of the industry for key talent and increase risk of poaching by other competitors in the market. The table below provides a breakdown, showing the level and mix of remuneration of each of the key management personnel (who is not a Director or the CEO) for FY23:

REMUNERATION BAND AND NAME OF KEY EXECUTIVE	SALARY %	BONUS %	FEES %	OTHER BENEFITS %	TOTAL %
Up to S\$250,000					
Ms Wong Pek Wee	50	30	2	18	100

There was no employee who is an immediate family member of a Director, the CEO or substantial shareholder whose remuneration exceeded S\$100,000 in FY23.

There are no termination, retirement and post-employment benefits that may be granted to the Directors, the CEO or the key management personnel.

Corporate Governance Report

The Board believes that there is sufficient transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation are consistent with the intent of Principle 8 of the Code.

The Company is cognisant of the Catalist Rule 1204(10D), which was implemented with effect from 11 January 2023 and will disclose the exact amounts with breakdown (in percentage terms) of remuneration paid to each individual director and the CEO, on a named basis, by the Company and its subsidiaries in its annual report for the financial year ending 30 June 2025 onwards.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk Management and internal controls, to safeguard the interests of the Company and its shareholders.

Provision 9.1 – Nature and extent of significant risks

The Board, with the assistance from the AC, is responsible for the governance of risk by ensuring that Management maintains a sound system of risk Management and internal controls to safeguard shareholders' interests and the Group's assets and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The AC is responsible for making the necessary recommendations to the Board to form and provide an opinion on the adequacy and effectiveness of the risk Management and internal control systems of the Group in the annual report of the Company according to the requirements of the Catalist Rules and the Code.

The Company has engaged IA Essential Pte Ltd, an internal audit consulting firm ("**Internal Auditors**") to perform the internal audit reviews. The Internal Auditors carry out their internal audits with reference to the principles of the International Professional Practice Framework of the Institute of Internal Auditors. The AC is satisfied that the outsourced internal audit function is adequately staffed by suitably qualified, independent and experienced professionals as the team comprises of a director who is a member of Chartered Accountants Australia and New Zealand, the Malaysian Institute of Certified Public Accountants and the Institute of Internal Auditors Malaysia while the team manager and members are accounting graduates.

During FY23, the Internal Auditors had conducted audit in February 2023 covering the Health & Safety and Environment Management for UG Global Resources Sdn Bhd and N.S. Uni-Gloves Sdn. Bhd.. There were no material findings for FY23.

Management regularly reviews the Group's business and operational activities in respect of the key risk control areas including financial, operational, compliance and information technology controls and continues to apply appropriate measures to control and mitigate these risks. All significant matters are highlighted to the AC and the Board for further discussion. The AC and the Board also work with the Internal Auditors, external auditors and Management on their recommendations to institute and execute relevant controls with a view to managing such risks.

Provision 9.2 - Assurance from the CEO and the Finance Director

The Board has received written assurance from the CEO and the Finance Director that:

- (a) The financial records of the Group have been properly maintained and the financial statements for FY23 give a true and fair view of the Group's operations and finances; and
- (b) The system of risk Management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

The CEO and the Finance Director have obtained similar assurance from the business and corporate executive heads in the Group.

Corporate Governance Report

Comment on the adequacy and effectiveness of the risk Management and internal control systems

The AC sought the views of the external auditors in making assessment of the internal controls over financial reporting matters. In addition, based on the internal controls established and maintained by the Group, the work performed by the Internal Auditors, as well as the assurance received from the CEO and the Finance Director, the Board with the concurrence of the AC, is of the opinion that the Group's internal control systems, addressing financial, operational, compliance, information technology risks, and risk Management systems were adequate and effective as at 30 June 2023.

The Board notes that the system of risk Management and internal controls established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledges that no system of risk Management and internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities.

Principle 10: Audit Committee

The Board has an AC which discharges its duties objectively.

Principle 10.1, 10.2 and 10.3 – Composition, Qualification and Role and Responsibilities of the AC

The AC consists of three (3) members, all of whom including the AC Chairman, are independent and are not former partners or directors of the Company's existing auditing firm:

Mr Yip Wah Pung	-	Chairman
Mr Lawrence Ng	-	Member
Mr Vincent Leow	-	Member

The members of the AC carried out their duties in accordance with the terms of reference which include the following:

- review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- review and report to the Board annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls;
- review the external auditors' audit plan and results of the external audit, including the evaluation of the system of internal accounting controls and its cost effectiveness, and the review of the extent of non-audit services provided by the external auditors;
- review the external auditors' reports;
- review the scope and results of the internal audit procedures and the internal auditor's evaluation of the adequacy of our internal control and accounting system;
- review the interim and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major financial risk areas, significant adjustments resulting from the audit, compliance with financial reporting standards as well as compliance with the Catalyst Rules and any other statutory/regulatory requirements;
- ensure co-ordination between the internal and external auditors and the Management, including considering the level of assistance given by the Management to the auditors, and discuss problems and concerns, if any arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management where necessary);
- review the scope and results of the external audit, and the independence and objectivity of the external auditors;

Corporate Governance Report

- review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and our Management's response;
- make recommendations to the Board on the proposals to the shareholders on the appointment, reappointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- review significant financial reporting issues and judgments with the Finance Director/CFO and the external auditors so as to ensure the integrity of the Company's financial statements and any formal announcements relating to the Group's financial performance before submission to the Board;
- review the adequacy and effectiveness the Group's internal controls systems with the Finance Director/CFO and the internal and external auditors including financial, operational, compliance, information technology controls and risk Management system and report to the Board at least annually;
- review the assurance from the CEO and the Finance Director/CFO on the financial records and financial statements;
- review interested person transactions and monitor the procedures established to regulate interested person transactions to ensure compliance with the Group's internal control system and the relevant provisions of the Catalist Rules as well as to ensure that proper measures to mitigate such conflicts of interests have been put in place;
- review the independence of the external auditors and recommend their appointment or re-appointment, remuneration and terms of engagement;
- review and approve all hedging policies and instruments implemented by the Group;
- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- review arrangements by which an employee may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and
- undertake generally such other functions and duties as maybe required by statute or the Catalist Rules, as amended, modified or supplemented from time to time.

Apart from the above, the AC shall:

- commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position; and
- commission an annual internal controls audit until such time it is satisfied that the internal controls of the Group are sufficiently robust and effective in mitigating any key internal control weaknesses the Group may have. Prior to decommissioning such internal controls audit, the Board shall report to the Sponsor and the SGX-ST (if necessary) on the basis to decide to decommission the annual internal controls audit, as well as the measures taken to rectify key weaknesses in and/or strengthen the internal controls of the Group. Thereafter, the AC shall commission such audits as and when it deems fit for the purposes of satisfying itself that the internal controls of the Group have remained robust and effective. Upon the completion of an internal controls audit, the Board shall make the appropriate disclosure via the SGXNet of any weaknesses in the Group's internal controls which may be material or of a price-sensitive nature, as well as any follow-up actions to be taken by the Board.

The AC has explicit authority to investigate any matter within its term of reference and is authorised to obtain independent professional advice. It has full access to and co-operation of Management and reasonable resources to enable it to discharge its duties properly. It also has full discretion to invite any Director or executive officer to attend its meetings.

Corporate Governance Report

Provision 10.4 – Internal audit function

Provision 10.5 – AC's activities during the year

The AC met three times during FY23. Details of members and their attendance at meetings are provided on page 42 of the Annual Report. Company Secretary and external auditors are invited to these meetings. Other members of Management are also invited to attend, as appropriate, to present reports.

During the financial year, the AC had one meeting with the Internal Auditors and external auditors separately, without the presence of Management. These meetings enable the Internal Auditors and external auditors to raise issues encountered in the course of their work directly to the AC.

The AC received updates from the external auditors during the AC meetings on changes and amendments to the Companies Act and accounting standards to enable the members of AC to keep abreast of such changes, and issues which have a direct impact on financial statements.

The AC met at physical meetings or through video conference to review the half year and full year results announcements, material announcements and all related disclosures to the shareholders before submission to the Board for approval. In the process, the AC reviewed the audit plan and audit committee report presented by the external auditors.

In the review of financial statements for FY23, the AC discussed with Management, the Finance Director and the external auditors the significant accounting policies, judgements and estimates applied by Management in preparing the annual financial statements. The AC focused particularly on:

- Significant adjustments resulting from the audit;
- The appropriateness of the going concern assumption in the preparation of the financial statements; and
- Significant deficiencies in internal controls over financial reporting matters that came to the external auditors' attention during their audit together with their recommendations.

In addition, significant matters that were discussed with Management and the external auditors have been included as Key Audit Matters ("KAMs") in the audit report for the financial year ended 30 June 2023 on page 73 to 75 of the Annual Report.

In assessing each KAM, the AC took into consideration the approach and methodology applied, as well as the reasonableness of the estimates and key assumptions used. The AC concluded that Management's accounting treatment and estimates in each of the KAMs were appropriate.

Following the review and discussions, the AC then recommended to the Board for the approval of the audited annual financial statements.

External audit processes

The AC manages the relationship with the Group's external auditors, on behalf of the Board. The AC is of the view that the external auditors, Mazars LLP demonstrated appropriate qualifications and expertise and is also independent of the Company. It is also satisfied with the adequacy of the scope and quality of the external audits being conducted by Mazars LLP. Therefore, the AC recommended to the Board that Mazars LLP be re-appointed as the external auditors. The Board accepted this recommendation and has proposed a resolution to shareholders for the re-appointment of Mazars LLP at the forthcoming AGM.

The AC undertook a review of the non-audit services provided by the external auditors and is satisfied that the nature and extent of such services would not prejudice the independence of the external auditors, and has recommended the re-appointment of the external auditors at the forthcoming AGM.

Corporate Governance Report

The aggregate amount of audit fees and non-audit fees paid or payable to the external auditors for FY23 are S\$231,000 for audit fees and S\$16,000 for non-audit fees relating to the provision of tax compliance and other services, respectively. The Company has complied with Rule 712 and Rule 715 of the Catalyst Rules in the appointment of its auditor, having regard the adequacy of the track record, resources, experience and independence of the auditing firm and the audit partner-in-charge assigned to the audit.

Internal audit

The AC approves the appointment, removal, evaluation and compensation of internal auditors. The internal audit function of the Group is outsourced to IA Essential Pte Ltd. The Internal Auditors' primary line of reporting is the AC Chairman. Administratively, the Internal Auditors report to the CEO. The selection of the Internal Auditors, its fee proposal and the internal audit proposal were reviewed and approved by the AC. The Internal Auditors carry out their function in accordance to the standards set by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The primary purpose of the internal audit function is to assist the Board and Management to meet the strategic and operational objectives of the Group, by providing an independent and objective evaluation of the adequacy and effectiveness of risk Management, controls and governance processes. The internal audit approach focuses on key financial, operational, compliance, information technology risks and risk Management system. The internal audit plan is established in consultation with, but independent of, Management. The internal audit plan is reviewed and approved by the AC. All internal audit findings, recommendations and status of remediation, are circulated to the AC, the CEO, the external auditors and relevant Management.

The AC will ensure that Management provides good support to the Internal Auditors and provides them with access to documents, records, properties and personnel when requested in order for the Internal Auditors to carry out their function accordingly. The AC will meet with the Internal Auditors once a year, without the presence of Management.

The AC, together with the Board have reviewed the effectiveness of the actions taken by Management on the recommendations made by the Internal Auditors. The Board and the AC are of the view that the internal audit function is independent, effective, adequately resourced and has the appropriate standing within the Group.

During FY23, the AC reviewed and assessed the adequacy of the Group's system of internal controls and regulatory compliance through discussion with Management, Internal Auditors and external auditors.

The AC considered and reviewed with the Management and the Internal Auditors on the following:

- Internal audit plans to ensure that the plans covered sufficiently a review of the internal controls of the Group; and
- Significant internal audit observations and the Management's response thereto.

The AC has reviewed the adequacy and effectiveness of the internal audit function.

Interested person transactions

The AC reviewed the Group's interested person transactions to ensure that the transactions were carried out on normal commercial terms and were not prejudicial to the interests of the Company or its minority shareholders. On an interim basis, Management reports to the AC the interested person transactions, if any.

There were no interested person transactions during the financial year under review.

The AC is satisfied that the internal controls over the identification, evaluation, review, approval and reporting of interested person transactions are effective.

Corporate Governance Report

Whistle blowing

The Company has adopted a Whistle-Blowing Policy to provide a channel for employees of the Group to report in good faith and in confidence their concerns about possible improprieties in matters of financial reporting or other matters. The AC exercises the overseeing function over the administration of the Whistle-Blowing Policy. The Whistle-Blowing Policy provides for procedures to validate concerns and for investigations to be carried out independently. The Whistle-Blowing Policy has been circulated to all employees and has been published on the Company's website for the purposes of the external parties such as customers, suppliers, and other stakeholders. For FY23, there were no reported incidents pertaining to whistle blowing.

SHAREHOLDERS' RIGHTS AND ENGAGEMENT AND MANAGING STAKEHOLDER RELATIONSHIPS

Principle 11: Shareholders' Rights and Conduct of General Meetings

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1, 11.2, and 11.3 – Conduct of general meetings

The Group recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including minority shareholders are protected.

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

The Group strongly encourages shareholder participation during the AGM which will be held in Singapore. Shareholders are able to proactively engage the Board and Management on the Group's business activities, financial performance and other business-related matters. All shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company conducts poll voting for all resolutions tabled at the general meetings. The rules, including the voting procedures, will be clearly explained by the scrutineer at such general meetings. The Company will employ electronic polling if necessary.

Separate resolutions on each distinct issue are tabled at general meetings and explanatory notes are set out in the notices of general meetings where appropriate. All Directors including Chairman of the Board and the respective Chairman of the AC, NC and RC, Management, and the external auditors will be in attendance at general meetings to address any queries of the shareholders.

Forthcoming AGM to be convened

The forthcoming AGM in respect of FY23 will be held physically at Institute of Singapore Chartered Accountants @ 60 Cecil Street, ISCA House, Training Room 4-3 Singapore 049709 on 30 October 2023. Shareholders will be able to raise questions and vote in person at the AGM. There will be no option for shareholders to participate virtually. Arrangements relating to attendance at the forthcoming AGM, submission of questions in advance of the AGM, and voting at the AGM by shareholders or their duly appointed proxy(ies), are set out in the Notice of AGM released on SGXNet on 13 October 2023.

Provision 11.4 – Voting in absentia

The Constitution of the Company allows any member of the Company, if he is unable to attend a general meeting, to appoint not more than two proxies to attend and vote on his behalf at the meeting through a proxy form sent in advance. Pursuant to the amendments to the Companies Act effective from 1 January 2016, corporate shareholders of the Company which provide nominee or custodial services are entitled to appoint more than two proxies to attend and vote on their behalf at general meetings provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such corporate shareholders.

Corporate Governance Report

The Group supports and encourages active shareholders' participation at general meetings. The Board believes that general meetings serve as an opportune forum for shareholders to meet the Board and key management personnel, and to interact with them. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all shareholders. The notices are also released via SGXNet and published in local newspapers, as well as posted on the Company's website.

The Company's Constitution allows all shareholders to appoint proxies to attend general meetings and vote on their behalf. As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax.

Provision 11.5 – Minutes of general meetings

The Company Secretary will record the minutes of general meetings that include relevant and substantial comments from shareholders relating to the agenda of the meetings and responses from Management.

Under Provision 11.5 of the Code, the Company should publish the minutes of general meetings of shareholders on SGXNet and/or its corporate website as soon as practicable and such minutes shall record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management. The Company has adopted this practice since its AGM for the financial year ended 30 June 2020. The minutes of general meetings of the Company, including a summary of substantial and relevant comments or questions from shareholders relating to the agenda of general meetings and responses thereof, will be published on SGXNet and/or its corporate website within one (1) month after the date of the meeting, for the information of the shareholders.

The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages for general meetings.

Provision 11.6 – Dividend policy

In the Company's Offer Document dated 28 November 2014 (the "**Offer Document**"), the Company stated that it does not have a fixed dividend policy. However, it is also disclosed in the Offer Document that the Board intends to recommend and distribute dividends of at least 20% of the Group's net profit after tax for each financial year commencing from the financial year ended 30 June 2016. The form, frequency and amount of future dividends that the Board may recommend or declare in respect of any particular year or period, will be subject to the factors outlined below as well as other factors deemed relevant by the Board:

- The Group's financial position, results of operations and cash flow;
- The ability of the Group's subsidiaries to make dividend payment to the Company;
- The Group's expected working capital requirement to support the Group's future growth;
- The Group's ability to successfully implement the Group's future plan and business strategy;
- The passage of new laws, adoption of new regulations or changes to, or in the interpretation or implementation of, existing laws and regulations governing the Group's operations;
- General economic conditions and other factors specific to the Group's industry or specific projects; and
- Any other factors deemed relevant by the Board at the material time.

No dividend has been declared for FY23 due to the Group's loss position.

Corporate Governance Report

Principle 12: Engagement with Shareholders

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Provision 12.1, 12.2 and 12.3 – Stakeholder engagement

Disclosure of information on a timely basis

The Group is committed to maintaining high standards of corporate disclosure and transparency. The Group values dialogue sessions with its shareholders. The Group believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXNet, press releases and on the corporate website. To ensure a level playing field and to provide confidence to shareholders, unpublished price sensitive information is not selectively disclosed. In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Group's interactions with the investing community, a media release or announcement will be released to the public via SGXNet as soon as practicable.

The Group's corporate website is the key resource of information for shareholders. In addition to the quarterly and full year financial results materials/business updates, it contains a wealth of investor related information on the Group, including annual reports, shares and dividend information and factsheets.

Interaction with shareholders/stakeholders

The Company has appointed an external investor relations firm to facilitate the communication with all stakeholders (shareholders, analysts and media) on a regular basis, to attend to their queries or concerns as well as to keep the investors apprised of the Group's corporate developments and financial performance. To enable shareholders to contact the Company easily, the contact details of the investor relations function are set out on Corporate Information page this Annual Report. The Company has procedures in place with regard to responding to investors' queries.

Principle 13: Managing stakeholder relationships

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provision 13.1, 13.2 and 13.3 – Stakeholder engagement

The Group has arrangements in place to identify and engage with its material shareholder groups and to manage its relationships with such groups. It undertakes formal and informal stakeholder engagement exercise, such as announcements, press releases, publications, surveys and customer feedback with material stakeholder groups which include shareholders, suppliers, customers, regulators, employees, media and public relations, and the local communities. The Group has identified the environmental, social and governance factors that are important to these stakeholders. These factors form the materiality matrix upon which targets, metrics, programmes and progress are reviewed by and approved by the Board, before they are published annually in our sustainability report. Further information in relation to details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholder, including frequency of engagement by type and by stakeholder group and key feedback or issues that have been raised through stakeholder engagement can be found under Sustainability Report on page 17 to 39 of the annual report.

Corporate Governance Report

Dealing in Securities

The Group has adopted an internal compliance code to provide guidance to its Directors and all employees of the Group with regard to dealings in the Company's securities. The code prohibits the dealing in the Company's securities by the Directors and employees of the Group while in possession of unpublished price sensitive information. Directors and employees are not allowed to deal in the Company's securities on short-term considerations and during the period commencing one month before the announcement of the Company's half year and full year financial results. The Directors and employees are also required to adhere to the provisions of the Securities and Futures Act, Companies Act, the Catalist Rules and any other relevant regulations with regard to their securities transactions. They are also expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

The Group confirmed that it has adhered to its internal compliance code for FY23 pursuant to Rule 1204(19) of the Catalist Rules.

Material Contracts

There are no material contracts of the Company or its subsidiaries involving the interest of the CEO, any Director or controlling shareholder either still subsisting as at 30 June 2023 or if not then subsisting, entered into since the end of the previous financial year.

Non-Sponsor Fees

In compliance with Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid to the Company's sponsor, SAC Capital Private Limited during the financial year under review.

Interested Person Transactions ("IPT")

NAME OF INTERESTED PERSON	NATURE OF RELATIONSHIP	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS DURING THE FINANCIAL YEAR UNDER REVIEW (EXCLUDING TRANSACTIONS LESS THAN S\$100,000 AND TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920)	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920 (EXCLUDING TRANSACTIONS LESS THAN S\$100,000)
Lee Keck Keong	Executive Director and CEO	S\$10,183,171 ⁽¹⁾	Not applicable

Note 1: More details on the interested person transaction entered into by the Group during FY23 can be found in the announcement dated 14 October 2022.

Save as disclosed, the Company confirms that there were no interested person transactions during the financial year under review.

The Group does not have a general mandate from shareholders for IPTs pursuant to Rule 920 of the Catalist Rules.

Directors' Statement

The directors present their statement to the members together with the audited financial statements of UG Healthcare Corporation Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 30 June 2023 and the statement of financial position and statement of changes in equity of the Company as at 30 June 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) the financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors of the Company in office at the date of this statement are:

Yip Wah Pung
 Lee Keck Keong
 Lee Jun Yih
 Wong See Keong
 Lee Jun Linn
 Ng Lip Chi, Lawrence
 Vincent Leow

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the object was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), the directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

NAME OF DIRECTORS AND RESPECTIVE COMPANIES IN WHICH INTEREST IS HELD	DIRECT INTEREST		DEEMED INTEREST	
	AT THE BEGINNING OF THE YEAR	AT END OF THE YEAR	AT THE BEGINNING OF THE YEAR	AT END OF THE YEAR
The Company (Ordinary shares)				
Lee Keck Keong	-	-	374,729,122	374,729,122
Lee Jun Yih	2,845,063	2,845,063	374,729,122	374,729,122
Lee Jun Linn	2,217,089	2,217,089	374,729,122	374,729,122
Wong See Keong	29,387,243	29,387,243	-	-

The directors' interests in the shares of the Company on 21 July 2023 were the same as at 30 June 2023.

Directors' Statement

5. SHARE OPTIONS

On 28 August 2015 (the “**Date of Grant**”), a batch of share options were granted to management and confirmed employees under the Unigloves Employee Share Option Scheme (the “**Scheme**”). Options were granted at the exercise price of S\$0.1816 per share. The Scheme is administered by the Remuneration Committee which comprises the following directors:

Ng Lip Chi, Lawrence (Chairman)
Yip Wah Pung
Vincent Leow

The options are vested equally over three (3) years with first year of vesting being after two (2) years from the date of grant, the options are exercisable upon vesting. In all other cases, an option will be forfeited in the event that the option is not exercised within 10 years from the Date of Grant.

The exercise price of the options can be set at a discount of 20% to the average of the last-dealt price for a share for the five (5) consecutive trading days immediately preceding the date of grant of the options.

There were no unissued shares under option in the Company or its subsidiaries as at end of the financial year.

Save as disclosed above, there were no other grants of such options in FY23.

6. PERFORMANCE SHARE PLAN

There were no awards granted under the Unigloves Performance Share Plan by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of exercise of awards to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under the Unigloves Performance Share Plan in the Company or its subsidiaries as at the end of the financial year.

7. AUDIT COMMITTEE

The Audit Committee of the Company comprises three non-executive directors and at the date of this report, they are:

Yip Wah Pung (Chairman)
Ng Lip Chi, Lawrence
Vincent Leow

The Audit Committee has convened four meetings during the year with key management and the internal and external auditors of the Company.

Directors' Statement

7. AUDIT COMMITTEE (CONTINUED)

The Audit Committee carried out its functions in accordance with Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed:

- i. the audit plan and results of the external audit, including the evaluation of internal accounting controls and its cost effectiveness, and the independence and objectivity of the external auditors, including the review of the nature and extent of non-audit services provided by the external auditors to the Group;
- ii. the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;
- iii. the Group's interim and annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;
- iv. the half yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;
- v. the adequacy of the Group's risk management processes;
- vi. the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;
- vii. interested person transactions in accordance with SGX listing rules;
- viii. the nomination of external auditors and approval of their compensation; and
- ix. the submission of report of actions and minutes of the audit committee to the board of directors with any recommendations as the audit committee deems appropriate.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Mazars LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

8. AUDITORS

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the directors

Lee Keck Keong

Director

Lee Jun Yih

Director

Singapore
29 September 2023

Independent Auditors' Report

To the members of UG Healthcare Corporation Limited

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of UG Healthcare Corporation Limited (the **"Company"**) and its subsidiaries (the **"Group"**) which comprise the statements of financial position of the Group and of the Company as at 30 June 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies from page 78 to 143.

In our opinion, the accompanying financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the **"Act"**) and Singapore Financial Reporting Standards (International) (**"SFRS(I)s"**) so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (**"SSAs"**). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (**"ACRA"**) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (**"ACRA code"**) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgment in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Independent Auditors' Report

To the members of UG Healthcare Corporation Limited (Continued)

Scope of audit

For the audit of the current year's financial statements, we identified 6 significant components which required a full scope audit of their financial information, either because of their size or/and their risk characteristics.

The significant components were audited by another firm of auditors and overseas member firms of Mazars LLP, as component auditors (the "**component auditors**") under our instructions. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole which include but not limited to the following:

- Issuance of a set of comprehensive Group audit instructions to the component auditors to inform them about significant audit matters such as the component materiality thresholds, risks of material misstatements identified at the Group level, reporting deliverables and the necessity of timely communication to us of matters that could have a material impact on the Group's operations and financials;
- Review of the audit plans of significant components prepared by the component auditors and where deemed necessary, dictated additional audit procedures to be performed by them;
- Review of audit working files prepared by component auditors relating to the Group's significant component;
- Holding of teleconferences with the component auditors, as and when deemed necessary during the course of audit, to discuss about matters, including the audit approach and any other significant matters;
- Holding of closing meetings with the Group finance team of the significant components, including the finance director, and the corresponding component auditors to resolve issues and matters;
- Provision of regular updates to the Group's management about the progress of the Group audit and, as and when deemed necessary, any significant accounting and audit issues we encountered during the course of the Group audit such that these issues can be resolved on a timely basis to facilitate the progress of the audit; and
- Site visits of factories of the Group's significant components.

Area of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgments and estimates to be made by directors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters include the aforementioned salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

To the members of UG Healthcare Corporation Limited (Continued)

Key Audit Matters (Continued)

MATTER	AUDIT RESPONSE
<p>Valuation of inventories Refer to Note 3.2 for key sources of estimation uncertainty and Note 15 (Inventories) for disclosures note.</p> <p>As at 30 June 2023, the Group recorded inventories of S\$54.5 million.</p> <p>Inventories are valued at the lower of cost and net realisable value.</p> <p>Management reviews the Group's inventories levels in order to identify slow-moving and obsolete merchandise and identifies items of inventories which have a market price, being the merchandise's selling price quoted from the market of similar items that is lower than their carrying amount. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventories which could then consequentially impact the Group's results, cash flows and financial position. Management estimates the amount of inventories loss as an allowance on inventories to ensure that the inventories amounts recorded are not above their corresponding net realisable value ("NRV").</p> <p>We have identified valuation for inventories as one of the key audit matters because the Group had material carrying amount of inventories as at the end of the financial year and the Group determined cost based on standard costing where standard costs are estimated using unit costs at targeted output levels, including direct materials costs, direct labour costs, and indirect costs. The estimation of standard costs requires the separate estimation of standard costs for direct materials, direct labour, and overhead where judgements are involved on absorption and allocation of cost for each type of inventories.</p> <p>Allowance for trade receivables Refer to Note 3.2 for key sources of estimation uncertainty and Note 17 (Trade receivables) for disclosures note.</p> <p>As at 30 June 2023, the Group recorded trade receivables of S\$24.5 million under current assets.</p> <p>With reference to SFRS(I) 9 Financial Instruments, the Group used an allowance matrix to estimate expected credit losses for trade receivables. The expected credit losses rates were based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that were assessed through an age analysis and by geographical locations, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables.</p> <p>As the determination of the expected credit losses requires significant judgement of management and in consideration of the significance of trade receivables in the Group, we consider management's assessment and application of SFRS(I) 9 to the impairment of trade receivables as a key audit matter.</p>	<p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> • Performed observation of inventory count at year end for its major operating subsidiaries; • Assessed costing of closing inventories determined by management using standard costing method to ascertain that the standard costs approximate actual costs; • Assessed NRV of closing inventories that was determined by management to ascertain that inventories are carried at lower of cost and NRV; • Evaluated the basis of the allowance provided by management and checked to historical storage time to assess reasonableness of the storage time's guidance used in the estimation of obsolescence allowance; and • Reviewed inventories turnover days and performed a specific review on those slow moving and obsolete inventories. <p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> • Reviewed outstanding debts as at year end, differentiated in two streams, namely major customers and long outstanding debts exceeding credit terms granted with reference to ageing profile; • Assessed expected credit losses based on the ratio of historical actual credit losses against trade receivables for the past 3 financial years and management's assumptions on forward looking factors affecting the recoverability of the trade receivables; • Reviewed ageing profile of the receivables and verified to subsequent collections from the receivables to the bank statements; and • Reviewed the background, profile and historical payments trends of the customers.

Independent Auditors' Report

To the members of UG Healthcare Corporation Limited (Continued)

Key Audit Matters (Continued)

MATTER	AUDIT RESPONSE
<p>Impairment on Property, Plant and Equipment</p> <p><i>Refer to Note 3.2 for key sources of estimation uncertainty and Note 12 (Property, plant and equipment) for disclosures note.</i></p> <p>As at 30 June 2023, the Group recorded property, plant and equipment of S\$59.8 million, net of impairment allowance of S\$5.3 million.</p> <p>In accordance with SFRS(I) 1-36 Impairment of Assets, the Group shall assess at the end of each reporting period whether there is any indication that property, plant and equipment may be impaired. If any such indication exists, the Group shall estimate the recoverable amount of the property, plant and equipment.</p> <p>The property, plant and equipment is allocated to the groups of cash-generating units ("CGU"). The carrying amount of a CGU consists of assets directly and exclusively attributable to the CGU and an allocation of assets that are indirectly attributable on a reasonable and consistent basis to the CGU, including corporate assets and goodwill. The management assessed the groups of CGU for impairment annually or more frequently when there is an indication that the CGU may be impaired.</p> <p>The recoverable amounts of the groups of CGU are determined based on estimates of forecasted revenues, growth rates, gross margins and discount rates. These estimates require significant judgement and hence the management's determination of the recoverable amounts is a key focus area for our audit.</p> <p>Impairment on Investments in Subsidiaries</p> <p><i>Refer to Note 3.2 for key sources of estimation uncertainty and Note 10 (Subsidiaries) for disclosures note.</i></p> <p>The Company's carrying amount of investments in subsidiaries as of 30 June 2023 was S\$31.0 million, net of impairment allowance of S\$27.1 million.</p> <p>The Company assesses, at least on an annual basis, its investments in subsidiaries for any indication of impairment.</p> <p>This involves an estimate of the recoverable amount of the investments, which include the consideration of the value-in-use of the investments. The value-in-use calculation requires an entity to estimate the future cash flows expected to arise from the investment and a suitable discount rate in order to calculate present value.</p> <p>In accordance with SFRS(I) 1-36 Impairment of Assets, management needs to assess whether there is any indication of impairment as at each reporting date. If any such indication exists, the management shall determine the recoverable amount of the asset.</p>	<p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> • Evaluated the process by which management prepared its cash flow forecasts and compared them against the latest Board approved financial budgets and management approved forecast; • Discussed with management on their planned strategies, revenue stream growth strategies and cost initiatives; • Evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's key assumptions and estimates applied in the value-in-use models, with comparison to recent performance, trend analysis, market expectations, and historical accuracy of the plans and forecasts; and • Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the CGU subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements. <p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> • Reviewed the assessment of existence of internal and external impairment indicators; and • If any indication of impairment exists, reviewed management's assessment and assessed the appropriateness and reasonableness of the assumptions used in preparing the cash flow projection on the recoverable amounts of CGU.

Independent Auditors' Report

To the members of UG Healthcare Corporation Limited (Continued)

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements, the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report

To the members of UG Healthcare Corporation Limited (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Chan Hock Leong, Rick.

MAZARS LLP

Public Accountants and
Chartered Accountants

Singapore
29 September 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 30 June 2023

	NOTE	GROUP	
		2023 S\$'000	2022 S\$'000
Revenue	4	101,133	232,598
Cost of sales		(99,685)	(148,212)
Gross profit		1,448	84,386
Other income	5	2,700	727
Other items of expense			
Marketing and distribution expenses		(6,501)	(7,745)
Administrative expenses		(20,066)	(25,475)
Other expenses		(5,584)	(2,426)
Finance costs	6	(915)	(805)
Share of profits from equity-accounted for associates	11	557	99
(Loss)/Profit before income tax	7	(28,361)	48,761
Income tax credit/(expense)	8	1,398	(8,963)
(LOSS)/PROFIT FOR THE YEAR		(26,963)	39,798
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss, net of tax			
Exchange differences on translating foreign operations		(11,948)	1,716
Other comprehensive (loss)/income for the year, net of tax		(11,948)	1,716
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(38,911)	41,514
(Loss)/Profit attributable to:			
- Owners of the Company		(20,734)	36,795
- Non-controlling interests		(6,229)	3,003
		(26,963)	39,798
Total comprehensive (loss)/income attributable to:			
- Owners of the Company		(33,094)	39,475
- Non-controlling interests		(5,817)	2,039
		(38,911)	41,514
(Loss)/Earnings per share attributable to owners of the Company (cents)			
Basic/Diluted	9	(3.32)	5.93

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Financial Position

As At 30 June 2023

	NOTE	GROUP		COMPANY	
		2023	2022	2023	2022
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Subsidiaries	10	-	-	31,024	54,621
Associates	11	7,061	6,443	-	-
Property, plant and equipment	12	59,786	66,085	-	-
Intangible assets	13	616	476	-	-
Deferred tax assets	14	2,600	1,745	-	-
Total non-current assets		70,063	74,749	31,024	54,621
Current assets					
Inventories	15	54,544	61,834	-	-
Amounts due from subsidiaries	16	-	-	13,530	26,406
Trade and other receivables	17	35,653	40,906	260	324
Income tax assets		7,991	10,332	-	-
Cash and cash equivalents	18	61,745	100,218	38,171	32,088
Total current assets		159,933	213,290	51,961	58,818
Total assets		229,996	288,039	82,985	113,439
EQUITY AND LIABILITIES					
Equity					
Share capital	19	59,652	59,652	59,652	59,652
Reserves	21	(59,556)	(36,226)	-	-
Retained earnings		180,748	205,474	21,834	52,027
Equity attributable to owners of the Company		180,844	228,900	81,486	111,679
Non-controlling interests		346	6,163	-	-
Total equity		181,190	235,063	81,486	111,679
Non-current liabilities					
Deferred tax liabilities	14	1,621	4,824	-	-
Bank borrowings	24	13,813	10,273	-	-
Lease liabilities	26	595	724	-	-
Total non-current liabilities		16,029	15,821	-	-
Current liabilities					
Bank borrowings	24	16,137	6,186	-	-
Trade and other payables	25	14,071	24,506	1,445	1,638
Lease liabilities	26	582	798	-	-
Derivative financial liabilities	23	332	98	-	-
Income tax liabilities		1,655	5,567	54	122
Total current liabilities		32,777	37,155	1,499	1,760
Total liabilities		48,806	52,976	1,499	1,760
Total equity and liabilities		229,996	288,039	82,985	113,439

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Changes In Equity

For The Financial Year Ended 30 June 2023

GROUP	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY							
	SHARE CAPITAL (NOTE 19) S\$'000	FOREIGN CURRENCY	MERGER RESERVES (NOTE 21) S\$'000	OTHER RESERVES (NOTE 21) S\$'000	RETAINED EARNINGS S\$'000	TOTAL S\$'000	NON- CONTROLLING INTERESTS S\$'000	TOTAL EQUITY S\$'000
		TRANSLATION RESERVE (NOTE 21) S\$'000						
At 1 July 2021	57,745	(12,966)	(25,940)	-	171,797	190,636	4,124	194,760
Profit for the year	-	-	-	-	36,795	36,795	3,003	39,798
<i>Other comprehensive income:</i>								
Exchange differences on translating foreign operations	-	2,680	-	-	-	2,680	(964)	1,716
Total comprehensive income for the year	-	2,680	-	-	36,795	39,475	2,039	41,514
Issuance of shares, pursuant to scrip dividend	1,907	-	-	-	-	1,907	-	1,907
Dividends (Note 20)	-	-	-	-	(3,118)	(3,118)	-	(3,118)
At 30 June 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)
<i>Other comprehensive (loss)/income:</i>								
Exchange differences on translating foreign operations	-	(12,360)	-	-	-	(12,360)	412	(11,948)
Total comprehensive (loss)/income for the year	-	(12,360)	-	-	(20,734)	(33,094)	(5,817)	(38,911)
Changes arising from transactions between equity holders (Note 21)	-	-	-	(10,970)	-	(10,970)	-	(10,970)
Dividends (Note 20)	-	-	-	-	(3,992)	(3,992)	-	(3,992)
At 30 June 2023	59,652	(22,646)	(25,940)	(10,970)	180,748	180,844	346	181,190

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Changes In Equity

For The Financial Year Ended 30 June 2023 (Continued)

COMPANY	SHARE CAPITAL S\$'000	RETAINED EARNINGS S\$'000	TOTAL S\$'000
At 1 July 2021	57,745	53,451	111,196
Profit for the year, representing total comprehensive income for the financial year	-	1,694	1,694
Issuance of shares, pursuant to scrip dividend	1,907	-	1,907
Dividends (Note 20)	-	(3,118)	(3,118)
At 30 June 2022	59,652	52,027	111,679
Loss for the year, representing total comprehensive loss for the financial year	-	(26,201)	(26,201)
Dividends (Note 20)	-	(3,992)	(3,992)
At 30 June 2023	59,652	21,834	81,486

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

For The Financial Year Ended 30 June 2023

	NOTE	GROUP	
		2023 S\$'000	2022 S\$'000
Operating activities			
(Loss)/Profit before income tax		(28,361)	48,761
Adjustments for:			
- Loss allowance on trade receivables	31	42	25
- Gain on disposal of property, plant and equipment		-	(22)
- Gain on disposal of lease		(20)	-
- Share of profits from equity-accounted for associates	11	(557)	(99)
- Depreciation of property, plant and equipment	12	3,451	3,885
- Property, plant and equipment written off		406	547
- Impairment of property, plant and equipment	12	5,327	-
- Amortisation of intangible assets	13	23	21
- Fair value loss/(gain) of derivative financial instruments	7	235	(267)
- Interest expense	6	915	805
- Interest income	5	(2,153)	(427)
- Unrealised exchange differences		(17,590)	4,399
Operating cash flows before movements in working capital		(38,282)	57,628
<i>Movements in working capital</i>			
- Inventories		7,290	10,574
- Trade and other receivables		5,211	19,332
- Trade and other payables		(10,416)	(10,249)
Cash (used in)/generated from operations		(36,197)	77,285
Interest paid		(868)	(738)
Income taxes paid		(4,230)	(22,597)
Net cash (used in)/generated from operating activities		(41,295)	53,950
Investing activities			
Acquisition of property, plant and equipment	12	(7,854)	(22,080)
Addition of intangible assets	13	(175)	(242)
Interest received		2,153	427
Proceeds from disposal of property, plant and equipment		-	133
Dividend received from an associate	11	-	562
Net cash used in investing activities		(5,876)	(21,200)
Financing activities			
Drawdown of borrowings		33,180	21,658
Decrease in fixed deposits pledged to bank	18	41	6
Repayment of borrowings		(19,689)	(20,459)
Repayment of lease liabilities	26(a)	(801)	(961)
Dividend paid	20	(3,992)	(1,211)
Net cash generated from/(used in) financing activities		8,739	(967)
Net (decrease)/increase in cash and cash equivalents		(38,432)	31,783
Cash and cash equivalents at beginning of financial year		99,580	67,797
Cash and cash equivalents at end of financial year	18	61,148	99,580

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

For The Financial Year Ended 30 June 2023 (Continued)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

	CASH MOVEMENT			NON-CASH MOVEMENT				30 JUNE 2023 S\$'000
	1 JULY 2022 S\$'000	REPAYMENTS S\$'000	DRAWDOWN S\$'000	INTEREST EXPENSES S\$'000	FOREIGN EXCHANGE DIFFERENCES S\$'000	ACQUISITION S\$'000	DISPOSAL S\$'000	
	Liabilities							
Borrowings	16,459	(19,689)	33,180	-	-	-	-	29,950
Lease liabilities	1,522	(801)	-	47	(64)	804	(331)	1,177

	CASH MOVEMENT			NON-CASH MOVEMENT				30 JUNE 2022 S\$'000
	1 JULY 2021 S\$'000	REPAYMENTS S\$'000	DRAWDOWN S\$'000	INTEREST EXPENSES S\$'000	FOREIGN EXCHANGE DIFFERENCES S\$'000	ACQUISITION S\$'000	DISPOSAL S\$'000	
	Liabilities							
Borrowings	15,260	(20,459)	21,658	-	-	-	-	16,459
Lease liabilities	1,483	(961)	-	67	(37)	970	-	1,522

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements

For the financial year ended 30 June 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

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**”).

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

The principal activities of the respective subsidiaries are disclosed in Note 10 to the financial statements.

The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2023 were authorised for issue by the Board of Directors on the date of the directors’ statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) including related Interpretations of SFRS(I)s (“**SFRS(I) INTs**”) and are prepared on the historical cost basis.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar (“**S\$**”) which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand (“**S\$’000**”), unless otherwise indicated.

In the current financial year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 July 2022. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group’s and the Company’s accounting policies, and has no material effect on the current or prior year’s financial statement and is not expected to have a material effect on future periods.

The adoption of SFRS(I) 1-37 from 1 July 2022 resulted in a change in accounting policy in the assessment of onerous contracts. Before the amendment, the Group only included incremental costs to fulfil a contract when determining whether a contract is onerous. With the amendment, the Group includes both the incremental costs and an allocation of other costs that relate directly to fulfilling contracts when determining whether a contract is onerous.

The amendments are applied on a retrospective basis on contracts for which the Group has not yet fulfilled all its obligations on 1 July 2022. Based on the Group’s assessment, there is no onerous contract identified with the revision of the accounting policy.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

SFRS(I)s and SFRS(I) INTs issued but not yet effective

At the date of authorisation of these statements, the following SFRS(I)s and SFRS(I) INTs that are relevant to the Group were issued but not yet effective:

SFRS (I)	TITLE	EFFECTIVE DATE (ANNUAL PERIODS BEGINNING ON OR AFTER)
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
SFRS(I) 1- 8	Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: <i>Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction</i>	1 January 2023
SFRS(I) 16	Amendments to SFRS(I) 16: <i>Lease Liability in a Sale and leaseback</i>	1 January 2024
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Various	Amendments to SFRS(I) 1-1: <i>Non-current Liabilities with Covenants</i>	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	Amendments to SFRS(I) 1-7 and SFRS(I) 7: <i>Supplier Finance Arrangements</i>	1 January 2024
SFRS(I) 1-21, SFRS(I) 1	Amendments to SFRS(I) 1-21: <i>Lack of Exchangeability</i>	1 January 2025

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The Group has the option to apply a "concentration test" as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations (Continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition

The Group is principally in the business of manufacturing and trading of gloves and other medical disposables products such as latex examination gloves, nitrile examination gloves and other ancillary products. Revenue from contracts with its customers is recognised at point in time when or as the Group satisfies a performance obligation by transferring the significant risks and rewards of ownership of the goods generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods and that is allocated to that performance obligation. The goods are transferred when the customer obtains control of the goods.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

The Group participates in the national pension schemes as defined by the laws of PRC. Subsidiaries incorporated in the PRC are required to provide staff pension benefits to their employees under existing PRC legislation. These subsidiaries are required to contribute a certain percentage of their payroll costs to the pension scheme to fund the benefits. The pension funds are managed by government agencies, which are responsible for paying pensions to the retired employees. Contributions under the pension scheme are charged to the profit or loss as they become payable in accordance with the rules of the pension scheme.

2.7 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Income tax (Continued)

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

2.9 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

2.10 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity through other comprehensive income.

Exchange differences relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Foreign currency transactions and translation (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.11 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost or valuation of assets, other than freehold land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

• Leasehold land	over the lease period of 50 to 73 years
• Leasehold buildings	2%
• Plant, machinery and equipment	5% to 20%
• Motor vehicles	20%
• Furniture and fittings	10% to 12%

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 26.

No depreciation is charged on construction-in-progress as they are not yet in use as at the end of the financial year.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to accumulated profits directly.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Intangible assets

Acquired intangible assets are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value at the acquisition date. Subsequent to initial recognition, the intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Acquired intangible assets have either finite or indefinite useful life.

Intangible assets with finite useful life are amortised over its useful life, using its straight-line method.

The amortisation charge is recognised in profit or loss and is assessed for impairment when there is an indication that the intangible asset may be impaired. The estimated amortisation period and amortisation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Intangible assets with indefinite useful life are not amortised, but tested for impairment annually, and whenever there is an indication that the intangible asset may be impaired. The indefinite useful life of an intangible asset is reviewed at the end of each financial year and where events and circumstances do not continue to support the indefinite useful life assessment for that asset, a change from indefinite to finite useful life is accounted for as a change in accounting estimate and adjusted prospectively.

The intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal, with any gain or loss arising from the derecognition of an intangible asset, being the difference between the net disposal proceeds and the carrying amount of the asset, recognised in profit or loss.

The amortisation charge is recognised in profit or loss and is assessed for impairment when there is an indication that the intangible asset may be impaired. The estimated amortisation period and amortisation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Customer base

The customer base was acquired and recognised based on the fair value of consideration paid. This customer base is measured at cost less any accumulated amortisation and any impairment loss as it has definite useful lives of 10 years.

Business licence

The business licence was acquired in a business combination and recognised based on the fair value of consideration paid. This business licence is measured at cost less any impairment loss as it has indefinite useful lives.

Computer software

The computer software was acquired and recognised based on the fair value of consideration paid. This computer software is measured at cost less any accumulated amortisation and any impairment loss as it has definite useful lives of 5 years.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Investments in associates

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of those policies, and generally accompanying a shareholding of 20% or more of the voting power.

Investments in associates are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

The results and assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. Losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from the associate reduce the carrying amount of the investment.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Company has accounted for its investments in associates at cost in its separate financial statements.

2.14 Impairment of non-financial assets excluding goodwill

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 Revenue from Contracts with Customers in Note 2.4.

Financial assets are classified as subsequently measured at amortised cost. The classification at initial recognition depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, and recognised in interest income.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 31.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Groups accounting policy for borrowing costs (see Note 2.5 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Financial guarantee contracts

The Company has issued corporate guarantees to banks for banking facilities granted by them to certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Other financial liabilities (Continued)

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk comprising foreign exchange forward contracts.

Derivatives are initially recognised at their fair values at the date the derivative contract is entered into and are subsequently re-measured to their fair values at the end of each financial year. The method of recognising the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statements of financial position when and only when, an entity:

- (a) currently has a legally enforceable right to set-off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is measured based on standard cost which approximates actual cost and allocated by using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.17 Cash and cash equivalent

Cash and cash equivalents comprise cash on hand, demand deposits and short-term fixed deposits which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 Leases. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented within "property, plant and equipment".

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Leases (Continued)

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2.20 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.22 Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non-market-based vesting conditions. At the end of each financial year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised over the remaining vesting period with a corresponding adjustment to the equity-settled share options reserve.

Where the grant of equity instruments is cancelled or settled during the vesting period, other than a grant cancelled by forfeiture when the vesting conditions are not satisfied, the Group recognises immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

The transfer of the balance in the share option reserve to share capital or treasury shares upon exercise of the option and the transfer of the balance in the share option reserve to accumulated profits upon expiry of the option are not mandatory and may be kept as a separate reserve upon expiry or exercise of the option.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

Determination of functional currency

The Group translates foreign currency items into the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities, judgement is used by the Group to determine the currency of the primary economic environment in which the respective entities operate. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

Determination of significant influence over associate, Unigloves GmbH

The Group held 19.3% of equity interest in one of its associates, Unigloves GmbH as at 30 June 2023. In consideration of the relative voting rights it held in the investee entity, the Group considered both SFRS(I) 1-28 *Investments in Associates and Joint Ventures* and SFRS(I) 10 *Consolidated Financial Statements* to determine whether it held control or just significant influence over Unigloves GmbH. The Group considered factors, including but not limited to, the size of its holding rights relative to the size and dispersion of holdings of the other vote holders, its representation at shareholders' and directors' meetings voting patterns, the composition of key management personnel in Unigloves GmbH, and contractual agreements. Consequently, the Group assessed that it has significant influence over Unigloves GmbH and classified entity as an associate.

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Changes in the expected level of usage and technological developments could affect the economics and useful lives of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's property, plant and equipment at 30 June 2023 were S\$59,786,000 (2022: S\$66,085,000) respectively (Note 12).

Fair value of financial instruments

Where the fair values of financial instruments recorded on the statement of financial position cannot be derived from active markets, they are determined using valuation techniques, including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values. The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in more details in Note 33.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Inventory valuation method

Inventory is measured at the lower of cost and net realisable value. The Group measured cost based on standard costing where standard costs are estimated using unit costs at targeted output levels, including direct materials costs, direct labour costs, and indirect costs. The estimation of standard costs requires the separate estimation of standard costs for direct materials, direct labour, and overhead where judgements are involved on absorption and allocation of cost for each type of inventories. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete merchandise and identifies items of inventory which have a market price, being the merchandise's selling price quoted from the market of similar items that is lower than its carrying amount. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. Management estimates the amount of inventories loss as an allowance on inventories to ensure that the inventories amounts recorded are not above their corresponding net realisable value. The carrying amount of the Group's inventories as at 30 June 2023 was S\$54,544,000 (2022: S\$61,834,000) (Note 15). There was no allowance made on inventory for the year ended 30 June 2023 and 30 June 2022.

Provision for income taxes and deferred tax

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Group's current tax payable and deferred tax liability as at 30 June 2023 were S\$1,655,000 (2022: S\$5,567,000) and S\$1,621,000 (2022: S\$4,824,000) respectively.

Recoverability of deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future cash inflows based on expected revenues from existing orders and contracts. Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised on the unused tax losses. The carrying amount of the Group's deferred tax assets as at 30 June 2023 was S\$2,600,000 (2022: S\$1,745,000) respectively (Note 14).

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries (e.g. Singapore, China, Malaysia, Brazil) and the growth rates of the major industries in which its customers operate. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 30 June 2023 is S\$847,000 (2022: S\$809,000) (Note 31).

Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. Where applicable, the Company's assessments are based on the estimation of the value-in-use of the assets defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries as at 30 June 2023 was S\$31,024,000 (2022: S\$54,621,000) (Note 10).

Impairment of property, plant and equipment

The Group tests property, plant and equipment for impairment at least on an annual basis. Determining whether property, plant and equipment is impaired requires an estimation of the value-in-use of the cash-generating units (CGU) to which property, plant and equipment has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Impairment loss of S\$5,327,000 (2022: S\$Nil) was recognised during the financial year. The carrying amount of property, plant and equipment as at 30 June 2023 was S\$59,786,000 (2022: S\$66,085,000) (Note 12).

4. REVENUE

	GROUP	
	2023 S\$'000	2022 S\$'000
Revenue from contracts with customers:		
- Latex examination gloves	66,394	110,496
- Nitrile examination gloves	28,687	115,451
- Other ancillary products	6,052	6,651
	101,133	232,598

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

4. REVENUE (CONTINUED)

The disaggregation of revenue from contracts with customers is as follows:

	REPORTABLE SEGMENTS													
	LATEX EXAMINATION GLOVES		NITRILE EXAMINATION GLOVES		EXAMINATION GLOVES		OTHER ANCILLARY PRODUCTS		TOTAL		INTER-SEGMENT REVENUE		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Geographical markets^(a)														
Europe	8,265	24,986	46,835	141,586	3,778	5,049	58,878	171,621	(17,974)	(55,611)	40,904	116,010		
North America	633	2,239	5,696	20,153	933	1,613	7,262	24,005	-	-	7,262	24,005		
South America	44,513	57,864	4,946	6,429	4,180	2,059	53,639	66,352	(32,617)	(30,645)	21,022	35,707		
Africa	9,185	16,862	2,296	4,216	429	670	11,910	21,748	(3,335)	(9,750)	8,575	11,998		
Asia	94,922	129,246	7,391	67,508	2,305	3,283	104,618	200,037	(83,647)	(159,286)	20,971	40,751		
Malaysia [#]	1,786	2,361	602	1,731	11	35	2,399	4,127	-	-	2,399	4,127		
	159,304	233,558	67,766	241,623	11,636	12,709	238,706	487,890	(137,573)	(255,292)	101,133	232,598		

(a) The disaggregation is based on the location of customers from which revenue was generated.

Includes revenue from intermediaries that export Group products to overseas market.

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

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

5. OTHER INCOME

	GROUP	
	2023 S\$'000	2022 S\$'000
Interest income	2,153	427
Foreign exchange gain, net	370	-
Gain on disposal of property, plant and equipment	-	22
Gain on disposal of lease	20	-
Others	157	278
	2,700	727

6. FINANCE COSTS

	GROUP	
	2023 S\$'000	2022 S\$'000
Interest expenses on:		
- Bank loans	868	738
- Finance leases	47	67
	915	805

7. (LOSS)/PROFIT BEFORE INCOME TAX

The following charges/(credits) were included in the determination of (loss)/profit before income tax:

	GROUP	
	2023 S\$'000	2022 S\$'000
Cost of inventories recognised as expense in cost of sales	52,641	95,833
Audit fees paid to:		
- Auditor of the Company	133	132
- Other auditors	98	87
Non-audit fees paid to other auditors	16	17
Directors' fees of the Company	364	355
Directors' remuneration other than fees of the Company:		
- Salary	494	493
- Bonus and allowances	92	97
- Defined contribution plans	32	33
- Other benefits	5	6
- Profit sharing scheme	-	2,855
Staff costs (excluding directors' remuneration)		
- Salary	18,761	19,252
- Defined contribution plans	1,332	1,311
- Other benefits	129	2,420
Loss allowance on trade receivables (Note 31)	42	25
Impairment loss on property, plant and equipment (Note 12)	5,327	-
Foreign exchange (gain)/loss, net	(605)	2,198
Fair value loss/(gain) on financial derivatives	235	(267)

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

8. INCOME TAX (CREDIT)/EXPENSE

	GROUP	
	2023 S\$'000	2022 S\$'000
Current income tax		
- Current	2,652	9,280
- Overprovision in prior years	(519)	(516)
Deferred income tax		
- Current	(3,332)	24
- (Over)/Underprovision in prior years	(199)	175
Total income tax (credit)/expense	(1,398)	8,963

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17%. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from the last year.

Reconciliation of effective tax rate is as follows:

	GROUP	
	2023 S\$'000	2022 S\$'000
(Loss)/Profit before income tax	(28,361)	48,761
Income tax at statutory rate of 17% (2022: 17%)	(4,821)	8,289
Add/(Less):		
- Tax effect of share of results of associates	(95)	(17)
- Effect of different tax rates of overseas operations	(2,608)	1,445
- Effect of income not subject to tax	(208)	(747)
- Overprovision of income tax in prior years	(727)	(516)
- (Over)/Underprovision of deferred tax in prior years	(199)	175
- Effect of non-allowable items	5,666	334
- Unrecognised tax losses	1,594	-
Total income tax (credit)/expense for the financial year	(1,398)	8,963

The unrecognised deferred tax assets arise as a result of:

	GROUP	
	2023 S\$'000	2022 S\$'000
Tax losses	9,374	-

The tax losses are subject to agreement by tax authorities and compliance with tax regulations in the respective countries in which the certain subsidiaries operate. Deferred tax assets have not been recognised in respect of the tax losses due to uncertainty in the availability of the future taxable profit against which the Group can utilise the tax losses.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

9. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	GROUP	
	2023	2022
	S\$'000	S\$'000
(Loss)/Earnings		
(Loss)/Earnings for the purposes of basic and diluted (loss)/earnings per share [(loss)/profit for the year attributable to the Company]	(20,734)	36,795
	2023	2022
Number of shares		
Weighted average number of ordinary shares for the purposes of basic shares	623,825,811	620,197,769
(Loss)/Earnings per share (cents)		
- basic	(3.32)	5.93

The calculations of the basic (loss)/earnings per share are calculated by dividing the (loss)/profit for the year attributable to owners of the Company by the applicable weighted average number of ordinary shares. These profit and share data are presented in the tables above.

There are no dilutive potential ordinary shares for the financial year ended 30 June 2023 and 2022. Hence, the basic (loss)/earnings per share is the same as the diluted (loss)/earnings per share.

10. SUBSIDIARIES

	COMPANY	
	2023	2022
	S\$'000	S\$'000
Unquoted equity share, at cost		
At beginning of year	58,102	58,102
Less: Accumulated impairment losses	(27,078)	(3,481)
At end of year	31,024	54,621

Movements in allowance for impairment loss of investment in subsidiaries during the financial year are as follows:

	COMPANY	
	2023	2022
	S\$'000	S\$'000
At beginning of year	3,481	3,481
Impairment loss recognised during the financial year	23,597	-
At end of year	27,078	3,481

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

10. SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows:

NAME OF SUBSIDIARIES (COUNTRY OF INCORPORATION/OPERATION)	PRINCIPAL ACTIVITIES	EFFECTIVE EQUITY INTEREST HELD BY THE COMPANY	
		2023	2022
		%	%
Held directly by the Company			
N.S. Uni-Gloves Sdn. Bhd. ⁽¹⁾ / Malaysia ("NSUG")	Manufacturing of rubber gloves	100	100
UG Global Resources Sdn. Bhd. ⁽¹⁾ / Malaysia	Manufacturing of rubber gloves	100	100
UG Glovetech Sdn. Bhd. ⁽¹⁾ / Malaysia	Investment holding	100	100
	Investment holding and business and management consultancy services		
Unigloves (Singapore) Pte. Ltd. ⁽²⁾ / Singapore		100	100
	Distribution of gloves and other medical disposables		
UGHC Marketing Pte. Ltd. ⁽²⁾ / Singapore		100	100
UG Engineering Sdn. Bhd. ⁽¹⁾ / Malaysia	Investment holding	100	100
UG Healthcare Sdn. Bhd. ⁽⁴⁾⁽⁸⁾ / Malaysia	Investment holding	100	100
Indigo Teguh Sdn. Bhd. ⁽⁴⁾⁽⁹⁾ / Malaysia	Investment holding	100	-
<u>Held through Unigloves (Singapore) Pte.Ltd. ("UGS")</u>			
	Distribution of gloves and other medical disposables		
Unigloves (UK) Limited ⁽³⁾ / United Kingdom		55	55
	Distribution of gloves and other medical disposables		
Unigloves Shanghai Co., Ltd. ⁽⁵⁾ / China		100	100
	Distribution of gloves and other medical disposables		
Uni-Medical Healthcare Limited ⁽⁴⁾ / Nigeria		75	75
	Distribution of gloves and other medical disposables		
UGHC Brasil Importadora LTDA ⁽⁶⁾⁽⁷⁾ / Brazil		90	50
	Distribution of gloves and other medical disposables		
优格 (成都) 国际贸易有限公司 ⁽⁴⁾ / China		100	100
	Distribution of gloves and other medical disposables		
友利格 (苏州) 国际贸易有限公司 ⁽⁴⁾ / China		100	100

(1) Audited by another firm of auditors, Crowe Malaysia PLT.

(2) Audited by Mazars LLP, Singapore.

(3) Audited by Kreston Reeves LLP, UK for consolidation purposes.

(4) Not audited as insignificant to the Group.

(5) Audited by overseas member firm of Mazars LLP.

(6) Audited by another firm of auditors, Crowe Consult Consultoria Empresarial.

(7) On 23 June 2023, UGS acquired additional equity interests of 40% in UGHC Brasil Importadora LTDA ("UGHC Brasil") for a consideration of S\$10,539,588 which is satisfied by way of offsetting against trade receivables owed to UGHC Brasil by a non-related company. Subsequent to the acquisition, the effective equity interest held by UGS in UGHC Brasil has increased from 50% to 90% and UGHC Brasil continues to be a subsidiary of the Company.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

10. SUBSIDIARIES (CONTINUED)

- (8) In FY22, the Company acquired 100% equity interest in UG Healthcare Sdn. Bhd. ("UGHCSB") by subscribing 100 ordinary shares of RM1 per share for a cash consideration of RM100 (equivalent to approximate S\$32).
UGHCSB was dormant and has no other operating activity since its incorporation on 17 March 2021.
- (9) On 17 January 2023, the Company acquired 100% equity interest in Indigo Teguh Sdn. Bhd. ("ITSB") by subscribing 100 ordinary shares of RM1 per share for a cash consideration of RM100 (equivalent to approximate S\$31).
ITSB was dormant and has no other operating activity since its incorporation on 20 April 2022.

The Group has the following subsidiaries which have non-controlling interests that are material to the Group:

SUBSIDIARIES	PROPORTION OF OWNERSHIP INTEREST HELD BY NCI		(LOSS)/PROFIT ALLOCATED TO NCI DURING THE FINANCIAL YEAR		ACCUMULATED NCI AT THE REPORTING DATE (INCLUSIVE FOREIGN EXCHANGE DIFFERENCES)	
	2023	2022	2023	2022	2023	2022
	%	%	S\$'000	S\$'000	S\$'000	S\$'000
UGHC Brasil Importadora LTDA	10	50	(4,002)	(317)	(386)	3,335
Unigloves (UK) Limited	45	45	(1,950)	4,178	956	2,972

Summarised financial information (before intercompany eliminations):

	UGHC BRASIL			
	IMPORTADORA LTDA		UNIGLOVES (UK) LIMITED	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Assets	50,530	45,084	19,741	27,374
Non-current	6,826	4,549	612	147
Current	43,704	40,535	19,129	27,227
Liabilities	53,377	37,637	18,123	19,941
Non-current	1	588	-	-
Current	53,376	37,049	18,123	19,941
Net (liabilities)/assets	(2,847)	7,447	1,618	7,433
Revenue	21,144	35,707	29,503	96,460
(Loss)/Profit after taxation	(10,036)	(14,103)	(5,670)	1,003
Total comprehensive (loss)/income	(10,256)	(14,652)	(5,815)	232
Net cash flows used in operations	(862)	(554)	(1,852)	(2,282)

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

10. SUBSIDIARIES (CONTINUED)

Impairment testing for investments in subsidiaries

Where there were indications of impairment, management has performed a review of the recoverable amount of its cost of investments in and amounts owing by subsidiaries as at 30 June 2023. Impairment occurs when the recoverable amount is lower than the carrying amount of the investments in subsidiaries.

In determining whether investments in subsidiaries are impaired requires an estimation of the recoverable amount of the subsidiaries. Such recoverable amounts are estimated based on value in use calculation using cash flows projections approved by the Board of Directors.

The recoverable amount of investments in subsidiaries were determined based on the estimation of the value-in-use of the CGUs by forecasting the expected future cash flows using suitable discount rates in order to calculate the present value of those cash flows. The Company had recognised an impairment loss of S\$20,898,000 (2022: S\$Nil) and S\$2,699,000 (2022: S\$Nil) for the investment in relation to NSUG and UGS respectively during the financial year as the subsidiaries have been persistently making losses and hence, the recoverable amount calculated as present values of estimated cash flows discounted using a pre-tax discount rate of 13% is lower than the carrying amount of the investments in subsidiaries.

11. ASSOCIATES

	GROUP	
	2023	2022
	S\$'000	S\$'000
Unquoted equity shares, at cost	2,415	2,415
Exchange differences	(2,094)	(2,155)
Share of post-acquisition results	11,021	10,464
Dividend received	(4,281)	(4,281)
Carrying amount	7,061	6,443

The details of the associates are as follows:

NAME OF ASSOCIATES (COUNTRY OF INCORPORATION/OPERATION)	PRINCIPAL ACTIVITIES	EFFECTIVE EQUITY INTEREST HELD BY THE COMPANY	
		2023	2022
		%	%
<u>Held through Unigloves (Singapore) Pte. Ltd.</u>			
Unigloves GmbH ⁽²⁾⁽³⁾ / Germany	Investment holding	19.3	19.3
UG Healthcare (USA) Inc. ⁽¹⁾ / United States	Distribution of gloves and other medical disposables	50.0	50.0
<u>Held through Unigloves GmbH</u>			
Unigloves Arzt- und Klinikbedarf Handelsgesellschaft mbH ⁽²⁾ / Germany	Import and export of medical treatment utilities and one way articles	19.3	19.3

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

11. ASSOCIATES (CONTINUED)

- (1) The unaudited management accounts have been reviewed by Mazars LLP, Singapore for equity accounting purposes, as they are not material to the Group's consolidated financial statements. The board of directors of the entities are controlled by the other 50% shareholders. The Company does not participate in active management nor strategic decisions of the entities.
- (2) As the Group exercises significant influence in Unigloves GmbH's operations and management (including policies and decision making), Unigloves GmbH was treated as an associated company for accounting purpose.
- (3) Unigloves GmbH paid out dividend of S\$Nil (2022: S\$562,000) to the Group during the financial year.

*Summarised financial information of the Group's associates
(based on the SFRS(I)s financial statements)*

	UNIGLOVES GMBH AND ITS		UG HEALTHCARE (USA) INC.		GROUP	
	SUBSIDIARIES					
	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Assets and liabilities						
Non-current assets	22,901	22,534	-	-		
Current assets	15,674	19,203	2,022	1,849		
Total assets	38,575	41,737	2,022	1,849		
Non-current liabilities	2,644	4,762	214	103		
Current liabilities	3,124	7,595	340	194		
Total liabilities	5,768	12,357	554	297		
Net assets	32,807	29,380	1,468	1,552		
Group's share of associate's net assets/carrying amount of the investment as at 30 June	6,327	5,667	734	776	7,061	6,443
Results						
Revenue	42,118	68,573	5,495	9,471		
Profit/(Loss) for the year from continuing operations	2,998	1,631	(42)	(431)		
Group's share of associates profit/(loss) for the year	578	315	(21)	(216)	557	99

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

12. PROPERTY, PLANT AND EQUIPMENT

GROUP	LEASEHOLD		PLANT, MACHINERY AND	MOTOR	FURNITURE AND	CONSTRUCTION-	RIGHT-OF-	TOTAL
	LAND	BUILDINGS	EQUIPMENT	VEHICLES	FITTINGS	IN-PROGRESS	USE ASSETS	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost								
At 1 July 2021	3,553	10,738	36,648	2,009	1,741	8,969	2,221	65,879
Additions	1,341	1,306	3,113	182	884	15,254	970	23,050
Write off	-	-	(742)	-	(3)	-	-	(745)
Disposal	-	(95)	(31)	-	(11)	-	-	(137)
Exchange translation differences	(119)	(183)	(994)	(11)	(69)	(524)	(104)	(2,004)
At 30 June 2022	4,775	11,766	37,994	2,180	2,542	23,699	3,087	86,043
Additions	164	912	1,427	369	349	4,633	804	8,658
Write off	-	-	(540)	(7)	(26)	-	(1,946)	(2,519)
Reclassification	-	-	-	(295)	27	(27)	295	-
Exchange translation differences	(456)	(843)	(3,242)	(639)	(234)	(2,130)	(167)	(7,711)
At 30 June 2023	4,483	11,835	35,639	1,608	2,658	26,175	2,073	84,471
Accumulated depreciation:								
At 1 July 2021	(442)	(1,193)	(12,400)	(828)	(997)	-	(925)	(16,785)
Depreciation	(78)	(283)	(2,029)	(376)	(258)	-	(861)	(3,885)
Write off	-	-	195	-	3	-	-	198
Disposal	-	-	15	-	11	-	-	26
Exchange translation differences	13	28	354	9	39	-	45	488
At 30 June 2022	(507)	(1,448)	(13,865)	(1,195)	(1,202)	-	(1,741)	(19,958)
Depreciation	(90)	(276)	(1,647)	(330)	(344)	-	(764)	(3,451)
Write off	-	-	134	8	25	-	1,636	1,803
Reclassification	-	-	-	143	-	-	(143)	-
Exchange translation differences	46	92	1,279	357	125	-	103	2,002
At 30 June 2023	(551)	(1,632)	(14,099)	(1,017)	(1,396)	-	(909)	(19,604)

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	LEASEHOLD		PLANT, MACHINERY AND	MOTOR	FURNITURE AND	CONSTRUCTION-	RIGHT-OF-	TOTAL
	LAND	BUILDINGS	EQUIPMENT	VEHICLES	FITTINGS	IN-PROGRESS	USE ASSETS	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Accumulated impairment losses:								
At 1 July 2021 and 30 June 2022	-	-	-	-	-	-	-	-
Impairment loss	-	-	(1,256)	-	-	(4,071)	-	(5,327)
Exchange translation differences	-	-	58	-	-	188	-	246
At 30 June 2023	-	-	(1,198)	-	-	(3,883)	-	(5,081)
Carrying amount:								
At 30 June 2023	3,932	10,203	20,342	591	1,262	22,292	1,164	59,786
At 30 June 2022	4,268	10,318	24,129	985	1,340	23,699	1,346	66,085

The leasehold land and buildings of the Group with carrying amount of S\$7,053,000 (2022: S\$7,850,000) are pledged to secure the bank borrowings (Note 24).

Certain motor vehicles with carrying amount of S\$90,000 (2022: S\$152,000) were acquired under finance lease arrangements (Note 26) and are registered under the name of subsidiary. Details of the right-of-use assets are disclosed in Note 26(a).

In FY22, UG Healthcare Sdn. Bhd., a subsidiary of the Group, acquired a piece of land which located in Seremban, Malaysia from a third party for a cash consideration of RM4,000,000 (equivalent to approximate S\$1,288,368) (the "Land"). The Land is used for the construction of a centralised workers accommodation for the Group.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Effects of the additions of property, plant and equipment on cash flows:

	GROUP	
	2023	2022
	S\$'000	S\$'000
Total additions during the year	8,658	23,050
Additions on right-of-use assets	(804)	(970)
Net cash outflows on addition of property, plant and equipment	7,854	22,080

Impairment testing of property, plant and equipment

During the year, the Group carried out a review of the recoverable amount of its manufacturing plant and equipment, having regard to its introduction of new and existing product lines. The review led to the recognition of an impairment loss of S\$5,327,000 (2022: S\$Nil) in relation to NSUG that has been recognised in profit or loss, and included in the line item other expenses. The recoverable amount of the relevant assets has been determined on the basis of their value-in-use. The discount rate used in measuring value-in-use was 13%. The reporting segment to which the manufacturing plant and equipment belong to is latex examination gloves, nitrile examination gloves and other ancillary products.

Key assumptions on which management has based its cash flow projections for the respective periods of the CGUs are as follows:

	NSUG	UGGR
	2023	2023
Growth rates (i)	-79% to 50%	-18% to 15%
Discount rate (ii)	13%	13%
Budgeted gross margin (iii)	2% to 12%	2% to 12%

Key assumptions used in the value-in-use calculations:

- (i) **Growth rates:** The projected revenue growth rates used are based on the published industry research, adjusted for the specific circumstances of the CGUs and based on management's experience, and do not exceed the long-term average growth rate for the corresponding industry of the CGUs.
- (ii) **Discount rate:** The discount rate used is based on the weighted average cost of the Group's capital (the "WACC"), adjusted for the specific circumstances of the CGUs and based on management's experience, and re-grossed back to arrive at the pre-tax rate.
- (iii) **Budgeted gross margin:** Budgeted gross margin is determined based on past performance and its expectation of market developments.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Sensitivity to changes in assumptions:

	NSUG 2023	UGGR 2023
(i) Growth rates		
A hypothetical decrease in growth rates by 1% would decrease recoverable amount by	(204,000)	(383,000)
(ii) Discount rate		
A hypothetical increase in the pre-tax discount rates by 1% would decrease recoverable amount by	(979,000)	(1,255,000)
(iii) Budgeted gross margin		
A hypothetical decrease in budgeted gross margin by 1% would decrease recoverable amount by	(1,887,000)	(4,125,000)

The impairment test described above resulted in the recognition of a loss of S\$5,327,000 in relation to NSUG.

13. INTANGIBLE ASSETS

	GROUP	
	2023	2022
	S\$'000	S\$'000
Business license ⁽ⁱ⁾	184	184
Computer software ⁽ⁱⁱ⁾	405	263
Customer base ⁽ⁱⁱⁱ⁾	27	29
	616	476

(i) This pertains to the business license to operate the business for a subsidiary in Nigeria.

(ii) This pertains to the acquisition of computer software by subsidiaries in Brazil and Malaysia.

(iii) This pertains to the acquisition of customer base by subsidiaries in the United Kingdom and Shanghai.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

13. INTANGIBLE ASSETS (CONTINUED)

Movement of the intangible assets:

	GROUP	
	2023 S\$'000	2022 S\$'000
Cost:		
Balance at 1 July	566	344
Additions	175	242
Exchange translation differences	(15)	(20)
Balance at 30 June	726	566
Accumulated amortisation:		
Balance at 1 July	(90)	(81)
Amortisation	(23)	(21)
Exchange translation differences	3	12
Balance at 30 June	(110)	(90)
Carrying Amount:		
At 30 June	616	476

During the financial year, one of the subsidiaries in Malaysia acquired computer software amounted to S\$175,000 (2022: S\$242,000).

14. DEFERRED TAX

	GROUP	
	2023 S\$'000	2022 S\$'000
Deferred tax assets	2,600	1,745
Deferred tax liabilities	(1,621)	(4,824)

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

14. DEFERRED TAX (CONTINUED)

Movements in deferred tax assets/(liabilities) of the Group during the financial year are as follows:

GROUP	ACCELERATED	UNABSORBED	OTHERS	TOTAL
	TAX	CAPITAL	(NOTE c)	
	DEPRECIATION	ALLOWANCES	(NOTE c)	
	(NOTE a)	AND TAX LOSSES	(NOTE c)	
	S\$'000	(NOTE a)	S\$'000	S\$'000
Deferred tax assets				
At 1 July 2021	(3)	99	9,672	9,768
Credited to profit or loss	3	(99)	(7,927)	(8,023)
At 30 June 2022	-	-	1,745	1,745
Credited to profit or loss	-	1,781	(981)	800
Exchange translation differences	-	55	-	55
At 30 June 2023	-	1,836	764	2,600

GROUP	ACCELERATED	UNABSORBED	FAIR VALUE	TOTAL
	TAX	CAPITAL	ADJUSTMENT	
	DEPRECIATION	ALLOWANCES	OF ASSETS	
	(NOTE a)	AND	ACQUIRED	
	S\$'000	TAX LOSSES	(NOTE b)	S\$'000
Deferred tax liabilities				
At 1 July 2021	(3,631)	(98)	(795)	(4,524)
Charged to profit or loss	(199)	(212)	-	(411)
Exchange translation differences	108	3	-	111
At 30 June 2022	(3,722)	(307)	(795)	(4,824)
Charged to profit or loss	1,646	304	781	2,731
Exchange translation differences	455	3	14	472
At 30 June 2023	(1,621)	-	-	(1,621)

(a) Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

(b) The deferred tax liability is recognised in the financial year ended 30 June 2019 in respect to the acquisition of a warehouse in Brazil.

(c) Others pertains to deferred tax assets calculated from unrealised profit from inventories.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

15. INVENTORIES

	GROUP	
	2023	2022
	S\$'000	S\$'000
At cost:		
Finished goods	52,521	51,160
Work-in-progress	6,342	6,674
Raw materials	2,249	4,000
	61,112	61,834
At net realisable value:		
Finished goods	45,953	51,160
Work-in-progress	6,342	6,674
Raw materials	2,249	4,000
	54,544	61,834

16. AMOUNTS DUE FROM SUBSIDIARIES

The amounts due from subsidiaries are non-trade in nature, interest free, repayable on demand and denominated in Singapore dollars.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

17. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Trade receivables				
- third parties	23,717	27,841	-	-
- associates	1,637	4,144	-	-
Less: Loss allowances (Note 31)	(847)	(809)	-	-
	24,507	31,176	-	-
Other receivables				
- third parties	6,435	6,341	219	219
Prepayments	4,711	3,389	41	105
Total trade and other receivables	35,653	40,906	260	324

Trade and other receivables are unsecured, non-interest bearing and subject to normal credit terms. The average credit period on sale of goods is 30 to 180 days (2022: 30 to 180 days). They are recognised at the transaction price which represent their fair value on initial recognition.

The details of the impairment of trade and other receivables and credit exposures are disclosed in Note 31.

The currency profiles of the Group's trade and other receivables as at 30 June are as follows:

	GROUP		COMPANY	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
United States dollar ("USD")	4,095	8,682	-	-
Chinese Yuan Renminbi ("CNY/CNH")	1,052	2,108	-	-
Pound sterling ("GBP")	3,731	3,967	-	-
Brazilian Real ("BRL")	21,286	21,531	-	-
Malaysian ringgit ("MYR")	3,247	1,796	-	-
Singapore dollar ("SGD")	265	419	260	324
Others	1,977	2,403	-	-
	35,653	40,906	260	324

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

18. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Cash and bank balances	12,253	17,331	5,720	729
Fixed deposits	49,492	82,887	32,451	31,359
Cash and cash equivalents	61,745	100,218	38,171	32,088

Fixed deposits bear interest at an average rate of 4.08% (2022: 1.78%) per annum and are for a tenure of period ranging from 15 to 365 days (2022: 15 to 365 days).

The currency profiles of the Group's cash and cash equivalents as at 30 June are as follows:

	GROUP		COMPANY	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
USD	32,086	57,192	20,743	4,424
CNY/CNH	26,112	28,011	17,209	19,676
GBP	129	1,619	-	-
BRL	156	139	-	-
MYR	1,756	3,419	-	-
SGD	379	8,370	219	7,988
Others	1,127	1,468	-	-
	61,745	100,218	38,171	32,088

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

	GROUP	
	2023 S\$'000	2022 S\$'000
Cash and bank balances	61,745	100,218
Fixed deposits pledged to financial institution	(597)	(638)
Cash and cash equivalents	61,148	99,580

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

19. SHARE CAPITAL

	GROUP AND COMPANY	
	NO. OF SHARES (‘000)	S\$‘000
At 1 July 2021	616,259	57,745
Issuance of shares pursuant to scrip dividend (Note 20) (a)	7,567	1,907
At 30 June 2022 and 30 June 2023	623,826	59,652

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company. All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The newly issued shares rank pari passu in all respects with the previously issued shares.

- (a) In FY22, the Company had issued and allotted an aggregate of 7,567,059 new ordinary shares in the capital of the Company issued at the issue price of S\$0.252 per share.

20. DIVIDENDS

In FY22, the Company declared and paid a final tax-exempt dividend of S\$0.00406 per ordinary share in respect of the financial year ended 30 June 2021, of which S\$1,906,898 were paid out via issuance of 7,567,059 new ordinary shares (Note 19) and remaining S\$595,029 were paid out via cash. These newly issued shares rank pari passu in all respects with the then existing ordinary shares.

In FY22, the Company declared and paid a special tax-exempt dividend of S\$0.00100 per ordinary share in respect of the financial year ended 30 June 2021, of which S\$616,259 were paid out via cash.

During the financial year, the Company declared and paid a final tax-exempt dividend of S\$0.00320 per ordinary share in respect of the financial year ended 30 June 2022, of which S\$1,996,243 were paid out via cash.

During the financial year, the Company declared and paid a special tax-exempt dividend of S\$0.00320 per ordinary share in respect of the financial year ended 30 June 2022, of which S\$1,996,243 were paid out via cash.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

21. RESERVES

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations where functional currencies are different from that of the Group's presentation currency.

Merger reserve

This represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares and capital reserve of subsidiaries acquired which is accounted for under "pooling-of-interest".

Other reserve

On 23 June 2023, the Company's subsidiary, Unigloves Singapore Pte. Ltd. ("**UGS**") acquired additional equity interests of 40% in a subsidiary, namely UGHC Brasil Importadora Ltda ("**UGHC Brasil**") with a consideration of S\$10,540,000 and a negative carrying amount of S\$430,000. Subsequent to the acquisition, the effective equity held by the Group increased from 40% to 90%. The effect of the change in the Group's ownership interest on the equity attributable to owners of Company of S\$10,970,000 has been recognised as other reserves during the financial year.

Share-based payment reserve

The share-based payment reserve represents the cumulative value of services received for the issuance of the options and shares under the Unigloves Employee Share Option Scheme.

22. SHARE BASED PAYMENTS

On 28 August 2015 (the "**Date of Grant**"), a batch of share options were granted to management and confirmed employees under the Unigloves Employee Share Option Scheme (the "**Scheme**"). Options were granted at the exercise price of S\$0.1816 per share. The options are exercisable at first year of vesting being after two (2) years from the Date of Grant.

There are no outstanding share options of under the Scheme as at 30 June 2023 and 30 June 2022.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

23. DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP			
	2023		2022	
	ASSETS S\$'000	LIABILITIES S\$'000	ASSETS S\$'000	LIABILITIES S\$'000
Forward foreign exchange contracts	-	(332)	-	(98)

The Group is a party to foreign currency forward contracts to manage its foreign exchange exposures arising from its foreign currency denominated business transactions. The settlement dates on forward currency contracts range between 30 to 180 days (2022: 180 to 365 days).

At the end of the financial year, the total notional amount of outstanding forward foreign exchange contract to which the Group is committed is as follows:

	2023 S\$'000	2022 S\$'000
Forward foreign exchange contracts:		
- USD	5,310	23,510
- GBP	5,039	8,782

The following table details the forward foreign currency contract outstanding as at the end of the reporting period:

	AVERAGE CONTRACTED RATE		NOTIONAL VALUE		FAIR VALUE	
	2023	2022	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Sell USD, buy MYR	4.63	4.27	7,462	32,262	(57)	(962)
Sell GBP, buy USD	1.23	1.29	8,454	15,364	(275)	864

The fair values are measured based on estimated valuation derived from market quotation (Note 33).

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

24. BANK BORROWINGS

	GROUP	
	2023 S\$'000	2022 S\$'000
Secured bank loans ⁽¹⁾	16,925	14,081
Secured export invoice financing ⁽²⁾	1,288	821
Secured import and local purchase financing ⁽³⁾	11,719	1,472
Consortium loans ⁽⁴⁾	18	85
Total	29,950	16,459
Less :		
Amount due for settlement within 12 months ⁽⁵⁾	(16,137)	(6,186)
Amount due for settlement after 12 months	13,813	10,273

(1) The weighted average effective interest rates of the Group's secured bank loans are ranging from 2.36% to 7.27% (2022: 2.46% to 5.00%) and are secured as follows:

- (i) legal charges on the leasehold land and buildings;
- (ii) guarantees from the Company;
- (iii) debentures over certain production lines; and
- (iv) keyman insurance

Secured bank loans of S\$416,690 (2022: S\$616,682) and S\$2,138,384 (2022: S\$3,121,942) are repayable over 5 years commencing from 24 June 2020 and 22 July 2020 respectively. Interest rate charged is ranging from 2.75% - 3.00% (2022: 2.75% - 3.00%) per annum. The secured bank loans are secured by corporate guarantees from the Company.

(2) The export invoice financing is repayable from 1 to 180 days (2022: 1 to 180 days). The interest rate for export invoice refinancing is 1.75% (2022: 1.75%) per annum over London Inter Bank Offer Rate ("LIBOR") prevailing from time to time or 1.75% (2022: 1.75%) per annum over the Bank's cost of funds as determined by the bank on the day of transaction, whichever is the higher. The average effective interest rate on the export invoice refinancing is 1.07% (2022: 0.78%). Corporate guarantee is given by the Company.

(3) The import and local purchase financing are repayable from 1 to 180 days (2022: 1 to 180 days). The interest rate for Foreign Currency Invoice Financing ("FCIF") is 1.50% (2022: 1.50%) per annum over the Bank's Cost of Funds for the respective foreign currencies or such other rate as determined by the Bank from time to time for import bills. The interest rate for Foreign Currency Trade Finance ("FCTF") is 1.50% (2022: 1.50%) per annum above the US Prime Rate on the date of drawdown and the Bank's cost of maintaining statutory and liquidity reserves (if any) or such other rates as the Bank may in its absolute discretion determine. The average effective interest rate on the import and local purchase financing is 0.80% (2022: 0.78%). Corporate guarantee is given by the Company.

(4) The consortium loans' terms range from 1 to 5 years and on a fixed repayment basis. The weighted average effective interest rate of the consortium is 14.50% (2022: 14.50%).

(5) The amount, shown under current liabilities, consists of secured banks loans of S\$3,113,000 (2022: S\$3,840,000), secured export invoice financing of S\$1,288,000 (2022: S\$820,000), secured import and local invoice financing of S\$11,719,000 (2022: S\$1,472,000) and consortium of S\$18,000 (2022: S\$54,000).

The weighted average effective interest rate for bank borrowings is 4.35% (2022: 4.09%).

The carrying amounts of the Group's borrowings approximate their fair values.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

24. BANK BORROWINGS (CONTINUED)

The currency profiles of the Group's borrowings as at 30 June are as follows:

	GROUP	
	2023 S\$'000	2022 S\$'000
USD	1,288	2,292
MYR	26,089	10,343
SGD	2,555	3,739
BRL	18	85
	29,950	16,459

25. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Trade payables				
- third parties	8,722	13,025	-	-
Other payables				
- third parties	2,848	5,298	1,222	49
Accrued expenses	2,501	6,183	223	1,589
Total trade and other payables	14,071	24,506	1,445	1,638

Trade payables are unsecured, interest-free and with the credit term ranging from 21 to 90 days (2022: 21 to 90 days).

Other payables to third parties mainly consist of payables to utility supplies. Other payables are unsecured, interest-free and repayable on demand.

The currency profiles of the Group's trade and other payables as at 30 June are as follows:

	GROUP		COMPANY	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
USD	6,053	9,119	-	-
CNY/CNH	523	578	-	-
GBP	1,449	1,410	-	-
BRL	406	381	-	-
MYR	3,955	10,271	-	-
SGD	1,510	2,210	1,445	1,638
Others	175	537	-	-
	14,071	24,506	1,445	1,638

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

26. THE GROUP AS A LESSEE

The Group leases office premises and certain employee hostels for one to five years and motor vehicles for one to four years.

Recognition exemptions

The Group has certain office premises and employee hostels with lease terms of 12 months or less. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

26(a) Right-of-use assets

The carrying amount of right-of-use assets by class of underlying asset classified within property, plant and equipment as follows:

	LEASEHOLD LAND AND BUILDINGS S\$'000	MOTOR VEHICLES S\$'000	EQUIPMENT S\$'000	TOTAL S\$'000
Group				
At 1 July 2021	1,144	152	-	1,296
Additions	970	-	-	970
Depreciation	(801)	(60)	-	(861)
Exchange translation differences	(54)	(5)	-	(59)
At 30 June 2022	1,259	87	-	1,346
Additions	632	100	72	804
Depreciation	(672)	(76)	(16)	(764)
Disposal	(310)	-	-	(310)
Reclassification	-	152	-	152
Exchange translation differences	(43)	(23)	2	(64)
At 30 June 2023	866	240	58	1,164

The total cash outflow for leases during the financial year ended 30 June 2023 is S\$801,000 (2022: S\$961,000).

26(b) Lease liabilities

	GROUP	
	2023 S\$'000	2022 S\$'000
Lease liabilities - non-current	595	724
Lease liabilities - current	582	798
	1,177	1,522

The maturity analysis of lease liabilities is disclosed in Note 31.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

26. THE GROUP AS A LESSEE (CONTINUED)

26(c) Amounts recognised in profit or loss

	GROUP	
	2023	2022
	S\$'000	S\$'000
Expense relating to short-term leases	38	24
Interest expense on lease liabilities	47	67

27. COMMITMENTS

	GROUP	
	2023	2022
	S\$'000	S\$'000
Capital expenditure contracted but not provided for		
- Commitments for the acquisition of property, plant and equipment	1,276	3,475
Commitments for the acquisition of certain pieces of land in Malaysia	10,183	-

28. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Bank guarantee given to third parties for utility supplies to a subsidiary	4,285	6,670	-	-
Corporate guarantee given to banks for bank facilities granted to subsidiaries	-	-	118,951	127,180
	4,285	6,670	118,951	127,180

The fair value of the corporate guarantee given to banks for bank facilities granted to subsidiaries is not material.

During the financial year, the Company had also given undertakings to certain subsidiaries (Note 10) to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the previous financial year end.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
- (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Associates are related parties and include those that are associates of the holding and/or related companies.

Many of the Group's and Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

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

	2023 S\$'000	2022 S\$'000
Sales to associates	13,841	23,370

Compensation of executive directors and key management personnel

	2023 S\$'000	2022 S\$'000
Short-term benefits	772	3,695
Defined contribution plans	53	54
	825	3,749

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

30. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker.

Management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in these primary geographic areas: Europe, North America, South America, Africa and Asia which are engaged in the manufacturing, distribution and trading of latex and nitrile examination gloves.

The Group has three reportable segments being latex examination gloves, nitrile examination gloves and other ancillary products.

The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

Management monitors the operating results of the segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated only on revenue and gross profit.

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before income tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for intersegment sales and transfer as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on combination.

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2023 S\$'000	2022 S\$'000
Revenue		
Total revenue for reportable segments	238,706	487,890
Elimination of inter-segment revenue	(137,573)	(255,292)
Total revenue	101,133	232,598
Profit or loss		
Total profit or loss for reportable segments	(28,918)	48,662
Share of profits from equity-accounted for associates	557	99
Profit before income tax	(28,361)	48,761
Assets		
Total assets for reportable segments	222,935	281,596
Investments in associates	7,061	6,443
Total assets	229,996	288,039
Liabilities		
Total liabilities for reportable segments	48,806	52,976
Total liabilities	48,806	52,976

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

30. SEGMENT INFORMATION (CONTINUED)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items (Continued)

Business Segments

REVENUE	2023		2022	
	S\$'000	(%)	S\$'000	(%)
Latex examination gloves	66,394	66	110,496	47
Nitrile examination gloves	28,687	28	115,451	50
Other ancillary products	6,052	6	6,651	3
Total	101,133	100	232,598	100

GROSS PROFIT	2023		2022	
	S\$'000	(%)	S\$'000	(%)
Latex examination gloves	457	32	39,924	47
Nitrile examination gloves	144	10	43,828	52
Other ancillary products	847	58	634	1
Total	1,448	100	84,386	100

GROSS PROFIT MARGIN	2023	2022
	(%)	(%)
Latex examination gloves	0.7	36.1
Nitrile examination gloves	0.5	38.0
Other ancillary products	14.0	9.5
Overall	1.4	36.3

Geographic information

Revenues from external customers

	2023	2022
	S\$'000	S\$'000
Europe	40,904	116,010
North America	7,262	24,005
South America	21,022	35,707
Africa	8,575	11,998
Asia	20,971	40,751
Malaysia [#]	2,399	4,127
	101,133	232,598

[#] Includes revenue from intermediaries that export our products to overseas market.

The revenue information above is based on the location of the customers.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

30. SEGMENT INFORMATION (CONTINUED)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items (Continued)

Geographical information (Continued)

Location of non-current assets

	EUROPE S\$'000	NORTH AMERICA S\$'000	SOUTH AMERICA S\$'000	AFRICA S\$'000	ASIA S\$'000	TOTAL S\$'000
2023						
Non-current assets	7,468	734	6,826	1,740	53,295	70,063
2022						
Non-current assets	6,301	776	4,549	2,343	60,780	74,749

Non-current assets consist of property, plant and equipment, intangible assets, deferred tax assets and investments in associates in Germany and the United States of America.

Major customers

Revenue from one major customer amounted to approximately S\$11,163,283 (2022: S\$19,028,967) which is derived from a mixture of segments.

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

The Group's activities expose it to credit risk, market risks (including foreign currency risk and interest rate risk) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

Financial risk management is carried out by a central treasury department ("**Group Treasury**") in accordance with the policies set by the management. The trading team of Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The reporting team of Group Treasury measures actual exposures against the limits set and prepares daily reports for review by the Heads of Group Treasury and each operating unit. Regular reports are also submitted to the management and the Board of Directors.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's major classes of financial assets are bank balances and trade and other receivables.

Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies.

To assess and manage its credit risks, the Group categorises the aforementioned financial assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 90 days past due as per SFRS(I) 9's presumption.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

The Group's internal credit risk grading categories are as follows:

CATEGORY	DESCRIPTION	BASIS OF RECOGNISING ECL
1	Low credit risks ^{Note 1}	12-months ECL
2	Non-significant increase in credit risks since initial recognition and financial asset is < 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition ^{Note 2} or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired ^{Note 3}	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount ^{Note 4}	Written off

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Credit risk (Continued)

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

With reference to Note 28, the Company provides financial guarantees to certain banks in respect of bank facilities granted to certain subsidiaries. The date when the Group becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Group considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantees is insignificant to the Company.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Credit risk (Continued)

As at the end of the financial year, the total amount of loans outstanding covered by the guarantees is S\$3,843,000 (2022: S\$4,559,000). Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the respective subsidiaries to which the guarantees were extended fail to make principal or interest payments when due in accordance with the terms of borrowings. There has been no default or non-repayment since the utilisation of the banking facilities.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Trade receivables (Note 17)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries (eg. Singapore, China, Malaysia, Brazil) and the growth rates of the major industries which its customers operate in.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there is no reasonable expectations for recovering the outstanding balances.

The loss allowance for trade receivables is determined as follows:

	CURRENT	PAST DUE MORE THAN 1 TO 90 DAYS	PAST DUE MORE THAN 91 TO 180 DAYS	PAST DUE MORE THAN 180 DAYS	TOTAL
30 June 2023					
Expected credit loss rates	-	-	-	51.2%	
Trade receivables (gross) (S\$'000)	17,768	3,647	2,287	1,652	25,354
Loss allowance (S\$'000)	-	-	-	847	847
30 June 2022					
Expected credit loss rates	-	-	-	39.8%	
Trade receivables (gross) (S\$'000)	23,765	3,821	2,368	2,031	31,985
Loss allowance (S\$'000)	-	-	-	809	809

Amounts due from subsidiaries (Note 16) and other receivables (Note 17)

As of 30 June 2023, the Company recorded amounts due from subsidiaries of S\$13,530,000 (2022: S\$26,406,000). The Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of the subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 30 June 2023, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the subsidiaries operate in. Using 12-month ECL, the Company determined that the ECL is insignificant.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Credit risk (Continued)

Amounts due from subsidiaries (Note 16) and other receivables (Note 17) (Continued)

As of 30 June 2023, the Group and the Company recorded other receivables of S\$6,435,000 and S\$219,000 (2022: S\$6,341,000 and S\$219,000) respectively. The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry and country which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial asset. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

The Group's and the Company's exposure to credit risk in respect of the trade and other receivables is as follows:

GROUP INTERNAL CREDIT RISK GRADING	TRADE RECEIVABLES			OTHER RECEIVABLES	
	NOTE (i)	CATEGORY 4	TOTAL	CATEGORY 2	TOTAL
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Loss allowance					
Balance at 1 July 2021	45	739	784	-	-
Impairment loss recognised	25	-	25	-	-
Balance at 30 June 2022	70	739	809	-	-
Impairment loss recognised	-	42	42	-	-
Exchange translation differences	(10)	6	(4)	-	-
Balance at 30 June 2023	60	787	847	-	-
Gross carrying amount					
At 30 June 2022	31,246	739	31,985	6,341	6,341
At 30 June 2023	24,567	787	25,354	6,435	6,435
Net carrying amount					
At 30 June 2022	31,176	-	31,176	6,341	6,341
At 30 June 2023	24,507	-	24,507	6,435	6,435

COMPANY INTERNAL CREDIT RISK GRADING	AMOUNTS DUE FROM SUBSIDIARIES		OTHER RECEIVABLES	
	CATEGORY 1	TOTAL	CATEGORY 2	TOTAL
	S\$'000	S\$'000	S\$'000	S\$'000
Gross carrying amount/Net carrying amount				
At 30 June 2022	26,406	26,406	219	219
At 30 June 2023	13,530	13,530	219	219

Note (i) For trade receivables, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where loss allowance is equal to lifetime ECL.

The individual impairment losses of the Group related to several customers that the Group was not expecting to be able to collect the outstanding balances, mainly due to economic circumstances.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risks, including foreign currency forward contracts to hedge against foreign currency risk.

Foreign currency risk

The Group is exposed to foreign currency risk on certain income, expenses, monetary assets and liabilities that are denominated in currencies other than the functional currencies of the respective entities in the Group. As at the reporting date, the Group and Company do not have significant foreign currency risk exposure except for the financial assets and liabilities denominated in USD and SGD. The Group either uses financial instruments such as foreign currency forward contracts to hedge certain financial risk exposures although hedge accounting was not applied or the natural hedges arising from a matching sale, purchase or a matching of assets and liabilities of the same currency and amount.

The carrying amounts of the Group's and Company's foreign currency denominated monetary assets and monetary liabilities as at the end of the financial year are as follows:

	GROUP		COMPANY	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Monetary assets				
USD	21,409	6,115	20,743	4,424
CNY/CNH	24,811	26,920	17,209	19,676
SGD	161	470	-	-
Monetary liabilities				
USD	(1,981)	(6,125)	-	-
SGD	(2,613)	(4,305)	-	-

Foreign currency sensitivity analysis

The Group is mainly exposed to USD, CNY/CNH and SGD.

The following table details the Group's sensitivity to a 5% (2022: 5%) increase or decrease in the relevant foreign currencies against the respective functional currencies of the Group entities. The sensitivity analysis assumes an instantaneous 5% (2022: 5%) change in the foreign currency exchange rates from the end of the financial year, with all variables held constant.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Market risk (Continued)

Foreign currency risk (Continued)

Foreign currency sensitivity analysis (Continued)

	INCREASE/(DECREASE) PROFIT/(LOSS) BEFORE INCOME TAX			
	GROUP		COMPANY	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
USD				
Strengthens	971	-	1,037	221
Weakens	(971)	-	(1,037)	(221)
CNY/CNH				
Strengthens	1,241	1,346	860	984
Weakens	(1,241)	(1,346)	(860)	(984)
SGD				
Strengthens	(123)	(192)	-	-
Weakens	123	192	-	-

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risks relate to interest bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

The Group's interest rate risk arises primarily from the floating rate borrowings with financial institutions.

The Group's exposures to interest rate risk are disclosed in Note 24 to the financial statements.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk of bank borrowings at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 1% (2022: 1%) change in the interest rates from the end of the financial year, with all variables held constant.

	INCREASE/(DECREASE) PROFIT/(LOSS) BEFORE INCOME TAX	
	2023 S\$'000	2022 S\$'000
	Bank borrowings	
Increase	(299)	(165)
Decrease	299	165

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Market risk (Continued)

Interest rate risk (Continued)

In view of the reform of major interest rate benchmarks that is being undertaken globally, the Group monitors and manages its potential transition to alternative rates, as applicable. The Group evaluates the contracts that could be affected, and takes a proactive approach in approaching the relevant counterparties to discuss and assess the potential impact on the Group.

As of 30 June 2023, in relation to the aforementioned, the Group is mainly exposed to non-derivative financial liabilities in the form of secured export invoice financing indexed to LIBOR. The Group is still in the process of communicating with the counterparties in order to obtain the advice in relation to the changes for the interest rate.

The following table contains details of all the financial instruments that the Group hold as at 30 June 2023 that have cash flows that will be affected by the interest rate benchmark reform as they have not yet transitioned to new benchmark rates.

FINANCIAL INSTRUMENTS PRIOR TO TRANSITION	FINANCIAL INSTRUMENT MATURITY YEAR	CARRYING AMOUNT/ NOTIONAL AMOUNT S\$'000	FAIR VALUE S\$'000	TRANSITION PROGRESS TO NEW BENCHMARK RATES
Group				
Non derivative financial instrument				
Secured export invoice financing (Note 24)	July 2023	1,288	Not applicable	Not transitioned

Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The following table details the Group's remaining contractual maturity for its financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

	GROUP			
	EFFECTIVE INTEREST RATE %	LESS THAN 1 YEAR S\$'000	2 TO 5 YEARS S\$'000	TOTAL S\$'000
Financial assets and derivative financial instruments				
Cash and cash equivalents	4.08	61,745	-	61,745
Trade and other receivables	-	30,942	-	30,942
As at 30 June 2023		92,687	-	92,687
Cash and cash equivalents	1.78	100,218	-	100,218
Trade and other receivables	-	37,517	-	37,517
As at 30 June 2022		137,735	-	137,735

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Liquidity risk (Continued)

	GROUP			
	EFFECTIVE INTEREST RATE	LESS THAN 1 YEAR	2 TO 5 YEARS	TOTAL
	%	S\$'000	S\$'000	S\$'000
Financial liabilities and derivative financial instruments				
Trade and other payables	-	14,071	-	14,071
Bank borrowings	4.35	16,765	15,474	32,239
Derivative financial instruments	-	332	-	332
Lease liabilities	-	611	625	1,236
As at 30 June 2023		31,779	16,099	47,878
Trade and other payables	-	24,506	-	24,506
Bank borrowings	4.09	6,543	11,198	17,741
Derivative financial instruments	-	98	-	98
Lease liabilities	-	902	727	1,629
As at 30 June 2022		32,049	11,925	43,974
Total net assets/(liabilities)				
As at 30 June 2023		60,908	(16,099)	44,809
As at 30 June 2022		105,686	(11,925)	93,761

	COMPANY			
	EFFECTIVE INTEREST RATE	LESS THAN 1 YEAR	2 TO 5 YEARS	TOTAL
	%	S\$'000	S\$'000	S\$'000
Financial assets and derivative financial instruments				
Cash and cash equivalents	-	38,171	-	38,171
Amounts due from subsidiaries	-	13,530	-	13,530
Trade and other receivables	-	219	-	219
As at 30 June 2023		51,920	-	51,920
Cash and cash equivalents	-	32,088	-	32,088
Amounts due from subsidiaries	-	26,406	-	26,406
Trade and other receivables	-	219	-	219
As at 30 June 2022		58,713	-	58,713

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Liquidity risk (Continued)

	COMPANY			
	EFFECTIVE INTEREST RATE	LESS THAN 1 YEAR	2 TO 5 YEARS	TOTAL
	%	S\$'000	S\$'000	S\$'000
Financial liabilities and derivative financial instruments				
Trade and other payables	-	1,445	-	1,445
Maximum amounts of financial guarantees	-	3,843	-	3,843
As at 30 June 2023		5,288	-	5,288
Trade and other payables	-	1,638	-	1,638
Maximum amounts of financial guarantees	-	4,559	-	4,559
As at 30 June 2022		6,197	-	6,197
Total net assets/(liabilities)				
As at 30 June 2023		46,632	-	46,632
As at 30 June 2022		52,516	-	52,516

The Group's operations are financed mainly through equity, retained earnings and bank borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required. The repayment terms of the bank borrowings are disclosed in Notes 24 to these financial statements.

32. CATEGORIES OF FINANCIAL INSTRUMENTS

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	GROUP	
	2023	2022
	S\$'000	S\$'000
Financial assets		
Trade and other receivables (excluding prepayments)	30,942	37,517
Cash and cash equivalents	61,745	100,218
Financial assets measured at amortised cost	92,687	137,735
Financial liabilities		
Derivative financial liabilities	332	98
Financial liabilities measured at fair value through profit or loss	332	98
Trade and other payables	14,071	24,506
Bank borrowings	29,950	16,459
Lease liabilities	1,177	1,522
Financial liabilities measured at amortised cost	45,198	42,487

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

32. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows: (Continued)

	COMPANY	
	2023	2022
	S\$'000	S\$'000
Financial assets		
Amounts due from subsidiaries	13,530	26,406
Trade and other receivables (excluding prepayments)	219	219
Cash and cash equivalents	38,171	32,088
Financial assets measured at amortised cost	51,920	58,713
Financial liabilities		
Trade and other payables	1,445	1,638
Financial liabilities measured at amortised cost	1,445	1,638

33. FAIR VALUE OF ASSETS AND LIABILITIES

The carrying amounts of cash and bank balances, trade and other receivables and payables, approximate their respective fair values due to the relative short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair values of applicable financial assets and financial liabilities are determined as follows:

- (a) Level 1 - the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).
- (b) Level 2 - in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/liabilities in non-active markets.
- (c) Level 3 - in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Notes to the Financial Statements

For the financial year ended 30 June 2023 (Continued)

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

The table below analyses the Group's assets and liabilities that are measured at fair value on a recurring basis in the statement of financial position after initial recognition.

	LEVEL 1 S\$'000	LEVEL 2 S\$'000	LEVEL 3 S\$'000
Recurring fair value measurements			
As at 30 June 2023			
Derivative financial liabilities (Note 23)	-	(332)	-
As at 30 June 2022			
Derivative financial liabilities (Note 23)	-	(98)	-

Level 2 - Derivative financial instruments

Valuation techniques with market observable inputs are used for the determination of the fair values of foreign currency forward contracts. The fair values of forward currency contracts are determined based on dealer quotes at the end of the reporting period.

34. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2023.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank balances. Total capital is calculated as equity plus net debts.

	2023 S\$'000	2022 S\$'000
Net debt	(17,724)	(59,253)
Total equity	180,844	228,900
Total capital	N.M.	N.M.
Gearing ratio	N.M.	N.M.

The Group is in compliance with all externally imposed capital requirements for the financial year ended 30 June 2023 and 2022.

N.M. - Not meaningful

35. EVENTS SUBSEQUENT TO REPORTING DATE

On 28 September 2023, a 55%-owned subsidiary company, Unigloves (UK) Limited, has incorporated a wholly-owned subsidiary, namely Unigloves (Ireland) Limited in Ireland with initial registered capital of €100 (equivalent to approximately S\$145).

Shareholders' Statistics

As At 19 September 2023

ISSUED AND FULLY PAID-UP CAPITAL	: S\$61,616,154.57*
NUMBER OF SHARES ISSUED	: 623,825,811
CLASS OF SHARES	: ORDINARY SHARES
VOTING RIGHTS	: ONE (1) VOTE PER SHARE
NUMBER OF TREASURY SHARES AND SUBSIDIARY HOLDINGS	: NIL

Note:

* This is based on records kept with the Accounting and Corporate Regulatory Authority and differs from the accounting records of S\$59,651,669 due to certain issue expense.

DISTRIBUTION OF SHAREHOLDINGS

RANGE OF SHAREHOLDINGS	NUMBER OF SHAREHOLDERS	PERCENTAGE (%)	NUMBER OF SHARES	PERCENTAGE (%)
1 – 99	110	2.88	3,653	0.00
100 – 1,000	206	5.40	119,672	0.02
1,001 – 10,000	1,553	40.71	9,360,224	1.50
10,001 – 1,000,000	1,922	50.38	99,247,759	15.91
1,000,001 & above	24	0.63	515,094,503	82.57
TOTAL	3,815	100.00	623,825,811	100.00

TWENTY LARGEST SHAREHOLDERS

NAME OF SHAREHOLDERS	NUMBER OF SHARES HELD	PERCENTAGE (%)
ZEN UG PTE. LTD.	156,537,713	25.09
CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	147,257,679	23.61
RAYDION DIRECT GLOBAL INC	76,873,127	12.32
WONG SEE KEONG	29,387,243	4.71
PHILLIP SECURITIES PTE LTD	17,267,505	2.77
CITIBANK NOMINEES SINGAPORE PTE LTD	12,299,051	1.97
OCBC SECURITIES PRIVATE LTD	11,646,805	1.87
ANG BENG TECK	11,146,442	1.79
HENG SIEW ENG	8,808,866	1.41
DBS NOMINEES PTE LTD	7,620,454	1.22
IFAST FINANCIAL PTE LTD	6,977,905	1.12
RAFFLES NOMINEES (PTE) LIMITED	3,687,846	0.59
LEE JUN YIH	2,845,063	0.46
MAYBANK SECURITIES PTE. LTD.	2,818,338	0.45
JACK INVESTMENT PTE LTD	2,684,800	0.43
TIGER BROKERS (SINGAPORE) PTE. LTD.	2,385,667	0.38
LIM OON HOCK OR LEW MOE KIEN	2,345,295	0.38
CHEN JIE	2,272,300	0.36
LEE JUN LINN	2,217,089	0.36
UOB KAY HIAN PTE LTD	1,841,092	0.29
	508,920,280	81.58

Shareholders' Statistics

As At 19 September 2023

SUBSTANTIAL SHAREHOLDERS AS AT 19 SEPTEMBER 2023

(As recorded in the Register of Substantial Shareholders)

NAME	NUMBER OF SHARES HELD		TOTAL NUMBER OF SHARES HELD	PERCENTAGE (%)
	DIRECT INTEREST	DEEMED INTEREST		
Zen UG Pte. Ltd. ⁽¹⁾⁽²⁾	156,537,713	141,318,282	297,855,995	47.75
Raydion Direct Global Inc ⁽¹⁾	76,873,127	–	76,873,127	12.32
Lee Keck Keong	–	374,729,122	374,729,122	60.07
Sim Ai Cheng ⁽³⁾	–	374,729,122	374,729,122	60.07
Lee Jun Yih	2,845,063	374,729,122	377,574,185	60.53
Lee Jun Linn	2,217,089	374,729,122	376,946,211	60.43

Notes:

- (1) Lee Keck Keong, Sim Ai Cheng, Lee Jun Yih and Lee Jun Linn are deemed to be interested in all the shares held by Zen UG Pte. Ltd. and Raydion Direct Global Inc by virtue of Section 7 of the Companies Act.
- (2) Zen UG Pte. Ltd. is deemed to be interested in 141,318,282 shares of the Company registered under CGS-CIMB Securities (Singapore) Pte. Ltd.
- (3) Sim Ai Cheng is the spouse of Lee Keck Keong and the mother of Lee Jun Yih and Lee Jun Linn.
- (4) Any minor discrepancies in the percentage of shares are due to rounding.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information provided and to the best knowledge of the Directors, approximately 34.41% of the issued ordinary shares of the Company is held in the hands of the public as at 19 September 2023 and therefore Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited is complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of UG Healthcare Corporation Limited (the “**Company**”) will be held at Institute of Singapore Chartered Accountants, 60 Cecil Street, ISCA House, Room 4-3, Singapore 049709 on Monday, 30 October 2023 at 9.30 a.m. (the “**AGM**”) to transact the following business: -

ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2023 together with the Auditors’ Report thereon. [Resolution 1]

2. To re-elect the following Directors who are retiring pursuant to Regulation 104 of the Company’s Constitution:

Mr Lee Jun Yih	[Resolution 2]
Mr Ng Lip Chi, Lawrence	
[Explanatory Note (1)]	[Resolution 3]

3. To note the retirement of Mr Vincent Leow who is retiring pursuant to Regulation 104 of the Company’s Constitution, as Director of the Company and will not seek re-election.

4. To approve the payment of Directors’ fees of S\$103,831.00 for the financial year ending 30 June 2024 (FY23: S\$105,131.00). [Resolution 4]

5. To re-appoint Messrs Mazars LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. [Resolution 5]

6. To transact any other ordinary business which may be transacted at an annual general meeting.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

7. Authority to allot and issue shares in the capital of the Company

That pursuant to Section 161 of the Companies Act, 1967 (“**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Catalist Rules**”) and the Constitution of the Company, authority be and is hereby given to the Directors to:

- (a) (i) allot and issue shares in the capital of the Company (“**Shares**”), whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements, or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

Notice of Annual General Meeting

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force, provided that:
- (i) the aggregate number of Shares and convertible securities to be issued (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution), does not exceed one hundred percent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and convertible securities to be issued (including Shares to be issued pursuant to the Instruments) other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
 - (ii) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (i) above, the percentage of Shares (excluding treasury shares and subsidiary holdings) that may be issued shall be based on the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) at the date of the passing of this Resolution, after adjusting for (a) new Shares arising from the conversion or exercise of convertible securities or (b) new Shares arising from the exercising of share options or vesting of share awards; provided that the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (c) any subsequent bonus, consolidation or subdivision of Shares. Adjustments in accordance with (a) or (b) are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate;
 - (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, the Constitution for the time being of the Company; and
 - (iv) Unless previously revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

[Explanatory Note (2)]

[Resolution 6]

8. Authority to allot and issue shares under:

(A) The Unigloves Employee Share Option Scheme

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to:

- (i) offer and grant options ("**Options**") from time to time in accordance with the rules of the Unigloves Employee Share Option Scheme (the "**Unigloves ESOS**"); and
- (ii) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of Options granted under the Unigloves ESOS,

Notice of Annual General Meeting

provided always that the aggregate number of Shares to be issued pursuant to the Unigloves ESOS, when aggregated to the aggregate number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards under any other share option schemes or share schemes, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), on the day immediately preceding the date on which an offer to grant an Option is made. The grant of Options can be made at any time from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

[Explanatory Note (3)]

[Resolution 7A]

(B) **The Unigloves Performance Share Plan**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to:

- (i) offer and grant awards ("**Awards**") from time to time in accordance with the rules of the Unigloves Performance Share Plan (the "**Unigloves PSP**"); and
- (ii) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of Awards granted under the Unigloves PSP,

provided always that the aggregate number of Shares to be issued or transferred pursuant to the Awards granted under the Unigloves PSP, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

[Explanatory Note (3)]

[Resolution 7B]

9. **The Proposed Renewal of the Share Buy-back Mandate**

That:

- (a) for the purposes of the Companies Act and the Catalist Rules of the SGX-ST, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Prescribed Limit (as hereafter defined) during the Relevant Period (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) on-market acquisitions ("**Market Purchases**"), transacted on the SGX-ST or through any other securities exchange on which the Shares may, for the time being, be listed; and/or
 - (ii) off-market acquisitions ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules,

and otherwise in accordance with all other provisions of the Companies Act and the Catalist Rules of the SGX-ST as may for the time being be applicable (the "**Share Buy-back Mandate**");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

Notice of Annual General Meeting

- (i) the date on which the next annual general meeting is held or required by law to be held;
- (ii) the date on which Share Buy-backs have been carried out to the full extent mandated under the Share Buy-back Mandate; or
- (iii) the date on which the authority contained in the Share Buy-back Mandate is varied or revoked by the Shareholders in a general meeting;

Collectively known as the “**Relevant Period**”

- (c) in this resolution:

“**Prescribed Limit**” means 10.0% of the total number of issued and paid-up Shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of passing of this resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered, excluding any treasury shares, that may be held by the Company from time to time;

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (including brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, hundred and five percent (105.0%) of the Average Closing Price (as defined herein); and
- (ii) in the case of an Off-Market Purchase, pursuant to an equal access scheme, hundred and twenty percent (120.0%) of the Average Closing Price, where:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the Offer Date pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs during the relevant 5-day period and the day the Share purchases are made; and

“**Offer Date**” means the date on which the Company makes an offer for a Share Buy-back, stating therein the purchase price for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this resolution.

[Explanatory Note (4)]

[Resolution 8]

By Order of the Board

Maureen Low
Company Secretary

13 October 2023
Singapore

Notice of Annual General Meeting

Explanatory Notes:

- (1) **Resolution 3** - Mr Ng Lip Chi, Lawrence (“**Mr Lawrence Ng**”) shall, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of each of the Audit Committee and Nominating Committee of the Company. The Board considers Mr Lawrence Ng to be independent pursuant to Rule 704(7) of the Catalyst Rules. Further information on Mr Lawrence Ng can be found in the sections entitled “Board of Directors” and “Corporate Governance Report” in the Annual Report 2023.
- (2) **Resolution 6** - This Resolution, if passed, will empower the Directors, effective until (i) the conclusion of the next annual general meeting, or (ii) the date by which the next annual general meeting of the Company is required by law to be held or (iii) the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue Shares, make of grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total, one hundred percent (100%) of issued share capital of the Company (excluding treasury shares and subsidiary holdings), of which up to fifty percent (50%) may be issued other than on a pro-rata basis to existing shareholders of the Company.
- (3) **Resolution 7A and 7B** - These Resolutions, if passed, will empower the Directors of the Company to allot and issue Shares pursuant to the exercise of Options and vesting of Awards under the Unigloves ESOS and Unigloves PSP respectively, provided that the aggregate number of Shares to be issued pursuant to the Unigloves ESOS and Unigloves PSP, when aggregated to the number of Shares issued and issuable or transferred and to be transferred under any other share option schemes or share schemes of the Company shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.
- (4) **Resolution 8** - This Resolution, if passed, will empower the Directors of the Company from the date of the above annual general meeting to purchase or acquire Shares by way of Market Purchases or Off-Market Purchases, provided that the aggregate number of Shares to be purchased or acquired under the Share Buy-back Mandate does not exceed the Prescribed Limited, and at such price(s) as may be determined by the Directors of the Company from time to time up to but not exceeding the Maximum Price. The information relating to this Resolution is set out in the Appendix enclosed together with the Annual Report.

Notes:

1. The members of the Company are invited to **attend physically** at the AGM. **There will be no option for shareholders to participate virtually.** The Notice of AGM, Proxy Form, Request Form (to request for printed copy of the Annual Report) and the Annual Report will be sent to members by electronic means via publication on the Company's website at <https://www.ughealthcarecorporation.com/investor-relation> and on the SGXNet at <https://www.sgx.com/securities/company-announcements>. Printed copies of the Notice, Proxy Form and Request Form will also be sent by post to members. Members who wish to receive a printed copy of the Annual Report are required to complete the Request Form and return it to the Company by 23 October 2023:
 - (a) if submitted by post, be lodged at the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com.
2. **Arrangements for participation in the AGM physically**
 Members (including Central Provident Fund (“**CPF**”) Investment Scheme members (“**CPFIS Investors**”) and/or Supplementary Retirement Scheme investors (“**SRS Investors**”)) may participate in the AGM by:
 - (a) attending the AGM in person
 - (b) raising questions at the AGM or submitting questions in advance of the AGM; and/ or
 - (c) voting at the AGM
 - (i) themselves personally; or
 - (ii) through their duly appointed proxy(ies).

CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third party prox(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 9.30 a.m. on 19 October 2023, being seven (7) working days prior to the date of the AGM.

Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process.

3. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.
 Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.
4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

“Relevant intermediary” has the meaning ascribed to it in Section 181(6) of the Companies Act, 1967:

- (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

Notice of Annual General Meeting

5. A member can appoint the Chairman of the Meeting as his/her/its proxy **but** this is **not mandatory**.

If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

6. The Proxy Form must be submitted to in the following manner:

- (a) if submitted by post, be lodged at the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or
- (b) if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,

in either case, by the Registration Deadline, **27 October 2023, 9.30 a.m.**, being no later than seventy-two (72) hours before the time fixed for the AGM. A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.

The instrument appointing a proxy(ies) must be signed by the appointer or his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy(ies) is signed on behalf of the appointer by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

The Company shall be entitled to reject the instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument of proxy (such as in the case where the appointer submits more than one (1) instrument of proxy).

In the case of a member whose shares are entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore Statutes), the Company may reject any instrument of proxy lodged if such member, being the appointer, is not shown to have any shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

7. Members may raise questions at the AGM or submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM. For members who would like to submit questions in advance of the AGM, they may do so by 23 October 2023, 9.30 a.m., as this will allow the Company sufficient time to address and respond to these questions on or before 24 October 2023 (not less than forty-eight (48) hours prior to the closing date and time for the lodgment of the proxy forms):

- (a) by email to main@zicoholdings.com or;
- (b) by post to the registered office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896

Members submitting questions are requested to state: (a) their full name; and (b) the member's identification/ registration number, failing which the Company shall be entitled to regard the submission as invalid.

Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The responses will be published on SGXNET and the Company's corporate website. Where substantial and relevant questions submitted by members are unable to be addressed prior to the AGM, including any questions received by the Company after 23 October 2023, the Company will address them during the AGM.

8. The Directors will endeavour to address as many substantial and relevant questions as possible during the AGM. However, members should note that there may not be sufficient time available at the AGM to address all questions raised. Please note that individual responses will not be sent to members. The minutes of the AGM will be published on SGXNet and the Company's website at <https://www.ughealthcarecorporation.com/investorrelation> within one (1) month after the date of the AGM.

9. Members are reminded to check SGXNet for any latest updates on the status of the AGM.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

This notice 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 notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.

The contact person for the Sponsor is Ms Charmian Lim (Telephone no.: (65) 6232 3210) at 1, Robinson Road, #21-00 AIA Tower, Singapore 048542.

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Proxy Form

IMPORTANT:

1. The Notice of AGM, Proxy Form, Request Form and the Annual Report will be sent to members by electronic means via publication on the on the Company's website at <https://www.ughealthcarecorporation.com/investor-relation> and on the SGXNet at <https://www.sgx.com/securities/company-announcements>. Printed copies of the Notice, Proxy Form and Request Form will also be sent by post to members.
2. A relevant intermediary may appoint more than two (2) proxies to attend the AGM and vote (please see Note 3 for the definition of "Relevant Intermediary").
3. An investor who holds shares under Central Provident Fund Investment Scheme ("CPFIS Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPFIS and SRS Investors who are unable to attend the AGM but would like to vote, may inform their respective CPF Agent Banks or SRS Investors to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.
4. This Proxy Form is not valid for use by CPFIS Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We _____ (Name)

*NRIC/Passport/Co. Registration No. _____

of _____ (Address)

being a member/members of **UG HEALTHCARE CORPORATION LIMITED** (the "Company") hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

or failing the person, or either or both of the persons referred to above, the Chairman of the Annual General Meeting ("AGM") as *my/our *proxy/proxies to attend, speak or vote on *my/our behalf at the AGM of the Company to be held at Institute of Singapore Chartered Accountants, 60 Cecil Street, ISCA House, Room 4-3, Singapore 049709 on Monday, 30 October 2023 at 9.30 a.m. and at any adjournment thereof.

*I/We have directed *my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the *proxy/proxies may vote or abstain from voting at *his/their discretion, as *he/they will on any other matters arising at the AGM and/or at any adjournment thereof.

Voting would be conducted by poll. Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.

AS ORDINARY BUSINESS				
No.	Resolutions Relating To:	For	Against	Abstain
1	Adoption of Directors' Statement and Audited Financial Statements of the Company for the financial year ended 30 June 2023			
2	Re-election of Mr Lee Jun Yih as Director			
3	Re-election of Mr Ng Lip Chi, Lawrence as Director			
4	Approval of Directors' fees for financial year ending 30 June 2024			
5	Re-appointment of Messrs Mazars LLP as auditors			
AS SPECIAL BUSINESS				
6	Authority to allot and issue new shares			
7A	Authority to allot and issue shares pursuant to the Unigloves ESOS			
7B	Authority to allot and issue shares pursuant to the Unigloves PSP			
8	Proposed Renewal of the Share Buy-back Mandate			

* Delete where inapplicable

Dated this _____ day of _____ 2023

Total Number of Shares Held in:	
CDP Register	
Register of Members	

Signature(s) of Member(s) or

Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, 2001), you should insert that number of Shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

3. For any member who acts as a Relevant Intermediary pursuant to Section 181 of the Companies Act 1967, who is either:
 - (a) a banking corporation licensed under the Banking Act 1970 or wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence holder provide under the Securities and Futures Act 2001 and who holds shares in that capacity; and
 - (c) Central Provident Fund ("CPF") Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

Please note that if any of your shareholdings are not specified in the list provided by the Relevant Intermediary to the Company, the Company may have the sole discretion to disallow the said participation of the said proxy at the forthcoming AGM.

4. The proxy need not be a member of the Company.
5. A member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory.
6. The Proxy Form must be submitted to in the following manner:
 - (a) if submitted by post, be lodged at the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,

in either case, by the Registration Deadline, **27 October 2023, 9.30 a.m.**, being no later than seventy-two (72) hours before the time fixed for the AGM. A Member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.

7. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
8. The Proxy Form must be signed by the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, 1967.

General:

The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in the case of members whose shares are entered in the Depository Register, the Company shall be entitled to reject any instrument of proxy lodged if the member, being the appointer, is not shown to have any shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 October 2023.

Appendix

APPENDIX DATED 13 OCTOBER 2023

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about the contents herein or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This appendix ("**Appendix**") is circulated to the shareholders of UG Healthcare Corporation Limited (the "**Company**"), together with the Company's annual report for the financial year ended 30 June 2023 (the "**Annual Report**"). The notice of the annual general meeting and the accompanying proxy form are enclosed with the Annual Report.

If you have sold or transferred all your shares in the capital of the Company held through the Central Depository (Pte) Limited ("**CDP**"), you need not forward this Appendix with the notice of annual general meeting and the attached proxy form to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix with the notice of annual general meeting and the attached proxy form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix, together with the notice of annual general meeting and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

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

This Appendix 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 Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

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

DEFINITIONS

The following definitions apply throughout in this Appendix except where the context otherwise requires:

“2023 AGM”	:	The AGM to be held on 30 October 2023 at 9.30 a.m. at ISCA House
“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore
“AGM”	:	The annual general meeting of the Company
“Annual Report”	:	The Company’s annual report for the financial year ended 30 June 2023
“Appendix”	:	This appendix to Shareholders dated 13 October 2023
“Approval Date”	:	The date of the 2023 AGM, whereby approval for the renewal of the Share Buy-back Mandate is sought
“Associate”	:	<p>(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:</p> <p>(i) his immediate family (being spouse, child, adopted child, step child, sibling and parent);</p> <p>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and</p> <p>(iii) any company in which he and his immediate family together (directly and indirectly) have an interest of 30.0% or more; and</p> <p>(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more</p>
“Associated Company”	:	A company in which at least 20.0% but not more than 50.0% of its shares are held by the Company or the Group
“Board”	:	The board of directors of the Company from time to time
“Catalist”	:	The Catalist board of the SGX-ST
“Catalist Rules”	:	The Listing Manual (Section B: Rules of Catalist) of the SGX-ST, as amended, supplemented or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time
“Company”	:	UG Healthcare Corporation Limited
“Constitution”	:	The constitution of the Company, as amend or modified from time to time

“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company. Notwithstanding, the SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
“Director”	:	The directors of the Company as at the date of this Appendix
“EPS”	:	Earnings per Share
“FY”	:	Financial year ended or ending 30 June (as the case may be)
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	19 September 2023, being the latest practicable date prior to the printing of this Appendix
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NAV”	:	Net asset value
“Notice of AGM”	:	The notice of AGM of the Company as set out in page 146 to 151 of the Annual Report
“NTA”	:	Net tangible assets
“Relevant Period”	:	The period commencing from the Approval Date whereby the ordinary resolution in relation to the renewal of the Share Buy-back Mandate is passed and expiring on the earliest of (i) the date on which the next AGM is or is required by law or the Constitution to be held; (ii) the date on which the Share Buy-backs are carried out to the full extent mandated; or (iii) the date the said mandate is revoked or varied by the Shareholders in a general meeting
“Securities Account”	:	Securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“Securities and Futures Act”	:	Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGXNet”	:	Singapore Exchange Network, the system network used by listed companies to send information and announcements to the SGX-ST, or any other system networks prescribed by the SGX-ST
“Share Buy-back(s)”	:	The purchase or acquisition by the Company of its own issued and fully paid up Shares
“Share Buy-back Mandate”	:	The proposed mandate to authorise the Directors to exercise all powers of the Company to carry out Share Buy-backs, the terms of which are set out in this Appendix
“Shareholders”	:	Persons who are registered as holders of the Shares in the Register of Members maintained by the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts maintained with the CDP are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	The Securities Industry Council of Singapore

“Sponsor”	:	SAC Capital Private Limited
“subsidiary holdings”	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
“Substantial Shareholder”	:	A person who has an interest in Shares representing not less than 5.0% of the total votes attached to all the Shares
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
“S\$” and “cents”	:	Singapore dollars and cents respectively
“%”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term “**treasury shares**” shall have the meaning ascribed to it in Section 4 of the Companies Act. The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Take-over Code, the Securities and Futures Act or the Catalist Rules or any modification thereof and used in this Appendix shall, unless provided otherwise, have the same meaning ascribed to it under the Companies Act, the Take-over Code, the Securities and Futures Act or the Catalist Rules (or any modification thereof, as the case may be).

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day and dates in this Appendix shall be a reference to Singapore time and dates, unless otherwise stated.

Board of Directors:

Mr. Yip Wah Pung (Non-Executive Chairman and Independent Director)
 Mr. Lee Keck Keong (Executive Director and Chief Executive Officer)
 Mr. Lee Jun Yih (Executive Director and Finance Director)
 Mr. Wong See Keong (Executive Director)
 Mr. Lee Jun Linn (Executive Director and Chief Operating Officer)
 Mr. Ng Lip Chi, Lawrence (Independent Director)
 Mr. Vincent Leow (Independent Director)

13 October 2023

To: The Shareholders of UG Healthcare Corporation Limited

Dear Sir / Madam,

Registered Office:

38 Beach Road
 #29-11
 South Beach Tower
 Singapore 189767

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

1. INTRODUCTION

- 1.1 The Directors wish to refer to (i) the Notice of AGM accompanying the Annual Report, and (ii) Resolution 8 set out in the Notice of AGM, being the ordinary resolution for the proposed renewal of the Share Buy-back Mandate.
- 1.2 The purpose of this Appendix is to provide Shareholders with information relating to the proposed renewal of the Share Buy-back Mandate, and to seek Shareholders' approval for the same at the 2023 AGM.
- 1.3 The SGX-ST assumes no responsibility for the accuracy of any statements made or opinions expressed or reports contained in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**2.1 Background**

- 2.1.1 At the Company's AGM held on 28 October 2022, Shareholders approved the renewal of the Share Buy-back Mandate, such mandate being expressed to take effect until the conclusion of the next AGM or the date by which such AGM is required by law or the Constitution to be held; unless prior thereto, Share Buy-backs are carried out to the full extent mandated or the Share Buy-back Mandate is varied or revoked by the Shareholders in a general meeting. Accordingly, the Directors propose that the Share Buy-back Mandate be renewed at the 2023 AGM.
- 2.1.2 The terms in respect of which the Share Buy-back Mandate is sought to be renewed are set out in this Appendix.
- 2.1.3 Subject to its continued relevance to the Company, the Share Buy-back Mandate will be put to Shareholders for renewal at each subsequent AGM.

2.2 Rationale for the Share Buy-back Mandate

2.2.1 The rationale for the renewal of the Share Buy-back Mandate is as follows:-

- (a) the Share Buy-back Mandate will give the Company the flexibility to carry out Share Buy-backs if and when circumstances permit. The Board believes that Share Buy-backs would allow the Company and the Board to better manage the Company's share capital structure, dividend payout and cash reserves.
- (b) the Share Buy-back Mandate also provides the Board with a mechanism to facilitate the return of surplus cash over and above the Company's ordinary capital requirements in an expedient and cost-efficient manner, and the opportunity to exercise control over the Company's share capital structure with a view to enhancing the EPS and/or NAV per Share.
- (c) the Board believes that Share Buy-backs may help the Company to mitigate short term market volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence.

2.2.2 Shares purchased or otherwise acquired pursuant to the Share Buy-back Mandate may be held or dealt with as treasury shares, which may be utilised pursuant to the Unigloves Employee Share Option Scheme and/or the Unigloves Performance Share Plan.

2.2.3 If and when circumstances permit, the Board will decide (i) whether to exercise the Share Buy-back Mandate through on-market purchases or off-market purchases of Shares; and (ii) whether the Shares purchased or acquired should be held as treasury shares or cancelled, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

2.2.4 Shareholders should note that Share Buy-backs will only be made when the Board believes that such Share Buy-backs would be made in circumstances which would not have a material adverse effect on the financial position of the Company and the Group, and when the Board believes that such Share Buy-backs would be in the best interest of the Company and its Shareholders.

2.3 Authority and limits on the Share Buy-back Mandate

The authority and limitations placed on the Share Buy-backs under the Share Buy-back Mandate are as follows:-

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired is limited to such number of Shares representing not more than 10.0% of the total issued and paid-up Shares as at the Approval Date, unless, at any time during the Relevant Period, the Company has reduced its share capital by way of a special resolution under Section 78C of the Companies Act, or the Court has made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of Shares shall be taken to be the total number of Shares as altered. Shares which are held by the Company as treasury shares and subsidiary holdings will be disregarded for the purposes of calculating this 10.0% limit.

For illustrative purposes only, based on the existing issued and paid-up capital of the Company comprising 623,825,811 Shares as at the Latest Practicable Date, and assuming that (i) no further Shares are issued and no changes are made to the share capital of the Company; (ii) no further Shares are purchased or held by the Company as treasury shares or cancelled; (iii) no further Shares are held as subsidiary holdings on or prior to the 2023 AGM, not more than 62,382,581 Shares (representing 10.0% of the total Shares excluding treasury shares and subsidiary holdings) may be purchased or acquired by the Company pursuant to the Share Buy-back Mandate.

As at the Latest Practicable Date, the Company does not hold any treasury shares nor are there subsidiary holdings.

2.3.2 Duration of authority

Under the Share Buy-back Mandate, Share Buy-backs may be made during the Relevant Period, at any time and from time to time, from the Approval Date up to the earlier of:

- (a) the date on which the next AGM is held or is required by law to be held;
- (b) the date on which Share Buy-backs are carried out to the full extent mandated under the Share Buy-back Mandate; or
- (c) the date on which the authority contained by the Share Buy-back Mandate is varied or revoked by the Shareholders in a general meeting.

The authority conferred by the Share Buy-back Mandate may be renewed at each AGM or any other general meeting of the Company, subject to its continued relevance to the Company.

2.3.3 Manner of Share Buy-backs

Share Buy-backs under the Share Buy-back Mandate may be made by way of:

- (a) on-market purchases transacted on the SGX-ST or through any other securities exchange on which the Shares may, for the time being, be listed ("**Market Purchases**"); and/or
- (b) off-market purchases transacted otherwise than on the SGX-ST or any other securities exchange, in accordance with an equal access scheme (as defined in Section 76C of the Companies Act) ("**Off-Market Purchases**").

In an Off-Market Purchase, the Directors may impose such terms and conditions as are consistent with the Share Buy-back Mandate, the Catalist Rules, the Companies Act, the Constitution and other applicable laws and regulations as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme. Under the Companies Act, an Off-Market Purchase must satisfy all the following conditions:

- (a) offers for the Share Buy-backs shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, Rule 870 of the Catalist Rules provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders containing at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the Share Buy-back;
- (iv) the consequences, if any, of Share Buy-backs by the Company that will arise under the Take-over Code or other applicable takeover rules;
- (v) whether the Share Buy-backs, if made, would have any effect on the listing of the Shares on the Catalist;
- (vi) details of any Share Buy-backs made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the Share Buy-backs, where relevant, and the total consideration paid for the Share Buy-backs; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum purchase price

The purchase price per Share (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share to be purchased or acquired will be determined by the Directors. However, the purchase price per Share to be paid as determined by the Directors must not exceed:

- (a) 105.0% of the Average Closing Price (as defined hereinafter) for a Market Purchase; and
 - (b) 120.0% of the Average Closing Price (as defined hereinafter) for an Off-Market Purchase,
- (the "**Maximum Price**") excluding related expenses of the Share Buy-back.

For the purposes of determining the Maximum Price above:

"Average Closing Price" means the average of the closing market prices of the Shares over the last 5 Market Days on which transactions in the Shares were recorded, before the day of the Market Purchase by the Company or, as the case may be, the Offer Date (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-Market Day period and the day on which the Share purchases are made; and

"Offer Date" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of purchased or acquired Shares under the Share Buy-back Mandate

- 2.4.1 A Share purchased or otherwise acquired by the Company under a Share Buy-back is deemed cancelled immediately on completion of the Share Buy-back (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or otherwise acquired by the Company and which are not held as treasury shares.

2.4.2 Any Shares purchased or acquired by the Company under a Share Buy-back (which are not held by the Company as treasury shares to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and (where applicable) the certificates in respect thereof will be cancelled by the Company as soon as reasonably practicable following settlement of any Share Buy-back.

2.4.3 At the time of each Share Buy-back, the Company may decide whether the Shares purchased or otherwise acquired will be cancelled or held as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or otherwise acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

Maximum holdings

2.5.1 The number of Shares held as treasury shares cannot at any time exceed 10.0% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within 6 months beginning on the date on which that contravention occurs or such further periods as ACRA may allow.

2.5.2 The Company has no Shares held as treasury shares as at the Latest Practicable Date. Assuming no changes to the share capital of the Company during the Relevant Period, the maximum number of Shares that may be held as treasury shares is 62,382,581 treasury shares.

Voting and other rights

2.5.3 The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

2.5.4 In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. The subdivision or consolidation of treasury shares into greater or smaller numbers is allowed so long as the total value of the treasury shares after such subdivision or consolidation is the same as before the subdivision or consolidation, as the case may be.

Disposal and cancellation

2.5.5 Where Shares are held as treasury shares, the Company may at any time (subject to the Take-over Code):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, Directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

2.5.6 Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "Usage"). Such announcement must include details such as the date of the Usage, the purpose of the Usage, the number of treasury shares comprised in the Usage, the number of treasury shares before and after the Usage, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the Usage.

2.6 Reporting requirements

2.6.1 Within 30 days of the passing of a Shareholders' ordinary resolution to approve any Share Buy-back, the Company shall lodge a copy of such resolution with ACRA.

2.6.2 The Company shall notify ACRA, using the prescribed form, within 30 days of a Share Buy-back on the Catalist or otherwise. Such notification shall include details of the Share Buy-back, such as the date of the Share Buy-backs, the total number of Shares purchased or acquired, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the Share Buy-back, the amount of consideration paid by the Company for the Share Buy-back, whether the Shares were purchased or acquired out of the profits or the capital of the Company, and such other particulars as may be required by ACRA.

2.6.3 Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.

2.6.4 The Catalist Rules specify that a listed company must make an announcement on SGXNet of all purchases or acquisitions of its shares no later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the date the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

2.6.5 The announcement must be in the form of Appendix 8D prescribed by the Catalist Rules. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary announcements.

2.7 Source of funds

2.7.1 In purchasing or acquiring its Shares, the Company may only apply funds legally available for Share Buy-backs in accordance with the applicable laws of Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase or otherwise acquired, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

2.7.2 Under the Companies Act, Share Buy-backs may be made out of the Company's distributable profits or capital so long as the Company is solvent. In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimation of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

Pursuant to Section 76F(4) of the Companies Act, a company is "solvent" if the following conditions are satisfied:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;

- (b) if,
 - (i) it is intended to commence the winding up of the Company within the period 12 months immediately after the date of payment, the Company will be able to pay its debts as they fall due during the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the purchase or acquisition of Shares, become less than the value of its liabilities (including contingent liabilities).

2.7.3 The Company intends to use internal sources of funds (i.e. cash and cash equivalents) or external borrowings, or a combination of internal resources and external borrowings to finance the Company's Share Buy-backs pursuant to the Share Buy-back Mandate. The Directors do not propose to exercise the Share Buy-back Mandate in a manner and to such extent that it would have a material adverse effect on the financial position, liquidity and/or the capital adequacy of the Group.

2.8 Financial effects

2.8.1 The financial effects on the Company and the Group arising from Share Buy-backs pursuant to the Share Buy-back Mandate will depend on, inter alia, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number and price paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled.

2.8.2 **The Share Buy-back scenarios discussed below are for illustrative purposes only**, to illustrate the financial effects on the Company and the Group arising from Share Buy-backs pursuant to the Share Buy-back Mandate under those scenarios, based on the audited financial statements of the Company and the Group for FY23, and under the following principal assumptions:

- (i) The Share Buy-backs pursuant to the Share Buy-back Mandate had been effective on 1 July 2022 for the purpose of computing the financial effects on the EPS of the Company and Group;
- (ii) The Share Buy-backs pursuant to the Share Buy-back Mandate had taken place on 30 June 2023 for the purpose of computing the financial effects on shareholders' equity, NTA per share, current ratio and gearing ratio of the Company and Group;
- (iii) The Share Buy-backs will be based on a total of 623,825,811 Shares in issue as the Latest Practicable Date, and assuming no change in the number of Shares on or prior to the Approval Date, the Company carried out Share Buy-backs in respect of 62,382,581 Shares representing 10.0% of the total number of Shares (excluding treasury shares and subsidiary holdings);
- (iv) **In the scenarios where the Company makes Market Purchases:** Assuming that the Company purchases or acquires 62,382,581 Shares at the Maximum Price of approximately S\$0.1128 (being the price equivalent to 105.0% of the Average Closing Price of the Shares over the last 5 Market Days on which the Shares were transacted on SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the Share Buy-back of 62,382,581 Shares would be approximately S\$7.04 million;

- (v) **In the scenarios where the Company makes Off-Market Purchases:** Assuming that the Company purchases or acquires 62,382,581 Shares at the Maximum Price of approximately S\$0.1289 (being the price equivalent to 120.0% of the Average Closing Price of the Shares over the last 5 Market Days on which the Shares were transacted on SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the Share Buy-back of 62,382,581 Shares would be approximately S\$8.04 million;
- (vi) Transaction costs incurred for the Share Buy-backs pursuant to the Share Buy-back Mandate have been assumed to be insignificant and hence have been disregarded for the purpose of computing the financial effects; and
- (vii) The Share buy-back will be funded by the Company solely from internal funding.

Illustrative financial effects

2.8.3 For illustrative purposes only, and based the assumptions set out above, the financial effects of the:

- (a) Share Buy-backs of 62,382,581 Shares by the Company made entirely out of capital and the purchased Shares are held in treasury; and
- (b) Share Buy-backs of 62,382,581 Shares by the Company made entirely out of capital and the purchased Shares are cancelled;

on the audited financial statements of the Company and the Group for FY23 are set out in the following pages.

2.8.4 Other than as described in Section 2.8.2 above, the financial effects of Share Buy-backs by the Company by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, and solely for purposes of illustration, only the financial effects of Share Buy-backs by way of purchases made out of capital are set out in this Appendix.

Scenario 1 – Market Purchases of 62,382,581 Shares out of capital and held as treasury shares

	GROUP			COMPANY		
	BEFORE	AFTER SHARE BUY-BACK		BEFORE	AFTER SHARE BUY-BACK	
	SHARE BUY- BACK (S\$'000)	MARKET PURCHASES (S\$'000)	OFF-MARKET PURCHASES (S\$'000)	SHARE BUY- BACK (S\$'000)	MARKET PURCHASES (S\$'000)	OFF-MARKET PURCHASES (S\$'000)
As at 30 June 2023						
Share capital	59,652	59,652	59,652	59,652	59,652	59,652
Treasury shares	-	(7,040)	(8,040)	-	(7,040)	(8,040)
Non-controlling interest	346	346	346	-	-	-
Total equity	181,190	174,150	173,150	81,486	74,446	73,446
Net tangible assets (NTA) ⁽¹⁾	180,228	173,188	172,188	81,486	74,446	73,446
Current assets	159,933	152,893	151,893	51,961	44,921	43,921
Current liabilities	32,777	32,777	32,777	1,499	1,499	1,499
Working capital	127,156	120,116	119,116	50,462	43,422	42,422
Total borrowings ⁽²⁾	45,530	45,530	45,530	1,445	1,445	1,445
Cash and bank balances	61,745	54,705	53,705	38,171	31,131	30,131
Net Loss attributable to owners of the Company	(20,734)	(20,734)	(20,734)	(26,201)	(26,201)	(26,201)
Number of Shares excluding treasury shares	623,825,811	561,443,230	561,443,230	623,825,811	561,443,230	561,443,230
Financial Ratios						
NTA per share (cents) ⁽³⁾	28.89	30.85	30.67	13.06	13.26	13.08
EPS (cents) ⁽⁴⁾	(3.32)	(3.69)	(3.69)	(4.20)	(4.67)	(4.67)
Gearing ratio (times) ⁽⁵⁾	0.25	0.26	0.26	0.02	0.02	0.02
Current ratio (times) ⁽⁶⁾	4.88	4.66	4.63	34.66	29.97	29.30

Notes:-

- (1) NTA equals total equity less non-controlling interests and intangible assets.
- (2) Total borrowings consist of total liabilities (excluding deferred tax liabilities and income tax liabilities).
- (3) NTA per Share is computed based on the NTA (i.e. total equity less intangible assets and non-controlling interests) divided by the number of Shares in issue (excluding treasury shares and subsidiary holdings).
- (4) EPS has been computed based on FY23 net loss attributable to owners of the Company divided by the number of Shares in issue.
- (5) Gearing equals total borrowings divided by total equity.
- (6) Current ratio equals current assets divided by current liabilities.

Scenario 2 – Market Purchases of 62,382,581 Shares out of capital and cancelled

	GROUP			COMPANY		
	BEFORE SHARE BUY- BACK	AFTER SHARE MARKET PURCHASES	OFF-MARKET PURCHASES	BEFORE SHARE BUY- BACK	AFTER SHARE MARKET PURCHASES	OFF-MARKET PURCHASES
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
As at 30 June 2023						
Share capital	59,652	52,612	51,612	59,652	52,612	51,612
Non-controlling interest	346	346	346	-	-	-
Total equity	181,190	174,150	173,150	81,486	74,446	73,446
Net tangible assets (NTA) ⁽¹⁾	180,228	173,188	172,188	81,486	74,446	73,446
Current assets	159,933	152,893	151,893	51,961	44,921	43,921
Current liabilities	32,777	32,777	32,777	1,499	1,499	1,499
Working capital	127,156	120,116	119,116	50,462	43,422	42,422
Total borrowings ⁽²⁾	45,530	45,530	45,530	1,445	1,445	1,445
Cash and bank balances	61,745	54,705	53,705	38,171	31,131	30,131
Net Loss attributable to owners of the Company	(20,734)	(20,734)	(20,734)	(26,201)	(26,201)	(26,201)
Number of Shares excluding treasury shares	623,825,811	561,443,230	561,443,230	623,825,811	561,443,230	561,443,230
Financial Ratios						
NTA per share (cents) ⁽³⁾	28.89	30.85	30.67	13.06	13.26	13.08
EPS (cents) ⁽⁴⁾	(3.32)	(3.69)	(3.69)	(4.20)	(4.67)	(4.67)
Gearing ratio (times) ⁽⁵⁾	0.25	0.26	0.26	0.02	0.02	0.02
Current ratio (times) ⁽⁶⁾	4.88	4.66	4.63	34.66	29.97	29.30

Notes:-

- (1) NTA equals total equity less non-controlling interests and intangible assets.
- (2) Total borrowings consist of total liabilities (excluding deferred tax liabilities and income tax liabilities).
- (3) NTA per Share is computed based on the NTA (i.e. total equity less intangible assets and non-controlling interests) divided by the number of Shares in issue (excluding treasury shares and subsidiary holdings).
- (4) EPS has been computed based on FY23 net loss attributable to owners of the Company divided by the number of Shares in issue.
- (5) Gearing equals total borrowings divided by total equity.
- (6) Current ratio equals current assets divided by current liabilities.

Shareholders should note that the financial effects set out above are based on the above-mentioned assumptions and are purely for purposes of illustration only. In particular, it is important to note that the above illustration is based on historical audited financial statements for FY23 and is not necessarily representative of future financial performance.

The actual impact will depend on the number and price of the share bought back. As stated, the Directors do not propose to exercise the Share Buy-back Mandate to such an extent that it would have a material adverse effect on the working capital requirements, financial position and/or gearing of the Group. The purchase of the shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing marketing conditions. The Share Buy-back Mandate will be exercised with a view to enhance the EPS and/or NAV per share of the Group.

Although the Share Buy-back Mandate would authorise the Company to purchase or otherwise acquire up to 10.0% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the full 10.0% of the issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares purchased or acquired, or hold all or part of the Shares purchased or acquired as treasury shares. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of shares) in assessing the relative impact of a share before execution.

2.9 Tax implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of a Share Buy-back by the Company or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

2.10 Requirements under the Catalist Rules

Listing Status

2.10.1 Rule 723 of the Catalist Rules require a listed company to ensure that at least 10.0% of its total number of its issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public. The "public", as defined under the Catalist Rules, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company or its subsidiaries, and the associates of such persons.

2.10.2 As at the Latest Practicable Date, there are 214,647,294 Shares representing approximately 34.41% of the total number of issued Shares are held by the public shareholders. For illustrative purposes only, assuming the Company undertakes Share Buy-backs up to the full 10.0% limit pursuant to the Share Buy-back Mandate, the number of issued Shares held by the public would be reduced to 152,264,713 Shares representing approximately 27.12% of the total number of issued Shares (excluding treasury shares). The Company does not have any individual shareholding limit or foreign shareholding limit.

2.10.3 Accordingly, the Directors are of the view that there is, at present, a sufficient number of Shares held by the public which would permit the Company to undertake Share Buy-backs to the full 10.0% limit pursuant to the Share Buy-back Mandate.

2.10.4 In undertaking any Share Buy-backs, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient number of Shares remain in public hands so that the Share Buy-backs will not (i) adversely affect the listing status of the Shares on Catalist; (ii) cause market illiquidity; and (iii) adversely affect the orderly trading of the Shares.

Restrictions on Share Buy-backs

2.10.5 While the Catalist Rules do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time, the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares. As such, the Company will not undertake any Share Buy-backs pursuant to the Share Buy-back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Catalist Rules.

2.10.6 Further, in conformity with the best practices on dealing with securities under the Catalist Rules, the Company will not undertake any Share Buy-backs through Market Purchases or Off-Market Purchases during the period commencing 1 month before the announcement of the Group's half-year and full year results.

2.11 Take-over implications

2.11.1 Appendix 2 of the Take-over Code contains the Share Buy-back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any Share Buy-backs are set out below:

Obligation to make a take-over offer

- (a) If, as a result of any Share Buy-back, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

Pursuant to Rule 14 of the Take-over Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, inter alia, he and persons acting in concert with him increase their voting rights in the Company to 30.0% or more or, if they, together holding between 30.0% and 50.0% of the Company's voting rights, increase their voting rights in the Company by more than 1.0% in any period of 6 months.

Persons acting in concert

- (b) Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, inter alia, the following persons will, be presumed to be acting in concert:

- (i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (ii) a company with any of its directors, together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser, and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client's equity share capital;
- (vi) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, any person who is accustomed to act according to the instructions of that individual, companies controlled by any of the above, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Effect of Rule 14 and Appendix 2 of the Take-over Code

2.11.2 In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company carrying out a Share Buy-back, the voting rights of such Directors and their concert parties would increase to 30.0% or more, or if the voting rights of such Directors and their concert parties fall between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1.0% in any period of 6 months. The Directors and their concert parties will be exempted from the requirement to make a take-over offer subject to certain conditions as set out in the Take-over Code, including, *inter alia*:

- (a) the inclusion in the Appendix to Shareholders on the resolution to authorise the Share Buy-back Mandate advice to the effect that by voting for the resolution to authorise the Share Buy-back Mandate, Shareholders are waiving their right to a take-over offer at the required price from the Directors and parties acting in concert with them who, as a result of the Company carrying out a Share Buy-back, would increase their voting rights to 30.0% or more, or, if they together hold between 30.0% and 50.0% of the Company's voting rights, would increase their voting rights by more than 1.0% in any period of 6 months; and the names of such Directors and persons acting in concert with them, their voting rights at the time of the resolution and after Share Buy-backs pursuant to the Share Buy-back Mandate; and
- (b) the submission to the SIC by each of the Directors of an executed form as prescribed by the SIC within 7 days of the passing of the resolution to authorise the Share Buy-back Mandate.

2.11.3 Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company carrying out a Share Buy-back, the voting rights of such Shareholder in the Company would increase to 30.0% or more, or if such Shareholder holds between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1.0% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-back Mandate unless so required under the Companies Act.

The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer under the Take-over Code would arise by reason of any Share Buy-backs by the Company.

Application of the Take-over Code

2.11.4 Details of the shareholdings of the Directors and Substantial Shareholders as at the Latest Practicable Date are set out in Section 3 below.

2.11.5 As at the Latest Practicable Date:

- (a) our Chief Executive Officer and Executive Director, Mr. Lee Keck Keong;
- (b) our Executive Director and Finance Director, Mr. Lee Jun Yih;
- (c) our Executive Director and Chief Operating Officer, Mr. Lee Jun Linn; and
- (d) our Controlling Shareholder, Ms. Sim Ai Cheng

(collectively, the “**Relevant Shareholders**”) whereby Mr. Lee Keck Keong is the father and Ms Sim Ai Cheng is the mother of Mr. Lee Jun Yih and Mr. Lee Jun Linn, and hence are presumed to be parties acting in concert in relation to their interests in the Company.

2.11.6 As at the Latest Practicable Date, the Relevant Shareholders hold an aggregate of 379,791,274 Shares, representing approximately 60.88% of the voting rights in the Company.

2.11.7 As the Relevant Shareholders hold more than 50.0% of the voting rights in the Company, the Relevant Shareholders and parties acting in concert with them are not expected to incur an obligation to make a mandatory take-over offer for the Shares under Rule 14.1 of the Take-over Code as a result of the Company buying back its Shares under the Share Buy-back Mandate.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Buy-back pursuant to the Share Buy-back Mandate are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy-back Mandate is in force.

2.12 Shares purchased in the previous 12 months

No Share Buy-backs have been undertaken by the Company in the 12 months preceding the Latest Practicable Date.

3. DISCLOSURE OF SHAREHOLDINGS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares of the Company are as follows:

	DIRECT INTEREST		DEEMED INTEREST	
	NUMBER OF SHARES	% ⁽¹⁾	NUMBER OF SHARES	% ⁽¹⁾
<u>Directors</u>				
Lee Keck Keong	–	–	374,729,122	60.07
Lee Jun Yih	2,845,063	0.46	374,729,122	60.07
Lee Jun Linn	2,217,089	0.36	374,729,122	60.07
Wong See Keong	29,387,243	4.71	–	–
<u>Substantial Shareholders (other than Directors)</u>				
Sim Ai Cheng ⁽²⁾	–	–	374,729,122	60.07
Zen UG Pte. Ltd. ⁽³⁾⁽⁴⁾	156,537,713	25.09	141,318,282	22.65
Raydion Direct Global Inc ⁽³⁾	76,873,127	12.32	–	–

Notes:

- (1) Based on the total issued and fully paid-up ordinary share capital of 623,825,811 Shares as at the Latest Practicable Date.
- (2) Sim Ai Cheng is the spouse of Lee Keck Keong and the mother of Lee Jun Yih and Lee Jun Linn.
- (3) Lee Keck Keong, Sim Ai Cheng, Lee Jun Yih and Lee Jun Linn are deemed to be interested in all the shares held by Zen UG Pte. Ltd. and Raydion Direct Global Inc by virtue of Section 7 of the Companies Act.
- (4) Zen UG Pte. Ltd. is deemed to be interested in 141,318,282 shares of the Company registered under CGS-CIMB Securities (Singapore) Pte. Ltd.
- (5) Minor discrepancies in the share percentages are due to rounding.

4. DIRECTORS' RECOMMENDATION

The Directors, having carefully considered, among others, the rationale and terms of the proposed renewal of the Share Buy-back Mandate, are of the opinion that it is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of relating to the proposed renewal of the Share Buy-back Mandate at the 2023 AGM.

5. ANNUAL GENERAL MEETING

The 2023 AGM, notice of which is set out on page 146 to 151 of the Annual Report, will be held on 30 October 2023 at 9.30 a.m. at Institute of Singapore Chartered Accountants, 60 Cecil Street, ISCA House, Room 4-3, Singapore 049709 for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolutions set out in the Notice of AGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2023 AGM and who wish to appoint a proxy or proxies to attend and vote at the 2023 AGM on their behalf should complete, sign and return the proxy form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, not less than 48 hours before the time fixed for the 2023 AGM or any postponement or adjournment thereof. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the 2023 AGM if he wishes to do so.

A Depositor shall not be regarded as a member of the Company entitled to attend the 2023 AGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time appointed for the 2023 AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767, during normal business hours from the date of this Appendix up to the date of the 2023 AGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company for the financial year ended 30 June 2023.

Yours faithfully,
For and on behalf of the Board of Directors
UG Healthcare Corporation Limited

Mr. Yip Wah Pung
Non-Executive Chairman and Independent Director

13 October 2023

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Corporate Information

BOARD OF DIRECTORS

Mr. Yip Wah Pung
Non-Executive Chairman and Independent Director

Mr. Lee Keck Keong
Executive Director and Chief Executive Officer

Mr. Lee Jun Yih
Executive Director and Finance Director

Mr. Lee Jun Linn
Executive Director and Chief Operating Officer

Mr. Wong See Keong
Executive Director

Mr. Ng Lip Chi, Lawrence
Independent Director

Mr. Vincent Leow
Independent Director

AUDIT COMMITTEE

Mr. Yip Wah Pung (Chairman)
Mr. Ng Lip Chi, Lawrence
Mr. Vincent Leow

REMUNERATION COMMITTEE

Mr. Ng Lip Chi, Lawrence (Chairman)
Mr. Yip Wah Pung
Mr. Vincent Leow

NOMINATING COMMITTEE

Mr. Vincent Leow (Chairman)
Mr. Yip Wah Pung
Mr. Ng Lip Chi, Lawrence
Mr. Lee Keck Keong

COMPANY SECRETARY

Ms. Low Mei Mei, Maureen, ACS

REGISTERED OFFICE

38 Beach Road #29-11
South Beach Tower
Singapore 189767
Website: www.ughealthcarecorporation.com
Email: ir@ughcc.com

SHARE REGISTRAR

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

AUDITORS

Mazars LLP
135 Cecil Street
#10-01
Singapore 069536
Partner-in-charge: Mr. Chan Hock Leong, Rick
(with effect from the financial year ended 30 June 2023)

PRINCIPAL BANKERS

United Overseas Bank Limited, Singapore
United Overseas Bank (Malaysia) Berhad
Oversea-Chinese Banking Corporation Limited, Singapore
OCBC Bank (Malaysia) Berhad
CIMB Bank Berhad, Singapore Branch
The Hongkong and Shanghai Banking Corporation Limited,
Singapore
DBS Bank Ltd
CTBC Bank Co., Ltd
Citibank, N.A.

CONTINUING SPONSOR

SAC Capital Private Limited
1 Robinson Road
#21-00 AIA Tower
Singapore 048542
Tel: (65) 6232 3210
Registered professional: Ms. Charmian Lim

INVESTOR RELATIONS

Octave FinComm Private Limited
富登财经通讯私人有限公司
Email: enquiry@octavecomms.com
Website: www.octavecomms.com



Enriching Experience Through Strategic Diversification

ANNUAL REPORT 2023



UG HEALTHCARE CORPORATION LIMITED

(Unique Entity No. : 201424579Z)

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