



UG HEALTHCARE CORPORATION LIMITED
(Company Registration No.: 201424579Z)
Incorporated in the Republic of Singapore

NEWS RELEASE

UG HEALTHCARE POSTS 34% JUMP IN NET PROFIT FOR HY2016

- **Group is on track with its expansion plan to achieve production capacity of 1.9 billion gloves per annum by end June 2016**

FYE 30 JUN (S\$'000)	HY2015	HY2016	YoY Change
Revenue	25,108	30,143	20.1%
Gross Profit	5,059	7,212	42.6%
Profit before tax	2,640	3,858	46.1%
Net Profit attributable to shareholders	2,414	3,234	34.0%

Singapore, 03 February 2016 – UG Healthcare Corporation Limited (优格医疗有限公司) together with its subsidiaries (“**UG Healthcare**” or the “**Group**”), an established natural latex and nitrile examination gloves manufacturer and distributor, today announced that it has registered a 20.1% growth in revenue to S\$30.1 million and a 34.0% increase in net profit attributable to shareholders to S\$3.2 million for the half year ended 31 December 2015 (“**HY2016**”).

Commenting on the results, Executive Director of UG Healthcare, Mr. Lee Jun Yih said, “The Group’s effort in expanding its dual platforms – manufacturing and distribution, is paying off amid an environment of intense competition. The Group will continue to leverage on its market intelligence through its international distribution platform to respond swiftly to customers’ evolving needs and maintain its competitive edge.”

The Group’s planned increase in its production capacity resulted in higher volume of gloves produced and sold in HY2016. Revenue was higher at S\$30.1 million, but was partially offset by lower average selling price of gloves.

Gross profit increased by 42.6% from S\$5.1 million in the half year ended 31 December 2014, (“**HY2015**”) to S\$7.2 million in HY2016. Gross profit margin improved from 20.2% in HY2015 to 23.9% in HY2016 mainly attributable to the reduction in cost of raw material purchased.

The weaker ringgit against US dollar over the financial period has also led to a surge in other income from S\$0.2 million in HY2015 to S\$1.0 million in HY2016.

In tandem with the Group's expansion initiatives, total operating expenses which include marketing and distribution expenses and administrative expenses, increased by 47.9% from S\$2.8 million in HY2015 to S\$4.1 million in HY2016.

As a result of its prudent expansion plans, the Group recorded a 34.0% increase in net profit attributable to shareholders from S\$2.4 million in HY2015 to S\$3.2 million in HY2016. Based on the share capital of 188,023,530 shares, earnings per share increased from 1.28 SGD cents in HY2015 to 1.72 SGD cents in HY2016.

Business Prospects

The Group expects the macro business environment to remain challenging amid the volatility in the global business environment, coupled with fluctuations in commodity prices and currencies as well as intense competition in the gloves manufacturing industry.

Mr. Lee added, "Despite the challenges, the Group will continue to roll out its expansion plan prudently and progressively to increase its production capacity, and distribution network and footprint. The Group is on track to achieve its expansion plan of 1.9 billion gloves per annum by the financial year ending 30 June 2016, and it aims to further increase its production capacity by another 400–500 million gloves per annum by the financial year ending 30 June 2017."

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This press release is to be read in conjunction with the Company's unaudited half year results announcement posted on the SGX website on 03 February 2016.

*This press release has been prepared by UG Healthcare Corporation Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this press Release.*

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

The contact person for the Sponsor is Ms. Tan Pei Woon (Telephone: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.

About UG HEALTHCARE CORPORATION LIMITED

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

UG Healthcare Corporation Limited (优格医疗有限公司) and together with its subsidiaries (“**UG Healthcare**” or the “**Group**”), is an established natural latex and nitrile examination gloves manufacturer and distributor. Currently, the Group has two manufacturing facilities located in Seremban, Malaysia. To complement this manufacturing platform, it has established an extensive distribution network globally through its own distribution companies based in the USA, UK, Germany, the PRC and Nigeria, as well as through third party distributors.

Started in 1989, the Group has built its reputation as a reliable manufacturer and distributor of natural latex and nitrile examination gloves under its own brand names including its “Unigloves” brand name as well as third party labels where it is engaged as original equipment manufacturer. UG Healthcare also distributes ancillary products such as surgical, vinyl and cleanroom gloves, face masks and other medical disposables.

The Group’s competitive edge lies in its successful integration of its manufacturing and distribution businesses. The integrated platforms allow the Group to have full control over the entire supply chain, including (1) the production process, where it can carry out stringent quality control checks at every stage to ensure consistent product quality and compliance with various stringent international standards, as well as (2) the distribution of its products to end-users and intermediaries. With its own facilities, the Group is also able to customise products to meet the evolving requirements of customers in a cost effective manner.

Its products are sold to more than 50 countries including Germany, Nigeria, the PRC, USA, UK, France, Italy, Austria, Switzerland, the Netherlands, Japan, South Korea, Canada and Brazil.

For more information, please visit the company’s website at www.ughealthcarecorporation.com

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