



Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: UG Healthcare Corporation Limited

Stock code: 8K7

Meeting details:

Date: 28 October 2026

Time: 10.00 a.m.

Venue: YMCA @ One Orchard Road, Tan Chin Tuan Room Level 4, 1 Orchard Road, Singapore 238824

Q1. For FY2026, the group's revenue increased by 4.7% to \$150.8 million, driven by higher sales volumes and an increase in the average selling price of disposable gloves. The group returned to profitability, reporting a net profit attributable to shareholders of \$2.1 million, compared with a net loss attributable to shareholders of \$(4.1) million in FY2025.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Revenue	4	150,824	144,074
Cost of sales		(107,953)	(109,335)
Gross profit		42,871	34,739
Other income	5	2,588	2,006
Marketing and distribution expenses		(8,908)	(9,035)
Administrative expenses		(28,406)	(26,519)
Other expenses		(1,631)	(2,711)
Finance costs	6	(2,540)	(2,186)
Share of profit from equity-accounted for joint venture	11	29	47
Share of loss from equity-accounted for associates	12	–	(84)
Profit/(Loss) before income tax	7	4,003	(3,743)
Income tax expense	8	(1,353)	(979)
Profit/(Loss) for the year		2,650	(4,722)

(Source: company annual report)

Gross profit margin increased from 24.1% to 28.4% in FY2026. However, net profit margin remained relatively low at 1.76% (FY2025: net loss margin of 3.28%), as a substantial proportion of gross profit was absorbed by operating expenses and financing costs.

- (i) **Has the board benchmarked the group's gross profit margin, operating cost structure and net profit margin against comparable disposable glove manufacturers? Where does the group stand relative to its peers, and which specific cost categories account for any material performance gaps?**
- (ii) **What level of revenue and gross profit margin does the group need to achieve sustainable profitability, and how sensitive is this break-even threshold to changes in selling prices, sales volumes and input costs?**

In the letter to shareholders, the group states that its integrated, own-brand manufacturing and supply chain business model enhances resilience against industry challenges and macroeconomic and geopolitical uncertainties

Letter to Shareholders

“DESPITE THE CONSIDERABLE TIME AND EFFORT INVESTED IN ESTABLISHING AND REFINING OUR GROUP’S INTEGRATED OWN BRAND MANUFACTURING (OBM) SUPPLY CHAIN BUSINESS, THIS APPROACH ENHANCES OUR RESILIENCE AGAINST INDUSTRY CHALLENGES, AS WELL AS MACROECONOMIC AND GEOPOLITICAL UNCERTAINTIES.”

(Source: company annual report)

However, the group incurred cumulative losses attributable to shareholders of approximately \$(8.2) million over FY2024 and FY2025, before recording a profit of \$2.1 million in FY2026.

- (iii) **What specific evidence supports the claim that the group’s integrated business model provides resilience? In particular, how has the model helped the group protect margins, sustain demand and manage cost volatility during periods of industry stress? How does the board distinguish between improvements driven by external factors, such as the recovery in global average selling prices, and those attributable to internal actions, such as improvements in manufacturing efficiency, overhead absorption, own-brand pricing power or customer retention efforts?**

Q2. The company outsourced its internal audit function to IA Essential Pte Ltd. As noted in the annual reports, the internal audit activities over the past years were:

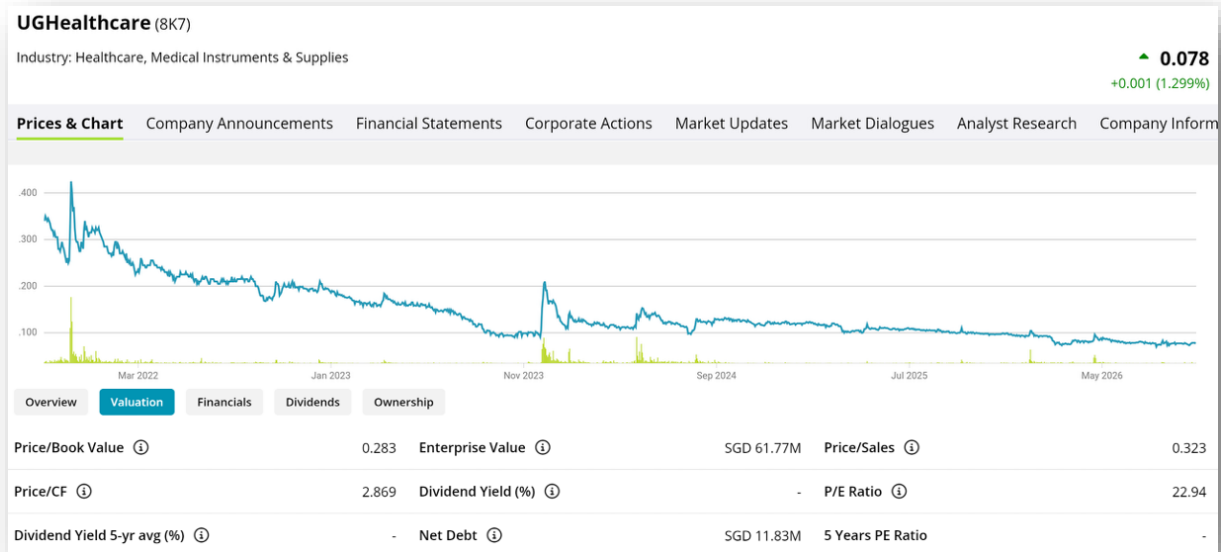
Financial year	Audit period	Scope and entity covered
FY2026	October 2025	Sales, credit control, accounts receivable and collection, inventory management, and logistics at Unigloves (UK) Limited
FY2025	October 2024	Sales, accounts receivable and collection, inventory management, and logistics at Unigloves Arzt- und Klinikbedarf Handelsgesellschaft mbH
FY2024	August 2023	Sales, accounts receivable and collection, and inventory management at Unigloves Shanghai Co., Ltd.

FY2023	February 2023	Health, safety and environmental management at UG Global Resources Sdn Bhd and N.S. Uni-Gloves Sdn. Bhd.
FY2022	August 2021, February 2022 and May 2022	Follow-up audits covering the group's financial standard operating procedures
FY2021	February 2021 and May 2021	Follow-up audits covering the group's financial standard operating procedures
FY2020	February 2020, with a further review after the Malaysian Movement Control Order was lifted	Follow-up audit of credit control at overseas subsidiaries, head office oversight of overseas subsidiaries and inventory management, as well as a review of purchasing and payment

(Source: company annual reports)

- (i) **What risk-based rationale supports the frequency of internal audits across the group's subsidiaries, particularly the major operating/manufacturing entities? Given that the last disclosed audit of UG Global Resources Sdn Bhd and N.S. Uni-Gloves Sdn. Bhd. was in February 2023 and focused on health, safety and environmental management, what subsequent assurance work has been undertaken on financial controls, inventory, procurement, production and sales for the significant entities involved in manufacturing?**
- (ii) **What is the group's internal audit cycle? Given its international operations and manufacturing activities, how does the audit committee determine whether the internal audit scope, frequency and allocation of resources are adequate to address the group's key financial, operational and compliance risks?**
- (iii) **Specifically, over the past four years, has the internal audit plan reduced the number of entities, processes or risk areas covered?**

Q3. According to SGX StockFacts, the company trades at a price-to-book ratio of approximately 0.28 times.



(Source: <https://investors.sgx.com/market/securities?code=8K7&type=stocks>)

- (i) What has been the total shareholder return over the past five years and ten years, and since its listing on 8 December 2014?
- (ii) How has the board assessed the key factors contributing to the significant gap between the company's market value and its reported book value? To what extent does the board believe that its business model, capital allocation decisions, execution track record and governance have influenced investor confidence, and what specific actions are being taken to address the underlying causes of the discount?

The Monetary Authority of Singapore's Equities Market Review Group has introduced a \$30 million "Value Unlock" programme to support listed companies in strengthening corporate strategy, capital optimisation and investor engagement.

- (iii) Has the board assessed whether the group could benefit from any of the initiatives under the programme, particularly in strengthening its strategy, capital allocation and investor engagement? If so, what specific initiative(s) is the board considering?

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

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