



UMediC Group Berhad  
(Registration No. 202101015347) (1415647-D)

# BRING EXCELLENCE IN HEALTHCARE



ANNUAL REPORT 2022



# VISION

- To provide an integrated healthcare supply chain with advanced technology, which ultimately improves the quality of human life.



# MISSION

- To be the trusted and preferred partner for all our stakeholders, which include our investors, suppliers, customers, employees and the communities

# CORE VALUE



– Unity



– Motivation



– Commitment

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Dato' Ng Chai Eng**

Non-Independent Non-Executive Chairman

**Lim Taw Seong**

Executive Director/Chief Executive Officer

**Lau Chee Kheong**

Non-Independent Non-Executive Director

**Dr Pakirisamy Baskaran A/L P Thangavelu**

Independent Non-Executive Director

**Tan Chye Suan**

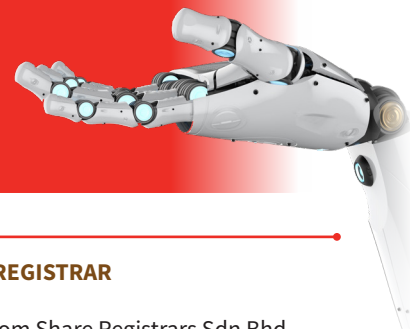
Independent Non-Executive Director

**Lee Yee Wooi**

Independent Non-Executive Director

**Dr Ng Chin Liang**

Alternate Director to Dato' Ng Chai Eng

**AUDIT AND RISK MANAGEMENT COMMITTEE****Chairman**

Lee Yee Wooi

**Members**

Dr Pakirisamy Baskaran A/L P Thangavelu  
Tan Chye Suan

**REMUNERATION COMMITTEE****Chairman**

Tan Chye Suan

**Members**

Dr Pakirisamy Baskaran A/L P Thangavelu  
Lee Yee Wooi

**NOMINATION COMMITTEE****Chairman**

Dr Pakirisamy Baskaran A/L P Thangavelu

**Members**

Tan Chye Suan  
Lee Yee Wooi

**COMPANY SECRETARY**

Ooi Yoong Yoong  
MAICSA No. : 7020753  
SSM PC. No. : 202008002042

**AUDITORS**

BDO PLT (LLP0018825-LCA & AF 0206)  
Chartered Accountants  
51-21-F, Menara BHL  
Jalan Sultan Ahmad Shah  
10050 Pulau Pinang

Tel : (604) 2220 288

**REGISTERED OFFICE**

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10400 George Town  
Pulau Pinang

Tel : (604) 210 9828  
Fax : (604) 210 9827

**HEAD OFFICE/ PRINCIPAL PLACE OF BUSINESS**

PMT 790, Jalan Cassia Selatan 5/2  
Taman Perindustrian Batu Kawan  
14110 Bandar Cassia  
Pulau Pinang

Tel : (604) 589 9676  
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Website : [www.umedic.com.my](http://www.umedic.com.my)  
E-mail : [ir@umedic.com.my](mailto:ir@umedic.com.my)

**SPONSOR**

AFFIN Hwang Investment Bank Berhad  
27th Floor, Menara Boustead 69  
Jalan Raja Chulan  
50200 Kuala Lumpur

Tel : (603) 2142 3700

**SHARE REGISTRAR**

Boardroom Share Registrars Sdn Bhd  
11th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan

Tel : (603) 7890 4700

**PRINCIPAL BANKER**

Hong Leong Bank Berhad  
No.1823-G1, Jalan Perusahaan Auto-City  
North-South Highway Juru Interchange  
13600 Prai, Pulau Pinang

Tel : (604) 502 1488

**STOCK EXCHANGE LISTING**

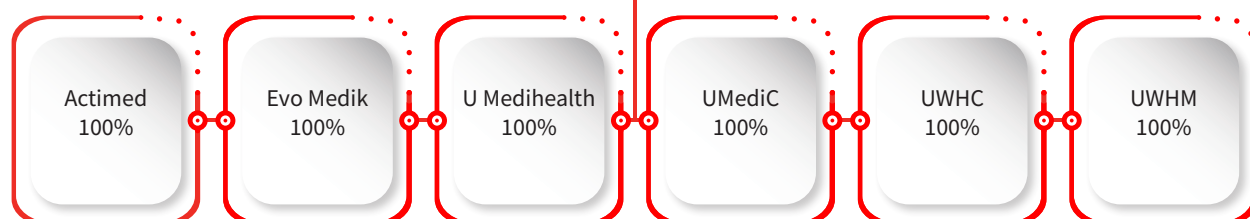
ACE Market of Bursa Malaysia  
Securities Berhad

Stock Name : UMC  
Stock Code : 0256  
Sector : Health Care  
Subsector : Health Care  
Equipment & Services

# CORPORATE STRUCTURE



UMeDiC Group Berhad  
(Registration No. 202101015347) (1415647-D)



Company	Date of Incorporation	Ownership Interest	Principal Activities
UMeDiC Group Berhad (“UMC”)	22 April 2021		Investment holding
Actimed Healthcare Sdn Bhd (“Actimed”)	20 June 2003	100%	Marketing and distribution of medical devices
Evo Medik Sdn Bhd (“Evo Medik”)	13 August 2007	100%	Marketing and distribution of medical devices
U Medihealth Sdn Bhd (“U Medihealth”)	10 May 2011	100%	Marketing and distribution of medical devices
UMeDiC Healthcare Sdn Bhd (“UMeDiC”)	8 November 2002	100%	Marketing and distribution of medical devices as well as the provision of after-sales service
UWHC Sdn Bhd (“UWHC”)	31 July 2018	100%	Holding of intellectual property rights
UWHM Sdn Bhd (“UWHM”)	28 September 2011	100%	Developing, manufacturing and marketing of medical devices



# MEDIA HIGHLIGHTS

## 3 Jun 2022 – SIGNING OF UNDERWRITING AGREEMENT BETWEEN UMC AND AFFIN HWANG INVESTMENT BANK BERHAD



UMediC Group Bhd (UMC) had inked an underwriting agreement with Affin Hwang Investment Bank Bhd in conjunction with the company's initial public offering (IPO) on the ACE Market of Bursa Malaysia Securities Berhad.

## 6 Jul 2022 – IPO PROSPECTUS LAUNCH



At Sofitel Kuala Lumpur Damansara.

**TheStar**

### UMediC surges 56% on ACE Market debut

KUALA LUMPUR: UMediC Group Bhd opened 18 sen or 56.25% higher than its initial public offering price on its debut on the ACE Market of Bursa Malaysia.

On the back of strong buying interest, the stock was the top traded counter on the market with an opening volume of 11.14 million shares.

The distributor of medical devices and consumables raised proceeds of RM31.1ml from an issuance of 97.22 million new shares, the lion's share of which will go towards the setting up of new marketing and distribution offices and a new factory building.

The funds will also go towards repaying bank borrowings and working capital. "Given our entrance into the capital market, we are humbled with the overwhelming support as evident by our oversubscription rate of 46.81 times, indicating the strong market sentiment towards the medical device industry which remains vibrant in light of growing interest in quality healthcare.

"Hence as UMC grows, we will stay true to our motto of bringing excellence to the healthcare industry," said UMediC executive director Lim Taw Seong in a statement.

### UMediC IPO oversubscribed by 46.81 times



KUALA LUMPUR: Ace Market bound UMediC Group Bhd's public portion of its initial public offering (IPO) has been oversubscribed by 46.81 times.

The medical device manufacturer, in a statement, said a total of 7,888 applications for 993.92 million IPO shares from the Malaysian public, representing an oversubscription rate of 46.81 times.

"A total of 3,998 applications for 521.93 million IPO shares were received under the Bumiputera category, representing an oversubscription rate of 33.44 times, whilst 3,890 applications for 571.98 million IPO shares were received under the other Malaysian public category, representing an oversubscription rate of 60.19 times," it said.

Meanwhile, UMediC said the 13.09 million new shares it allocated for subscription by eligible directors, employees and persons who have contributed to the success of the group have been fully subscribed.

The sole placement agent, Affin Hwang Investment Bank Bhd, has confirmed that the 65.44 million IPO shares made available for application by way of private placement to selected investors have been fully placed.

Affin is the principal adviser, sponsor, sole placement agent, and sole underwriter for the IPO exercise.

UMediC, which is expected to be listed on Bursa Malaysia's ACE Market on July 26, aims to raise RM31.1ml from its IPO.

## 26 Jul 2022 – LISTING DAY, BURSA MALAYSIA KUALA LUMPUR



UMC stages strong debut on ACE Market of Bursa Malaysia Securities Berhad.



## UMeDiC debuts on ACE Market at 50 sen



(L) UMC independent non-executive director Tan Chye Suan, UMC non-independent non-executive director Lau Chee Kheong, Lim, UMC Non-independent non-executive chairman Datuk Ng Chai Eng, Ng Chin Liang, UMC independent non-executive director Lee Yee Wool, UMC independent non-executive director Dr Pakirisamy Basakaran P Thangavelu

**PETALING JAYA:** UMeDiC Group Bhd has made its debut on the ACE Market of Bursa Malaysia, closing the day with a premium of 56.25% or 18 sen higher at 50 sen from its initial public offering (IPO) price of 32 sen.

Chief executive officer and executive director Lim Taw Seong said the group had executed various transformation strategies that expanded the group's product lines from marketing and distribution of dental-related products to medical devices and consumables. "In line with our transformation, UMeDiC managed to venture into the manufacturing of Hydrox prefilled humidifiers and AirdroX Inhaler spacers.

"In addition, we export our manufactured products to more than 30 countries including South Korea, Thailand and Indonesia," Lim said at the listing ceremony in Bursa Malaysia.

It has raised RM31.1m via the issuance of 97.22 million shares of which 11.3% of the proceeds was earmarked for the construction of a new factory building, 21.9% for the setting up of new marketing and distribution offices, 28.9% for the repayment of bank borrowings, 27.8% for working capital while the remaining 10.1% was allocated for listing expenses.

"Through the fund raised, the group can strengthen its presence and position in the industry along with its growing footprints in the manufacturing segment as it continues to introduce new products to the market," Lim said. In a statement, the company said its new factory's production floor, measuring 30,000 sq ft, could house up to two production lines.

The new marketing and distribution offices will be located in central Kuala Lumpur and Johor Baru.

The group will expand its manufacturing segment to develop and commercialise more products under its own brand. In addition, it will offer wider and more comprehensive medical devices to its end-customers, according to the statement.

Ng Chin Liang, UMeDiC alternate director to Datuk Ng Chai Eng, said the group's latest order book saw double-digit growth compared with the same period last year in spite of its manufacturing segment running at 75% capacity.

"The demand for medical devices keeps on increasing and our products are halal certified. Our products prioritised by Muslim friendly countries. Healthcare products will remain in demand," Ng said.

UMeDiC corporate and legal adviser Ng Sze Hui said the group's compound annual growth rate in the past three years stood at 96%.

Upon listing, its market capitalisation will be at RM119m.

The group's normalised profit after tax for the past nine months in the financial year ending 2022 increased to RM7.05m from RM5.61m in the financial year ended 2021.

Affin Hwang Investment Bank Bhd is the principal adviser, sponsor, sole placement agent and sole underwriter for the IPO.

## ACE-Market bound UMeDiC aims to raise RM31.1m from IPO



(From left) UMeDiC Group Bhd (UMC) non-independent non-executive director Lau Chee Kheong and non-independent non-executive chairman Datuk Ng Chai Eng, Affin Hwang Investment Bank Bhd chairman and Independent non-executive director Tunku Afwida Tunku A Malek, as well as UMC executive director and chief executive officer Lim Taw Seong at the IPO prospectus launch in Kuala Lumpur on Wednesday (July 6).

**KUALA LUMPUR (July 6):** Medical device manufacturer UMeDiC Group Bhd (UMC), which is en route to list on Bursa Malaysia's ACE Market on July 26, aims to raise RM31.1 million from its initial public offering (IPO).

The IPO comprises 97.22 million new shares, of which 18.7 million will be made available to the Malaysian public, 13.09 million to eligible directors and employees, and 65.44 million to be made available via private placement to selected investors.

Based on an issue price of 32 sen per share and an enlarged share capital of 373.91 million shares, UMC will have a market capitalisation of RM119.65 million upon listing.

Of the gross proceeds of RM31.1 million, RM9 million will be allocated for the repayment of borrowings and RM8.66 million for working capital to finance the purchase of additional distribution products, including ventilators, defibrillators and infant care machines.

Another RM6.8 million will be allocated for the setting up of new marketing and distribution offices in Kuala Lumpur and Johor Baru, while the remaining RM3.5 million will be used for the construction of a new factory in Batu Kawan.

UMC and its subsidiaries are principally involved in marketing and distribution of various branded medical devices and consumables as well as the provision of after-sales services for all its products. The group is also involved in developing, manufacturing and marketing of medical consumables.

Quoting a market research report by Protege Associates, UMC executive director and chief executive officer Lim Taw Seong said the medical device industry in Malaysia is projected to experience a compound annual growth rate of 12.1% from 2021 to 2026.

"One may wonder where this growth is coming from as we reach the endemic stage [of Covid-19]. This outlook is supported by various favourable factors, among which are pent-up demand from locals who previously postponed medical care such as elective surgeries during the pandemic, an increase in medical tourism as our borders have since reopened, [as well as] improvement in public and private healthcare systems through the building of new hospitals and upgrading of existing facilities," said Lim at a press conference after the launch of the group's prospectus on Wednesday (July 6).

"Now, there are a lot of new hospitals, either public or private, [that] have resumed back to normal [as the country has transitioned into Covid-19 endemicity], so we will see a lot of demand for medical devices. We are also seeing increasing awareness of using disposable medical products to reduce the risk of cross-contamination, especially after the pandemic," he added.

According to UMC, 80% of the group's revenue came from the distribution of products such as patient monitors, ultrasound machines, ventilators, cardiocardiography and electric-powered 3D chest compressors. The other 20% came from its manufactured products, namely the HydroX Prefilled Humidifier and AirdroX Spacer Anti-Static Valved Inhaler Chamber.

The group reported growth in profit after tax (PAT) and revenue for the past three years.

For the financial year ended July 31, 2019 (FY19), PAT stood at RM1.32 million before rising to RM2.42 million in FY20 and RM5.09 million in FY21.

Revenue in FY19 stood at RM16.42 million, followed by RM23.68 million in FY20 and RM34.12 million in FY21.

Affin Hwang Investment Bank Bhd is the principal adviser, sponsor, sole placement agent and sole underwriter for the IPO exercise.

UMC presently does not have any dividend policy.

## UMeDiC opens 18 sen above IPO price in debut on ace market

By Bernama | Jul 26, 2022 | News | 0 comments



**KUALA LUMPUR, July 26:** UMeDiC Group Bhd (UMC) made its debut on the ACE Market of Bursa Malaysia Securities today at 50 sen or 18.25% premium over its initial public offering (IPO) price of 32 sen with a opening volume of 11.8 million shares.

UMC raised RM31.1 million via the issuance of 97.22 million new shares. About 11.3% of the proceeds have been earmarked for the construction of a new factory building, 21.9% for the setting up of new marketing and distribution offices, 28.9% for the repayment of bank borrowings, 27.8% for working capital while the remaining 10.1% was for listing expenses.

UMC executive director and CEO Lim Taw Seong said for 20 years, the company has been continuously transforming from dental-related products to medical devices and consumables for the marketing and distribution segment.

"In addition, we also manage to venture into the manufacturing segment and will continue to grow our footprint by introducing new products in the market," said Lim.

Lim added that the shares were oversubscribed by 48.1 times, indicating strong market sentiment towards the medical device industry, which remains vibrant in light of growing interest in quality healthcare.

Affin Hwang Investment Bank Bhd is the principal adviser, sponsor, sole placement agent and sole underwriter for this initial public offering exercise.

## UMeDiC创业板上市



(吉隆坡27日讯) UMeDiC集团获准在大马股票交易所创业板上市。

该公司在文告中说，其上市活动已获得大马股票交易所和证券委员会批准。

配合上市活动，该公司将发行9722万股新股，当中的1869万股配给公众；1308万股让公司董事、雇员认购；其余6544万股则私下配售给特定投资者。

该公司预期将上市活动所得资金用于建造新厂房，以提高产能和存货。

该公司主要经营销售各项品牌的医疗器械和耗材，并参与开发、制造和销售自有品牌的医疗耗材。

## UMeDiC catat untung bersih RM1.29 juta bagi 3QFY22 didorong permintaan tinggi untuk peranti perubatan

By Bernama | Jul 26, 2022 | News | 0 comments



**KUALA LUMPUR 27 Julai:** UMeDiC Group Berhad mencatat untung bersih RM1.29 juta bagi suku kesembilan ketiga berakhir 30 April 2022 (3QFY22) dengan hasil kewangan RM6.42 juta.

Enggineren, tiada angka pertambahan bagi suku yang sama sebelumnya kerana ia adalah persembakan interim pertama pengumuman tahunan dengan tempoh pengiraan Bursa Malaysia.

Bagi tempoh sembilan bulan berakhir 30 April 2022, UMeDiC mencatatkan untung bersih RM1.86 juta dengan hasil RM63.23 juta.

Prestasi cemerlang kumpulan itu disumbangkan permintaan yang tinggi tinggi untuk peranti perubatan dan bahan gajuk daripada kedua-dua hospital awam dan swasta selain permintaan peranti perubatan.

Walaupun pandemik COVID-19 merupakan faktor penyumbang teratas terhadap hasil juga adalah daripada proses pembaruan peranti perubatan yang bernilai tinggi bagi hospital dan perniagaan swasta.

"Terdahulu, permintaan kumpulan juga disumbangkan daripada pengiraan tahunan (akhir tahun) peranti perubatan pada 30 April," katanya dalam satu kenyataan, hari ini.

UMeDiC berkata, insentif peranti perubatan di Malaysia digalakkan dengan lebih mudah yang berbanding dengan permintaan yang meningkat permintaan peranti perubatan, khususnya dalam jangka panjang.

Pengiraan disumbangkan dari Klinik Pagiwan Ekosistem, Lim Taw Seong berkata, pihaknya berhasrat kerana permintaan pada 3QFY22 disumbangkan permintaan kesihatan untuk FY21.

Berhasrat, permintaan itu membolehkan permintaan pasaran yang kukuh untuk peranti perubatan serta bahan gajuk disumbangkan kesihatan yang tinggi untuk pengiraan tahunan yang berhasrat.

"Kami gembira produk kami dapat memberikan kesan positif kepada masyarakat negara semasa pandemik."

"Semasa pandemik fase ini, kami mengantikan lebih banyak peranti perubatan perniagaan swasta dan klinik," katanya. -Cagnewhnews.com

## THE EDGE MARKETS

MAKE BETTER DECISIONS

Research

UMeDiC eyeing a bullish breakout, says RHB Retail

Research

KUALA LUMPUR (August 30): RHB Retail Research said UMeDiC Group Bhd is eyeing a bullish breakout, after testing the immediate resistance level of 56 sen.

In a trading sticks note today, the research house said the stock charted a "higher high" bullish candlestick, showing that momentum is picking up pace.

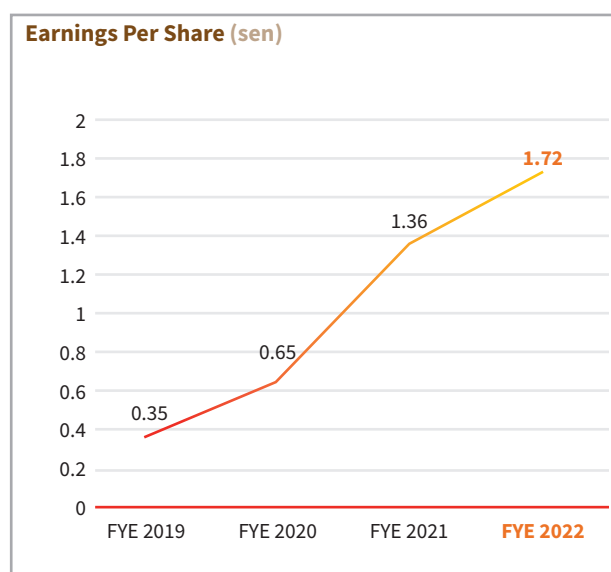
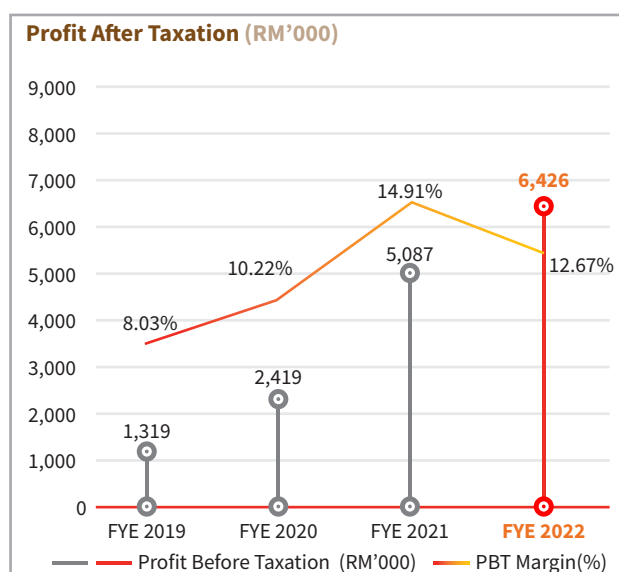
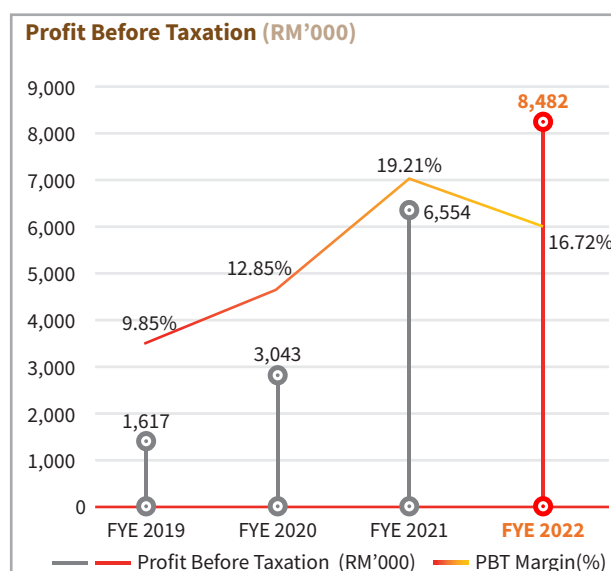
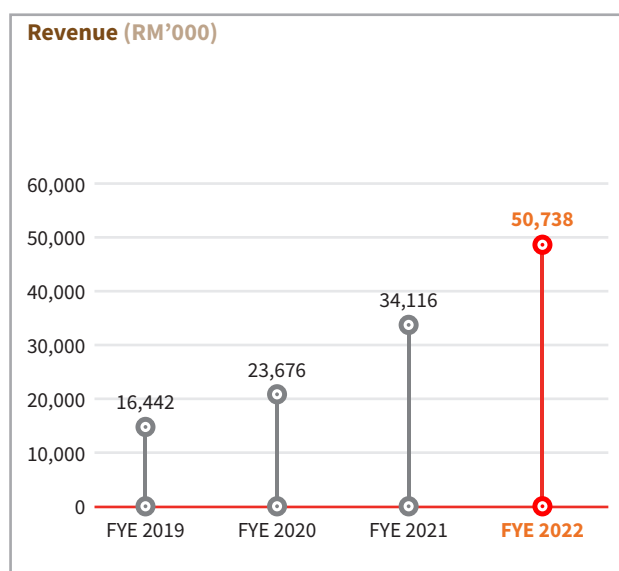
"If a breakout happens, it should climb towards 58 sen, followed by 62.5 sen.

"On the downside, a fall below the 5.5 sen support level would indicate that a bearish bias has emerged," it said.



# FINANCIAL HIGHLIGHTS

	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Revenue (RM'000)	16,422	23,676	34,116	<b>50,738</b>
Gross Profit (RM'000)	5,703	7,434	12,563	<b>18,659</b>
Profit Before Taxation (RM'000)	1,617	3,043	6,554	<b>8,482</b>
Profit After Taxation (RM'000)	1,319	2,419	5,087	<b>6,426</b>
EBITDA (RM'000)	2,081	4,154	8,096	<b>10,833</b>
Basic and Diluted EPS (sen)	0.35	0.65	1.36	<b>1.72</b>
Shareholders' Equity (RM'000)	5,278	6,632	15,739	<b>52,679</b>
Return on Equity	24.99%	36.47%	32.32%	<b>12.20%</b>
Current Ratio (times)	1.03	1.34	1.23	<b>5.78</b>
Gearing Ratio (times)	0.41	2.46	1.67	<b>0.15</b>



# CHAIRMAN'S STATEMENT



**Dato' Ng Chai Eng**

Non-Independent  
Non-Executive Chairman

**"FYE2022 was an instrumental year for UMediC Group Berhad ("UMC" or "Company") given our emergence as a listed entity. In lieu of the successful debut, UMC and subsidiaries ("Group") reported a stellar set of financials which coincides with the ever-growing demand for the medical device industry"**

Dear esteemed shareholders,

I would like to present you with UMC's first annual report for the financial year ended 31 July ("FYE") 2022.

Before we delve into the specifics, let us briefly outline to you on what UMC is all about. UMC is primarily involved in the marketing and distribution of various branded medical devices and consumables as well as the provision of after-sales services for all our products. We are also involved in developing, manufacturing and marketing of our medical consumables. Our manufacturing segment with the introduction of UMC's very own medical consumables is expected to spearhead the next expansion phase following the anticipated expansion of manufacturing facilities as we continuously introduce more products into our portfolio.

## FINANCIAL PERFORMANCE

Ending off our financial year on a high note, our Group reported a new high with our revenue and profit after tax having surged by an astounding 48.72% and 26.32% respectively over the preceding financial year to RM50.74 million and RM6.43 million. The stellar performance for the year saw revenue contributions from all segments with marketing and distribution segment leading at the forefront, having accounted for 80.09% of the revenue followed by the manufacturing segment of 19.91%.

In a nutshell, FYE2022 saw the overarching demand for medical devices along with consumables which stemmed from both public and private hospitals as well as healthcare service providers. Although it was undisputable that the lingering effects of the Coronavirus disease 2019 ("COVID-19") pandemic played a part in aiding our Group's revenue, but it was not the entirety of it. Amongst others, the upgrading and replacement of medical devices as well as contribution from the manufacturing segment namely the HydroX series prefilled humidifiers, were key contributors towards our Group's revenue. During FYE 2022, our Group had also commercialised the Airdrox series inhaler spacers.

As at end FYE2022, our financial position remained vibrant given our healthy net cash of RM17.17 million and current ratio of 5.78 times. Along with the proceeds of RM31.11 million raised from our initial public offering, our Group will be funnelling the proceeds towards the growth of both the marketing and distribution segments as well as the manufacturing segment to meet the growing demand of medical devices and consumables in the upcoming future.



# CHAIRMAN'S STATEMENT (CONT'D)

## PROSPECTS AND OUTLOOK

Many having forecasted that 2022 would be the year of economic recovery with the COVID-19 pandemic having subsided amidst higher global uptake of the vaccinations. Nevertheless, the healthcare industry is expected to continue growing supported by rising instances of chronic diseases.

As we move forward, we have identified various growth drivers which would likely be strong catalysts to spur the demand for medical devices. This includes medical devices for elective surgery postponed due to COVID-19, the government's active involvement in playing a significant role encouraging better quality healthcare as well as increasing investments towards the medical device industry. As the border reopens, it also presents various opportunities like medical tourism given the abundance of expert professionals in the field along with affordable healthcare.

All in all, our Group remains confident of the upcoming future as the medical industry has adopted positive stance which will likely contribute to our business segments. We believe that we are well positioned for the growth given the elevation of our listing status paired with the proceeds raised which will cater for our Group's upcoming endeavours.

Apart from that, our manufacturing segment is expected to thrive as it is still in a nascent phase with strong growth potential in the coming years. At our current phase, we are in the midst of expanding our product offerings following the successful commercialisation of the HydroX series prefilled humidifiers and Airdrox series inhaler spacers. Moving forward, we intend to launch various medical consumables and target to commercial these medical consumables in 2023. It is also important for us to set up additional production lines to ensure our capacity in producing all these products will not be hindered. Of which, it is already well underway following our plans to construct a new factory building.

To summarise, our Group is keen to grow given the groundwork for domestic expansion has already been laid out as we speak. We strongly believe that the coming year will be a crucial turning point for us as we grow stronger year on year backed by our strong experienced and talented team of individuals which will likely help to maintain our relevance in the medical industry for years to come.

## SUSTAINABILITY

Here at UMC, we recognise that good sustainability practices will eventually lead to success in the long run thus we have always made it our priority to continuously improve on our existing environmental, social and governance framework in order to build a better tomorrow. As growing concerns towards ESG related matters persist into 2022, our Group is constantly making improvements to its framework where the specifics can be found under our sustainability statement on page 33.

## APPRECIATION

On behalf of the board of Directors of UMC ("Board"), I would like to take this opportunity to thank all our clients, business partners, bankers, respective regulatory bodies and valuable shareholders for your belief in our ability to deliver on our promises.

Above all, I would like to convey my utmost appreciation to all our management team and employees for your unwavering support and splendid work thus far. Being the heart of our Group, your commitments and dedications are what brought this far in our corporate journey. Paired with the strong bond that we have fostered, let's collectively grow as we uphold our core values and continue to bring excellence in healthcare.

Yours faithfully,

**Dato' Ng Chai Eng**

Non-Independent Non-Executive Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW OF BUSINESS AND OPERATIONS

### Company Profile and Principal Activities

Our Company is principally involved in investment holding. Through our subsidiaries, our Group is principally involved in marketing and distribution of various branded medical devices and consumables as well as the provision of after-sales service for all our products. Our Group is also involved in developing, manufacturing and marketing of our medical consumables.

- Marketing and distribution – marketing and distribution of medical devices as well as the provision of after-sales service for all our products, to both public and private hospitals, and other healthcare service providers as well as non-medical business entities. Our Group is the authorised distributor of multiple established international medical device companies including Philips, Mindray, GE and Merit; and
- Manufacturing – developing, manufacturing and marketing of medical consumables, namely HydroX series prefilled humidifiers and AirdroX series inhaler spacers. Our production facility conforms to the highest standards required by the relevant authorities.



*Our existing owned office and factory building located in Batu Kawan, Penang*

FYE 2022 was a truly momentous year in our Group's history as we launched our Prospectus in conjunction with our Initial Public Offering ("IPO") exercise, on 6 July 2022 and successfully listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 26 July 2022. With that, we embarked on a new journey as a newly public listed company.



*Prospectus launch on 6 July 2022*



*Listing on 26 July 2022*



# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## MEDIA HIGHLIGHTS

**TheStar** UMediC shares oversubscribed

CORPORATE NEWS

Tuesday, 19 Jul 2022



Caption July 6 file pic shows (L-R) Non-Independent Non-Executive Director of UMediC Group Berhad Lau Chee Keong, Non-Independent Non-Executive Chairman of UMediC Group Berhad Dato Ng Chai Eng, Chairman of Affin Hwang Investment Bank Berhad Yim Tunku Alwida Binti Tunjau A. Malek, Chief Executive Officer of UMediC Group Berhad, Eric Lim Taw Seong at the launching of its initial public offering prospectus in conjunction with its listing on the ACE Market of Bursa Malaysia Securities Berhad at Kuala Lumpur. — FAHIAN GHANI/The Star

PETALING JAYA: ACE Market bound UMediC Group Bhd's shares offered to the public were oversubscribed by 46.81 times while the shares offered via private placement was fully placed out.

In an exchange filing, UMediC stated the bumiputera portion was oversubscribed by 33.44 times, while the public portion of the offering was oversubscribed by 60.19 times.

A total of 18.7 million shares were offered to the public while 65.44 million shares were sold by way of private placement while another 13.1 million were offered to existing employees and eligible directors and business associates.

UMediC's initial public offering comprised of public issue shares of 97.22 million at 32 sen per share. Based on its enlarged share capital of 373.91 million shares, its market capitalisation would be RM119.65mil.

UMediC集团首日上市 第一宗交易溢价突破50%



图左：林树雄（左一）和莫才荣（左二）在众星华利网上主持剪彩仪式。左起为陈彩韵和刘耀雄。右起为巴基利山来、李毅雄和莫毅弘。（图：公司提供）

【吉隆坡26日讯】UMediC集团（UMC,0256,创业板医疗保健组）登场马股首日表现亮眼，开盘首宗交易溢价18仙或56.25%，以50仙起战市场，首宗交易易手1114万股，交投火热，名列热门股第二位。

UMediC集团上市首日获投资者大力追捧，开盘就以18仙或56.25%，随后延续涨势，一度飙至55仙，高逾23仙或71.87%，休市时，该股涨14仙或43.75%至46仙，交投量达1亿零746万6900股登热门股第二位，为第七位上升股。

UMediC集团执行董事兼首席执行官林树雄发文表示，UMediC集团如今能取得如此成就，这一路走来并不容易。公司在过去20年致力于持续转型，从牙科相关产品，发展至医疗器材和消耗品的市场营销和分销业务，甚至进军医疗制造业务，并积极扩大公司新产品的市场。

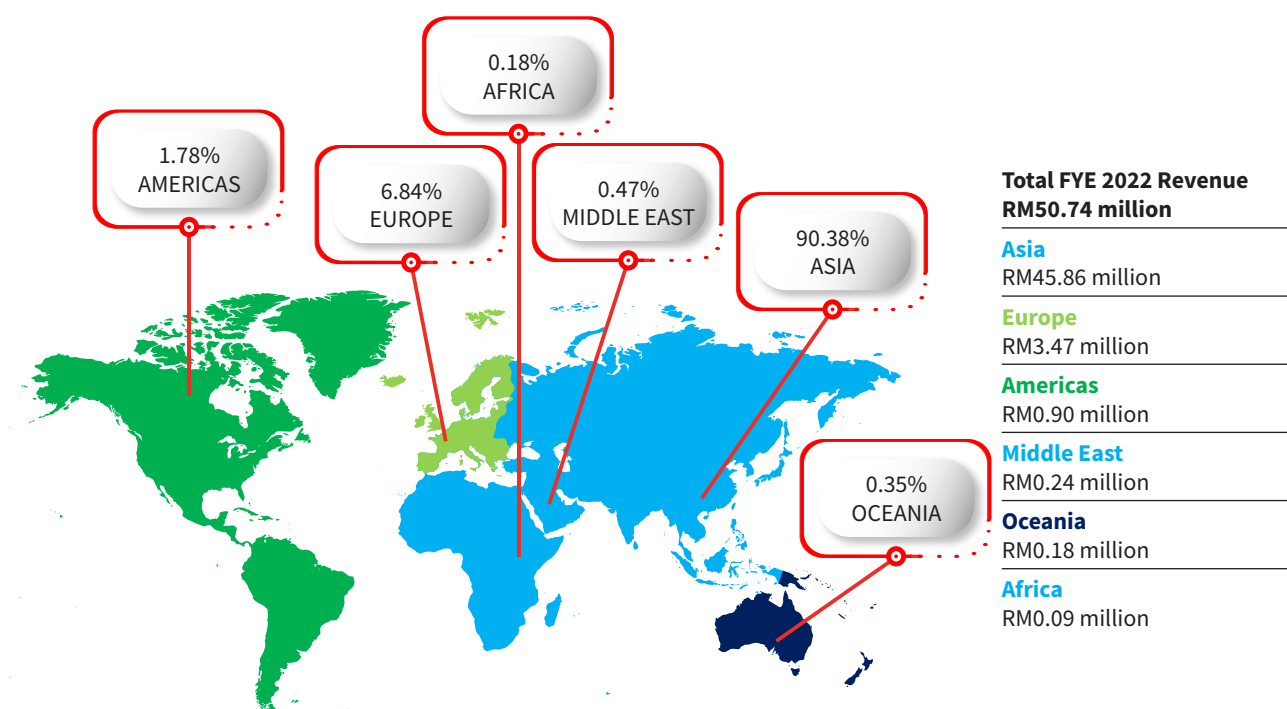
“我们首次公开售股获得超额认购46.81倍，这说明了投资者非常看好医疗器材市场，对优质医疗保健越来越感兴趣。因此，UMediC集团将继续秉持着为医疗行业带来卓越的座右铭持续成长。”

UMediC集团首次公开招股发行9722万2200股，筹得3111万2000令吉，其中11.3%用于建设新厂房，21.9%用于建设新分销办事处，28.9%用来偿还银行贷款，27.8%作为营运资本，其余10.1%为上市开支。

出席上市仪式的公司代表包括UMediC集团非独立非执行董事兼首席执行官莫才荣、独立非执行董事陈彩韵、李毅雄、巴基利山来、非独立非执行董事刘耀雄和代董事黄振亮。

## PRINCIPAL MARKETS

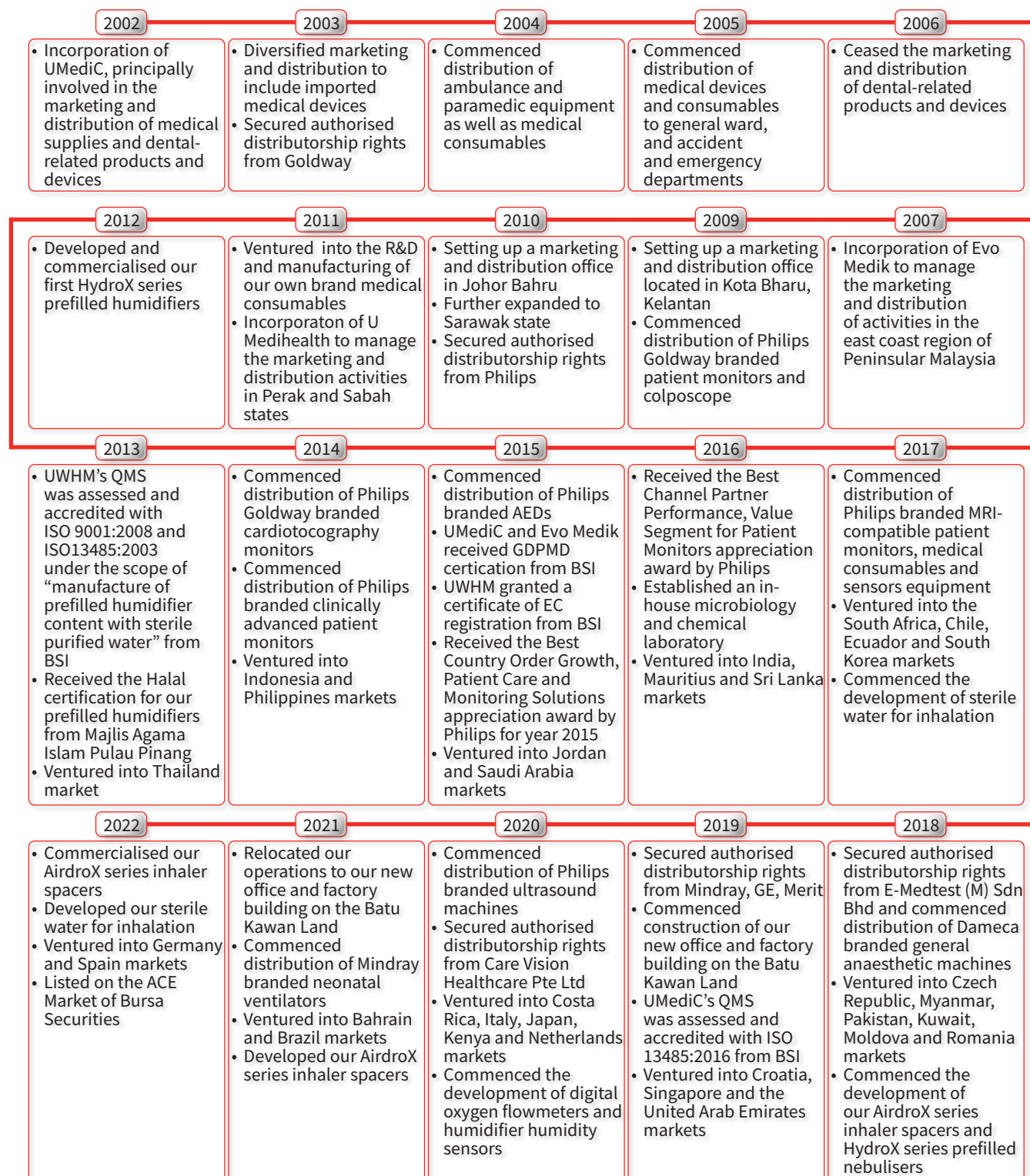
Our customer base comprises of public and private hospitals, other healthcare service providers as well as non-medical business entities. Malaysia, being our principal market, contributed approximately RM40.63 million or 80.09% of our revenue for FYE 2022, while the remaining revenue of RM10.11 million or 19.91% was generated from the overseas markets. The FYE 2022 revenue by region is illustrated as below:



# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## KEY MILESTONES

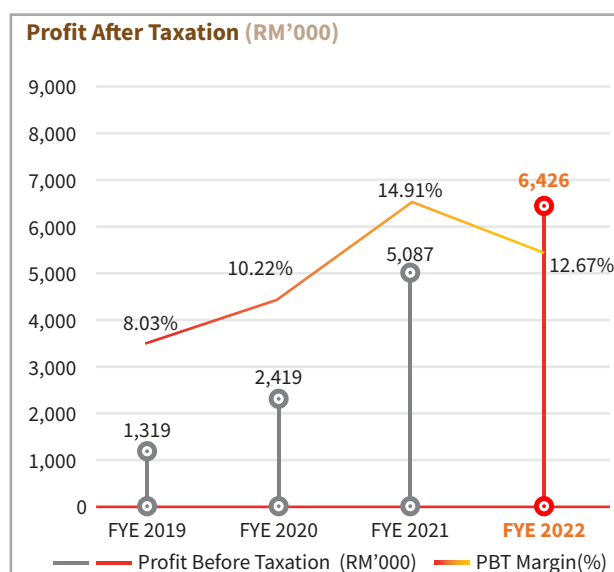
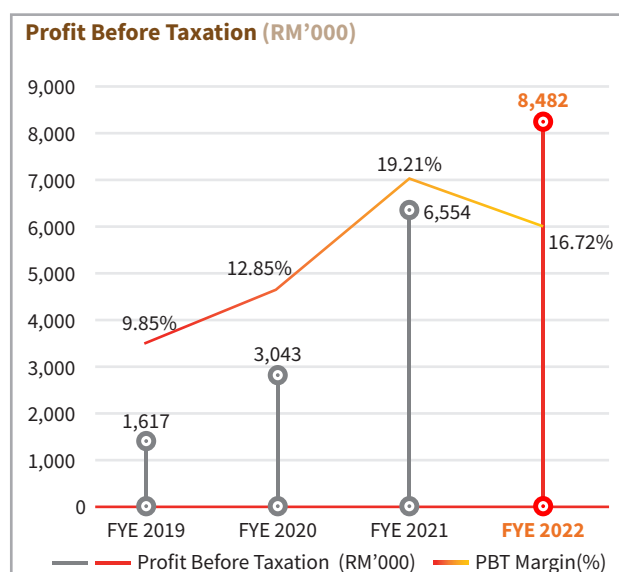
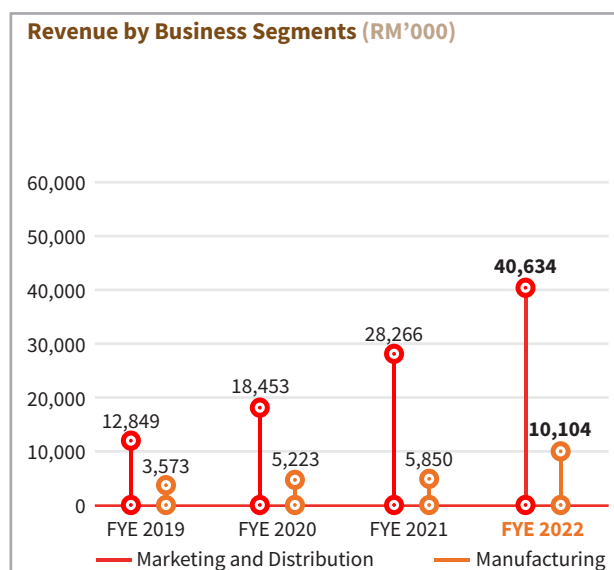
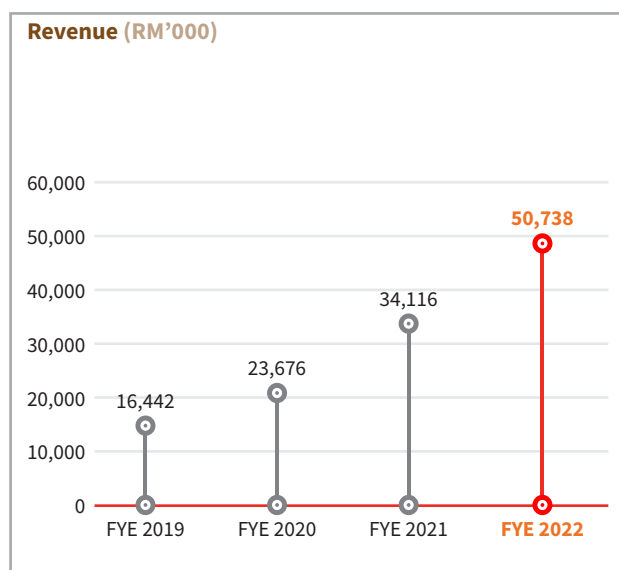
Every single step of ours is guided by our core values, Unity, Motivation and Commitment. With over 20 years of continuous experiences, we strive to be the best in our industry and to provide an integrated healthcare supply chain with advanced technology, which ultimately improves the quality of human life. We have achieved many key milestones over the years and accomplished the great leap where we gotten listed on the stock exchange in year 2022.





# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## FINANCIAL REVIEW



Our Group achieved a revenue of RM50.74 million for FYE 2022 (FYE 2021: RM34.12 million), rose significantly by 48.72% as compared with the previous financial year. In FYE 2022, revenue from marketing and distribution segment accounted for 80.09% (FYE 2021: 82.85%) of our Group's revenue, increased by 43.76% from the previous year to RM40.63 million (FYE 2021: RM28.27 million). The manufacturing segment accounted for the remaining 19.91% (FYE 2021: 17.15%) of our Group's revenue, increased by 72.72% from the previous year to RM10.11 million (FYE 2021: RM5.85 million).

The increase in revenue was mainly due to stronger demand from the customers in both marketing and distribution and manufacturing segments. With the COVID-19 pandemic, the demand for medical devices increases which contributes to the growth of our revenue. The increase in revenue was mainly attributable to sales of medical devices, in particular patient monitors, defibrillators/AEDs, ultrasound machines and ventilators to both public and private hospitals as well as other healthcare service providers. Although the COVID-19 pandemic was one of the contributing factors, this was not the only reason as the revenue contribution was also due to these medical devices being replaced (i.e. when they reached the end of their life cycle) or upgraded (i.e. when higher specification medical devices were required). In addition, these medical devices are not solely used for the COVID-19 pandemic but can also be used for other purposes that are unrelated to the COVID-19 pandemic.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## **FINANCIAL REVIEW (Cont'd)**

Our Group's gross profit has increased by 48.52%, from RM12.56 million in FYE 2021 to RM18.66 million in FYE 2022. Our Group generated a profit before taxation ("PBT") of RM8.48 million in FYE 2022, a 29.42% increase from RM6.55 million in FYE 2021. The PBT margin was 16.72% in FYE 2022 as compared to 19.21% in FYE 2021. Our Group generated a profit after taxation ("PAT") of RM6.43 million in FYE 2022, increased by 26.32% from RM5.09 million in FYE 2021. The PAT margin was 12.67% in FYE 2022 as compared to 14.91% in FYE 2021. The increase in PBT and PAT were, however, partially offset by the increase in the marketing expenses of RM0.38 million and the administrative and other expenses of RM3.76 million. Our Group's EBITDA recorded RM10.83 million, which represents an increase of 33.81%, as compared to RM8.10 million in the previous financial year.

As at 31 July 2022, our cash and bank balance has increased by 50.67%, from RM2.76 million in FYE 2021 to RM4.16 million in FYE 2022. Our current assets have increased by 82.46% from RM23.32 million in FYE 2021 to RM 42.55 million in FYE 2022 mainly due to increase in marketable securities.

Overall, our financial position remained healthy with a higher current ratio of 5.78 times (FYE 2021: 1.23 times) and a lower gearing ratio of 0.15 times (FYE 2021: 1.67 times). The lower gearing ratio was mainly due to the decrease in our bank borrowings where our Group utilised the allocated IPO proceeds for the repayment of bank borrowings.

## **OPERATION REVIEW**

### **CORPORATE STRATEGIES**

#### **Operational Efficiency**

Currently, our business and manufacturing activities are carried out at our existing owned office and factory building located in Batu Kawan, Penang which comprises approximately 8,300 sq ft of production floor space for our manufactured products and approximately 20,300 sq ft of storage area for both our distribution products and manufactured products. We intend to commence expansion of our premises, which includes building a single storey production floor (with the necessary production machinery) and a storage area with a built-up area of approximately 35,000 sq ft and is to be located adjacent to our existing office and factory building. The purchase of the necessary production machinery will be financed using internally generated funds and/or bank borrowings and the machinery will be sourced from local and/or overseas suppliers. Upon completion, the new factory building will have approximately 30,000 sq ft of production floor space which can house up to two (2) production lines for new products that may be developed by our Group in the future. The new factory building will also house an additional storage area of approximately 5,000 sq ft in anticipation of a future increase in our inventory level of distribution products from our marketing and distribution segment as well as raw materials and finished goods from our manufacturing segment. To achieve this, we have allocated RM3.50 million of the IPO proceeds for the construction of new factory building.

#### **Domestic Presence and Reach**

At present, we undertake our marketing and distribution activities in rented offices in Bandar Tun Razak, Kuala Lumpur and Johor Bahru, Johor and these rented offices do not have showrooms. To further strengthen our domestic presence and to tap into the potential business opportunities, we plan to set up of one (1) new marketing and distribution office each in the central area of Kuala Lumpur and Johor Bahru, Johor, through investment in new office units in the said regions. These offices will serve as a showroom for our products to showcase and demonstrate the functionality of our products to our existing and potential customers. To achieve this, we have allocated RM6.80 million of the IPO proceeds for setting up of new marketing and distribution offices.

#### **New Product Development and Commercialisation**

In FYE 2022, our Group had commercialised its AirdroX series inhaler spacers. We intend to expand our manufacturing segment and also to develop and commercialise more products under our own brand. These new own brand products will be cross marketed to our existing clientele. We continually assess the market demands to seize opportunities. We have identified the new products to be developed and commercialised in the next two (2) years, namely (a) sterile water for inhalation; (b) prefilled nebulisers; (c) digital oxygen flowmeters; and (d) humidifier humidity sensors.

#### **Product Portfolio Expansion**

Presently, our Group is the appointed distributor for international brand owners/ manufacturers, namely Philips, Mindray, GE and Merit. The demand for medical devices is expected to continue growing, and we intend to offer a wider and more comprehensive selection of medical devices to our end customers. As the appointed distributor, we are able to source medical devices in different specifications, price ranges and features directly from them in order to fulfil the different requirements of our end-customers including public and private hospitals, other healthcare service providers as well as non-medical business entities. We also intend to develop a new brand distribution business by continuing to look out for other suppliers/principals as a means to expanding our brand and product offerings.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## CHALLENGES & RISKS

### Economic and Market Environment

The growth in the healthcare industry depends on various factors, particularly in the number of patient admissions (which are driven by factors such as a rise in incidences of chronic diseases, growing ageing population and increased accessibility to healthcare services due to growth in income and/or uptake of medical insurance), as well as the increase in public and private healthcare expenditure. Should there be any decrease or reduction in public and private healthcare expenditure, this may have an impact on the spending on hospital supplies and equipment and may also affect the business and financial performance of our Group.

To manage the risk, our Group is actively assessing the market demand and the opportunities available to develop and commercialise more products under own brand. The new products will also complement and add to list of own brand product offerings and it can be cross marketed to existing clientele.

### Foreign Currency Exchange Fluctuation

We are exposed to foreign currency exchange risks arising from any appreciation or depreciation of the denominated foreign currencies against our Group's reporting currency as most of our Group's revenue is derived in US Dollars.

To manage the foreign exchange risks, our Group monitors closely the movement of the foreign exchange. Our Group also maintain foreign currency accounts whereby collections arising from foreign sales are used to settle purchases in the same foreign currency. This would provide, to a certain extent, a natural hedge against the foreign exchange fluctuations.

### Human Capital

We recognise our employees as the most valuable asset and we believe that the continuing success of our Group is significantly dependent on the efforts, commitment, abilities and values created by our management and employees. With growing business operations, attracting and retaining the right talents are vital to bring our Group to a new height of performance.

To ensure our Group able to attract and retain the right talents, we will continue to invest in employees' professional development, review the effectiveness of our recruitment process, review employee remuneration and benefit packages, uphold human and labour rights and provide a good and safe working environment for employees. Our Group performs ongoing planning and continuous discussion on succession planning. Our management facilitates skills transfer so as to ensure smooth running and continuity of our Group.

## DIVIDEND

Our Group presently does not have any formal dividend policy. However, it is the intention of our Board to retain adequate reserves for our future growth as well as to reward our shareholders with participation in the profits of our Group. As we are an investment holding company, our ability to pay dividends will depend on the dividends or other distributions that we receive from our subsidiaries. Any declarations and payment of dividends in the future will be at the discretion of our Board.

## FORWARD-LOOKING STATEMENT

The medical device industry in Malaysia is expected to be driven by the on-going COVID-19 pandemic. Demand for medical devices is also anticipated to come from the increasing needs for healthcare services as a result of population growth and an ageing population, more people seeking medical care, and the increasing incidence of Non-communicable Diseases ("NCDs") in the Malaysian population. In addition, Malaysia's borders have since reopened beginning 1 April 2022 and it is expected that healthcare tourism will return, which will lead to a demand for healthcare services and as such, the need for more medical devices. As we are at a growth phase, we believe that we remain well positioned to capture all these opportunities.

Moving ahead, our Group will continue to expand our current production capacity to gain higher revenues and profitability. To achieve this, we will utilise the proceeds raised from our listing to construct new factory building which is located adjacent to our existing office and factory building in Batu Kawan, Penang. We will set up new marketing and distribution offices each in Kuala Lumpur and Johor Bahru as a showroom for our products to showcase and demonstrate the functionality of our products as well as to outreach to more potential customers. We will continue to expand our manufacturing segment by developing and commercialising new products under our own brand. We also aim to develop new brand distribution channels to grow our marketing and distribution channel.

Our Group remains confident of the upcoming future as the medical industry has adopted positive stance which will likely contribute to our business segments.



## BOARD OF DIRECTORS



**1. Dato' Ng Chai Eng**

Non-Independent Non-Executive Chairman

**2. Lim Taw Seong**

Executive Director/Chief Executive Officer

**3. Lau Chee Kheong**

Non-Independent Non-Executive Director

**4. Dr Pakirisamy Baskaran A/L P Thangavelu**

Independent Non-Executive Director

**5. Tan Chye Suan**

Independent Non-Executive Director

**6. Lee Yee Wooi**

Independent Non-Executive Director

**7. Dr Ng Chin Liang**

Alternate Director to Dato' Ng Chai Eng





## PROFILE OF DIRECTORS



### DATO' NG CHAI ENG

Non-Independent Non-Executive Chairman

Age : 59  
Gender : Male  
Nationality : Malaysian

#### Qualification

- Malaysian Skills Certificate Level 1 (formerly known as Sijil Kecekapan Ketukangan Peringkat Asas)
- Malaysian Skills Certificate Level 2 (formerly known as Sijil Kecekapan Ketukangan Peringkat Pertengahan)
- Certificate in Administrative Management - Centre for Business Studies (London)
- Certificate in Production and Quality Control Management - Centre for Business Studies (London)

#### Date first appointed to the Board

- 7 October 2021

#### Membership of Board Committee

- None

#### Working Experience and Occupation

- 1982-1983: Apprentice electrician - Mattel (Malaysia) Sdn Bhd
- 1985-1990: Senior Technician - GUH Electrical Appliances Sdn Bhd (formerly known as Leader Electrical Appliances Manufacturing Sdn Bhd)
- 1990: Plant Manager - GUH Electrical Appliances Sdn Bhd (formerly known as Leader Electrical Appliances Manufacturing Sdn Bhd)
- 1990-Present: Co-founder - UWC Holding Sdn Bhd (now a subsidiary company of UWC Berhad)

#### Present Appointment

- Advisor for the Federation of Malaysian Foundry and Engineering Industries Associations (FOMFEIA)
- Member of the Machinery and Equipment Investment Advisory Panel of MIDA

- Chairman in Sekolah Jenis Kebangsaan (C) Beng Teik (Pusat)
- Executive Director/Group Chief Executive Officer of UWC Berhad
- Director of all subsidiaries of UWC Berhad
- Director of several private limited companies

#### Any family relationship with any director and/or major shareholder of UMC

- Father of Dr Ng Chin Liang, his Alternate Director, Uncle of Lim Taw Seong, our Executive Director/Chief Executive Officer

#### Any conflict of interests that the person has with UMC

- None

#### Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year

- None

#### Number of board meetings attended in the financial year

- 2/2



## PROFILE OF DIRECTORS (CONT'D)



### LIM TAW SEONG

Executive Director/ Chief Executive Officer

Age	Gender	Nationality
44	Male	Malaysian

#### Qualification

- Bachelor of Engineering (Mechanical) - Universiti Teknologi Malaysia

#### Date first appointed to the Board

- 22 April 2021

#### Membership of Board Committee

- None

#### Working Experience and Occupation

- 2002-2004: Sales Executive – UMediC Healthcare (formerly known as UWC Healthcare Sdn Bhd)
- 2004-2006: Sales Manager - UMediC Healthcare (formerly known as UWC Healthcare Sdn Bhd)
- 2006-2021: Director - UMediC Healthcare (formerly known as UWC Healthcare Sdn Bhd)
- 2021-Present: Executive Director/Chief Executive Officer - UMC

#### Present Appointment

- Director of several private limited companies

#### Any family relationship with any director and/or major shareholder of UMC

- Nephew of Dato' Ng Chai Eng, our Non-Independent Non-Executive Chairman
- Cousin of Dr Ng Chin Liang, the Alternate Director to Dato' Ng Chai Eng

#### Any conflict of interests that the person has with UMC

- None

#### Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year

- None

#### Number of board meetings attended in the financial year

- 2/2



## PROFILE OF DIRECTORS (CONT'D)



### LAU CHEE KHEONG

Non-Independent Non-Executive Director

Age : 59    Gender : Male    Nationality : Malaysian

#### Qualification

- Sekolah Menengah Jenis Kebangsaan Hua Lian in Taiping, Perak

#### Date first appointed to the Board

- 7 October 2021

#### Membership of Board Committee

- None

#### Working Experience and Occupation

- 1980-1984: Technical Supervisor - Tekskill Component Sdn Bhd
- 1984-1986: Production Supervisor - Toriki Metal Engineering Sdn Bhd
- 1986-1991: Assistant Factory Manager - GUH Electrical Appliances Sdn Bhd (formerly known as Leader Electrical Appliances Manufacturing Sdn Bhd)
- 1990-Present: Co-founder - UWC Holding Sdn Bhd (now a subsidiary company of UWC Berhad)

#### Present Appointment

- Executive Director/Group Chief Operating Officer – UWC Berhad
- Director of all subsidiaries of UWC Berhad
- Director of several private limited companies
- Vice President of Persatuan Alumni Sekolah Hua Lian Taiping Zon Utara Malaysia

#### Any family relationship with any director and/or major shareholder of UMC

- None

#### Any conflict of interests that the person has with UMC

- None

#### Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year

- None

#### Number of board meetings attended in the financial year

- 2/2



## PROFILE OF DIRECTORS (CONT'D)



### DR PAKIRISAMY BASKARAN A/L P THANGAVELU

Independent Non-Executive Director

Age	Gender	Nationality
60	Male	Malaysian

#### Qualification

- Bachelor of Medicine and Surgery - University of Madras, India
- Master's of Obstetrics and Gynaecology - University of Malaya

#### Date first appointed to the Board

- 7 October 2021

#### Membership of Board Committee

- Audit and Risk Management Committee (Member)
- Remuneration Committee (Member)
- Nomination Committee (Chairman)

#### Working Experience and Occupation

- 1990-1991: House Officer - Hospital Sultanah Aminah, Johor Bahru
- 1991-1993: Medical Officer in the Paediatric Surgical Unit of the Department of Surgery - Queen Elizabeth Hospital, Kota Kinabalu
- 1998-2016: Junior Specialist - Maternity Hospital, Kuala Lumpur
- 2016: Senior Consultant - Maternity Hospital, Kuala Lumpur
- 2016: Consultant Obstetrician and Gynaecologist and a Maternal Fetal Medicine Specialist
- Present: Resident consultant in Gleneagles Hospital Kuala Lumpur and a visiting consultant in Subang Jaya Medical Centre, Damai Service Hospital (HQ) as well as in several other hospitals in the Klang Valley.

#### Present Appointment

- Director of several private limited companies

#### Any family relationship with any director and/or major shareholder of UMC

- None

#### Any conflict of interests that the person has with UMC

- None

#### Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year

- None

#### Number of board meetings attended in the financial year

- 2/2



## PROFILE OF DIRECTORS (CONT'D)



### TAN CHYE SUAN

Independent Non-Executive Director

Age : 54    Gender : Female    Nationality : Malaysian

#### Qualification

- University of Malaya - Bachelor of Laws (Hons)
- Advocate and solicitor in the High Court of Malaya

#### Date first appointed to the Board

- 7 October 2021

#### Membership of Board Committee

- Audit and Risk Management Committee (Member)
- Remuneration Committee (Chairman)
- Nomination Committee (Member)

#### Working Experience and Occupation

- 1993-1995: Advocate and Solicitor - Messrs Ban Eng, Anual & Foong
- 1995-1999: Partner - Messrs Lim Huck Aik & Co
- 1999: Co-founder - Messrs See, Ramsun & Tan
- Present: Managing Partner - Messrs See, Ramsun & Tan

#### Present Appointment

- Member of the Disciplinary Committee of the Advocates' & Solicitors' Disciplinary Board and the Board of Governors of Convent Light Street Primary School.
- A life member of Women Centre for Change.
- Vice President of Federation of Women's Lawyers.

#### Any family relationship with any director and/or major shareholder of UMC

- None

#### Any conflict of interests that the person has with UMC

- None

#### Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year

- None

#### Number of board meetings attended in the financial year

- 2/2



## PROFILE OF DIRECTORS (CONT'D)



### LEE YEE WOOL

Independent Non-Executive Director

Age	Gender	Nationality
50	Male	Malaysian

#### Qualification

- Bachelor of Accounting (Hons) - University of Malaya
- Registered member of the Malaysia Institute of Accountants

#### Date first appointed to the Board

- 7 October 2021

#### Membership of Board Committee

- Audit and Risk Management Committee (Chairman)
- Remuneration Committee (Member)
- Nomination Committee (Member)

#### Working Experience and Occupation

- 1997-1999: Tax Assistant - Ernst & Young
- 1999-2002: Tax Consultant - Ernst & Young
- 2002: Finance Analyst - Smart Modular Technologies Sdn Bhd
- 2002: Accounts/Finance Manager - Scope Manufacturers (M) Sdn Bhd
- 2004-2009: Financial Controller - Scope Industries Berhad
- 2009-2013: Financial Director - Transform Electrical Industry Sdn Bhd
- 2016-2019: Director - Prestij Gemilang Sdn Bhd
- 2013-Present: Director - Income Sector Sdn Bhd
- 2019-Present: Accountant - Biochem Laboratories Sdn Bhd

#### Present Appointment

- Independent Director of Heng Huat Resources Group Berhad
- Director of several private limited companies

#### Any family relationship with any director and/or major shareholder of UMC

- None

#### Any conflict of interests that the person has with UMC

- None

#### Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year

- None

#### Number of board meetings attended in the financial year

- 2/2



## PROFILE OF DIRECTORS (CONT'D)



### DR NG CHIN LIANG

Alternate Director to Dato' Ng Chai Eng

Age : 30      Gender : Male      Nationality : Malaysian

#### Qualification

- Bachelor of Arts with Honours in Accounting and Finance - University of Exeter, United Kingdom
- Master of Science in Accounting and Finance - University of Exeter, United Kingdom
- Doctor of Business Administration – Wawasan Open University
- Member of the Association of Chartered Certified Accountants and the Malaysian Institute of Accountants
- Fellow of the Association of Chartered Certified Accountants

#### Date first appointed to the Board

- 7 October 2021

#### Membership of Board Committee

- None

#### Working Experience and Occupation

- 2015-2016: Audit Associate - Deloitte PLT
- 2016-2018: Assistant Finance Manager - UWC Holdings Sdn Bhd (now a subsidiary company of UWC Berhad)
- 2018-2019: Head of Corporate Affairs and Communications - UWC Berhad
- 2019-present: Alternate director to Dato' Ng Chai Eng cum Deputy Group Chief Executive Officer of UWC Berhad

#### Present Appointment

- Chairman of Youth Club, Federation Malaysia Manufacturer (Penang Branch)
- Member of the Industry Advisory Committee of Politeknik Seberang Perai

- Member of the Institute-Industry Management Board of Institut Latihan Perindustrian Arumugam Pillai Nibong Tebal
- Committee member of Federation Malaysia Manufacturer (Penang branch)
- Member of Technical Advisory Committee of Institut Teknikal Jepun Malaysia (JMTI)
- Advisor of Junior Chamber International (JCI) Bayan
- Vice-Chairman of Penang Skills Development Centre
- Alternate director to Dato' Ng Chai Eng cum Deputy Group Chief Executive Officer of UWC Berhad
- Director of several private limited companies

#### Any family relationship with any director and/or major shareholder of UMC

- Son of Dato' Ng Chai Eng, our Non-Independent Non-Executive Chairman
- Cousin of Lim Taw Seong, our Executive Director/Chief Executive Officer

#### Any conflict of interests that the person has with UMC

- None

#### Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year

- None

#### Number of board meetings attended in the financial year

- 2/2

## PROFILE OF DIRECTORS (CONT'D)

### Training Programs attended by our Director

The following are the seminars, conferences, exhibitions, workshops attended by all our Directors as at FYE 2022.

Name of Directors	Mode of Training	Title
Dato' Ng Chai Eng	Internal Briefing	• Corporate Governance Strategic Priorities (2021 - 2023)
	Webinar	• Family Wealth Planning and Long Lasting Legacies
	Webinar	• HSBC Private Bank Investment Outlook
	Webinar	• HSBC Private Bank Mid Year Investment Outlook
	Webinar	• ESG Disclosure at a Glance: Key Developments and Future Trends
Lim Taw Seong	Webinar	• Mandatory Accreditation Programme (MAP)
	Webinar	• Dameca Service Training Q&A
	Webinar	• Philips Update: Heart start Interpid Capabilities/ COVID-19
	Webinar	• Philips MR Monitor SPO2 + NIBP
	Webinar	• Smart Analysis AED Webinar
	Webinar	• Philips MR Monitor ECG + Gating
	Webinar	• Philips Tempus ALS
	Webinar	• Procifient-MIC Service Training (DL) Part 1
	Webinar	• AM-SV600-SV800 Program-Field Course
	Webinar	• MR Patient Care Portal 5000NPI-APAC
	Webinar	• Philips RDT/ Tempus Massimo
	Webinar	• MR Patient Monitor [SPO2 + NIBP]
	Webinar	• Kick Off/ Combined Ultrasound Release Training
	Webinar	• Merit-Invasive Catherisation
	Webinar	• Philips Tempus/RDT – Corsium
	Webinar	• MR Monitor Training (Temp + IBP)
	Webinar	• TC Webinar Tempus ALS Module S.D Tempus Pro Configuration Tool
	Webinar	• Corporate Overview: Introduction to Product Portfolio & Transducer; 2.0 Optimization; Colour/ Dopple Optimization; Diamond Select
	Webinar	• Agenda OB/Gyn: Market Overview: Clinical Products & Features, Features & Applications; Value Proposition; Composition
	Webinar	• CV Segment
	Webinar	• Ultrasound Principle Training
	Webinar	• PM-CMS-Program
	Webinar	• GE Healthcare – Compliance Training
	Webinar	• Panda Resus View Launch
	Webinar	• GF Omnibed Product Update
	Webinar	• The Time is Now: Invest in China's Emerging Champions
	Webinar	• MR Patient Care – Clinical Webinar (SPO2 + NIBP)
	External	• Mindray Auxiliary Pressure Monitoring
	Webinar	• Striking a Balance in Uncertain Time
	Webinar	• Pulsara for Tempus Overview
	Webinar	• Merit Medical Training
	Webinar	• MIC Friday's – Update
	Webinar	• MR Patient Monitor – ECG + Gating
	Webinar	• Staying Invested in China Risk and Opportunities

## PROFILE OF DIRECTORS (CONT'D)

### Training Programs attended by our Director (Cont'd)

The following are the seminars, conferences, exhibitions, workshops attended by all our Directors as at FYE 2022. (Cont'd)

Name of Directors	Mode of Training	Title
Lim Taw Seong	Webinar	• Intellispace Corsium Training
	Webinar	• OCBC Insight Series: A Shift to Sustainability
	Webinar	• POC-Ultrasound
	External	• Lowenstein GA Machine Training (Technical)
	Internal Briefing	• Lowenstein GA Machine Training
	Webinar	• OCBC Bank Presents: Foundation Towards Better Opportunities
Lau Chee Kheong	Webinar	• Secondary Process Solution
	Webinar	• Fiber Laser Technological Breakthrough & Advances
	Internal Briefing	• Corporate Governance Strategic Priorities (2021 - 2023)
	Webinar	• AMADA ENSIS Fiber Laser Technology
	Webinar	• The Breakthrough of Bending Solutions
	Webinar	• ESG Disclosure at a Glance: Key Developments and Future Trends
Dr Pakirisamy Baskaran A/L P Thangavelu	Webinar	• Mandatory Accreditation Programme (MAP)
Tan Chye Suan	Webinar	• Mandatory Accreditation Programme (MAP)
Lee Yee Wooi	Webinar	• Mandatory Accreditation Programme (MAP)
	Webinar	• HASiL - MEF Tax Webinar 2022 "Building Sustainable Future"
Dr Ng Chin Liang	Webinar	• Outlook for the E&E Industry and its contribution to the Malaysian Economy
	Webinar	• Groundbreakers: Generation Z – The Talent Equation and The Future of Work
	Webinar	• Seizing the Next Wave of E&E Investment into Malaysia Confirmation
	Webinar	• USM Post Budget Forum 2022
	Internal Briefing	• Corporate Governance Strategic Priorities (2021 - 2023)
	Webinar	• Select USA – Spotlight on U.S. States & Industries
	Webinar	• ESG Disclosure at a Glance: Key Developments and Future Trends

### Remuneration

The following are the remuneration breakdown of all directors as at FYE 2022.

Name of Directors	Salaries (RM'000)	Fees (RM'000)	Bonus (RM'000)	Employee Provident Fund and Social Security Organisation (RM'000)	Allowances (RM'000)	Share Grant Scheme Expense (RM'000)	Total (RM'000)
Dato' Ng Chai Eng	-	-	-	-	-	-	-
Lim Taw Seong	228	-	18	27	90	-	363
Lau Chee Kheong	-	-	-	-	-	-	-
Dr Pakirisamy Baskaran A/L P Thangavelu	-	-	-	-	-	-	-
Tan Chye Suan	-	-	-	-	-	-	-
Lee Yee Wooi	-	-	-	-	-	-	-
Dr Ng Chin Liang	-	-	-	-	-	-	-



# PROFILE OF KEY SENIOR MANAGEMENT

Age : 46  
Gender : Female  
Nationality : Malaysian



**NG HUI HOOI**  
Financial Controller

## Qualification

- Bachelor of Commerce, majoring in Accountancy - Deakin University in Australia
- Certified Practising Accountant (CPA) from CPA Australia
- Member of the Malaysian Institute of Accountants

## Date first appointed to the Board

- 1 April 2021

## Working Experience and Occupation

- 2000-2004: Auditor - Wong Liu & Partners
- 2004: Accountant - Sin Tiong Lee Food Industry Sdn Bhd
- 2004-2007: Accounts Manager - Wangsaga Industries Sdn Bhd (a subsidiary of Tek Seng Holdings Berhad)
- 2007-2008: Assistant Finance Manager - Texchem Resources Berhad
- 2008-2018: Finance Manager - UWC Holdings Sdn Bhd (now a subsidiary company of UWC Berhad)
- 2018-2021: Financial Controller - UWC Berhad
- 2021-Present: Financial Controller - UMC

## Present Appointment

- None

## Any family relationship with any director and/or major shareholder of UMC

- None

## Any conflict of interests that the person has with UMC

- None

## Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year

- None

Age : 44  
Gender : Male  
Nationality : Malaysian



**KONG YOEN HOO**  
Sales Vice President

## Qualification

- Bachelor of Engineering (Mechanical) - Universiti Teknologi Malaysia

## Date first appointed to the Board

- 1 May 2021

## Working Experience and Occupation

- 2003-2006: Engineer - Zama Corporation Ltd
- 2006-2007: Project Engineer - DPL Holdings Ltd
- 2007-2021: Branch Manager - Evo Medik
- 2021-Present: Sales Vice President - UMC

## Present Appointment

- None

## Any family relationship with any director and/or major shareholder of UMC

- None

## Any conflict of interests that the person has with UMC

- None

## Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year

- None

## PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

Age : 38  
Gender : Female  
Nationality : Malaysian



**LIM SUAT GIM**  
Sales Vice President

### Qualification

- Bachelor of Science degree with Honours in Biochemistry - Universiti of Malaya

### Date first appointed to the Board

- 1 May 2021

### Working Experience and Occupation

- 2007: Quality Assurance Executive - Public Packages (NT) Sdn Bhd
- 2007-2010: Sales Executive - UMediC Healthcare (formerly known as UWC Healthcare Sdn Bhd)
- 2010-2021: Branch Manager - Actimed Healthcare Sdn Bhd
- 2021-Present: Sales Vice President - UMC

### Present Appointment

- None

### Any family relationship with any director and/or major shareholder of UMC

- None

### Any conflict of interests that the person has with UMC

- None

### Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year

- None

Age : 44  
Gender : Male  
Nationality : Malaysian



**LEE YI KAI**  
Sales Vice President

### Qualification

- Bachelor of Engineering degree with Honours in Mechanical Engineering from Royal Melbourne Institute of Technology, Australia

### Date first appointed to the Board

- 1 May 2021

### Working Experience and Occupation

- 2002-2005: Mechanical Engineer - Teco Industry (M) Sdn Bhd
- 2005-2009: Sales and Service Engineer - SMC Automation (M) Sdn Bhd
- 2009-2016: Sales Executive - UMediC Healthcare (formerly known as UWC Healthcare Sdn Bhd)
- 2016-2021: Sales Manager - UMediC Healthcare (formerly known as UWC Healthcare Sdn Bhd)
- 2021-present: Sales Vice President - UMC

### Present Appointment

- None

### Any family relationship with any director and/or major shareholder of UMC

- None

### Any conflict of interests that the person has with UMC

- None

### Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year

- None



## PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

Age : 37  
Gender : Male  
Nationality : Malaysian



**NG CHIN AIK**  
Manufacturing Vice President

### Qualification

- Bachelor of Science with Honours in Physics - Universiti Kebangsaan Malaysia
- Master of Business Administration - University of Science Malaysia
- Good clinical practice certificate from the Clinical Research Center, Ministry of Health and Medtech Regulatory Compliance from the Association of Malaysian Medical Industries ("AMMI")

### Date first appointed to the Board

- 1 May 2021

### Working Experience and Occupation

- 2008-2011: Marketing Engineer - UWC Technology Sdn Bhd
- 2011-2021: Operating Manager - UWHM (formerly known as UWC Healthcare Mfg (M) Sdn Bhd)
- 2021-present: Manufacturing Vice President - UMC

### Present Appointment

- Part of the Regulatory Affairs Committee, Government Affairs Committee
- Operational Excellence Committee of AMMI

### Any family relationship with any director and/or major shareholder of UMC

- Nephew of Dato' Ng Chai Eng, our Non-Independent Non-Executive Chairman
- Cousin of Dr Ng Chin Liang, the Alternate Director to Dato' Ng Chai Eng, Cousin of Lim Taw Seong, our Executive Director/Chief Executive Officer

### Any conflict of interests that the person has with UMC

- None

### Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year

- None

Age : 26  
Gender : Female  
Nationality : Malaysian



**NG SZE HUI**  
Legal and Corporate Adviser

### Qualification

- Bachelor of Laws - London School of Economics and Political Science
- Master of Laws and Bar Professional Training Course - City, University of London
- Admitted to the Bar of England and Wales by the Honourable Society of the Middle Temple
- Admitted as Advocate and Solicitor of the High Court of Malaya
- Registered trademark agent

### Date first appointed to the Board

- 12 July 2021

### Working Experience and Occupation

- 2020: Wong & Partners (Baker McKenzie International)
- 2020-2021: Azmi & Associates (TerraLex Worldwide)
- 2021-present: Legal and Corporate Adviser - UMC

### Present Appointment

- Member of the Inns of Court Malaysia (ICM)
- Member of Federation of Malaysian Manufacturers (FMM) Youth Committee
- Director of private limited company

### Any family relationship with any director and/or major shareholder of UMC

- Daughter of Dato' Ng Chai Eng, our Non-Independent Non-Executive Chairman
- Sister of Dr Ng Chin Liang, the Alternate Director to Dato' Ng Chai Eng, Cousin of Lim Taw Seong, our Executive Director/Chief Executive Officer

### Any conflict of interests that the person has with UMC

- None

### Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year

- None

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Our Board is committed to implement and maintain high standards of corporate governance practices that are premised on the notions of transparency, accountability and integrity with a view to enhance stakeholders' value. As such, our Board strives to adopt the substance behind corporate governance prescriptions and not merely the form.

The disclosures in this Corporate Governance ("CG") Overview Statement are made pursuant to Rule 15.25 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("AMLR") and the Corporate Governance Guide (4<sup>th</sup> Edition) issued by Bursa Securities.

The objective of this CG Overview Statement is to provide an overview of the application of the corporate governance practices of the Group during the FYE 2022. In accordance with the Malaysian Code on Corporate Governance ("MCCG") the main principles governing these governance practices are as outlined below:

Principle A	Principle B	Principle C
Board Leadership and Effectiveness	Effective Audit and Risk Management	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

We have also provided specific disclosures on the application of each Practice in its CG Report which is made available on our Company's website at [www.umedic.com.my](http://www.umedic.com.my).

In order to achieve a granular understanding of our Group's governance framework and practices, this CG Overview Statement should also be read in tandem with other statements in this Annual Report, namely the Statement on Risk Management and Internal Control, Audit and Risk Management Committee Report, Sustainability Statement and Management Discussion and Analysis as the depth or relevance of applying certain corporate governance promulgations may be better explained in the context of the respective statements.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### 1. Board Responsibilities

Our Board is entrusted to oversee the overall management of the business affairs of our Group, determine all major policies, ensure effective strategies and management are in place, assess the performance of our Group and our management team, and review the systems of risk management and internal control of our Group. When implementing the business plan, our Executive Director/ Chief Executive Officer is responsible for executing corporate decisions made by our Board while the Non-Executive Directors scrutinize the management performance by providing independent views and advice in the interests of the shareholders at large.

To ensure that the obligations to our shareholders and other stakeholders are understood, our Board has defined and collectively reviewed and approved the roles and responsibilities as well as the schedule of reserved matters in the Board Charter. In order to assist the Board in the oversight function on specific responsibility areas, our Board has established three (3) Board Committees, namely Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC"). Governed by their respective Terms of References, the Board Committees report to our Board on their meeting proceedings and deliberations as well as make recommendations to our Board on the matters under their purview. Our Board ensures our Directors have unrestricted access to the advice and services of Senior Management and Company Secretaries and may obtain independent professional advice at our Company's expense in order to discharge their duties effectively.

Our Board Chairman instills good governance practices, leadership and effectiveness in our Board through chairing of board and shareholders meetings and deliberating together with our Board members on board matters and policies. The position of Board Chairman and Chief Executive Officer are held by different individuals. Our Board is assisted by a qualified and competent Chartered Secretary who is an associate member of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The Company Secretary assists our Board in discharging its duties in regard to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices.

During the year, our Board has reviewed and approved the following:

- Report by Audit and Risk Management Committee Chairman;
- Approval of quarterly results;
- Report by Executive Director/ Chief Executive Officer;
- Adoption of Directors' Fit and Proper Policy; and
- Corporate Calendar for the Calendar Year 2022.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### 1. Board Responsibilities (Cont'd)

Our Board has established the Anti Bribery and Anti Corruption Policy in keeping with the commitment set forth to prevent and detect bribery and corruption. Our Group takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and integrity in all business dealings and relationships wherever our Group operates and expects the individuals and organization our Group works with to uphold and adopt the same approach.

As an additional measure to safeguard the integrity of our Group, our Board has defined its Whistleblowing Policy to provide guidance for stakeholders to report genuine concerns of any possible improprieties pertaining to financial reporting, compliance, malpractices and unethical business conduct within our Group. In addition, our Board has also defined its Code of Conduct which serves as a tool for our Board to convey and instil its values into the organization.

Our Board Charter, Terms of Reference of the Board Committees, Director's Fit and Proper Policy, Anti Bribery and Anti-Corruption Policy, Whistleblowing Policy and Code of Conduct are also posted on our Company's website at [www.umedic.com.my](http://www.umedic.com.my).

### 2. Board Composition

The appointment of Board is based on objective criteria, merit and with due regards for diversity in skills, experience, age, cultural background and gender. When considering appointment of directors, the Nomination Committee will consider the following attributes in the recruitment and screening process:

- Skills, knowledge, expertise and experience;
- Professionalism;
- Integrity;
- Boardroom diversity including gender diversity; and
- In the case of candidates for the position of Independent Non-Executive Directors, the committee should also evaluate the candidates' ability to discharge such responsibilities/ functions as expected from Independent Non-Executive Directors.

Presently, our Board is led by Non-Independent Non-Executive Chairman. Our Board consists of six (6) members, i.e. two (2) Non-Independent Non-Executive Director, one (1) Executive Director/ Chief Executive Officer, three (3) Independent Non-Executive Directors. Our current Board composition complies with Rule 15.02 of AMLR that requires at least one-third (1/3) of the Board to be Independent Directors. The profile of each Director is presented in page 16 to 24 of this Annual Report.

As stated in the Terms of Reference of the Nomination Committee, one of the duties of Nomination Committee is to properly document all assessments and evaluations and report to our Board all the results of the assessments and evaluations on an annual basis. Our Board acknowledges the requirement to perform the assessment and this will be conducted in the coming year.

Our Board understands that quality of information affects the effectiveness of our Board to oversee the conduct of business and to evaluate the Management's performance of our Group. Information and materials that are important to our Board's understanding of the business to be conducted at a Board or committee meeting will be distributed to the Directors in order to provide ample time for review beforehand. As stated in the Board Charter, notice of Board meetings shall be issued at least five (5) working days prior to the meeting. Upon conclusion of meeting, the Company Secretary will ensure that accurate and proper records of the proceedings and resolutions passed are recorded and the minutes is circulated to the Board members before the next meetings.

During FYE 2022, there were two (2) meetings held and all the Board Papers were circulated to our Board in timely manner. Our Directors' attendance at the Board meetings during FYE 2022 were as follows:

Director	Attendance
Dato' Ng Chai Eng	2/2
Mr. Lim Taw Seong	2/2
Mr. Lau Chee Kheong	2/2
Dr. Pakirisamy Baskaran A/L P Thangavelu	2/2
Ms. Tan Chye Suan	2/2
Mr. Lee Yee Woi	2/2
Dr. Ng Chin Liang	2/2

Directors were encouraged and afforded the opportunity to upskill and keep themselves abreast with the market and regulatory changes throughout the financial year. During the FYE 2022, our Directors attended continuous professional development programme covering various topics ranging from financial, changes in statutory and regulatory requirements, governance, sustainability and industry knowledge. During FYE 2022, our Directors attended the following training programmes:

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### 2. Board Composition (Cont'd)

Director	Mode	Training Attended
Dato' Ng Chai Eng	Webinar	<ul style="list-style-type: none"> <li>Family Wealth Planning and Long Lasting Legacies;</li> <li>HSBC Private Bank Investment Outlook;</li> <li>HSBC Private Bank Mid Year Investment Outlook; and</li> <li>ESG Disclosure at a Glance: Key Developments and Future Trends;</li> </ul>
Mr. Lim Taw Seong	Webinar	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme (MAP);</li> <li>Dameca Service Training Q&amp;A;</li> <li>Philips Update: Heart start Interpid Capabilities/ COVID-19;</li> <li>Philips MR Monitor SPO2 + NIBP;</li> <li>Smart Analysis AED Webinar;</li> <li>Philips MR Monitor ECG + Gating;</li> <li>Philips Tempus ALS;</li> <li>Procient-MIC Service Training (DL) Part 1;</li> <li>AM-SV600-SV800 Program-Field Course;</li> <li>MR Patient Care Portal 5000NPI-APAC;</li> <li>Philips RDT/ Tempus Massimo;</li> <li>MR Patient Monitor [SPO2 + NIBP];</li> <li>Kick Off/ Combined Ultrasound Release Training;</li> <li>Merit-Invasive Catherisation;</li> <li>Philips Tempus/RDT – Corsium;</li> <li>MR Monitor Training (Temp + IBP);</li> <li>TC Webinar Tempus ALS Module S.D Tempus Pro Configuration Tool;</li> <li>Corporate Overview: Introduction to Product Portfolio &amp; Transducer; 2.0 Optimization; Colour/ Dopple Optimization; Diamond Select;</li> <li>Agenda OB/Gyn: Market Overview: Clinical Products &amp; Features, Features &amp; Applications; Value Proposition; Composition;</li> <li>CV Segment;</li> <li>Ultrasound Principle Training;</li> <li>PM-CMS-Program;</li> <li>GE Healthcare – Compliance Training;</li> <li>Panda Resus View Launch;</li> <li>GF Omnibed Product Update;</li> <li>The Time is Now: Invest in China's Emerging Champions;</li> <li>MR Patient Care – Clinical Webinar (SPO2 + NIBP);</li> <li>Striking a Balance in Uncertain Time;</li> <li>Pulsara for Tempus Overview;</li> <li>Merit Medical Training;</li> <li>MIC Friday's – Update;</li> <li>MR Patient Monitor – ECG + Gating;</li> <li>Staying Invested in China Risk and Opportunities;</li> <li>Intellispace Corsium Training;</li> <li>OCBC Insight Series: A Shift to Sustainability;</li> <li>POC-Ultrasound;</li> <li>OCBC Bank Presents: Foundation Towards Better Opportunities;</li> <li>Mindray Auxiliary Pressure Monitoring</li> <li>Lowenstein GA Machine Training (Technical)</li> </ul>
	External	
Mr. Lau Chee Kheong	Webinar	<ul style="list-style-type: none"> <li>Secondary Process Solution;</li> <li>Fiber Laser Technological Breakthrough &amp; Advances;</li> <li>AMADA ENSIS Fiber Laser Technology;</li> <li>The Breakthrough of Bending Solutions; and</li> <li>ESG Disclosure at a Glance: Key Developments and Future Trends;</li> </ul>
Dr. Pakirisamy Baskaran A/L P Thangavelu	Webinar	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme (MAP);</li> </ul>
Ms. Tan Chye Suan	Webinar	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme (MAP);</li> </ul>
Mr. Lee Yee Wooi	Webinar	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme (MAP);</li> <li>HASiL - MEF Tax Webinar 2022 "Building Sustainable Future"</li> </ul>
Dr. Ng Chin Liang	Webinar	<ul style="list-style-type: none"> <li>Outlook for the E&amp;E Industry and its contribution to the Malaysian Economy;</li> <li>Groundbreakers: Generation Z – The Talent Equation and The Future of Work;</li> <li>Seizing the Next Wave of E&amp;E Investment into Malaysia Confirmation;</li> <li>USM Post Budget Forum 2022;</li> <li>SelectUSA – Spotlight on U.S. States &amp; Industries;</li> <li>ESG Disclosure at a Glance: Key Developments and Future Trends.</li> </ul>



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### 3. Remuneration

Our Board has put in place a Remuneration Policy to set out principles to be used in recommending the remuneration package of the Non-Executive Directors, Executive Director, Chief Executive Officer and key senior management, in order to attract, motivate and retain talent. As stated in the Remuneration Policy, the remuneration of the Independent Non-Executive Directors to be determined in accordance with their experience and the level of responsibilities assumed in the Board Committees, their attendance, performance and expertise they bring to our Board, whilst the remuneration of the Executive Directors and Senior Management will be based on the individual's and Group's performance. The Remuneration Policy is available on our Company's website at [www.umedic.com.my](http://www.umedic.com.my).

Our Board has made a detailed disclosure on named basis for the remuneration of individual directors. Similarly, our Board also disclosed on a named basis the top six (6) senior management's remuneration component in bands of RM50,000. The remuneration details of both individual directors and top six (6) senior management for FYE 2022 were disclosed in Practice 8.1 and Practice 8.2 of the CG Report accordingly.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### 1. ARMC

The members of ARMC comprise of fully Independent Non-Executive Directors. The Chairman of the ARMC is distinct from the Chairman of the Board so as to promote unfettered objectivity during our Board's review of the ARMC's findings and recommendations. The current ARMC composition meets the requirements of Rule 15.09 of AMLR where the ARMC Chairman, Mr. Lee Yee Wooi is a member of Malaysia Institute of Accountant since 2000. The present composition of the ARMC allows it to possess the requisite level of financial literacy and business acumen to have a sound understanding of the financial matters of our Group as well as an understanding of the latest developments in financial reporting, accounting and auditing standards.

None of the members of the ARMC are former audit partners of the current external audit firm of our Group. As stated in the Terms of Reference of the ARMC, the Committee is mindful of the minimum three (3) years cooling off period best practice under the MCGG when considering the appointment of former key audit partner from its current external audit firm to ensure that the review of our Group's financial statements and the performance and independence of the External Auditors are being done objectively by the Committee.

Before the commencement of the current financial year audit, the ARMC has reviewed and deliberated with the External Auditors on their audit planning memorandum, covering the audit risk areas, approach, emphasis and timeline. The ARMC also noted the External Auditors' independence check and confirmation procedures carried out in the firm as well as no conflict of interest for rendering their non-audit services to our Group presently.

Full details of the ARMC's duties and responsibilities are stated in its Terms of Reference which is made available on our Company's website at [www.umedic.com.my](http://www.umedic.com.my) and the detailed disclosure on the role and activities undertaken by the ARMC during the financial year is provided in the ARMC Report on page 60 to 65 of this Annual Report.

### 2. Risk Management and Internal Control Framework

In an ever-evolving and disruptive market landscape, it is imperative for our Group to be well-equipped to face any existing and emerging risks that could threaten business continuity. A Group-wide Enterprise Risk Management ("ERM") Framework has been established to support the timely identification, evaluation, action development, reporting and management of principal business risks. The ERM Framework includes formalized processes, policies and procedures surrounding the implementation, monitoring and review of our Group's internal control systems.

The Internal Audit Function is outsourced to MCM International Consultancy PLT ("MCMIC"), an independent professional firm. There is no other engagement between our Group and MCMIC which may create conflict of interest or impair their objectivity and independence. The internal audit engagement shall be led by a Partner, Ms. Phoon Yee Min, who is a Certified Internal Auditor ("CIA"), member of Association of Chartered Certified Accountants ("ACCA") and member of Malaysia Institute of Accountants ("MIA"). She has accumulated over 18 years of experience in Audit and Advisory engagement before becoming the partner of MCMIC in 2021. She is further supported by other MCMIC professional staffs. All the personnel deployed by MCMIC do not have any family relationship or conflicts of interest with our Group that could impair their objectivity and independence during the course of their work. The Internal Auditors will conduct their work in consideration of the broad principles of the International Professional Practice Framework ("IPPF") of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders. The Internal Auditors will report their observations and findings according to the approved Internal Audit Plan to the ARMC.

A detailed narrative of our Group's risk management and internal control framework, including the internal audit function is presented in the Statement on Risk Management and Internal Control on page 56 to 59 of this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### 1. Engagement with Stakeholders

Our Board always ensures there is effective, transparent and timely communication with the stakeholders. Shareholders and other stakeholders are kept informed of the latest developments of our Group via announcements to Bursa Securities, annual reports, quarterly financial results, circulars to shareholders and press releases. In addition, our Company maintains a corporate website at [www.umedic.com.my](http://www.umedic.com.my) to promote accessibility of information to our Group's diverse stakeholder groups. Our Board ensures that the website is regularly updated with recent announcements, past and current reports to shareholders as well as news and press releases pertaining to our Group. Any comments, queries and suggestions can be directed to a designated e-mail address, namely [ir@umedic.com.my](mailto:ir@umedic.com.my).

### 2. Conduct of General Meetings

AGM serves as the primary platform for shareholders to engage our Board and Senior Management in a productive two-way dialogue. Shareholders are accorded with the opportunity to put forward questions and seek clarifications on the broad areas of our Group's performance, business activities and outlook during a question and answer session held during the AGM.

Our Company was listed on 26 July 2022 and our 1<sup>st</sup> AGM was conducted prior to listing on 31 January 2022. Our Company is mindful of the requirements to ensure the notice of our upcoming AGM will be issued to the shareholders at least 28 days. All directors will also attend our upcoming AGM and ensure that the AGM supports meaningful engagement between our board, senior management and shareholders. Our Board also will circulate the minutes of the general meeting to shareholders no later than 30 business days after the general meeting.

## CORPORATE GOVERNANCE FOCUS AREAS AND FUTURE PRIORITIES

Moving forward, our Board will continue to identify and introduce improvement measures in the area of corporate governance:

### 1. Boardroom Diversity

The Board recognises the government's call for gender diversity of at least 30% women directors in companies. At present, there is one (1) female Director sitting on our Board, which testifies the Company's commitment to gender diversity.

Our Board is mindful that any gender representation should be in the best interest of our Company. Our Board is committed to workplace diversity and has established a Diversity Policy which aims to set out approach to achieve diversity on our Board and workforce.

Our Board will continually review our Group's governance practices to ensure our Group meets the expectations of regulators and stakeholders. This CG Overview Statement was approved by the Board on 13 September 2022.

# SUSTAINABILITY REPORT

## INTRODUCTION

We are pleased to present our inaugural Sustainability Statement (“Sustainability Statement” or the “Statement”) for the FYE 2022, providing an overview of our Group’s sustainability initiatives and practices, highlighting our economic, environmental, and social impacts.

This Sustainability Statement has been prepared as required under the AMLR and in accordance with the Sustainability Reporting Guide (“Guide”) issued by Bursa Securities.

Our Group has relied on the guidance provided under the Guide for its sustainability practices. The Guide provides guidance on how to embed sustainability in our organisation and helps us to identify, evaluate and manage our material economic, environmental and social (“EES”) risk and opportunities. Our sustainability practices aim to generate long term benefits to our stakeholders in terms of business continuity and value creation. Besides, we strongly support the UN 17 Sustainability Development Goals (“UN SDGs”) and such goals will be progressively integrated into our sustainability practices.

## SCOPE OF REPORTING

This Statement covers the sustainability performance of our core business operations for the FYE 2022 unless stated otherwise. Our core business operations comprise of marketing and distribution of various branded medical devices and consumables as well as the provision of after-sales service for all our products. We are also involved in developing, manufacturing and marketing of our medical consumables.

## REPORTING FRAMEWORK

This Statement has been prepared in accordance with the Sustainability Reporting Guide (2<sup>nd</sup> edition) and Toolkits released by Bursa Securities. This Statement should be read in conjunction with this Annual Report.

## AVAILABILITY

This Statement is made available on our Company’s website at [www.umedic.com.my](http://www.umedic.com.my).

## FEEDBACKS

To continuously improve on our sustainability efforts, we welcome and encourage our stakeholders to provide feedback pertaining to this Statement or our sustainability practices and initiatives. Please email us at [ir@umedic.com.my](mailto:ir@umedic.com.my).

## COMMITMENT TO SUSTAINABILITY

Our corporate vision is to provide an integrated healthcare supply chain with advanced technology, which ultimately improve the quality of human life.

Our corporate mission is to be the trusted and preferred partner for all our stakeholders, which include our investors, suppliers, customers, employees and the communities.

At UMC, we uphold our core values which guide us in our work and businesses.

### Unity



- We combine technology with talents across different segments of our businesses to create cost-effective solutions that drive growth;
- We respect, honour and value our stakeholders based on their professional contributions without discrimination; and
- We communicate openly and conduct our work transparently to ensure traceability.

### Motivation



- We are determined to achieve our goals, regardless of all the obstacles and difficulties;
- We believe that nothing is impossible with a willing attitude and hard work; and
- We adapt to changes and innovate effectively alongside the market trends.

### Commitment



- We practise integrity to deliver high-quality solutions on time;
- We take accountability and great pride in our work; and
- We are committed to excellence, intelligent planning and focused effort to enhance our productivity.




# SUSTAINABILITY REPORT (CONT'D)

## COMMITMENT TO SUSTAINABILITY (Cont'd)

Our Board is committed to sustainability practices in our organisation and has appointed Mr. Lim Taw Seong, Executive Director/ Chief Executive Officer, to lead the sustainability development efforts. Mr. Lim Taw Seong is responsible for identifying material sustainability matters and formulating the related sustainability initiatives. He provides strong stewardship towards the implementation of the sustainability initiatives within our Group and he is supported by a number of sub-committees to aid him to discharge this responsibility effectively. Together, Mr. Lim Taw Seong and the sub-committees form the Sustainability Committee which ensures that sustainability practices are embedded and integrated into our Group's business operations rather than as a standalone basis, to ensure continuity, relevance and sustainability of the practices.

The reporting governance structure and roles and responsibilities are as follows:

Governance	Roles and Responsibilities
<p>Board of Directors</p> 	<ul style="list-style-type: none"> <li>Oversees the sustainability efforts and initiatives of our Group;</li> <li>Reviews and endorses our Group's material sustainability matters;</li> <li>Reviews and endorses the sustainability initiatives proposed by the Sustainability Committee;</li> <li>Reviews and endorses the annual sustainability report for inclusion in our annual report; and</li> <li>Sets strategies that support long-term value creation and includes strategies on EES considerations underpinning sustainability.</li> </ul>
<p>Sustainability Committee (Chaired by Mr. Lim Taw Seong, Executive Director/ Chief Executive Officer; supported by representatives from relevant department/ function)</p>	<ul style="list-style-type: none"> <li>Identifies material sustainability matters that are relevant to our Group's business operations;</li> <li>Proposes sustainability initiatives and measures to be implemented across our Group;</li> <li>Implements sustainability initiatives that have been approved by our Board; and</li> <li>The Chairman reports the overall progress of our Group's sustainability efforts to our Board.</li> </ul>

## SUSTAINABILITY PRACTICES

In line with the Guide, sustainability is viewed in the context of EES, and good governance is regarded as one of the underlying foundations that underpin the focus on performance along the aforementioned dimensions. The terms economic, environmental and social can be explained as follows:



Economic	Environmental	Social
<p>An organisation's impacts on the economic conditions of its stakeholders and on economic systems at local, national, and global levels. It does not focus on the financial condition of the organisation.</p> <p>Note: These may include the organisation's procurement practices, or community investment.</p>	<p>An organisation's impact on living and non-living natural systems, including land, air, water and ecosystems.</p> <p>Note: These may include the organisation's usage of energy and water.</p>	<p>The impacts an organisation has on the social systems within which it operates.</p> <p>Note: These may include the organisation's relationships with communities, employees, consumers, etc.</p>

# SUSTAINABILITY REPORT (CONT'D)

## STAKEHOLDER ENGAGEMENT

A stakeholder is essentially an individual or a group that has an effect on, or is affected by our Group and our activities. Naturally, our stakeholders influence the way we carry out our business activities and how we formulate our strategies to meet their expectations and to generate long term benefits to our stakeholders in terms of business sustainability and value creation.

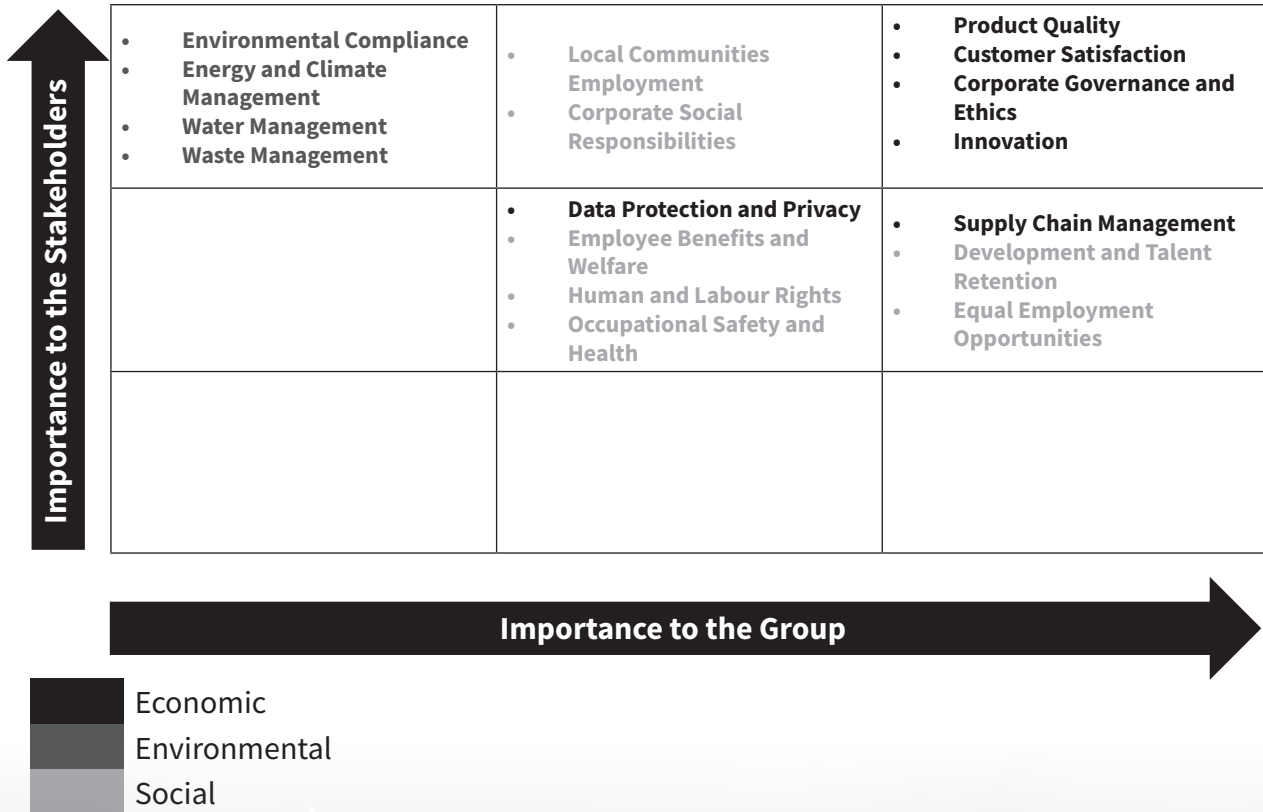
The table below lists the needs of our different stakeholder groups and how we engaged and addressed their needs.

Stakeholder Groups	Areas of Interest	Engagement Methods	Engagement Frequency
Investor/ Shareholders	<ul style="list-style-type: none"> <li>Return on investment</li> <li>Business prospects</li> <li>Future roadmap</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meeting</li> <li>Quarterly reporting</li> <li>Company's website</li> <li>Roadshow/ Investor briefing</li> <li>Whistle blowing policy, Shareholder communication policy, Corporate disclosure policy and Investor relation policy</li> </ul>	<ul style="list-style-type: none"> <li>Monthly, quarterly, annually</li> </ul>
Directors	<ul style="list-style-type: none"> <li>Return on investment</li> <li>Business prospects</li> <li>Future roadmap</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Board of Directors meetings</li> <li>Business updates and CEO reports</li> <li>Company events</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly, annually</li> </ul>
Management	<ul style="list-style-type: none"> <li>Human capital</li> <li>Financial performance</li> <li>Production performance</li> <li>Business strategy</li> </ul>	<ul style="list-style-type: none"> <li>Continuous management progress meeting and reporting</li> <li>On-going interaction</li> <li>Company events</li> </ul>	<ul style="list-style-type: none"> <li>Daily, weekly, monthly, quarterly, annually</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Competitive salary and benefits package</li> <li>Occupational safety and health</li> <li>Clear line of reporting and proper communication channel</li> <li>Work - life balance</li> <li>Career path and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Employee handbook</li> <li>Monthly employee meetings</li> <li>Employee satisfaction survey and feedback</li> <li>Performance appraisal</li> <li>Internal training and development</li> <li>Engagement with employees</li> <li>Occupational safety and health programme</li> <li>Anti-Bribery and Anti-Corruption briefing</li> </ul>	<ul style="list-style-type: none"> <li>Daily, weekly, monthly, quarterly, annually</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Product quality</li> <li>Reliable delivery</li> <li>Competitive prices</li> <li>Technical advancement</li> <li>Customer service and responsiveness</li> </ul>	<ul style="list-style-type: none"> <li>Customer feedback/ survey</li> <li>After sales service</li> <li>Customer periodic visit/ audit</li> <li>Customer evaluation on suppliers</li> <li>Training and development</li> <li>Customer survey</li> </ul>	<ul style="list-style-type: none"> <li>Daily, weekly, monthly, quarterly, annually</li> </ul>
Suppliers/ vendors/ business partners	<ul style="list-style-type: none"> <li>Procurement policy and procedures</li> <li>Product cost</li> <li>Industry standard and requirement</li> <li>Prompt payments within credit period</li> <li>Business prospects and financial stability</li> </ul>	<ul style="list-style-type: none"> <li>Disseminate procurement policy and procedures</li> <li>Supplier evaluation and assessment on suitability of vendors</li> <li>Reinforcement of code of conduct for ethical practices</li> <li>Supplier periodic visit and audit</li> </ul>	<ul style="list-style-type: none"> <li>Daily, weekly, monthly, quarterly, annually</li> </ul>
Local communities/ societies	<ul style="list-style-type: none"> <li>Impact of operations on surrounding environment</li> <li>Corporate social responsibility</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with local communities</li> <li>Provide job opportunities</li> <li>Pay attention to 3Rs (reduce, reuse and recycle)</li> </ul>	<ul style="list-style-type: none"> <li>On an as needed basis and driven by events</li> </ul>
Governments/ Regulatory authorities	<ul style="list-style-type: none"> <li>Compliance with existing laws</li> <li>Standards and certification</li> </ul>	<ul style="list-style-type: none"> <li>Updates on rules and regulations</li> <li>Consultation with authorities</li> <li>Attendance at relevant seminars and conferences</li> <li>Member of the Federation of Malaysia Manufacturers</li> <li>Member of AMMI</li> </ul>	<ul style="list-style-type: none"> <li>Monthly, quarterly, annually</li> </ul>

# SUSTAINABILITY REPORT (CONT'D)

## MATERIALITY ASSESSMENT

In FYE 2022, we have conducted our first materiality assessment by gathering inputs from our internal stakeholders such as employees and representatives from different functional groups. External stakeholders were not directly involved in the materiality process, but rather represented through internal knowledge of the ongoing stakeholder dialogues. We have identified 17 sustainability matters during our materiality assessment, as shown below:

























# SUSTAINABILITY REPORT (CONT'D)

## UNITED NATION'S SUSTAINABLE DEVELOPMENT GOALS ("UN SDGS")

The UN SDGs are the blueprint that set by United Nations with collection of 17 interlinked global goals to achieve a better and more sustainable future for all. Our Group is committed to support and fulfil the UN SDGs. We believe in the symbiotic partnership between business, regulatory and society in achieving sustainability in our organisation.

We focus on aligning our efforts to adopt the UN SDGs which are relevant to our operations. The table below showcases how our sustainability initiatives are aligned with the UN SDGs.

Sustainability Matters	Sustainability Goals	FYE 2022 Performance
<b>Economic</b> <ul style="list-style-type: none"> <li>Product Quality</li> <li>Customer Satisfaction</li> <li>Supply Chain Management</li> <li>Innovation</li> <li>Data Protection and Privacy</li> <li>Corporate Governance and Ethics</li> </ul>     	<ul style="list-style-type: none"> <li>Deliver quality products and services which meet customers' requirements and expectations</li> <li>Promote local procurement</li> <li>Deliver financial values to shareholders such as growth in revenue and earnings and dividend pay out</li> <li>Uphold the high standard of corporate governance and ethics</li> </ul>	<ul style="list-style-type: none"> <li>No major customer complaints received</li> <li>Prioritised procurement with local suppliers</li> <li>Zero cases reported for data breach</li> <li>Zero cases reported for non-compliance and breach of ethical issues</li> <li>Zero cases reported for corruption or breaches against Anti Bribery and Anti Corruption Policy</li> </ul>
<b>Environmental</b> <ul style="list-style-type: none"> <li>Environmental Compliance</li> <li>Energy and Climate Management</li> <li>Water Management</li> <li>Waste Management</li> </ul>      	<ul style="list-style-type: none"> <li>Compliance with local regulatory requirements for scheduled waste disposal</li> <li>Efficient in energy management</li> <li>Efficient in water management</li> <li>Efficient in waste management</li> </ul>	<ul style="list-style-type: none"> <li>Zero cases reported for non-compliance and breach of environmental regulations</li> </ul>
<b>Workplace</b> <ul style="list-style-type: none"> <li>Equal Employment Opportunities</li> <li>Development and Talent Retention</li> <li>Employee Benefits and Welfare</li> <li>Human and Labour Rights</li> <li>Occupational Safety and Health</li> </ul>      	<ul style="list-style-type: none"> <li>Provide equal employment and career growth opportunities for all irrespective of gender, race, religion and disabilities</li> <li>Provide employment with development and talent retention</li> <li>Zero tolerance to discrimination and harassment</li> <li>Protection of human and labour rights</li> <li>Provide safe and health work environment</li> </ul>	<ul style="list-style-type: none"> <li>Zero cases reported for forced or child labour, discrimination, harassment, breach of human and labour rights</li> <li>No work injury</li> <li>Organised regular employee wellness programme such as monthly fruit basket programme and workplace health promotion competition.</li> </ul>
<b>Local Communities</b> <ul style="list-style-type: none"> <li>Local Communities Employment</li> <li>Corporate Social Responsibility</li> </ul>   	<ul style="list-style-type: none"> <li>Support local communities through Corporate Social Responsibility programs</li> </ul>	<ul style="list-style-type: none"> <li>Together with Guang Ming, donated 100 AEDs (RM1,000,000) to non-profit organization and schools</li> <li>Offer internship programme and 2 students were hired in current financial year</li> </ul>

# SUSTAINABILITY REPORT (CONT'D)

## ECONOMIC

### Product Quality

Our Group places emphasis on the quality of products that we manufacture, with our production facility conforms to the highest standards required by the relevant authorities. We are assessed and accredited with **ISO 9001:2015**, **ISO 13485:2016** and **EN ISO 13485:2016**. In addition, we have also received the **Good Distribution Practice for Medical Devices (“GDPMD”)** and the **Halal certification** for our prefilled humidifiers. We were also accredited with a **certificate of EC registration** from BSI, which certifies that our manufactured medical consumables comply with the European Commission health, safety and environment protection legislation, under the **European Commission 93/42/EEC**.



An overview of the key internal controls for ensuring product quality and safety is illustrated as follows:

Internal Controls	Description
New product development	For new product, they will be sent for laboratory and clinical testing to assess its quality prior to submitting an application to the relevant authorities for approvals. If the product does not meet the quality during the laboratory and clinical testing, we will improve the product quality based on the feedback and undergo further laboratory and clinical testing.
Manufacturing process inspection	First shot will be inspected during the initial machine setup. In Process Quality Control (“IPQC”) will be performed.
Finished products and outgoing inspection	<p>Quality check on finished products including namely leak test and sterility will be performed prior to sending for packing.</p> <ul style="list-style-type: none"> <li>Leak tests are performed where a sample prefilled humidifier is placed into a pressurised press jig and checks performed manually to test the seal on the front and back tubes of prefilled humidifier for leakage.</li> <li>Sterility tests are performed at our microbiology laboratory or any other qualified contract laboratory where a sterilised sample is collected and tested for the presence of micro-organisms. The sample meets the requirements for sterility if there are no presence of micro-organisms after 14 full days of incubation.</li> </ul>

### Customer Satisfaction

Customer satisfaction is important to spur the establishment of loyal customers. The customers’ loyalty and trust in our Group significantly reduce the likelihood of them switching suppliers while the goodwill generated among these customers will translate into more business opportunities through their recommendation to other prospective customers.

It is our current practice to carry out post-market surveillance activities on an on-going basis to collect data, evaluate and identify the need to take any action to ensure our products continue to be safe and well-performing as well as opportunities to improve the product quality.

The awards and recognitions that the Group has received over the years serve as an acknowledgement of our efforts and commitment to our products.

## ECONOMIC (Cont'd)

### Customer Satisfaction (Cont'd)

List of awards and recognitions:

- Best Country Order Growth, Patient Care & Monitoring Solution Malaysia (by Philips in 2015);
- Best Channel Partner Performance, Value Segment for Patient Monitors (by Philips in 2016);
- Rising Star Award (by Mindray in 2020); and
- Best Innovation Award (by Malaysia Technology Expo 2020)



*Awards and Recognitions*

### Market Presence

To constantly build our market share, we regularly visit our customers and suppliers to solidify our market presence. We have visited customers to engage with them and to obtain feedback which will form part of our database to formulate our business strategy to expand our market share.

We also set up our showroom at our headquarters to display our products.



*Showroom at headquarters display our products such as patient monitors/ MRI-compatible Patient Monitors, Ultrasound Machines, Maternal and Infant Care Equipment, Ventilators and etc.*



# SUSTAINABILITY REPORT (CONT'D)

## ECONOMIC (Cont'd)

### Market Presence (Cont'd)

Our Group recognises that participation in exhibitions and trade shows not only can provide valuable insight to our potential customers in both local and overseas markets, but also allow us to create public awareness and promote our products and services. In addition, our Group also able to keep abreast on the relevant market trends and technical information. The trade exhibitions and trade shows that our Group participated in 2022 are shown in below.

Year	Key Trade Exhibitions/ Trade Shows	Organizer	Location
2022	APHM International Healthcare Conference & Exhibition 2022	Association of Private Hospitals of Malaysia	Wilayah Persekutuan, Kuala Lumpur
2022	Annual Scientific Meeting on Intensive Care 2022	Malaysian Society of Intensive Care	Wilayah Persekutuan, Kuala Lumpur
2022	iECG WORKSHOP 2022	Hospital Raja Perempuan Zainab II	Kota Bharu, Kelantan
2022	Paediatric Emergency Medicine (PEM) Made Easy 2.0	Hospital Tuanku Ja'afar Seremban	Seremban, Negeri Sembilan
2022	National Peri-Operative Mortality Review Conference 2022	Peri Operative Mortality Review Committee in Ministry of Health Malaysia	Ayer Keroh, Melaka
2022	Ventilator Workshop	Hospital Raja Permaisuri Bainun	Ipoh, Perak
2022	Ventilator Workshop	Sultanah Aminah Hospital	Johor Bahru, Johor
2022	Arab Health 2022	Informa Markets	Dubai, United Arab Emirates



APMH International Healthcare Conference & Exhibition 2022



Arab Health 2022

### Supply Chain Management

#### New Supplier Selection

As part of our supplier management activities, we are committed to ensure that all new suppliers are assessed through our supplier selection, qualification and evaluation procedures. The selection of supplier must be done through the Supplier Selection and Qualification Report and will be based on the risks associated with the medical devices.

Our Anti Bribery and Anti Corruption Policy states our commitment to dealing with suppliers in a fair, honest and professional manner while seeking best values for the business. Potential suppliers are treated on an equal basis and no unmerited favouritism is to be shown in the procurement of goods and services. Employees and business associates shall not enter into any contract on behalf of our Group or for our Group's benefits where the entry into the contract is in any way affected by a breach of Anti Bribery and Anti Corruption Policy as well as any applicable law and regulations. We will avoid dealing with prospective suppliers known for offering or providing bribes while suppliers will be made known to our Anti Bribery and Anti Corruption Policy and encourage them to adhere to similar high standards of corporate responsibility. Procurement practices shall be made in accordance with our Group's Control of External Providers Procedure and External Providers Information Procedure. Risk assessment on supplier should be carried out in accordance with the Control of External Providers Procedures and this will include an assessment of bribery risk.

## ECONOMIC (Cont'd)

### Supply Chain Management (Cont'd)

#### Supplier Evaluation

We evaluate our selected suppliers on an annual basis to enhance the suppliers' performance and quality. Below are the key criteria used in our supplier evaluation:

- Number of supplier lot rejected;
- Number of supplier late delivery; and
- Time of price increase.

#### Responsible Supply Chain

Suppliers are required to sign the Supplier Code of Conduct and Compliance Declaration Form. The Supplier Code of Conduct sets out the requirements expected of suppliers regarding compliance with laws and regulations, corruption and bribery, social and working conditions, child labour, and the outside environment. The main objective is to partner with suppliers to ensure full compliance with these requirements as they, in turn, apply them to their own employees, agents, subcontractors, suppliers with whom they work with in the delivery of goods and services to our Group.

The key issues addressed in the Supplier Code of Conduct are as below:

Key Issues	Description
Compliance with Laws and Regulations	<ul style="list-style-type: none"> <li>• Comply with all applicable national and international laws and regulations, including the International Labour Organization and the internationally recognised Base Code of Labour standards, industry standards and all other relevant statutory requirements whichever requirements impose the highest standard of conduct.</li> </ul>
Doing Business with Integrity	<ul style="list-style-type: none"> <li>• Conduct their business in accordance with the highest ethical standards with timely delivery.</li> <li>• Comply with all applicable laws and regulations concerning corruption, bribery, fraud and unfair and prohibited business practices.</li> </ul>
Representation	<ul style="list-style-type: none"> <li>• Provide an honest, accurate and open representation of its organisation, its qualification, experience and capabilities.</li> <li>• Disclose if requested, accurate reference of previous work undertaken. Where references of previous work undertaken cannot be disclosed due to confidentiality obligations, Suppliers shall reasonably endeavour to obtain the appropriate permissions and shall at a minimum disclose such information without breaching such obligations of confidentiality.</li> </ul>
Quality	<ul style="list-style-type: none"> <li>• Any goods supplied shall be without fault and of the best available design, quality, material and workmanship, be fit for any purpose held out by the supplier and representatives.</li> <li>• Any services supplied shall be provided by appropriately qualified and trained personnel, with due care and diligence.</li> </ul>
Privacy, Freedom of Expression and Data Protection	<ul style="list-style-type: none"> <li>• Recognize and respect privacy and freedom of expression within the supplier's operation.</li> <li>• Use due skill, care and diligence to implement adequate and document security controls and take necessary precautions to protect any data against unauthorized or unlawful processing and against accidental loss, destruction, damage, alteration or disclosure.</li> </ul>
Social and Working Condition	<ul style="list-style-type: none"> <li>• Recognize and be committed to upholding the human rights of their employees and treat them with dignity and respect as understood by the international community.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>• Recognize that environmental responsibility is integral to producing high quality products.</li> <li>• Comply with all applicable environmental laws, regulations and industry standards.</li> </ul>

#### Local vs Foreign Procurement

To promote the sustainability of the local economy, our Group prioritises the procurement of goods and services from local suppliers who meet the standards we require. Through local procurement, the transportation required reduces which indirectly contribute to the carbon emissions reduction.


# SUSTAINABILITY REPORT (CONT'D)



## ECONOMIC (Cont'd)

### Innovation

We use various types of technologies to develop and manufacture our own medical consumables as follows:

Technology	Description
<p>Enterprise Resource Planning System</p> 	<p>Computer software programme that an organisation in the provision of production-based or distribution business uses to manage day-to-day business activities such as accounting, procurement, order management, supply chain operations and manufacturing with the core function of accounting.</p>
<p>Fill-seal-leak Test Machine</p> 	<p>A fully automated medical product packaging technology that fills, seals and performs a fill leak test on sealed parts to ensure that it is leak tight.</p>
<p>Adaptor Automated Assembly Line</p> 	<p>An adaptor assembly line comprises multiple modules including rubber insertion station, cap insertion station and packaging that adapts to the production process.</p>
<p>BWT OSMOTRON® PRO</p> 	<p>A skid-mounted system for the production of pharmaceutical water that meets the current United States Pharmacopeia Convention and European Pharmacopoeia requirements.</p>
<p>BWT LOOPO</p> 	<p>A system for the distribution, sanitisation, control and monitoring of purified and highly purified water or water-for-injection circulation systems.</p>
<p>FEDEGARI Steam Air Steriliser</p> 	<p>A technology used for the counter pressure sterilisation of aqueous solutions in sealed containers.</p>
<p>OMRON Collaborative Robot System</p> 	<p>A technology designed to share the same workspace with humans and can be easily switched for any task including pick and place processes etc.</p>
<p>Zalpha Autonomous Guided Vehicle ("AGV")</p> 	<p>Installed AGV to transfer trolley between clean room and production room to reduce ergonomic injury, increase throughput, reduce machine dwell time, eliminate errors, improve material traceability and allow employees to focus on tasks given.</p>



## ECONOMIC (Cont'd)

### Data Protection and Privacy

Our business model relies heavily on the users' trust on their data security and safety. Our IT system has all the necessary security features in place to secure our database and to protect against cyber-attacks. We secure information assets and personal data of our customers, suppliers and employees through the use of integrated data protection and information security strategies. Below are examples of cybersecurity measures, protocols and practices that we have implemented to ensure the safety of our business model from cyber threats.

- Password Policy for accessing to PCs, notebooks and servers, which requires users to periodically change the passwords;
- Disaster Recovery Plan to ensure continuity of operations in the event of major systems failure or catastrophe;
- Scheduled backup on an external drive which is placed outside of the Company's premises;
- Control over access to data information to prevent unauthorised access; and
- Anti-virus software to minimise the risk of introducing and spreading computer viruses.

In FYE 2022, there were no reports of major cyber security violations and no cases related to breaches of data or complaints received from external stakeholders.

### Corporate Governance and Ethics

Our Board has continuously aimed to promote a sound governance through policies which complied with the latest regulatory requirements and the principles of best corporate governance practices. These include Code of Conduct, Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy are made available on our website at [www.umedic.com.my](http://www.umedic.com.my).

#### Code of Conduct

Our Code of Conduct is formulated for Directors, key management and employee to reflect our corporate value on commitment of integrity, responsibility, diligence and professionalism. The Code of Conduct is formulated to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:

- To encourage high expected standards of honesty, integrity, ethical and law-abiding behaviour of Directors;
- To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administrating a company; and
- To provide guidance to our Board to maintain the confidence of shareholders and other stakeholders on our Company's integrity.

Our Code of Conduct governs the rules implemented for Conflict of Interest, Confidentiality, Insider Information and Securities Trading, Protection of Assets and Funds, Compliance, Directorships in Other Companies, Gifts and Hospitality, Anti-Bribery and Anti-Corruption, Safety, Health and Environment. We communicated these Code of Conduct to all Directors and employees to ensure the uphold with our core value.

Stakeholders are encouraged to report the incidents via whistleblowing channel should they know of or suspect any violation of the Code of Conduct. In FYE 2022, there were no non-compliance cases and breach of Code of Conduct.

#### Anti Bribery and Anti Corruption Policy

We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and integrity in all our business dealings and relationships wherever we operate and expect the individuals and organisation we work with to uphold and adopt the same approach. Our Employee Handbook states that our Group reserves the right to undertake disciplinary action against an employee who committed bribery and corruption.

We pride ourselves on our reputation for acting fairly and ethically wherever we do business. Our reputation is built on our values as a company, the values of our employees and our collective commitment to acting with integrity throughout our organization.

With the implementation of the new Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 which introduces corporate liability provision for bribery and corruption offences that came into effect on 1 June 2020, we have established Anti Bribery and Anti Corruption Policy. We condemn corruption in all its forms and we will not tolerate it in our business or in those we do business with. It is our policy to conduct all of our business in an honest and ethical manner. Employees are required to sign the Acknowledgement of Anti Bribery and Corruption Policy as evidence that they have read and understood the Anti Bribery and Anti Corruption Policy and will abide by the requirements set out in the said Policy.

# SUSTAINABILITY REPORT (CONT'D)



## ECONOMIC (Cont'd)

### Corporate Governance and Ethics (Cont'd)

#### Anti Bribery and Anti Corruption Policy (Cont'd)

The prevention, detection and reporting of bribery is the responsibility of each employee and employee must report any activity or conduct which is not complying to Anti Bribery and Anti Corruption Policy as well as the applicable law and regulations, through whistleblowing channel. Stakeholders are encouraged to report the incidents via whistleblowing channel should they aware of or suspect any bribery and corruption activities.

Similarly, our Code of Conduct also recognise that involvement in bribery by any Directors and employees will adversely affect the image and reputation of our Company and hence there is a clear need to create a corporate culture of good corporate governance free of bribery and other forms of corruption.

In FYE 2022, there were no reported incidents of corruption or breaches against Anti Bribery Anti Corruption Policy.

#### Whistleblowing Policy

Our Board has defined the Whistleblowing Policy for our Group, which provides guidance for stakeholders to report genuine concerns of any possible improprieties pertaining to financial reporting, compliance, malpractices and unethical business conduct within our Group. The Whistleblowing Policy aims to instil confidence on and assure our employees that they will be protected from possible reprisals or victimization that if they raise concerns in good faith, and believing them to be true. The types of concerns can be reported through whistleblowing mechanism includes but not limited to the following:

- Financial malpractice, impropriety or fraud;
- Corruption, bribery or blackmail;
- Failure to comply with laws or regulations or group/ company policies and procedures;
- Criminal offences and miscarriage of justice;
- Endangerment of an individual's health and safety;
- Falsification or destruction of business or financial records or misrepresentation or suppression of financial information; or
- Concealment of any or a combination of the above.

In FYE 2022, there were no whistleblowing reports being reported.



## ENVIRONMENT

### Environmental Compliance

We are aware of our responsibilities to protect the environment where we operate in and we believe in preserving the environment for the future generation whilst meeting the needs of our stakeholders. We are committed to sustainability development goals and to comply with all applicable environmental laws and regulations. We continuously develop and maintain a sustainable mechanism to protect the environment by managing our energy consumption, water consumption, waste generated throughout our businesses.

In FYE 2022, there were no non-compliance cases and breach of environmental regulations.

### Energy and Climate Management

Carbon emissions play a significant role in climate change. Therefore, we strive to reduce our carbon footprint as an on-going initiative to reduce electricity consumption and combat climate change. As we aim to reduce our carbon footprint, we plan to install solar panels on the roofs of our premises.

Electricity Consumption (in Kw)	FYE 2020	FYE 2021	FYE 2022
Total electricity consumption (Kw)	441,070	695,422	1,098,199
Revenue (RM)	23,675,991	34,115,959	50,738,156
Percentage of electricity consumption over revenue (%)	1.86	2.04	2.16

Note: Consumption of electricity is measured based on the quantities consumed according to the electricity bill.

## ENVIRONMENT (Cont'd)

### Energy and Climate Management (Cont'd)

Petrol Consumption (in litre)	FYE 2020	FYE 2021	FYE 2022
Total petrol consumption – RON95 (litre)	38,666.52	38,549.80	60,462.66
Total petrol consumption – Diesel (litre)	2,763.05	2,748.56	1,969.58
Total petrol consumption	41,429.57	41,298.36	62,432.24
Revenue (RM)	23,675,991	34,115,959	50,738,156
Percentage of petrol consumption over revenue (%)	0.17	0.12	0.12

Note: Consumption of petrol is measured based on the petrol claimed.

**Scope 1, direct CO2 emissions:** emissions come from the consumption of petrol and diesel for vehicles, calculated based on the reported fuel quantities.

**Scope 2, indirect CO2 emissions:** emissions come from the consumption of electricity, calculated based on the energy quantities.

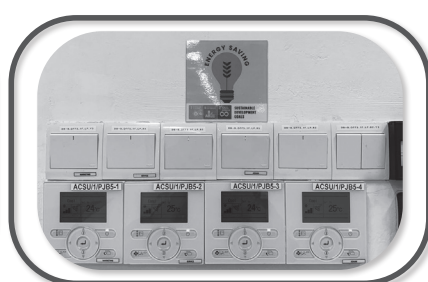
Emissions Type (in Tonnes CO2)	FYE 2020	FYE 2021	FYE 2022
Direct Emissions (Scope 1)	98.26	95.39	158.39
Indirect Emissions (Scope 2)	306.10	482.62	762.15
Total	404.36	578.01	920.54
Revenue (RM)	23,675,991	34,115,959	50,738,156
Percentage of Scope 1 over revenue (%)	0.0004	0.0003	0.0003
Percentage of Scope 2 over revenue (%)	0.0013	0.0014	0.0015

Note: The CO2 emission is calculated based on the emission factors from the Malaysian Green Technology.

We support all minor activities in our operation which do not appear to be significant but also can help in fighting climate change such as planting in office, placing friendly reminder posters to users of electricity, encouraging employees to drive green vehicles (by providing designated parking space for green vehicles) and etc. Through these minor activities, we able to contribute in preserving energy and reducing air pollution.



Outdoor plantations



Energy saving poster near switches



Designated parking space for green vehicles



# SUSTAINABILITY REPORT (CONT'D)

## ENVIRONMENT (Cont'd)

### Water Management

Presently, our operations are not located in water stressed areas and our production activities do not cause water pollution. Nevertheless, our Group is committed to contribute to better water management and protect clean water. We place friendly reminder posters to users of our water.

Water Consumption (in m3)	FYE 2020	FYE 2021	FYE 2022
Total water consumption (m3)	555.99	4,948	10,297
Revenue (RM)	23,675,991	34,115,959	50,738,156
Percentage of water consumption over revenue (%)	0.0023	0.0145	0.0203

Note: Consumption of water is measured based on the quantities consumed according to the water bill.



Save water posters

### Waste Management

Our Code of Conduct emphasises that all employees shall at all times be committed to prevent wasteful use of natural resources, protect the environment by minimizing and mitigating environmental impacts throughout the life cycle of operations. We are aware of our responsibility to reduce the waste generation and hence we manage our wastes through reduction, reuse and recycling of wastes. For instance, we reuse wooden pallet to build signatories in our warehouse, print documents on recycled papers (which do not contain confidential data) and etc. These initiatives have reduced the consumption of new material which leads to cost savings and effective use of materials.

Paper Usage (in reams)	FYE 2020	FYE 2021	FYE 2022
Total no. of paper reams (A4 papers)	270	288	254
Total no. of paper reams (photostat reading)	287	355	372

We also trained our employees to differentiate different types of waste so they can segregate the waste based on the types and identify the appropriate treatment or disposal method.

SOCIAL

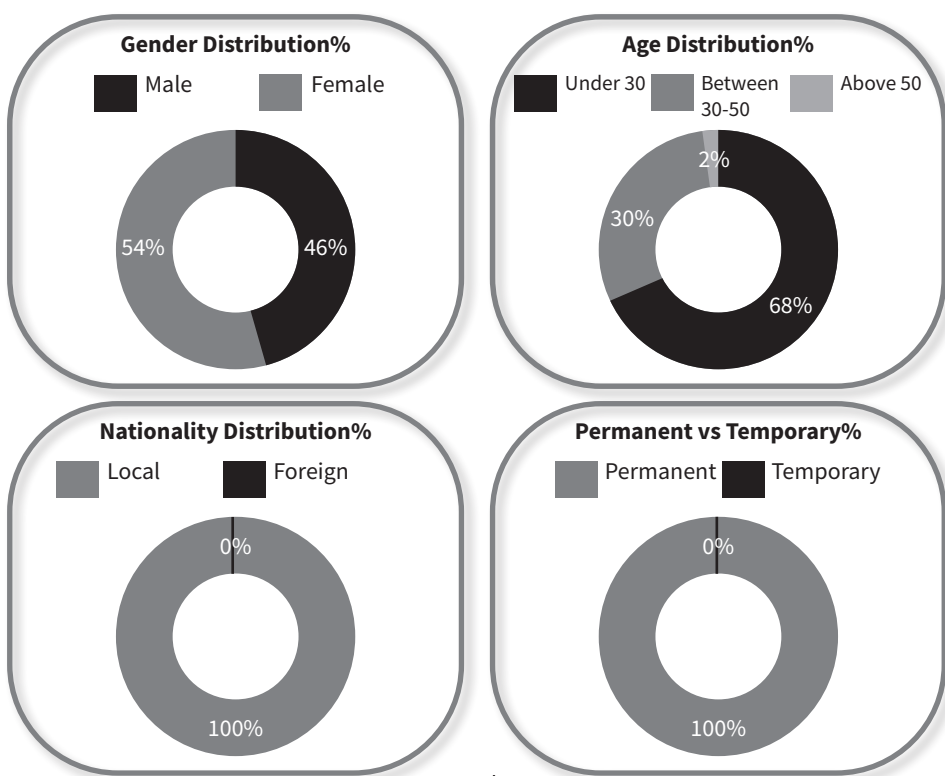
Workplace



Equal Employment Opportunity

We strive to provide equal employment opportunity for all employees as we believe that true innovation and growth are built on a culture that respects diversity, inclusion and equality. We have implemented a standard recruitment procedure which will ensure the proper identification and recruitment of new talent to join our organisation to contribute to the growth of our business. All employment decisions are based on business needs and job requirement regardless of age, race, gender, religion, nationality, marital status, pregnancy, disability or any other status protected by the local laws or regulations.

The details of the employee profile are presented as below:



# SUSTAINABILITY REPORT (CONT'D)

## SOCIAL (Cont'd)

### Equal Employment Opportunity (Cont'd)

Employee Distribution	Percentage (%)
<b>By Gender</b>	
Male	46
Female	54
<b>By Age</b>	
Under 30	68
Between 30-50	30
Above 50	2
<b>By Nationality</b>	
Local	100
Foreign	-
<b>Permanent vs Temporary</b>	
Permanent	100
Temporary	-

### Development and Talent Retention

We believe in empowering our employees by having in place a standard operating procedure on training and personnel development. By providing appropriate training to our employees, it helps our employees achieve excellence in their respective fields, enable them to prepare for future, result in better customer service, productivity improvements, better efficiency and better workplace safety practices.

On annual basis, Annual Training Plan will be developed to plan both internal and external trainings to be conducted. In FYE 2022, we have carried out a total of 1,934 hours of training with average 16 training hours per employee.

Training Hours	FYE 2020		FYE 2021		FYE 2022	
By Age/Gender	Male	Female	Male	Female	Male	Female
Under 30	210	408	576	783	627	707
Between 30-50	235	288	359	325	372	215
Above 50	0	0	0	22	0	13
Total	445	696	935	1,130	999	935
<b>Overall</b>	<b>1,141</b>		<b>2,065</b>		<b>1,934</b>	

Training Types	Description
Orientation	<ul style="list-style-type: none"> <li>One time programme to welcome new employees.</li> <li>The topics cover company overview, key corporate policies and conduct, overview of benefits and attendance, paperwork, health and safety procedures.</li> <li>Facility tour helps new employees to get acquainted with new workplace.</li> </ul>
On-the-Job (OJT) Training	<ul style="list-style-type: none"> <li>Focus on departmental goals by delivering the necessary skills, knowledge, and core competencies to new employees to perform the task efficiently.</li> <li>Mentoring programme drives rich learning and development for both mentees and mentors.</li> </ul>
Technical Skills Training	<ul style="list-style-type: none"> <li>It is job-specific training which focus on building employee's prerequisite technical skills and competencies relevant to his role.</li> <li>Regular training is conducted to keep abreast of latest development.</li> </ul>
Soft Skills Training	<ul style="list-style-type: none"> <li>Soft skill development training is carried out periodically to enable our employees to work together as a team for the benefit of their own and the organisation's success.</li> <li>The training module covers the topics such as leadership, communication, teamwork, collaboration, time management, problem-solving and etc.</li> </ul>
Mandatory Training	<ul style="list-style-type: none"> <li>All employees are required to undergo Safety and Health Training.</li> <li>All employees are expected to discharge their respective duties in line with our standards and policies.</li> </ul>



## SOCIAL (Cont'd)

### Development and Talent Retention (Cont'd)

As part of our strategies to retain talents, we provide opportunities for high potential employees to develop and progress to senior positions in our Group. We conduct performance appraisals and it is our Company policy to first consider promoting suitable employees within our Company as far as possible before turning to recruitment from the external sources.

### Employee Benefits and Welfare

We aim to provide a conducive working environment for our employees, supporting them in pursuing reasonable standard of lifestyle and work life balance. We adhere to the Employment Act 1955 which is the main legislation on labour matters in Malaysia. We provide competitive remuneration packages and benefits to attract and retain good talents.

To promote a healthy working life, we believe in providing a balanced work-life environment to all our employees to enable them to have more time for their family and/or to pursue and advance their areas of interest. In this respect we do not encourage overtime work unless it is absolutely necessary such as to meet customer's order or regulatory deadlines. All our employees are entitled to national and state public holidays. In addition, our employees are entitled to annual leave, medical leave, maternity leave and etc. The details of employee benefits and welfare are outline as follows:

Statutory Benefits	Leave Provision	Employment Benefits & Welfare	Facilities
<ul style="list-style-type: none"> <li>Adhere to minimum wages</li> <li>Statutory contributions (EPF, SOCSO, EIS and Income Tax)</li> <li>Annual salary increment</li> <li>Performance bonus</li> <li>Service awards</li> <li>Overtime payments</li> <li>National and state public holidays</li> </ul>	<ul style="list-style-type: none"> <li>Annual leave</li> <li>Medical leave</li> <li>Hospitalization leave</li> <li>Maternity leave</li> <li>Marriage leave</li> <li>Paternity leave</li> <li>Compassionate leave</li> </ul>	<ul style="list-style-type: none"> <li>Outpatient medical benefits</li> <li>Group Hospitalization and Surgical Insurance</li> <li>Group Personal Accident Insurance</li> <li>New born baby gift</li> <li>Mileage claim</li> <li>Travel expenses claim</li> </ul>	<ul style="list-style-type: none"> <li>Car park</li> <li>Cafeteria</li> <li>Pantry</li> <li>Sports</li> <li>Dedicated parking space for disabled employees</li> <li>Dedicated parking space for employees with green vehicles</li> <li>Personal lockers</li> <li>Prayer rooms</li> </ul>



*Cafeteria*



*Leisure area*

### Human and Labour Rights

Basic human rights shall be universally protected by any responsible business. Our human rights practices are clearly stated in our Code of Conduct and Employee Handbook and all employees are expected to adhere to these high standards.

We will not tolerate the use of child or forced labour under no circumstances. Our hiring process requires candidates to furnish photocopy of identity card which our HR department will able to verify the age and not process the hiring of underage labour.

# SUSTAINABILITY REPORT (CONT'D)

## SOCIAL (Cont'd)

### Human and Labour Rights (Cont'd)

We maintain a working environment with zero tolerance towards unethical labour practices. Accordingly, we prohibit conduct that constitutes or that could lead to or contribute to harassment based on age, race, gender, religion, nationality, marital status, pregnancy, disability or sexual orientation. Our Sexual Harassment Policy in Employee Handbook states that our Group will take all reasonable steps to ensure that the Sexual Harassment Policy is observed by all employees and any other persons who have contacts with employees. Based on our Discipline Management Policy, sexual harassment is considered as major misconduct.

We have established Grievance Management procedures where employee who feels violated or sexually harassed or discriminated can report the incidence or event to the respective Department Manager or file the grievances through formal channel to HR department. The HR department will investigate immediately and should there be any sufficient evidence to prove that the alleged sexual harassment did take place, our Group has the option to suspend the accused employee immediately to facilitate further investigation. If an employee is found guilty, he or she shall be terminated from employment without notice.

In FYE 2022, there were no cases reported for child labour, discrimination or harassment incidents.

### Occupational Safety and Health

We are committed to provide a safe and healthy environment for all employees and customers while within our company premises. We have complied to the best of our ability the existing laws and regulations relevant to our operations such as Occupational Safety and Health Act 1994, Environmental Quality Act 1974, Factories and Machinery Act 1967, Fire Services Act 1988 and Prevention and Control of Infectious Diseases Act 1988.

Our Safety, Health and Environmental Policy states that all employees are required to adhere to the established policies and procedures pertaining to the Safety, Health and Environmental. Our employees are required to always adopt a Safety First attitude while performing their job and promptly report any potentially hazardous conditions. Safety, Health and Environment Team will identify potential hazards in workplace, eliminate and reduce the identified hazards through Risk Assessment and Risk Control. The team will also provide the necessary training to increase the consciousness of Safety, Health and Environment among the employees.

Our Group also established Emergency Preparedness and Response Procedure to prepare people, equipment and develop procedures to prevent and mitigate safety and health risks caused during accidents, dangerous occurrence or potential emergency situations.

There were no work injuries in FYE 2022.



*TV display at production area showing safety rules*

## SOCIAL (Cont'd)

### Covid-19 Health and Safety Precaution Measures

The health and safety of our employees, customers and community remain our utmost priority and we implement measures at our facilities and offices to safeguard their well-being during the Covid-19 pandemic situation. We have established the Preventive and Control of Infectious Disease Policy which is in line with the government's recommendations, to mitigate the transmission of Covid-19 virus at our operations.

Our policy requires employees and contractors to report and declare their health status to HR department if the potential symptoms of pandemic diseases were found. Safety, Health and Environment Team will conduct the sanitization process in order to prevent the outbreak of pandemic diseases. HR department and Safety, Health and Environment Team will implement the necessary procedures to avoid the infection of pandemic diseases among the employees as well as contractors.

### Local Communities

#### Local Communities Employment

We are committed to contribute to the local community and economy. We prioritise local recruitment to promote healthy development of local social wellbeing and local society. Our workforce is made up of 100% local hires.

In addition, we also recognise youth plays a pivotal role in defining the future of the world and of the industry. Hence, we are devoted to building a robust talent pipeline that brings talented individuals into our Group through our internship program. In FYE 2022, we offered 2 internship positions.

### Corporate Social Responsibility

We believe in the philosophy of giving back to society to show our gratitude and appreciation for our success and in giving, we strengthen the local communities which will contribute to nation building and at the same time helps to create a culture of giving among our employees.

Over the years, we have donated Automated External Defibrillators ("AED") to Dialysis Centre, Religious Organisation, Sport Societies, Ambulance Communities, Care Homes, Old Folks Homes, Fire and Rescue Associations, Community Townhalls, Schools and etc. We have also been providing public trainings for AEDs.

In FYE 2022, together with Guang Ming, we have donated 100 AEDs (RM1,000,000) to non-profit organisation and schools.





# SUSTAINABILITY REPORT (CONT'D)

## SOCIAL (Cont'd)

### Local Communities (Cont'd)

#### Corporate Social Responsibility (Cont'd)



12 July 2022  
SJKC Li Tek, Georgetown

12 July 2022  
SJKC Li Tek A, Georgetown



12 July 2022  
SJKC Li Tek B, Georgetown



12 July 2022  
SJKC Chiao Nan, Ayer Itam, Penang



13 July 2022  
SJKC Kampung Valdor



13 July 2022  
SJKC Yok Eng, Nibong Tebal



## SOCIAL (Cont'd)

### Local Communities (Cont'd)

#### Corporate Social Responsibility (Cont'd)



13 July 2022  
SJKC Kampung Sungai Lembu

14 July 2022  
Pusat Jagaan Rumah Sejahtera  
Permatang Tinggi



14 July 2022  
Persatuan Bomba Sukarela Berapi  
Bukit Mertajam



14 July 2022  
Persatuan Bomba Sukarela Berapi  
Machang Bubok



15 July 2022  
SJKC Moh Ghee Pusat, Georgetown



15 July 2022  
SJKC Moh Ghee Cawangan, Georgetown



# SUSTAINABILITY REPORT (CONT'D)

## SOCIAL (Cont'd)

### Local Communities (Cont'd)

#### Corporate Social Responsibility (Cont'd)



15 July 2022  
Penang Foh Yi Haemodialysis Society



15 July 2022  
SJKC Phei Shin, Georgetown



18 July 2022  
Persatuan Keselamatan Sukarela  
Butterworth



18 July 2022  
Persatuan Kesedaran Jenayah  
Seberang Perai



19 July 2022  
SJKC Jit Sin B, Bukit Mertajam



19 July 2022  
SJKC Beng Teik (Pusat)



## SOCIAL (Cont'd)

### Local Communities (Cont'd)

#### Corporate Social Responsibility (Cont'd)



20 July 2022  
SJJC Lee Chee, Tasek Gelugor

20 July 2022  
SJJC Shih Chung Pusat,  
Georgetown



20 July 2022  
Penang Philomathic Union Society,  
Georgetown



20 July 2022  
Pertubuhan Bomba Sukarela  
New Ferry 2008



20 July 2022  
SJJC Mak Mandin, Butterworth



20 July 2022  
Penang Chinese Girls' Private High School



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## 1. Introduction

Our Board acknowledges the importance of maintaining good risk management and internal control system within our Group and is pleased to present its Statement on Risk Management and Internal Control for the FYE 31 July 2022 and up to the date of approval of this statement disclosed pursuant to the Rule 15.26(b) of AMLR and MCG. This statement was prepared by taking into account of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”) pursuant to Guidance Note 11 of AMLR.

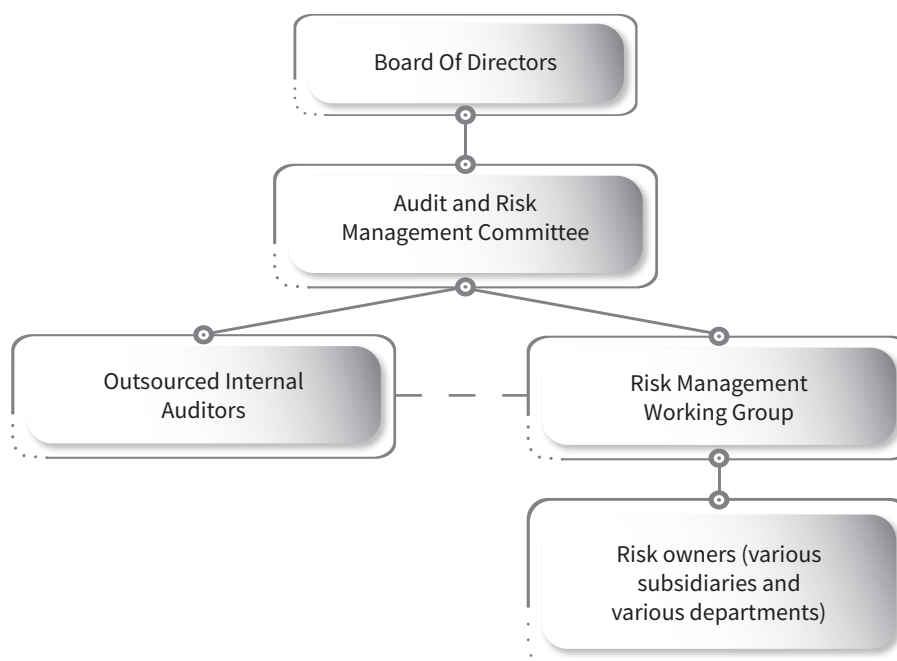
## 2. Board Responsibilities

Our Board recognises the importance of risk management and maintaining a sound internal control system for our Group to safeguard the shareholders’ investment and our Group’s assets, and to discharge their stewardship responsibilities in identifying and reviewing risks and ensuring the implementation of appropriate systems to manage these risks. Our Board, in discharging its responsibilities, is fully committed to maintain appropriate risk management and internal controls system and for reviewing their adequacy and effectiveness so as to provide assurance on the achievement of the objectives of our Group. However, in view of the limitations that are inherent in any risk management system, the system is designed to manage, rather than to eliminate, the risk of failure to achieve the business objectives of our Group. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement, losses or fraud.

Our Board has delegated the oversight of the risk management and the internal control function to the ARMC which is comprised solely of Independent Non-Executive Directors. On a periodic basis, our Board, via the ARMC, evaluates the adequacy and operating effectiveness of the risk management and internal control system and, where appropriate, requires the Management to implement pertinent controls to address emerging issues or areas of control deficiencies. The process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in this Annual Report.

## 3. Risk Management Framework

Our Group has established an Enterprise Risk Management (“ERM”) framework in Risk Management Handbook which serves as a methodical approach for identifying, evaluating, managing and documenting key operational risks in our Group. It sets out the principles, structure, roles and responsibilities, approach and measurement criteria. The Risk Management processes are embedded in the operation and business processes. These processes are performed by key senior management in their course of work and matters reported to our Group Chief Executive Officer, ARMC and Board of Directors. The reporting structure is outlined as below:



Notes:



Functional Reporting  
Independent Feedback

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### 3. Risk Management Framework (Cont'd)

In July 2022, our Group appointed an independent professional firm, MCM International Consultancy PLT ("MCMIC") to assist our Board and Management in updating our Group's key business risks which could affect its strategic, operational and reputational well-being via Enterprise Risk Management assessment activities.

This ERM assessment activities encompasses:-

- An Enterprise Risk Management awareness session;
- Identify our Group's strategic risk and key processes via discussions with Executive Directors and Management;
- Evaluate the risk rating; and
- Assess and document the Management controls for key business risks identified.

The results of ERM assessment and management action plans were presented to the Senior Management and subsequently reported to the ARMC and Board on 13 September 2022 for further deliberation. The management action plans include proposed measures to mitigate weaknesses in the control environment as well as corresponding treatment measures to manage the material exposures identified. Key Management personnel and Heads of Department are delegated with the responsibility to manage identified risks within defined parameters.

### 4. Internal Audit Function

On 18 July 2022, our Group has outsourced the internal audit function to MCMIC, an independent professional firm, which is independent of the activities and operations of our Group as an Internal Control Review Consultant to review the adequacy and sufficiency of systems, procedures and controls of our Group. Functionally, the Internal Auditors report directly to the ARMC. The primary responsibility of the Internal Auditors is to assist our Board and the ARMC in reviewing and assessing management systems of internal control and procedures. The ARMC reviews and approves the Internal Audit Engagement and fees to ensure the independence and objectivity of the Internal Auditors.

The Internal Auditors will execute the internal audit work based on a risk-based internal audit plan which will be approved by the ARMC before the commencement of work. The Internal Auditors will conduct their work in consideration of the broad principles of the International Professional Practice Framework ("IPPF") of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders.

As our Company was only listed on the 26 July 2022, MCMIC has yet to commence the audit work for the FYE 2022.

Nonetheless, in preparation for the listing on the ACE Market of Bursa Securities, our Company had engaged Sterling Business Alignment Consulting Sdn. Bhd., an independent professional consulting company, to assess our Group's internal control system in general.

The pre-listing internal control review was carried out for the following specified functional areas:

- a. Broad Internal Control;
- b. Finance and Accounts;
- c. Sales and Marketing;
- d. Procurement and Sourcing;
- e. Store Management;
- f. Human Resources and Administration;
- g. Management Information System;
- h. Clinical Application;
- i. Service;
- j. Production;
- k. Maintenance;
- l. Laboratory; and
- m. Safety and Health.

Based on the assessment, the internal control environment for our Group is considered adequate where the controls and compliance are generally in place. The management will continue to improve the internal control systems on an ongoing basis.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

## 5. Other Internal Control Processes

Apart from risk management and internal audit, the system of internal controls of our Group also comprises the following key elements:

### a. Organisation Structure and Limit of Authority

Our Group has an organisational structure that well defines lines of responsibility, delegation of authority, segregation of duties and flow of information, aligned to the operational requirements of the business of our Group within management, which provides the levels of accountability and responsibility of the respective job functions of management.

Our Group has established authorisation limits and approval levels for management to follow including those requiring approval from our Board.

### b. Policies and Procedures

Standard Operating Procedures ("SOP") and various policies are formalised to serve as a guiding principle to all employees within our Group for their day-to-day activities to safeguard the assets of our Group against material losses. The policies and procedures shall be periodically reviewed and updated to cater to the changing business environment and operational requirements, and statutory reporting needs. Our Group has also documented policies and procedures to regulate relevant key processes in compliance with the following:

- ISO 9001:2015;
- ISO 13485:2016;
- EN ISO 13485:2016;
- Good Distribution Practice for Medical Devices ("GDPMD");
- Halal certification; and
- European Commission health, safety and environment protection legislation ("European Commission 93/42/EEC").

### c. Integrity and Ethical Value

The tone from the top on integrity and ethical value are enshrined in the formal Code of Conduct ("the Code") established and approved by our Board. The Code forms the foundation of the integrity and ethical value of our Group.

Integrity and ethical value expected from the employees are incorporated in the Employees Handbook whereby the ethical behaviours expected with customers and of suppliers as well as employees to carry out their duties and responsibilities assigned are also established and formalised in the Handbook.

In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, a formal Anti Bribery and Anti Corruption Policy had been put in place to prevent the risk of bribery and conflict of interest within our Group with a Whistleblowing Policy implemented for all stakeholders to raise genuine concerns about possible improprieties in matters of unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements at the earliest opportunity.

### d. Board of Directors/ Board Committee Meetings

The role, functions, composition, operation and processes of our Board are guided by the Board Charter. Board Committees, namely ARMC, NC and RC are established with terms of references clearly outlining their functions and duties delegated by our Board. ARMC assists our Board to review the effectiveness of the ongoing monitoring processes on risk and control matters for areas within their scope of work.

Meetings of our Board and respective Board Committees are carried out on a scheduled basis to review the performance of our Group, from financial and operational perspective.

### e. Employee Handbook

Guidelines on human resource management are in place to ensure the ability of our Group to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing the necessary knowledge, skill and experience in order to carry out their duties and responsibilities assigned effectively and efficiently.

Performance evaluations are carried out for all levels of staff to identify performance gaps, for training needs identification and talent development.

Emphasis is placed on enhancing the quality and ability of employees through a wide variety of training programs and workshops to enhance their knowledge and expand the employees' competency level in executing daily jobs. Relevant trainings and courses are provided to personnel across all functions to maintain a high level of competency and capability.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

## 5. Other Internal Control Processes (Cont'd)

### f. Information and Communication

Our Group has put in place effective and efficient information and communication infrastructures and channels, i.e., computerised systems, secured intranet and electronic mail system, so that operation data and management information can be communicated timely and securely to dedicated personnel within our Group for decision making and for communication with relevant external stakeholders for execution and information collection. Our Management and Board meetings are held for effective two-way communication of information at different level of management and our Board.

### g. Monitoring and Review Activities

Our Executive Director/Chief Executive Officer is closely involved in the daily operations regularly reviews the operational information. Our Group conducts quarterly management meeting which is chaired by our Executive Director/Chief Executive Officer and attended by the various Head of Departments to review and discuss on various matters covering operational, financial, business development and human resources areas.

### h. Company Secretary

The Company Secretary provides the necessary advice and guidance on matters relating to the Constitution of our Company, Board policies and procedures, and compliance with relevant regulatory requirements, codes or guidance.

### i. COVID-19 Management

Our Group has been emphasising on the safety and health of our employees and stakeholders by enforcing precautionary measures and guidelines in factory premises as stipulated by the relevant authorities since the breakout of the COVID-19 pandemic.

## 6. Review of the Statement by External Auditors

The external auditors have reviewed the Statement on Risk Management and Internal Control pursuant to Rule 15.23 of the AMLR and in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of our Group for the FYE 31 July 2022 and reported to our Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of our Group, in all material respects:

- a) Has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or
- b) Is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the risk management and internal control system of our Group including the assessment and opinion by our Board and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact remedy the problems.

## 7. Conclusion

Our Board has received assurance from the Executive Director/Chief Executive Officer that the risk management and internal control system adopted by our Group is operating adequately and effectively, in all material aspects, based on their observations in the course of their management of daily operations of our Group. Our Board is of the view that the risk management and internal control systems are operating satisfactorily and effectively to safeguard the interest of stakeholders and assets of our Group for the financial year under review, and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the annual report of our Company. Our Board continues to take measures to review and, where necessary, enhance the risk management and internal control systems of our Group to meet the strategic objectives of our Group.

Our Board is committed to maintaining a sound internal control system and an effective risk management throughout our Group and reaffirms its commitment to continuously review and where necessary, enhance further the risk management and internal control systems.

This Statement on Risk Management and Internal Control is made in accordance with a resolution passed in our Board of Directors' meeting held on 11 November 2022.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## **Audit and Risk Management Committee Report**

### **COMPOSITION AND DESIGNATION**

#### **Lee Yee Wooi**

Chairman

(Independent Non-Executive Director)

#### **Dr Pakirisamy Baskaran A/L P Thangavelu**

Member

(Independent Non-Executive Director)

#### **Tan Chye Suan**

Member

(Independent Non-Executive Director)

Our members of the Audit and Risk Management Committee (“ARMC” or “Committee”) comprise wholly Independent Non-Executive Directors.

Our ARMC Chairman, Lee Yee Wooi is a member of Malaysian Institute of Accountants.

Members of our Committee are financially literate, with diverse background, experience and knowledge in accountancy, business management, commercial and corporate laws.

### **TERMS OF REFERENCE**

Following are the details of our ARMC’s terms of reference. The terms of reference are also posted at our Company’s website at [www.umedic.com.my](http://www.umedic.com.my).

#### **1.0 Appointment/Composition**

- 1.1 The members of the ARMC shall be appointed by the Board and the chairman of the Board shall not be a member of the Committee.
- 1.2 The Committee shall consist of not less than three (3) members, comprises exclusively Non-Executive Directors and financially literate, a majority of whom are Independent Directors.
- 1.3 At least one (1) member of the Committee:
  - (i) Must be a member of the Malaysian Institute of Accountants; or
  - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years’ working experience and
    - he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
    - he must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
  - (iii) fulfils such other requirements as prescribed or approved by Bursa Securities.
- 1.4 No Alternate Director shall be appointed as a member of the Committee.
- 1.5 No former audit partner shall be appointed as a member of the Committee before observing a cooling-off period of at least 3 years.
- 1.6 The Chairman of the Committee shall be appointed by the members of the Committee among their number who is an Independent Director.
- 1.7 The Board shall, within three (3) months of a vacancy occurring in the Committee which result in the number of members reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) members.



# AUDIT AND RISK MANAGEMENT

## COMMITTEE REPORT (CONT'D)

### 2.0 Meetings

- 2.1 Meetings shall be held not less than four (4) times in a year. In addition, the Chairman of the Committee may call a meeting of the Committee if a request is made by any Committee members, the Company's Executive Chairman/Chief Executive Officer or the internal or external auditors if they consider it necessary.
- 2.2 Meeting will be attended by the members of the Committee and the Company Secretary or the representative of the Secretary shall act as the secretary of the Committee.
- 2.3 Participants may be invited from time to time to attend the meeting depending on the nature of the subject under review. These participants may include the Directors, General Managers, Divisions Heads, representatives from the Finance and Internal Audit Departments and external auditors. The head of finance, the head of internal audit and a representative of the external auditors should normally attend meetings.
- 2.4 The quorum of the Committee meeting shall be two (2) members both of whom shall be Independent Directors.
- 2.5 The Chairman of the Committee should engage on a continuous basis with the senior management, such as the Executive Chairman, the Chief Executive Office, the Head of Finance, the Head of the Internal Audit and the External Auditors in order to be kept informed of matters affecting the Company.
- 2.6 The Committee should meet with the external auditors without the presence of executive board members at least twice a year.
- 2.7 A member of the Committee may participate in a meeting by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 2.8 Questions arising at any meeting of the Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Committee shall have a second or casting vote. However, at meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairman shall not have a second or casting vote. All conflicting views shall be submitted to the Board for its final decision. Any member who has an interest in any matters being reviewed or considered shall abstain from voting on the matter.
- 2.9 A circular resolution in writing signed by a majority of the members of the Committee, shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the Committee and shall include signed copies via legible facsimile transmission or other written electronic means.

### 3.0 Authority

- 3.1 The Committee is authorised by the Board to carry out the duties mentioned below and the Board and the Management shall give all assistance that is necessary to enable the Committee to discharge its duties.
- 3.2 The Committee shall, whenever necessary and reasonable for the performance of its duties and in accordance with a procedure to be determined by the Board and at the Company's cost:
  - (a) have authority to investigate any matter within its terms of reference;
  - (b) have the resources which are required to perform its duties;
  - (c) have full and unrestricted access to any information pertaining to the Company;
  - (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
  - (e) be able to obtain independent professional or other advice; and
  - (f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the company, whenever deemed necessary.
- 3.3 The Head of Internal Audit shall report directly to the Committee.

# AUDIT AND RISK MANAGEMENT

## COMMITTEE REPORT (CONT'D)

### 4.0 Functions and Responsibilities

The functions and responsibilities of the Committee shall include the following:

#### 4.1 Internal Audit

- (a) To review and report to the Board the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work.
- (b) To review the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken by management on the recommendations.
- (c) To review any appraisal or assessment of the performance of members of the internal audit function.
- (d) To approve any appointment or termination of senior staff members of the internal audit function, if the internal audit function is performed in-house.
- (e) To take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reason for resigning, if the internal audit function is performed in-house.
- (f) To ensure the person responsible for the internal audit reports directly to the Committee.

#### 4.2 External Audit

- (a) To review with the external auditors, the audit report, the nature and scope of their audit plan and report the same to the Board.
- (b) To review with the external auditors, their audit report and evaluation of accounting policies and systems of internal controls and report the same to the Board.
- (c) To review internal audit findings and the management's responses or action plans, including the status of the previous audit recommendations.
- (d) To review the assistance given by employees of the Group to the external Auditors.
- (e) To review and report the same to the Board any letter of resignation from the external Auditors of the Company as well as whether there is any reason (supported by grounds) to believe that the Company's external Auditors are not suitable for re-appointment.
- (f) To make recommendations concerning the appointment of the external auditors and their remuneration to the Board.
- (g) To review the non-audit fees paid or payable to the external auditors, or a firm or corporation affiliated to the external auditors' firm.
- (h) To assess the suitability, objectivity and independence of the external auditor, taking into consideration: -
  - (i) the competence, audit quality and resource capacity of the external auditor in relation to the audit;
  - (ii) the nature and extent of the non-audit fees rendered and the appropriateness of the level of fees; and
  - (iii) obtaining assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the term of all relevant profession and regulatory requirements.

#### 4.3 Audit Reports

The reports of the Committee and the external and internal auditors and corrective action taken shall be tabled for discussion by the Board of Directors.

# AUDIT AND RISK MANAGEMENT

## COMMITTEE REPORT (CONT'D)

### 4.0 Functions and Responsibilities (Cont'd)

#### 4.4 Financial Reporting

To review quarterly results and year-end financial statements prior to the approval of the Board, focusing particularly on:

- (a) changes in or implementation of major accounting policy changes;
- (b) significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters addressed; and
- (c) compliance with accounting standards and other legal requirements.

#### 4.5 Related Party Transaction

To review any related party transactions and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

#### 4.6 Allocation of Options

To review and verify the allocation of options to employees under employees share option scheme.

#### 4.7 Risk Management

- (a) To determine that there is a robust process in place for identifying, managing, and monitoring critical risks; oversee execution of that process; and ensure it is continuously improved as the business environment changes;
- (b) To provide timely input to management on critical risk issues;
- (c) To engage management in an ongoing risk appetite dialogue as conditions and circumstances change and new opportunities arise;
- (d) To oversee the conduct, and review the results, of company-wide risk assessments, including the identification and reporting of critical risks;
- (e) To oversee the management of certain risks, with regard to the complexity and significance of these risk exposures;
- (f) To provide advice to the Board on risk strategies and coordinate the activities of the various standing board committees for risk oversight;
- (g) To promote a healthy risk culture and watch for dysfunctional behaviour that could undermine the effectiveness of the risk management process (e.g. excessive risk-taking due to misaligned key performance indicators and remuneration schemes);
- (h) To review the Company's internal control and risk management framework, strategic, policies, processes, responsibilities and actions;
- (i) To identify, assess and monitor the key business risk and management's action plan and assess whether risks are managed adequately and effectively;
- (j) To conduct an annual review and periodic testing of the Company's internal control and risk management framework and make necessary changes to the framework arising from the review;
- (k) To solicit feedback on the adequacy and effectiveness of risk management and internal control from the Executive Director, management, internal auditors and external auditors at least annually; and
- (l) To review and ensure that risk disclosure in the annual report are made in compliance with the provisions of the authority.



# AUDIT AND RISK MANAGEMENT

## COMMITTEE REPORT (CONT'D)

### 4.0 Functions and Responsibilities (Cont'd)

#### 4.8 Listing Requirements

To report any breach of listing requirements, which have not been satisfactory resolved to Bursa Securities.

#### 4.9 Other Matters

- (a) To ensure the inclusion of corruption risk as one of the risks assessed in the Group's risk register.
- (b) To review the Anti-Bribery & Corruption Policy and Whistleblowing Policy at least once every 3 years and to make recommendations to the Board thereon.
- (c) To consider other topics as defined by the Board.

### 5.0 Minutes

- 5.1 The Secretary shall maintain minutes of the proceedings of the meetings and circulate such minutes to all members of the Committee and to the Board members.

### 6.0 Audit and Risk Management Committee Report

The Committee shall ensure that an audit and risk management committee report is prepared at the end of each financial year that complies with subparagraph (6.1) and (6.2) below:

- 6.1 The audit and risk management committee report shall be clearly set out in the annual report of the Company;

- 6.2 The audit and risk management committee report shall include the following:

- (a) the composition of the Committee, including the name, designation (indicating the Chairman) and directorship of the members (indicating whether the Directors are independent or otherwise);
- (b) the number of Committee meetings held during the financial year end and details of attendance of each member;
- (c) a summary of the work of the Committee in the discharge of its functions and duties for that financial year of the Company and how it has met its responsibilities; and
- (d) a summary of the work of the internal audit function.

### 7.0 Continuous Professional Development

- 7.1 The Committee members shall undertake continuous professional development training to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

### ATTENDANCE

The ARMC was constituted on 7 October 2021. During the financial year ended 31 July 2022, there were two (2) meetings held. These meetings were attended by all members of ARMC.

### SUMMARY OF ACTIVITIES

The activities undertaken by our ARMC in discharging its duties and functions during the financial year are summarised as follows:

- a. Reviewing 2022 External Audit Planning Memorandum and the Independence of the External Auditors

Before the commencement of the current financial year audit, the ARMC has reviewed and deliberated with the External Auditors on their audit planning memorandum, in particular the audit risk areas, approach, emphasis and timeline.

- b. Reviewing the Interim Financial Results

Our ARMC has reviewed the financial statements and the quarterly results, cash flows, and financial positions with management. During this review, our Financial Controller was invited to present and respond to questions raised by the ARMC on the financial performance and significant financial reporting concerning compliance with applicable approved accounting standards and other regulatory requirements. Based on the clarifications and answers provided by our management, our ARMC resolved to present the quarterly results to our Board for consideration and approval.

# AUDIT AND RISK MANAGEMENT

## COMMITTEE REPORT (CONT'D)

### SUMMARY OF ACTIVITIES (Cont'd)

The activities undertaken by our ARMC in discharging its duties and functions during the financial year are summarised as follows: (Cont'd)

c. Reviewing the Related Party Transactions

In order to safeguard the interest of our Group and its minority shareholders, and to mitigate any potential conflict of interest, our ARMC has reviewed the related party transactions and was satisfied that the related party transactions were transacted on an arm's length basis and on normal commercial terms which are not unfavourable to our Group nor detrimental to the minority shareholders' interest of our Company.

d. Reviewing the Appointment of Internal Auditor

Our ARMC at a meeting held on 18 July 2022 reviewed the nomination and appointment of the Internal Auditor.

In assessing the suitability and "fit and proper" of the Internal Auditor, our ARMC has set and considered the following criteria in selecting and recommending the firm for Board approval:

- i. Track records of the firm;
- ii. The experience, resources and independence of the audit team;
- iii. Familiarity with the business of our Group; and
- iv. Reasonableness of their quoted fees.

### INTERNAL AUDIT FUNCTION

In preparation for the listing on the ACE Market of Bursa Securities, our Company had engaged Sterling Business Alignment Consulting Sdn. Bhd., an independent professional consulting company, to assess our Group's internal control system in general. The total costs incurred for the internal control review was RM75,000.

The internal control review was carried out for the following specified functional areas:

- a. Broad Internal Control;
- b. Finance and Accounts;
- c. Sales and Marketing;
- d. Procurement and Sourcing;
- e. Store Management;
- f. Human Resources and Administration;
- g. Management Information System;
- h. Clinical Application;
- i. Service;
- j. Production;
- k. Maintenance;
- l. Laboratory; and
- m. Safety and Health.

Subsequent to the listing, our Group has outsourced the internal audit function to MCM International Consultancy PLT ("MCMIC"), an independent professional firm, which is independent of the activities and operations of our Group as its Internal Control Review Consultant to review the adequacy and sufficiency of systems, procedures and controls of our Group. Functionally, the Internal Auditors report directly to our ARMC. The primary responsibility of the Internal Auditors is to assist our Board and our ARMC in reviewing and assessing management systems of internal control and procedures. Our ARMC reviews and approves the Internal Audit Engagement and fees to ensure the independence and objectivity of the Internal Auditors.

The Internal Auditors will execute the internal audit work based on a risk-based internal audit plan which will be approved by our ARMC before the commencement of work. The Internal Auditors will conduct their work in consideration of the broad principles of the International Professional Practice Framework ("IPPF") of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders.

# NOMINATION COMMITTEE STATEMENT

The Nomination Committee (“NC” or “Committee”) was instituted on 7 October 2021. Accordingly, the NC has yet to discharge its responsibilities fully under the term of reference empowered by the Board. However, the NC assures the shareholders that a statement explaining its activities undertaken for 2023 financial year will be duly reported in the next Annual Report.

Following are the details of the composition of our NC and its term of reference. The terms of reference are also posted at our Company’s website at [www.umedic.com.my](http://www.umedic.com.my).

## COMPOSITION AND DESIGNATION

Chairman	: Dr Pakirisamy Baskaran A/L P Thangavelu (Independent Non-Executive Director)
Member	: Tan Chye Suan (Independent Non-Executive Director)
	Lee Yee Wooi (Independent Non-Executive Director)

## TERMS OF REFERENCE

### 1.0 Appointment/Composition

- 1.1 The members of the NC shall be appointed by the Board and the chairman of the Board shall not be a member of the Committee.
- 1.2 The NC shall consist of not less than three (3) members, comprises exclusively Non-Executive Directors, a majority of whom are Independent Directors.
- 1.3 The Board shall, within three (3) months of a vacancy occurring in the Committee which result in the number of members reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) members.
- 1.4 The Chairman of the Committee shall be appointed by the members of the Committee among their number who is an Independent Director.

### 2.0 Meetings

- 2.1 Meetings shall be held at least once a year and also as and when required.
- 2.2 The Committee shall meet to carry out the duties and responsibilities mentioned below. The quorum for a meeting shall be two (2) members both of whom shall be Independent Directors.
- 2.3 Meeting will be attended by the members of the Committee and the Company Secretary or the representative of the Secretary shall act as the secretary of the NC.
- 2.4 The Executive Directors or any other person(s) may be invited by the Committee to attend its meetings as may be deemed necessary to assist in its deliberations.
- 2.5 A member of the Committee may participate in a meeting by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 2.6 Questions arising at any meeting of the Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Committee shall have a second or casting vote. However, at Meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairman shall not have a second or casting vote. All conflicting views shall be submitted to the Board for its final decision. Any member who has an interest in any matters being reviewed or considered shall abstain from voting on the matter.
- 2.7 A circular resolution in writing signed by a majority of the members of the Committee, shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the Committee and shall include signed copies via legible facsimile transmission or other written electronic means.



# NOMINATION COMMITTEE STATEMENT (CONT'D)

## TERMS OF REFERENCE (Cont'd)

### 3.0 Authority

- 3.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It shall be provided with the resources to perform its duties and shall have at the expense of the Company, unlimited/unrestricted access to all information and documents/resources which are required to perform its duties.
- 3.2 The Committee shall also have the right to be able to obtain advice from independent parties and other professionals where they consider it necessary to carry out their duties.
- 3.3 The Board shall make all decisions after considering the recommendations of the Committee.

### 4.0 Functions and Responsibilities

- 4.1 The functions and responsibilities of the Committee shall include the following:

- (a) to propose, consider and recommend to the Board suitable persons for appointment as Directors of the Company.

In making its recommendations, the NC should consider the candidates:-

- skills, knowledge, expertise and experience;
- professionalism;
- integrity;
- boardroom diversity (including gender diversity); and
- in the case of candidates for the position of independent Non-Executive Directors, the Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

The Committee shall also consider candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or shareholder.

If the selection of candidates is based on recommendations made by existing directors, management or major shareholders, the Committee should explain why these source(s) suffice and other sources were not used.

- (b) to recommend to the Board, candidates to fill the seats on Board committees.
- (c) to assist the Board to review on an annual basis the required mix of skills, independence and experiences and other qualities, including core competencies, which non-executive directors should bring to the Board.
- (d) to assess on an annual basis on the effectiveness of the Board as a whole, the committees of the Board and contribution of each individual director including chairman of the Board, independent Non-Executive Directors, as well as the Chief Executive Officer and the Chief Operating Officer. All assessment and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.
- (e) to review the tenure of each director with an aim to ensure that the composition of the Board is refreshed periodically.
- (f) to lead the succession planning and oversee the development of a diverse pipeline for the Board and management succession, including the future chairman of the Board, Executive Directors and Chief Executive Officer.
- (g) to assess the skill gaps of the Directors and recommend appropriate training and development programmes for the Directors.
- (h) to review the term of office and performance of the Audit and Risk Management Committee and each of its members annually to determine whether the Audit and Risk Management Committee and members have carried out their duties in accordance with their terms of reference.
- (i) to carry out such other responsibilities as may be delegated by the Board from time to time.

### 5.0 Minutes

- 5.1 The Secretary shall maintain minutes of the proceedings of the meetings and circulate such minutes to all members of the Committee and to the Board members.

# DIRECTORS' RESPONSIBILITY STATEMENT

Our Directors are responsible for ensuring that:

- i. The annual audited financial statements of our Group and of our Company are drawn up in accordance with applicable Financial Reporting Standards, the provisions of the Companies Act 2016 and the AMLR so as to give a true and fair view of the state of affairs of our Group and of our Company for the financial year, and
- ii. Proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of our Group and to prevent and detect fraud and other irregularities.

In the preparation of the financial statements for the financial year ended 31 July 2022, our Directors have adopted appropriate accounting policies and have applied them consistently in the financial statements with reasonable and prudent judgements and estimates. Our Directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

# ADDITIONAL COMPLIANCE INFORMATION

## 1. UTILISATION OF PROCEEDS

UMC listed on the ACE Market of Bursa Securities ("Listing") on 26 July 2022. As part of the listing exercise, our Company undertook a public issue of 97,224,300 new ordinary shares at an issue price of RM0.32 per share, raising gross proceeds of RM31.11 million ("IPO proceeds").

As at 31 July 2022, our utilisation of the IPO Proceeds is as follows:

Details of the use of proceeds	Estimated timeframe for the use of proceeds upon Listing <sup>(i)</sup>	RM'000	Actual Utilisation RM'000	Percentage Utilised %
Capital expenditure				
(i) Construction of new factory building	Within thirty (30) months	3,500	-	-
(ii) Setting up new marketing and distribution offices	Within thirty-six (36) months	6,800	-	-
		10,300	-	-
Repayment of bank borrowings <sup>(ii)</sup>	Within six (6) months	9,000	9,000	100.00
Working capital	Within thirty-six (36) months	8,662	-	-
Estimated listing expenses	Within two (2) months	3,150	3,150	100.00
Total		31,112	12,150	

### Notes:

- (i) From the date of Listing on 26 July 2022.
- (ii) Including lease liabilities owing to financial institutions

The utilisation of gross proceeds as disclosed above should be read in conjunction with the Prospectus of our Company dated 6 July 2022.

## 2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to our Group for the FYE 2022 by our Company's Auditors are as follows:

Category	Audit Fees (RM)	Non-Audit Fees (RM)*
Company	21,000	182,500
Subsidiaries	26,000	13,500
	<b>47,000</b>	<b>196,000</b>

### Notes:

- \* Non-Audit fees include review of Statement on Risk management and Internal Control, professional fees in respect of the listing of UMC on the ACE Market of Bursa Malaysia Securities Berhad and review of interim financial statements.

## 3. RECURRENT RELATED PARTY TRANSACTION

There was no recurrent related party transaction entered into by our Group during FYE 2022.

## 4. MATERIAL CONTRACTS

There were no material contracts entered into by our Group involving Directors' and major shareholders' interests during FYE 2022.

# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2022.

## CHANGE OF NAME AND STATUS

On 7 October 2021, the Company was converted to a public limited liability company. Accordingly, its name was changed from UMediC Group Sdn. Bhd. to UMediC Group Berhad.

## PRINCIPAL ACTIVITIES

The Company is principally engaged as investment holding company. The principal activities of subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year, attributable to owners of the parent	6,425,995	(2,394,141)

## DIVIDENDS

No dividend has been paid or declared by the Company since the previous financial period.

The Directors do not recommend any payment of dividend for the current financial year ended 31 July 2022.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid up ordinary share capital of the Company has been increased from 1 to 373,910,000 by way of issuance of 373,909,999 new ordinary shares pursuant to the following:

- (a) issuance of 276,685,100 new ordinary shares of RM0.05 for cash pursuant to the acquisition of subsidiaries;
- (b) allotment of 599 new ordinary shares issued at an issue price of RM0.05 each for cash; and
- (c) allotment of 97,224,300 new ordinary shares at an issue price of RM0.32 each for cash pursuant to its Initial Public Offering exercise.

The newly issued ordinary shares rank pari passu in all respects with existing ordinary shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

# DIRECTORS' REPORT (CONT'D)

## DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Lim Taw Seong*	
Dato' Ng Chai Eng*	(Appointed on 7 October 2021)
Lau Chee Kheong*	(Appointed on 7 October 2021)
Dr. Pakirisamy Baskaran A/L P Thangavelu	(Appointed on 7 October 2021)
Tan Chye Suan	(Appointed on 7 October 2021)
Lee Yee Wooi	(Appointed on 7 October 2021)
Ng Chin Liang	(Appointed on 7 October 2021, alternate Director to Dato' Ng Chai Eng)

\*These Directors of the Company are also Directors of subsidiaries of the Company.

### Subsidiaries of UMediC Group Berhad (excluding those Directors listed above)

Kong Yoen Hoo  
Lee Yi Kai  
Lim Suat Gim  
Ng Chin Aik

## DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company during the financial year ended 31 July 2022 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			
	Balance as at 1.8.2021	Bought	Sold	Balance as at 31.7.2022

### Shares in the Company

#### Direct interests:

Lim Taw Seong	1	20,402,199	0	20,402,200
Dato' Ng Chai Eng	0	20,402,200	0	20,402,200
Lau Chee Kheong	0	17,754,022	0	17,754,022
Dr. Pakirisamy Baskaran A/L P Thangavelu	0	300,000	0	300,000
Tan Chye Suan	0	300,000	0	300,000
Lee Yee Wooi	0	300,000	0	300,000

#### Indirect interests:

Lim Taw Seong #	0	192,327,220	0	192,327,220
Dato' Ng Chai Eng *	0	192,627,220	0	192,627,220
Lau Chee Kheong #	0	192,327,220	0	192,327,220

# Deemed interest through shares held in UMediC Capital Sdn. Bhd. by virtue of Section 8(4) of the Companies Act 2016 in Malaysia.

\* Deemed interest through shares held in UMediC Capital Sdn. Bhd. by virtue of Section 8(4) of the Companies Act 2016 in Malaysia and the shares held by his daughter, Ng Sze Hui pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

By virtue of Lim Taw Seong, Dato' Ng Chai Eng and Lau Chee Kheong interests in the ordinary shares of the Company, these Directors are deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

Other than those disclosed above, none of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

# DIRECTORS' REPORT (CONT'D)

## DIRECTORS' BENEFITS

Since the end of the previous financial period, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the following:

- (a) Certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests; and
- (b) Certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the Directors of the Company during the financial year are as follows:

	Group RM
Salaries and other emoluments	334,500
Contributions to defined contribution plan	25,920
Social security contributions	829
Other benefits	1,354
	<u>362,603</u>

## INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for the Directors, officers and auditors of the Group and of the Company during the financial year.

## OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

### (I) AS AT END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

### (II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
  - (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
  - (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and

# DIRECTORS' REPORT (CONT'D)

## OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (Cont'd)

### (II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (Cont'd)

- (d) In the opinion of the Directors (continued):
  - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial period which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

### (III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 31 to the financial statements.

## ULTIMATE HOLDING COMPANY

The Directors regard UMediC Capital Sdn. Bhd. as the ultimate holding company, which is a company incorporated in Malaysia.

## AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 July 2022 amounted to RM21,000 and RM26,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the Directors.

**Lim Taw Seong**  
Director

**Dato' Ng Chai Eng**  
Director

Penang  
11 November 2022



## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 79 to 127 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

**Lim Taw Seong**

Director

Penang

11 November 2022

**Dato' Ng Chai Eng**

Director

## STATUTORY DECLARATION

I, Ng Chin Liang (CA 42709), being the Director primarily responsible for the financial management of UMediC Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 79 to 127 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at  
Georgetown in the State of Penang this 11 November 2022.

**Ng Chin Liang**

Before me,

Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

## TO MEMBERS OF UMEDIC GROUP BERHAD

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of UMediC Group Berhad, which comprise the statements of financial position as at 31 July 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 79 to 127.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 July 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs') and International Financial Reporting Standards ('IFRSs') and the requirements of the Companies Act 2016 in Malaysia.

#### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### 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 Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Impairment of trade receivables

Gross trade receivables of the Group as at 31 July 2022 were RM6,244,034 as disclosed in Note 11 to the financial statements.

We determined this to be key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

#### Audit response

Our audit procedures included the following:

- (a) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- (b) Recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group; and
- (c) Inquired of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company 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 of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

# INDEPENDENT AUDITORS' REPORT

## TO MEMBERS OF UMEDIC GROUP BERHAD (CONT'D)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

#### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirement of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company 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 approved standards on auditing in Malaysia and ISAs 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 approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, 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.
- (b) 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 internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' 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 ability of the Group and of the Company 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 of the Group and of the Company 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 or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. 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, actions taken to eliminate threats or safeguards applied.

# INDEPENDENT AUDITORS' REPORT

## TO MEMBERS OF UMEDIC GROUP BERHAD (CONT'D)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

#### Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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 Group and of the Company for the current year 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.

#### Other Matters

- (a) As disclosed in Note 3 to the financial statements, the comparative information have been prepared in relation to the listing of the ordinary shares of UMediC Group Berhad on the ACE Market of Bursa Malaysia Securities Berhad. We were not engaged to report on the comparative information and it is unaudited.
- (b) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

#### BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206  
Chartered Accountants

Penang

11 November 2022

#### Koay Theam Hock

02141/04/2023 J  
Chartered Accountant



# STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6	21,008,594	20,331,930	0	0
Right-of-use assets	7	4,900,058	6,274,730	0	0
Investments in subsidiaries	8	0	0	13,834,255	0
Deferred tax assets	9	432,297	0	0	0
		<u>26,340,949</u>	<u>26,606,660</u>	<u>13,834,255</u>	<u>0</u>
<b>Current assets</b>					
Inventories	10	9,460,303	10,116,431	0	0
Trade and other receivables	11	7,359,553	10,065,770	9,880,166	0
Current tax assets		562,899	375,419	0	0
Short term funds	12	21,007,257	0	18,006,261	0
Cash and bank balances	13	4,159,584	2,761,335	253,135	1
		<u>42,549,596</u>	<u>23,318,955</u>	<u>28,139,562</u>	<u>1</u>
<b>TOTAL ASSETS</b>		<u>68,890,545</u>	<u>49,925,615</u>	<u>41,973,817</u>	<u>1</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	14	44,348,333	6,907,501	44,348,333	1
Reserves	15	8,330,314	8,831,074	(2,404,338)	(10,197)
<b>TOTAL EQUITY/ (CAPITAL DEFICIENCY)</b>		<u>52,678,647</u>	<u>15,738,575</u>	<u>41,943,995</u>	<u>(10,196)</u>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	16	5,584,199	14,155,567	0	0
Lease liabilities	7	15,016	828,358	0	0
Government grants	18	3,242,954	135,000	0	0
Deferred tax liabilities	9	4,587	130,687	0	0
		<u>8,846,756</u>	<u>15,249,612</u>	<u>0</u>	<u>0</u>
<b>Current liabilities</b>					
Trade and other payables	19	4,052,722	7,223,149	28,222	10,197
Borrowings	16	2,412,469	11,033,372	0	0
Lease liabilities	7	39,794	312,032	0	0
Government grants	18	369,957	15,000	0	0
Current tax liabilities		490,200	353,875	1,600	0
		<u>7,365,142</u>	<u>18,937,428</u>	<u>29,822</u>	<u>10,197</u>
<b>TOTAL LIABILITIES</b>		<u>16,211,898</u>	<u>34,187,040</u>	<u>29,822</u>	<u>10,197</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>68,890,545</u>	<u>49,925,615</u>	<u>41,973,817</u>	<u>1</u>

The accompanying notes form an integral part of the financial statements

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

		Group		Company	
		1.8.2021 to 31.7.2022	1.8.2020 to 31.7.2021	1.8.2021 to 31.7.2022	22.4.2021 to 31.7.2021
	Note	RM	RM	RM	RM
Revenue	21	50,738,156	34,115,959	0	0
Cost of sales		(32,079,084)	(21,553,156)	0	0
Gross profit		18,659,072	12,562,803	0	0
Other income		642,554	606,859	12,173	0
Net gains/(loss) on impairment of financial assets		14,378	(1,325)	0	0
Marketing expenses		(647,533)	(265,887)	0	0
Administrative and other expenses		(9,379,411)	(5,617,846)	(2,404,714)	(10,197)
Finance costs	23	(807,393)	(731,086)	0	0
Profit/(Loss) before tax		8,481,667	6,553,518	(2,392,541)	(10,197)
Tax expense	24	(2,055,672)	(1,466,824)	(1,600)	0
Profit/(Loss) for the financial year/period attributable to owners of the parent		6,425,995	5,086,694	(2,394,141)	(10,197)
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income/ (loss), attributable to owners of the parent		6,425,995	5,086,694	(2,394,141)	(10,197)
Earnings per share attributable to owners of the parent:					
Basic and diluted (sen)	26	2.74	1.36		

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

Group	Note	Non-distributable		Distributable	Total equity RM
		Share capital RM	Reorganisation debit reserve RM	Retained earnings RM	
Balance as at 1 August 2020		2,887,500	0	3,744,380	6,631,880
Profit for the financial year		0	0	5,086,694	5,086,694
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income		0	0	5,086,694	5,086,694
<u>Transaction with owners</u>					
Issuance of ordinary shares	14(c)	4,020,001	0	0	4,020,001
Total transaction with owners		4,020,001	0	0	4,020,001
Balance as at 31 July 2021		6,907,501	0	8,831,074	15,738,575
Balance as at 1 August 2021		6,907,501	0	8,831,074	15,738,575
Profit for the financial year		0	0	6,425,995	6,425,995
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income		0	0	6,425,995	6,425,995
<u>Transactions with owners</u>					
Issuance of ordinary shares pursuant to:					
- acquisition of subsidiaries in business combination under common control	14	6,926,755	(6,851,755)	0	75,000
- ordinary shares	14	30	0	0	30
- Initial Public Offering exercise	14	31,111,776	0	0	31,111,776
Share issue expenses	14	(597,729)	0	0	(597,729)
Dividend paid	25	0	0	(75,000)	(75,000)
Total transactions with owners		37,440,832	(6,851,755)	(75,000)	30,514,077
Balance as at 31 July 2022		44,348,333	(6,851,755)	15,182,069	52,678,647

The accompanying notes form an integral part of the financial statements.

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

Company	Note	Share capital RM	Accumulated losses RM	Total equity/ (capital deficiency) RM
Balance as at 22 April 2021 (Date of incorporation)		1	0	1
Loss for the financial period		0	(10,197)	(10,197)
Other comprehensive income, net of tax		0	0	0
Total comprehensive loss		0	(10,197)	(10,197)
Balance as at 31 July 2021		1	(10,197)	(10,196)
Balance as at 1 August 2021		1	(10,197)	(10,196)
Loss for the financial year		0	(2,394,141)	(2,394,141)
Other comprehensive income, net of tax		0	0	0
Total comprehensive loss		0	(2,394,141)	(2,394,141)
<u>Transaction with owners</u>				
Issuance of ordinary shares pursuant to:				
- acquisition of subsidiaries	14	13,834,255	0	13,834,255
- ordinary shares	14	30	0	30
- Initial Public Offering	14	31,111,776	0	31,111,776
Share issue expenses	14	(597,729)	0	(597,729)
Total transaction with owners		44,348,332	0	44,348,332
Balance as at 31 July 2022		44,348,333	(2,404,338)	41,943,995

The accompanying notes form an integral part of the financial statements.



# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

		Group		Company	
		1.8.2021 to 31.7.2022	1.8.2020 to 31.7.2021	1.8.2021 to 31.7.2022	22.4.2021 to 31.7.2021
	Note	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		8,481,667	6,553,518	(2,392,541)	(10,197)
Adjustments for:					
Depreciation of property, plant and equipment	6	1,529,343	525,701	0	0
Depreciation of right-of-use assets	7	218,481	322,401	0	0
Amortisation of government grant	18	(86,660)	0	0	0
Finance cost	23	807,393	731,086	0	0
(Reversal of impairment losses)/ impairment losses on trade receivables	11(g)	(14,378)	1,325	0	0
Interest income		(115,498)	(37,263)	(5,912)	0
Distribution income from short-term fund		(1,184)	0	(740)	0
(Gain)/Loss on disposal of property, plant and equipment		(2,124)	2,465	0	0
Property, plant and equipment written off		0	258	0	0
Right-of-use assets written off		0	3	0	0
Lease concession		0	(14,850)	0	0
Gain on lease termination		(368)	0	0	0
Gain on fair value adjustment on short- term fund		(6,073)	0	(5,521)	0
Unrealised gain on foreign exchange		(9,157)	(10,667)	0	0
Operating profit/(loss) before changes in working capital		10,801,442	8,073,977	(2,404,714)	(10,197)
Decrease/(Increase) in inventories		656,128	(4,526,097)	0	0
Decrease/(Increase) in trade and other receivables		2,743,231	(2,486,560)	(9,880,166)	0
(Decrease)/Increase in trade and other payables		(3,172,905)	4,018,914	18,025	10,197
Cash generated from/(used in) operations		11,027,896	5,080,234	(12,266,855)	0
Interest received		115,498	37,263	5,912	0
Tax paid		(2,665,224)	(1,485,742)	0	0
Tax refunded		0	18,516	0	0
Net cash from/(used in) operating activities		8,478,170	3,650,271	(12,260,943)	0

# STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

		Group		Company	
	Note	1.8.2021 to 31.7.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2021 to 31.7.2022 RM	22.4.2021 to 31.7.2021 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Placement of short-term funds		(21,000,000)	0	(18,000,000)	0
Purchase of property, plant and equipment	6(b)	(1,011,261)	(9,351,901)	0	0
Proceeds from refinancing of right-of-use assets transferred from plant and equipment		0	22,782	0	0
Proceeds from disposal of property, plant and equipment		32,000	66,800	0	0
Net cash used in investing activities		(21,979,261)	(9,262,319)	(18,000,000)	0
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Drawdown of bankers' acceptances		1,450,000	9,450,000	0	0
Repayment of bankers' acceptances		(9,450,000)	(4,525,000)	0	0
Drawdown of term loans		597,049	1,000,000	0	0
Repayment of term loans		(9,789,320)	(651,069)	0	0
Interest paid		(743,611)	(673,084)	0	0
Payment of lease liabilities	7	(1,217,425)	(483,671)	0	0
Proceeds from issuance of shares		30,514,077	600,001	30,514,077	0
Government grant received	18	3,549,571	150,000	0	0
Net cash from financing activities		14,910,341	4,867,177	30,514,077	0
Net increase/(decrease) in cash and cash equivalents		1,409,250	(744,871)	253,134	0
Effect of foreign exchange rates changes		(11,001)	5,600	0	0
Cash and cash equivalents at beginning of financial year/period		2,761,335	3,500,606	1	1
Cash and cash equivalents at end of financial year/period	13	4,159,584	2,761,335	253,135	1

# STATEMENTS OF CASH FLOWS (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

### Reconciliation of liabilities arising from financing activities

Group	Lease liabilities (Note 7) RM	Bankers' acceptance (Note 16) RM	Term loans (Note 17) RM	Total RM
Balance as at 1 August 2021	1,140,390	9,450,000	15,738,939	26,329,329
Cash flows	(1,217,425)	(8,000,000)	(9,192,271)	(18,409,696)
Non-cash flows:				
- additions of lease liabilities	81,004	0	0	81,004
- terminations	(12,941)	0	0	(12,941)
- unwinding of interest	63,782	0	0	63,782
Balance as at 31 July 2022	54,810	1,450,000	6,546,668	8,051,478
Balance as at 1 August 2020	876,251	4,525,000	11,039,547	16,440,798
Cash flows	(483,671)	4,925,000	348,931	4,790,260
Non-cash flows:				
- additions of lease liabilities	704,658	0	0	704,658
- additions of property, plant and equipment	0	0	4,350,461	4,350,461
- unwinding of interest	58,002	0	0	58,002
- lease concession	(14,850)	0	0	(14,850)
Balance as at 31 July 2021	1,140,390	9,450,000	15,738,939	26,329,329

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2022

## 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

Bursa Malaysia Securities Berhad has, vide its letter dated 7 April 2022, approved the admission of the Company to the Official List, and the listing of and quotation for its entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad. The ordinary shares of the Company were listed on the ACE Market of Bursa Malaysia Securities Berhad on 26 July 2022.

The registered office of the Company is located at 39, Irving Road, 10400 George Town, Pulau Pinang.

The principal place of business of the Company is located at PMT 790, Jalan Cassia Selatan 5/2 Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang.

The Directors regards UMediC Capital Sdn. Bhd., a company incorporated in Malaysia as the ultimate holding company.

The consolidated financial statements for the financial year ended 31 July 2022 comprise the financial statements of the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 11 November 2022.

## 2. PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding. The principal activities of subsidiaries are set out in Note 8 to the financial statements

There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act 2016 in Malaysia.

The financial statement of the previous year is from the date of incorporation to 31 July 2021. Therefore, the comparatives for the statements of profit or loss and other comprehensive income, changes in equity and cash flows as well as the comparatives in the notes to the financial statements relating to the statements of profit or loss and other comprehensive income for the period ended 31 July 2021 are not comparable to the results for the current financial year ended 31 July 2022.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 32.1 to the financial statements.

The financial statements of the Group and the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

During the financial year, the Group applied merger method of accounting on a retrospective basis arising from the acquisition of the entire equity interest of Actimed Healthcare Sdn. Bhd., Evo Medik Sdn. Bhd., U Medihealth Sdn. Bhd., UMediC Healthcare Sdn. Bhd., UWHC Sdn. Bhd. and UWHM Sdn. Bhd. by the Company in business combinations under common control. Consequently, the Group presented comparative information as if the business combinations had taken place before the start of the earliest period before presented in the financial statements.

Consequently, the following accounting treatment has been applied in the consolidated financial statements arising from the business combinations under common control:

- (a) Assets and liabilities of Actimed Healthcare Sdn. Bhd., Evo Medik Sdn. Bhd., U Medihealth Sdn. Bhd., UMediC Healthcare Sdn. Bhd., UWHC Sdn. Bhd. and UWHM Sdn. Bhd. are recognised and measured at their pre-business combination carrying amount without restatement to fair value;
- (b) Retained earnings and other equity reserves of the Group as at 1 August 2020 are those of Actimed Healthcare Sdn. Bhd., Evo Medik Sdn. Bhd., U Medihealth Sdn. Bhd., UMediC Healthcare Sdn. Bhd., UWHC Sdn. Bhd. and UWHM Sdn. Bhd.;
- (c) Share capital as at 1 August 2020 reflects the share capital of Actimed Healthcare Sdn. Bhd., Evo Medik Sdn. Bhd., U Medihealth Sdn. Bhd., UMediC Healthcare Sdn. Bhd., UWHC Sdn. Bhd. and UWHM Sdn. Bhd. prior to the incorporation of the Company;



### 3. BASIS OF PREPARATION (Cont'd)

- (d) Comparative financial information are those of Actimed Healthcare Sdn. Bhd., Evo Medik Sdn. Bhd., U Medihealth Sdn. Bhd., UMediC Healthcare Sdn. Bhd., UWHC Sdn. Bhd. and UWWM Sdn. Bhd.; and
- (e) The statements of financial position as at 31 July 2021 represents the financial position of the Group after reflecting the effect of the acquisitions during the financial year.

The preparation of financial statements in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 5 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) Power over the investee;
- (b) Exposure, or rights, to variable returns from its involvement with the investee; and
- (c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) Rights arising from other contractual agreements; and
- (c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

## 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 4.1 Basis of consolidation (Cont'd)

If the Group loses control of 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 subsidiaries 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 subsidiaries at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 Financial Instruments or, where applicable, the cost on initial recognition of an investment in associate or joint venture.

### 4.2 Business combinations under common control

Business combination involving entities under common control are accounted for by applying the merger method of accounting. The assets and liabilities of the merger entities are reflected at their carrying amounts reported in the individual combined financial statements.

In a business combination under common control, any differences between the cost of the merger and the share capital of the 'acquired' entity are reflected within equity as reorganisation debit reserve.

The combined statements of profit or loss and other comprehensive income reflect the results of the combining entities for the full financial years and the comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

### 4.3 Business combinations not under common control

Business combinations not under common control are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

- (a) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- (b) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- (c) Assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

- (a) If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity; and
- (b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 9 *Financial Instruments* are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 9 *Financial Instruments*. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

## 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 4.3 Business combinations not under common control (Cont'd)

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, 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.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

### 4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Leasehold building	2%
Plant and machinery	10%
Production equipment	10%
Furniture, fittings, office equipment and computer system	10% to 20%
Moulds and simulator	10% to 20%
Tools and equipment	10%
Quality assessment equipment	10%
Motor vehicles	20%
Renovation	10% to 20%

Capital work-in-progress represents machinery under installation and factory building under construction. Capital work-in-progress is not depreciated until such time when the asset is available for use.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.7 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 4.5 Leases

#### The Group as a lessee

The Group recognises right-of-use assets and lease liabilities at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group determines the lease term as the non-cancellable period of a lease, together with both:

- (a) Period covered by an option to the extend the lease if the lease is reasonably certain to exercise that options; and
- (b) Periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create economic incentive for the lessee to exercise the option to extend the lease, not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### ***Right-of-use assets***

The right-of-use assets are initially recorded at cost, which comprises:

- (a) The amount of the initial measurement of the lease liability;
- (b) Any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- (c) Any initial direct costs incurred by the Group; and
- (d) An estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	60 years
Factory	24 months
Offices	24 to 30 months
Plant and machinery	10 years
Production equipment	10 years
Computer software and hardware	5 years
Motor vehicles	5 years

Capital work-in-progress represents machinery under installation. Capital work-in-progress is not depreciated until such time when the asset is available for use.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.



# NOTES TO THE FINANCIAL STATEMENTS<sup>(CONT'D)</sup>

31 JULY 2022

## 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 4.5 Leases

#### *Lease liability*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

### 4.6 Investments in subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less impairment loss, if any. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

### 4.7 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries), inventories and deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal 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 for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to the assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss for assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

### 4.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first-in, first-out formula. The cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 4.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

#### (a) Financial assets

A financial asset is classified into the following three (3) categories after initial recognition for the purpose of subsequent measurement:

##### (i) Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI") are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statements of comprehensive income.

##### (ii) Financial assets at fair value through other comprehensive income ("FVTOCI")

Financial assets that are debt instruments are measured at FVTOCI if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms of financial assets which give rise on specific dates to cash flows that are SPPI on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets measured at fair value through other comprehensive income are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on equity instruments are recognised in profit or loss when the right of the Group to receive payment is established.

##### (iii) Financial assets at fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in profit or loss in the period which it arises.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity, is recognised in profit or loss.

## 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 4.9 Financial instruments (Cont'd)

#### (b) Financial liabilities

A financial liability is any liability with contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. The Group's significant financial liabilities include trade and other payables and borrowings which are initially measured at fair value and subsequently measured at amortised cost.

##### (i) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when financial liabilities are either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

##### (ii) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### (c) Equity investments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Equity investments which are not held for trading for which the Group has irrevocably elected at initial recognition to recognise at fair value through other comprehensive income. These are strategic investments for which the Group considers this classification to be appropriate and relevant.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVOCI are recognised in the statements of comprehensive income as applicable.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 4.10 Impairment of financial assets

The Group and the Company recognise an impairment loss allowance for expected credit losses ("ECL") on a financial asset that is measured at amortised cost.

The Group and the Company recognise allowance for impairment loss for trade receivables based on a simplified approach in accordance with MFRS 9 *Financial Instruments* and measures the allowance for impairment loss based on a lifetime ECL from initial recognition.

At the end of each reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets other than trade receivables by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which credit risk has not increased significantly since initial recognition of the financial asset, twelve(12)-month ECL along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime ECL along with interest income on a net basis are recognised.

The Group and the Company consider historical credit loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

### 4.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

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

### 4.12 Income taxes

Income taxes include all taxes on taxable profit. Income taxes also include other taxes, such as real property gains taxes payable on the disposal of properties, if any.

Taxes in the profit or loss and other comprehensive income comprise current tax and deferred tax.

#### (a) Current tax

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Group operates and include all taxes based upon the taxable profits.

#### (b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profits.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

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 the deferred income taxes relate to the same taxation authority on either:



## 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 4.12 Income taxes (Cont'd)

(b) Deferred tax (Cont'd)

- (i) The same taxable entity; or
- (ii) Different taxable entities which intend either to settle current tax liabilities and assets 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.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

### 4.13 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

### 4.14 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Group makes contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

### 4.15 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Group and the Company.

## 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 4.15 Foreign currencies (Cont'd)

#### (b) Foreign currency translations and balances

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

### 4.16 Revenue recognition

#### (a) Sales of goods and services

The Group recognises revenue from contracts with customers for the sale of goods and services based on the five-step model as set out below:

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- (iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.
- (v) Recognise revenue when (or as) the Company satisfy a performance obligation.

The Group satisfies a performance obligation and recognise revenue at the point in time.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable.

Revenue from sale of goods and services is recognised when the Group satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

#### (b) Other income

##### (i) Interest income

Interest income is recognised as it accrues, using the effective interest method.

##### (ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

### 4.17 Fair value measurements

The fair value of an asset or a liability (except for lease transactions) is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

## 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 4.17 Fair value measurements (Cont'd)

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

- (a) The condition and location of the asset; and
- (b) Restrictions, if any, on the sale or use of the asset.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

- (a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

### 4.18 Government grants

Government grants are recognised in the financial statements as deferred income when there is reasonable assurance that:

- (a) The Group would comply with the conditions attached to the grant; and
- (b) The grants would be received.

Government grants related to costs are recognised as income in profit or loss in the period in which the grants had been received to match them with the costs which they are intended to compensate.

Where the grants related to an asset, they are recognised as income and transferred to profit or loss on a systematic basis over the useful lives of the related asset.

### 4.19 Operating segments

Operating segments are defined as components of the Group that:

- (a) Engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- (b) Whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

- (a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.
- (b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:
  - (i) The combined reported profit of all operating segments that did not report a loss; and
  - (ii) The combined reported loss of all operating segments that reported a loss.

## 4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 4.19 Operating segments (Cont'd)

- (c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

### 4.20 Earnings per share

- (a) Basic

Basic earnings per share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the expected number of ordinary shares of the Company upon the completion of the Listing.

- (b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the expected number of ordinary shares of the Company upon the completion of the Listing adjusted for the effects of dilutive potential ordinary shares.

## 5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the management of the Group and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is outlined below:

### Impairment of trade receivables

Management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information and recognised the expected credit loss accordingly.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 6. PROPERTY, PLANT AND EQUIPMENT

Group	Furniture, fittings, office equipment and computer system										Total
	Leasehold buildings	Plant and machinery	Production equipment	Motor vehicles	Mould and simulator	Tools and equipment	Quality assessment equipment	Renovation	Capital work-in-progress	RM	RM
<b>At cost</b>											
Balance as at 1 August 2021	6,631,956	2,037,811	657,780	1,016,395	0	596,953	145,985	368,364	10,153,090	21,693,974	
Additions	69,314	177,197	106,100	127,940	0	25,400	126,352	137,947	237,411	1,011,261	
Disposals	0	(46,560)	0	0	0	0	0	0	0	(46,560)	
Reclassification	811,202	8,592,279	0	107,096	0	0	0	0	(9,510,577)	0	
Transfer from <sup>^</sup>	0	741,044	0	100,060	93,000	0	0	0	590,622	1,524,726	
right-of-use assets											
Balance as at 31 July 2022	7,512,472	11,501,771	763,880	1,351,491	93,000	622,353	272,337	506,311	1,470,546	24,183,401	
<b>Accumulated depreciation</b>											
Balance as at 1 August 2021	47,643	564,825	135,000	311,065	0	167,679	46,941	62,364	0	1,362,044	
Current charge	119,097	996,103	70,836	158,018	1,550	58,034	27,187	89,686	0	1,529,343	
Disposals	0	(16,684)	0	0	0	0	0	0	0	(16,684)	
Transfer from <sup>^</sup>											
right-of-use assets	0	211,207	0	51,697	37,200	0	0	0	0	300,104	
Balance as at 31 July 2022	166,740	1,755,451	205,836	520,780	38,750	225,713	74,128	152,050	0	3,174,807	
<b>Carrying amount</b>											
Balance as at 31 July 2022	7,345,732	9,746,320	558,044	830,711	54,250	396,640	198,209	354,261	1,470,546	21,008,594	

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 6. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	Leasehold buildings	Plant and machinery	Production equipment	Furniture, fittings, office equipment and computer system	Mould and simulator	Tools and equipment	Quality assessment equipment	Motor vehicles	Renovation	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>At cost</b>											
Balance as at 1 August 2020	0	1,245,833	282,593	530,048	234,800	128,739	73,856	93,000	127,906	5,159,253	7,876,028
Additions	0	611,745	199,420	313,912	362,153	17,246	11,784	0	327,477	11,858,625	13,702,362
Disposals	0	0	0	(10,989)	0	0	0	0	(87,019)	0	(98,008)
Written off	0	0	0	0	0	0	0	0	0	(258)	(258)
Reclassification	6,631,956	(76,767)	125,917	183,424	0	0	0	0	0	(6,864,530)	0
Transfer from <sup>^</sup> / (to)* right-of-use assets	0	257,000	49,850	0	0	0	0	(93,000)	0	0	213,850
Balance as at 31 July 2021	6,631,956	2,037,811	657,780	1,016,395	596,953	145,985	85,640	0	368,364	10,153,090	21,693,974
<b>Accumulated depreciation</b>											
Balance as at 1 August 2020	0	270,276	59,678	223,236	121,018	33,349	18,038	1,550	26,019	0	753,164
Current charge	47,643	196,922	59,477	95,285	46,661	13,592	8,489	0	57,632	0	525,701
Disposals	0	0	0	(7,456)	0	0	0	0	(21,287)	0	(28,743)
Reclassification	0	(891)	891	0	0	0	0	0	0	0	0
Transfer from <sup>^</sup> / (to)* right-of-use assets	0	98,518	14,954	0	0	0	0	(1,550)	0	0	111,922
Balance as at 31 July 2021	47,643	564,825	135,000	311,065	167,679	46,941	26,527	0	62,364	0	1,362,044
<b>Carrying amount</b>											
Balance as at 31 July 2021	6,584,313	1,472,986	522,780	705,330	429,274	99,044	59,113	0	306,000	10,153,090	20,331,930

\* The assets previously acquired by cash were reclassified to right-of-use assets as these assets have been refinanced under hire purchase arrangement.

<sup>^</sup> The assets previously acquired under hire purchase arrangements were reclassified from right-of-use assets as the lease liabilities for those assets have been fully settled.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 6. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (a) The carrying amount of property, plant and equipment of the Group which have been pledged to licensed banks for banking facilities granted to the Group as referred to in Note 16 and Note 17 to the financial statements are as follows:

	2022	Group	2021
	RM		RM
Leasehold buildings	7,345,732		6,584,313
Capital work-in-progress	0		5,000,000
	<u>7,345,732</u>		<u>11,584,313</u>

- (b) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	2022	Group	2021
	RM		RM
Purchase of property, plant and equipment	1,011,261		13,702,362
Financed by term loans	0		(4,350,461)
Cash payments on purchase of property, plant and equipment	<u>1,011,261</u>		<u>9,351,901</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

### Right-of-use assets

	Balance as at 1.8.2021 RM	Additions RM	Transfer to <sup>^</sup> property, plant and equipment RM	Terminations RM	Depreciation charge for the financial year RM	Balance as at 31.7.2022 RM
Leasehold land	4,931,110	0	0	0	(85,264)	4,845,846
Offices	15,677	81,004	0	(12,573)	(29,896)	54,212
Plant and machinery	597,764	0	(529,837)	0	(67,927)	0
Computer software and hardware	66,707	0	(48,363)	0	(18,344)	0
Motor vehicles	72,850	0	(55,800)	0	(17,050)	0
Capital work-in-progress	590,622	0	(590,622)	0	0	0
	6,274,730	81,004	(1,224,622)	(12,573)	(218,481)	4,900,058

	Balance as at 1.8.2020 RM	Additions RM	Transfer (to) ^/ from * property, plant and equipment RM	Depreciation charge for the financial year RM	Written off RM	Balance as at 31.7.2021 RM
Leasehold land	5,016,374	0	0	(85,264)	0	4,931,110
Factory	67,131	0	0	(67,131)	0	0
Offices	66,114	0	0	(50,437)	0	15,677
Plant and machinery	740,617	91,254	(158,482)	(75,625)	0	597,764
Production equipment	34,896	0	(34,896)	0	0	0
Computer software and hardware	86,719	0	0	(20,012)	0	66,707
Motor vehicles	5,335	0	91,450	(23,932)	(3)	72,850
Capital work-in-progress	0	590,622	0	0	0	590,622
	6,017,186	681,876	(101,928)	(322,401)	(3)	6,274,730

\* The assets previously acquired by cash were reclassified to right-of-use assets as these assets have been refinanced under hire purchase arrangement.

<sup>^</sup> The assets previously acquired under hire purchase arrangements were reclassified from right-of-use assets as the lease liabilities for those assets have been fully settled.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

The Group as lessee (Cont'd)

### Lease liabilities

	Balance as at 1.8.2021 RM	Additions RM	Terminations RM	Lease payments RM	Early settlement RM	Interest expenses RM	Balance as at 31.7.2022 RM
<b>Carrying amount</b>							
Offices	16,120	81,004	(12,941)	(31,060)	0	1,687	54,810
Plant and machinery	504,582	0	0	(229,554)	(306,178)	31,150	0
Computer software and hardware	51,628	0	0	(31,784)	(22,325)	2,481	0
Motor vehicles	76,742	0	0	(20,983)	(60,810)	5,051	0
Capital work-in-progress	491,318	0	0	(23,413)	(491,318)	23,413	0
	1,140,390	81,004	(12,941)	(336,794)	(880,631)	63,782	54,810

	Balance as at 1.8.2020 RM	Additions RM	Lease payments RM	Interest expenses RM	Lease concession RM	Balance as at 31.7.2021 RM
<b>Carrying amount</b>						
Factory	68,421	0	(54,450)	879	(14,850)	0
Offices	66,949	0	(52,200)	1,371	0	16,120
Plant and machinery	620,643	89,880	(242,096)	36,155	0	504,582
Production equipment	18,491	0	(19,382)	891	0	0
Computer software and hardware	81,731	0	(34,237)	4,134	0	51,628
Motor vehicles	20,016	93,000	(41,806)	5,532	0	76,742
Capital work-in-progress	0	521,778	(39,500)	9,040	0	491,318
	876,251	704,658	(483,671)	58,002	(14,850)	1,140,390

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

### Lease liabilities (Cont'd)

	Group	
	2022	2021
	RM	RM
Represented by:	39,794	312,032
Current liabilities	15,016	828,358
Non-current liabilities	54,810	1,140,390
Lease liabilities owing to financial institutions	0	1,124,270
Lease liabilities owing to non-financial institutions	54,810	16,120
	54,810	1,140,390

- (a) As at the end of the reporting period, leasehold land of the Group with a total carrying amounts of RM4,845,846 (2021:RM4,931,110) have been charged to licensed bank for credit facilities granted to the Group as disclosed in Note 16 and Note 17 to the financial statements.
- (b) The Group has certain leases of factory and hostels with lease terms of twelve (12) months or less and low-value asset of RM20,000 and below. The Group applies the "short term leases" and "low-value asset" exemptions for those leases.
- (c) The following are the amounts recognised in profit or loss:

	Group	
	1.8.2021 to 31.7.2022	1.8.2020 to 31.7.2021
	RM	RM
Depreciation charge of right-of-use assets		
- included in cost of sales	67,928	142,755
- included in administrative and other expenses	150,553	179,646
Interest expense on lease liabilities		
- included in finance costs	63,782	58,002
Expense relating to short-term leases		
- included in cost of sales	0	9,400
- included in administrative and other expenses	13,071	24,810
Expense relating to leases of low-value assets		
- included in cost of sales	5,073	443
- included in administrative and other expenses	22,259	36,794
Variable lease payments included in other income arising from COVID-19-related rent concessions	0	(14,850)
Gain on lease terminations	(368)	0
	322,298	437,000

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

### Lease liabilities (Cont'd)

(d) The following are total cash outflows for leases as a lessee:

	Group	
	1.8.2021 to 31.7.2022	1.8.2020 to 31.7.2021
	RM	RM
Included in net cash from operating activities:		
Payment relating to low-value assets and short-term leases	40,403	71,447
Included in net cash from investing activities:		
Proceeds from refinancing of right-of-use assets transferred from plant and equipment	0	(22,782)
Included in net cash from financing activities:		
Payment of lease liabilities	1,217,425	483,671
Total cash outflows for leases	1,257,828	532,336

(e) The Group leases several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing those assets used in the Group's operations.

There is no potential future rental payments that are not included in the lease terms.

(f) Information on maturities profile of the lease liabilities is disclosed in Note 30 to the financial statements.

## 8. INVESTMENTS IN SUBSIDIARIES

	Company 2022 RM
Unquoted shares, at cost	13,834,255

(a) Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective ownership interest 2022 %	Principal activities
Actimed Healthcare Sdn. Bhd.	Malaysia	100 (i)	Marketing and distribution of medical devices
Evo Medik Sdn. Bhd.	Malaysia	100 (ii)	Marketing and distribution of medical devices
U Medihealth Sdn. Bhd.	Malaysia	100 (iii)	Marketing and distribution of medical devices
UMediC Healthcare Sdn. Bhd.	Malaysia	100 (iv)	Marketing and distribution of medical devices as well as provision of after-sale services
UWHC Sdn. Bhd.	Malaysia	100 (v)	Holding of intellectual property rights
UWHM Sdn. Bhd.	Malaysia	100 (vi)	Developing, manufacturing and marketing of medical devices

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 8. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(a) Details of the subsidiaries are as follows: (Cont'd)

- (i) The Company acquired entire issued share capital of Actimed Healthcare Sdn. Bhd., for a purchase consideration of RM1,498,520 which was satisfied via the issuance of 29,970,400 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards Actimed Healthcare Sdn. Bhd. as its wholly-owned subsidiary.
- (ii) The Company acquired entire issued share capital of Evo Medik Sdn. Bhd., for a purchase consideration of RM1,210,470 which was satisfied via the issuance of 24,209,400 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards Evo Medik Sdn. Bhd. as its wholly-owned subsidiary.
- (iii) The Company acquired entire issued share capital of U Medihealth Sdn. Bhd., for a purchase consideration of RM160,835 which was satisfied via the issuance of 3,216,700 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards U Medihealth Sdn. Bhd. as its wholly-owned subsidiary.
- (iv) The Company acquired entire issued share capital of UMediC Healthcare Sdn. Bhd., for a purchase consideration of RM6,098,815 which was satisfied via the issuance of 121,976,300 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards UMediC Healthcare Sdn. Bhd. as its wholly-owned subsidiary.
- (v) The Company acquired entire issued share capital of UWHC Sdn. Bhd., for a purchase consideration of RM46,315 which was satisfied via the issuance of 926,300 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards UWHC Sdn. Bhd. as its wholly-owned subsidiary.
- (vi) The Company acquired entire issued share capital of UWHM Sdn. Bhd., for a purchase consideration of RM4,819,300 which was satisfied via the issuance of 96,386,000 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards UWHM Sdn. Bhd. as its wholly-owned subsidiary.

## 9. DEFERRED TAX (ASSETS)/LIABILITIES

(a) The deferred tax (assets) and liabilities are made up of the following:

	Group	
	2022	2021
	RM	RM
Balance as at beginning of financial year	130,687	29,300
Relating to origination and reversal of temporary differences	(672,397)	100,987
Underprovision in prior year	114,000	400
	(558,397)	101,387
Balance as at end of financial year	427,710	130,687
Presented after appropriate offsetting		
Deferred tax assets, net	(432,297)	0
Deferred tax liabilities, net	4,587	130,687
	(427,710)	130,687



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 9. DEFERRED TAX (ASSETS)/LIABILITIES (Cont'd)

(b) The components and movements of deferred tax (assets) and liabilities during the financial year are as follows:

### Deferred tax (assets)/liabilities of the Group

	Property, plant and equipment RM	Unutilised reinvestment allowances RM	Accrued expenses RM	Total RM
Balance as at 1 August 2021	130,687	0	0	130,687
Recognised in profit or loss	614,853	(913,650)	(259,600)	(558,397)
Set off	(740,953)	515,650	225,303	0
Balance as at 31 July 2022	4,587	(398,000)	(34,297)	(427,710)
Balance as at 1 August 2020	29,300	0	0	29,300
Recognised in profit or loss	101,387	0	0	101,387
Balance as at 31 July 2021	130,687	0	0	130,687

(c) The amount of temporary differences for which no deferred tax asset has been recognised in the statements of financial position are as follows:

	Group	
	2022 RM	2021 RM
Unabsorbed capital allowances	21,299	18,960
Unused tax loss - expired by 31 July 2032	5,058	0
	26,357	18,960

Deferred tax assets of the Group have not been recognised in respect of these items as it is not probable that future taxable profits of the Group would be available against which the deductible temporary differences can be utilised.

The amount and availability of these items to be carried forward up to the period as disclosed above are subject to the agreement of the local tax authority.

The availability of unutilised reinvestment allowances shall be deductible for a maximum period of seven (7) consecutive years of assessment immediately following that year of assessment. Any amount which is not deducted at the end of the period of seven (7) years of assessment shall be disregarded.

With effective from 1 January 2022, any unused tax losses shall be deductible for a maximum period of ten (10) consecutive years of assessment immediately following that year of assessment. Any amount which is not deducted at the end of the period of ten (10) years of assessment shall be disregarded.

## 10. INVENTORIES

	Group	
	2022 RM	2021 RM
<b>At cost</b>		
Raw materials	1,053,969	674,293
Finished goods	8,406,334	9,442,138
	9,460,303	10,116,431

During the financial year, inventories of the Group recognised as cost of sales amounted to RM26,357,804 (1.8.2020 to 31.7.2021: RM18,377,315).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<b>Trade receivables</b>				
Third parties	6,244,034	9,549,911	0	0
Amount owing by related parties	0	47,269	0	0
	6,244,034	9,597,180	0	0
Less: Allowance for impairment losses	(66,522)	(80,900)	0	0
	6,177,512	9,516,280	0	0
<b>Other receivables</b>				
Third parties	331,943	355,091	0	0
Amount owing by subsidiaries	0	0	9,880,166	0
	331,943	355,091	9,880,166	0
<b>Deposits and prepayments</b>				
Deposits	73,574	104,467	0	0
Prepayments	776,524	89,932	0	0
	850,098	194,399	0	0
	7,359,553	10,065,770	9,880,166	0

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 90 days (2021: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (b) Amounts owing by subsidiaries (non-trade) are unsecured, interest-free and payable within next twelve (12) months or upon demand in cash and cash equivalents.
- (c) The related parties are companies incorporated in Malaysia in which the Directors have significant and controlling financial interest.
- (d) Included in the prepayments in 31 July 2022 was a total sum of RM741,460 paid in respect to the acquisition of plant and equipment.
- (e) The currency exposure profile of trade and other receivables are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia ('RM')	4,687,002	9,081,991	9,880,166	0
United States Dollar ('USD')	2,672,551	983,779	0	0
	7,359,553	10,065,770	9,880,166	0

- (f) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime ECL.

The Group uses an allowance matrix to measure the ECL of trade receivables from their ageing. Expected loss rates are calculated using the roll rate method separately based on the common credit risk characteristic - by industry or allocation of customer base to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experience credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information on macroeconomic factors, i.e. consumer price index and inflation index and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying amount of the asset would be written off against the associated impairment.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the combined statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying amount of the asset would be written off against the associated impairment.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 11. TRADE AND OTHER RECEIVABLES (Cont'd)

(f) (Cont'd)

Lifetime expected loss provision for trade receivables of the Group are as follows:

Group	Not past due	Trade receivables-days past due			Credit impaired	Total
		1-60 days past due	61-120 days past due	>120 days past due		
As at 31 July 2022						
Trade receivables, gross (RM)	3,594,720	2,200,053	379,463	69,798	0	6,244,034
Lifetime ECL allowance (RM)	(9,202)	(18,073)	(7,393)	(31,854)	0	(66,522)
Trade receivables, net (RM)	3,585,518	2,181,980	372,070	37,944	0	6,177,512
As at 31 July 2021						
Trade receivables, gross (RM)	6,163,911	2,640,159	222,940	535,996	34,174	9,597,180
Lifetime ECL allowance (RM)	(9,317)	(17,019)	(3,729)	(47,090)	0	(77,155)
Credit impaired (RM)	0	0	0	0	(3,745)	(3,745)
Trade receivables, net (RM)	6,154,594	2,623,140	219,211	488,906	30,429	9,516,280

The Group did not renegotiate the terms of any trade receivables for the financial year ended 31 July 2022 and 31 July 2021 respectively.

(g) Movements in the impairment allowance for trade receivables based on the simplified approach are as follows:

	Lifetime ECL allowance RM	Group Credit impaired RM	Total RM
Balance as at 1 August 2021	77,155	3,745	80,900
Reversal of impairment losses	(10,633)	(3,745)	(14,378)
Balance as at 31 July 2022	<u>66,522</u>	<u>0</u>	<u>66,522</u>
Balance as at 1 August 2020	39,790	39,785	79,575
Charge for the year/(Reversal of impairment losses)	37,365	(36,040)	1,325
Balance as at 31 July 2021	<u>77,155</u>	<u>3,745</u>	<u>80,900</u>

Trade receivables that are individually determined to be impaired at the financial year end relate to trade receivables who are in significant financial difficulties and have defaulted in payments. The Group considers trade receivables to be in default when the trade receivables are more than 12 months past due.

(h) Impairment for other receivables are recognised based on the three-stage general approach within MFRS 9 *Financial Instrument* using the forward-looking ECL model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) months ECL along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. As at the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime ECL along with interest income on a net basis are recognised.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 11. TRADE AND OTHER RECEIVABLES (Cont'd)

(h) (Cont'd)

The Group defined significant increase in credit risk based on payment trends and operational performance of other receivables.

No ECL is recognised arising from other receivables as it is negligible.

(i) Information on financial risks of trade and other receivables is disclosed in Note 30 to the financial statements.

## 12. SHORT TERM FUNDS

	2022 RM	Group 2021 RM	Company 2022 RM	2021 RM
<b>In Malaysia</b>				
Money market funds	21,007,257	0	18,006,261	0

(a) Short term funds of the Group are mainly designated to manage free cash flows and optimise working capital so as to provide a steady stream of income returns. It is an integral part of the overall cash management.

(b) Short term funds are denominated in RM.

(c) During the financial year, the Group and the Company have recognised a change in fair value amounting to increase of RM6,073 and RM5,521 respectively with regards to the short term funds.

(d) Quoted short term money market fund of the Group and the Company are categorised as Level 1 in the fair value hierarchy. The fair value of investment is determined by reference to the counter party quotes at the close of the business at the end of the reporting period.

## 13. CASH AND BANK BALANCES

	2022 RM	Group 2021 RM	Company 2022 RM	2021 RM
Cash and bank balances, representing cash and cash equivalent as reported in statements of cash flows	4,159,584	2,761,335	253,135	1

(a) The currency exposure profile of cash and bank balances are as follows:

	2022 RM	Group 2021 RM	Company 2022 RM	2021 RM
RM	3,476,737	2,677,912	253,135	1
USD	443,680	74,485	0	0
EURO	239,167	8,938	0	0
	4,159,584	2,761,335	253,135	1

(b) No expected credit loss is recognised arising from cash and bank balances because the probability of default of these financial institutions is negligible.

(c) Information on financial risks of cash and bank balances is disclosed in Note 30 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 14. SHARE CAPITAL

	Group	
	Number of shares	RM

### Issued and fully paid up with no par value:

#### 31 July 2022

Balance as at 1 August 2021	6,907,501	6,907,501
Effects of business combinations under common control:		
- Elimination of issued and paid up ordinary share capital of Actimed Healthcare Sdn. Bhd.	(10,000)	(10,000)
- Elimination of issued and paid up ordinary share capital of Evo Medik Sdn. Bhd.	(25,000)	(25,000)
- Elimination of issued and paid up ordinary share capital of U Medihealth Sdn. Bhd.	(2,500)	(2,500)
- Elimination of issued and paid up ordinary share capital of UMediC Healthcare Sdn. Bhd.	(2,400,000)	(2,400,000)
- Elimination of issued and paid up ordinary share capital of UWHC Sdn. Bhd.	(50,000)	(50,000)
- Elimination of issued and paid up ordinary share capital of UWHM Sdn. Bhd.	(4,420,000)	(4,420,000)
- Restated to the ordinary share capital of the Company	276,685,100	13,834,255
	269,777,600	6,926,755
Issuance of ordinary shares	599	30
Issuance of ordinary shares pursuant to Initial Public Offering	97,224,300	31,111,776
Share issue expenses	0	(597,729)
Balance as at 31 July 2022	373,910,000	44,348,333

#### 31 July 2021

Balance as at 1 August 2020	2,887,500	2,887,500
Issuance of ordinary shares	4,020,001	4,020,001
Balance as at 31 July 2021	6,907,501	6,907,501

	Company	
	Number of shares	RM

#### 31 July 2022

Balance as at 1 August 2021	1	1
Issuance of ordinary shares pursuant to:		
- acquisition of subsidiaries	276,685,100	13,834,255
- ordinary shares	599	30
- Initial Public Offering	97,224,300	31,111,776
Share issue expenses	0	(597,729)
Balance as at 31 July 2022	373,910,000	44,348,333

#### 31 July 2021

Balance as at 22 April 2021(Date of incorporation)/ 31 July 2021	1	1
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- (a) As at 31 July 2021, the number of ordinary shares of the Group is on combined basis.
- (b) During the financial year, the issued and paid up share capital of the Company has been increased from 1 to 373,910,000 by way of issuance of 373,909,999 new ordinary shares pursuant to the following:
- issuance of 276,685,100 new ordinary shares of RM0.05 pursuant to the acquisition of subsidiaries;
  - allotment of 599 new ordinary shares issued at an issue price of RM0.05 each for cash; and
  - allotment of 97,224,300 new ordinary shares at an issue price of RM0.32 each for cash pursuant to its Initial Public Offering exercise.

The newly issued ordinary shares rank pari passu in all respects with existing ordinary shares of the Company. There were no other issues of shares during the financial year.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 14. SHARE CAPITAL (Cont'd)

- (c) In previous financial year, the issued and paid-up ordinary share capital of the Group was increased from RM2,887,500 to RM6,907,501 by way of issuance of 4,020,001 new ordinary shares pursuant to the following:
- (i) 600,001 new ordinary shares at RM1 per ordinary share for cash consideration; and
  - (ii) 3,420,000 new ordinary shares at RM1 per ordinary share by way of debit part of the amounts owing to Directors.
- (d) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

## 15. RESERVES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<b>Non-distributable:</b>				
Reorganisation debit reserve	(6,851,755)	0	0	0
Accumulated losses	0	0	(2,404,338)	(10,197)
<b>Distributable:</b>				
Retained earnings	15,182,069	8,831,074	0	0
	<u>8,330,314</u>	<u>8,831,074</u>	<u>(2,404,338)</u>	<u>(10,197)</u>

### Reorganisation debit reserve

The reorganisation debit reserve arose as a result of the difference between consideration paid over the share capital and reserves of Actimed Healthcare Sdn. Bhd., Evo Medik Sdn. Bhd., U Medihealth Sdn. Bhd., UMediC Healthcare Sdn. Bhd., UWHC Sdn. Bhd. and UWHM Sdn. Bhd. pursuant to business combinations under common control.

## 16. BORROWINGS

	Group	
	2022 RM	2021 RM
<b>Non-current liability</b>		
Term loans (Note 17)	<u>5,584,199</u>	<u>14,155,567</u>
<b>Current liabilities</b>		
Bankers' acceptance	1,450,000	9,450,000
Term loans (Note 17)	<u>962,469</u>	<u>1,583,372</u>
	<u>2,412,469</u>	<u>11,033,372</u>
Total borrowings	<u>7,996,668</u>	<u>25,188,939</u>
<b>Represented by:</b>		
Bankers' acceptance	1,450,000	9,450,000
Term loans (Note 17)	<u>6,546,668</u>	<u>15,738,939</u>
	<u>7,996,668</u>	<u>25,188,939</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 16. BORROWINGS (Cont'd)

- (a) The interest rates of the borrowings of the Group are as follows:

	Group	
	2022	2021
	RM	RM
Bankers' acceptance	2.69% - 2.74%	1.92% - 2.36%
Term loans	3.50% - 3.68%	3.50% - 3.88%

- (b) The bankers' acceptance are secured by the following:
- (i) legal charge over property, plant and equipment and right-of-use assets of the Group as disclosed in Note 6 and Note 7 to the financial statements;
  - (ii) corporate guarantee by a subsidiary of the Group; and
  - (iii) joint and several guarantee by certain Directors of the Group.
- (c) Information on financial risks and remaining maturities of borrowings are disclosed in Note 30 to the financial statements.

## 17. TERM LOANS

	Group	
	2022	2021
	RM	RM
<b>Secured</b>		
Term loans:		
- current	962,469	1,583,372
- non-current	5,584,199	14,155,567
	<u>6,546,668</u>	<u>15,738,939</u>

The term loans are repayable as follows:

- not later than one (1) year	962,469	1,583,372
- later than one (1) year and not later than five (5) years	2,280,145	6,252,880
- later than five (5) years	3,304,054	7,902,687
	<u>6,546,668</u>	<u>15,738,939</u>

The term loans are secured by the following:

- (a) legal charge over property, plant and equipment and right-of-use assets of the Group as disclosed in Note 6 and Note 7 to the financial statements;
- (b) corporate guarantee by a subsidiary of the Group;
- (c) a guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad for RM800,000 as the facility is under Government Guarantee Scheme - Prihatin (GGS-Prihatin); and
- (d) joint and several guarantee by certain Directors of the Group.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 18. GOVERNMENT GRANTS

	Group	
	2022 RM	2021 RM
<b>At cost</b>		
Balance as at beginning of financial year	150,000	0
Add: Grants received during the year	3,549,571	150,000
Less: Amortisation during the year	(86,660)	0
Balance as at end of financial year	<u>3,612,911</u>	<u>150,000</u>
<b>Represented by:</b>		
Current	369,957	15,000
Non-current	<u>3,242,954</u>	<u>135,000</u>
	<u>3,612,911</u>	<u>150,000</u>

The government grants was obtained by UWHM Sdn. Bhd. from the Malaysian Investment Development Authority ("MIDA").

## 19. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<b>Trade payables</b>				
Third parties	1,794,545	3,643,459	0	0
<b>Other payables</b>				
Third parties	600,596	2,571,090	15,222	0
Amount owing to a subsidiary	0	0	0	2,197
Amount owing to related parties	0	8,480	0	0
Deposit	30,000	0	0	0
Accrued expenses	1,627,581	1,000,120	13,000	8,000
	<u>2,258,177</u>	<u>3,579,690</u>	<u>28,222</u>	<u>10,197</u>
<b>Total trade and other payables</b>	<u>4,052,722</u>	<u>7,223,149</u>	<u>28,222</u>	<u>10,197</u>

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2021: 30 to 90 days).
- (b) The amount owing to a subsidiary or amount owing to related parties are unsecured, interest-free and payable within next twelve (12) months or upon demand in cash and cash equivalents.
- (c) The related parties are companies incorporated in Malaysia in which the Directors have significant and controlling financial interest.
- (d) The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
RM	3,710,918	6,202,307	28,222	10,197
USD	270,794	991,711	0	0
EURO	11,488	29,131	0	0
Others	59,522	0	0	0
	<u>4,052,722</u>	<u>7,223,149</u>	<u>28,222</u>	<u>10,197</u>

- (e) Information on financial risks of trade and other payables is disclosed in Note 30 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 20. CAPITAL COMMITMENTS

	2022 RM	Group 2021 RM
Capital expenditure in respect of purchase of property, plant and equipment:		
- Approved but not contracted for	10,300,000	0
- Contracted but not provided for	1,187,920	2,145,694
Commitments in respect of purchase/import of raw materials/trading goods	0	2,831,145
	<u>11,487,920</u>	<u>4,976,839</u>

## 21. REVENUE

	1.8.2021 to 31.7.2022 RM	Group 1.8.2020 to 31.7.2021 RM
<i>Revenue from contracts with customers:</i>		
Sales of goods and services	<u>50,738,156</u>	<u>34,115,959</u>
Timing of revenue recognition:		
At a point in time	<u>50,738,156</u>	<u>34,115,959</u>

### *Disaggregation of revenue from contracts with customers*

Revenue from contracts with customers is disaggregated by primary geographical market as disclosed in Note 28 to the financial statements.

## 22. EMPLOYEE BENEFITS

	1.8.2021 to 31.7.2022 RM	Group 1.8.2020 to 31.7.2021 RM
Directors' remuneration	550,246	1,109,797
Wages, salaries and bonuses	5,803,382	2,854,410
Contributions to defined contribution plans	472,229	282,411
Social security contributions	59,933	38,358
Other benefits	92,096	57,773
	<u>6,977,886</u>	<u>4,342,749</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 22 EMPLOYEE BENEFITS (Cont'd)

The details of the Directors' remuneration are as follows:

	Group	
	1.8.2021 to 31.7.2022	1.8.2020 to 31.7.2021
	RM	RM
<b>Directors of the Company</b>		
Fees	0	202,492
Salaries and other emoluments	334,500	253,750
Contributions to defined contribution plan	25,920	21,300
Social security contributions	829	829
Other benefits	1,354	95
Total Directors' remuneration (exclude benefits-in-kind)	362,603	478,466
Estimated money value of benefits-in-kind	0	85,000
Total Directors' remuneration (include benefits-in-kind)	362,603	563,466
<b>Directors of the subsidiaries</b>		
Fees	0	27,500
Salaries and other emoluments	168,000	551,750
Contributions to defined contribution plan	17,280	47,880
Social security contributions	829	2,693
Other benefits	1,534	1,508
Total Directors' remuneration (exclude benefits-in-kind)	187,643	631,331
Estimated money value of benefits-in-kind	0	124,600
Total Directors' remuneration (include benefits-in-kind)	187,643	755,931
<b>Total Directors' remuneration</b>		
Fees	0	229,992
Other emoluments	550,246	879,805
	550,246	1,109,797

## 23. FINANCE COSTS

	Group	
	1.8.2021 to 31.7.2022	1.8.2020 to 31.7.2021
	RM	RM
Interest expenses on:		
- bankers' acceptance	171,155	133,217
- term loans	541,279	483,301
- lease interest	63,782	58,002
- letter of credit interest	22,111	52,941
- others	9,066	3,625
	807,393	731,086



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 24. TAX EXPENSE

	Group		Company	
	1.8.2021 to 31.7.2022	1.8.2020 to 31.7.2021	1.8.2021 to 31.7.2022	22.4.2021 to 31.7.2021
	RM	RM	RM	RM
Current tax expense based on profit/(loss) for the financial year/period	2,482,109	1,273,699	1,600	0
Underprovision of tax expenses in prior years	131,960	91,738	0	0
	<u>2,614,069</u>	<u>1,365,437</u>	<u>1,600</u>	<u>0</u>
Deferred tax (Note 9):				
Relating to origination and reversal of temporary differences	(672,397)	100,987	0	0
Underprovision in prior years	114,000	400	0	0
	<u>(558,397)</u>	<u>101,387</u>	<u>0</u>	<u>0</u>
	<u>2,055,672</u>	<u>1,466,824</u>	<u>1,600</u>	<u>0</u>

The Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated taxable profits for the fiscal year/period.

The numerical reconciliation between the tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	1.8.2021 to 31.7.2022	1.8.2020 to 31.7.2021	1.8.2021 to 31.7.2022	22.4.2021 to 31.7.2021
	RM	RM	RM	RM
Profit/(Loss) before tax	<u>8,481,667</u>	<u>6,553,518</u>	<u>(2,392,541)</u>	<u>(10,197)</u>
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	2,035,600	1,572,800	(574,200)	(2,400)
Tax effects in respect of:				
- Non-allowable expenses	761,426	74,648	575,800	2,400
- Income not subject to tax	(22,133)	(37,687)	0	0
Different tax rate for the first RM600,000 (2021: RM600,000) of chargeable income	(42,710)	(113,475)	0	0
Reinvestment allowance claimed during the year	(924,246)	0	0	0
Deferred tax assets not recognised during the year	1,775	0	0	0
Utilisation of previously unrecognised deferred tax assets	0	(121,600)	0	0
Underprovision of deferred tax in prior years	114,000	400	0	0
Underprovision of tax expense in prior years	131,960	91,738	0	0
	<u>2,055,672</u>	<u>1,466,824</u>	<u>1,600</u>	<u>0</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 25. DIVIDENDS [2022 ONLY]

	Gross dividend per share RM	Group 2022 Amount of dividend RM
Distribution of ordinary shares in UMediC Group Sdn. Bhd. ('Distribution Shares') held by UMediC Healthcare Sdn. Bhd. by way of dividend-in-specie on 28 September 2021	0.031	75,000

## 26. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the number of ordinary shares of the Company

	1.8.2021 to 31.7.2022 RM	Group 1.8.2020 to 31.7.2021 RM
Profit attributable to owners of the parent (RM)	6,425,995	5,086,694
Weighted average number of ordinary shares in issue (units)*	234,409,557	373,910,000
Basic earnings per share (sen)	2.74	1.36

\* Number of ordinary shares for the financial year ended 31 July 2021 was the expected number of ordinary shares of the Company upon completion of listing of the ordinary shares of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

### (b) Diluted

Diluted earnings per share equals basic earnings per share because there are no potentially dilutive instruments in existence as at the end of each reporting period.

## 27. RELATED PARTY DISCLOSURES

### (a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other parties.

Related parties of the Group include:

- The ultimate holding company, UMediC Capital Sdn. Bhd.;
- Subsidiaries as disclosed in Note 8 to the financial statements;
- Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Executive Directors of the Group; and
- Atnesis Sdn. Bhd., Empayar Stabil Sdn. Bhd., and Meditech Scientific Sdn. Bhd., whereby certain Directors of the Group and their family members have significant financial and controlling interests or are connected to certain Directors of the related parties.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 27 RELATED PARTY DISCLOSURES (Cont'd)

- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following material transactions with related parties during the financial year:

	1.8.2021 to 31.7.2022 RM	Group 1.8.2020 to 31.7.2021 RM
Related parties:		
- Sales of goods	40,644	192,824
- Short term leases	0	9,400
- Lease payment	0	80,650

Balances with related parties at the end of the financial year are disclosed in Note 11 and Note 19 to the financial statements.

The related party transactions described above were undertaken on mutually agreed and negotiated terms.

- (c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

The remuneration of certain Directors and other members of key management during the year were as follows:

	1.8.2021 to 31.7.2022 RM	Group 1.8.2020 to 31.7.2021 RM
Short term employee benefits	1,183,555	1,147,662
Estimated monetary value of benefits-in-kind	0	209,600
Contributions to defined contribution plans	97,426	79,290
	<u>1,280,981</u>	<u>1,436,552</u>

Included in the compensation of key management personnel are Director's remuneration of the Group as disclosed in Note 22 to the financial statements.

## 28. OPERATING SEGMENTS

The Company is principally involved in investment holding. Through its subsidiaries, the Group is principally involved in marketing and distribution of various branded medical devices and consumables as well as the provision of after-sales service for all its products. The Group is also involved in developing, manufacturing and marketing of its medical consumables.

For management purposes, the Group is organised into business units based on its products and services. The reportable segments of the Group are as follows:

- (a) Marketing and distribution - marketing and distribution of medical devices as well as the provision of after-sales service.
- (b) Manufacturing - developing, manufacturing and marketing of medical devices.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

The accounting policies of operating segments are the same as those described in Note 4 to the financial statements.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the financial statements. These policies have been applied consistently throughout the financial years.

Segment assets exclude cash and bank balances and tax assets. Segment liabilities exclude tax liabilities. Even though borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirements).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 28. OPERATING SEGMENTS (Cont'd)

	Manufacturing RM	Marketing and distribution RM	Eliminations RM	Consolidated RM
<b>31 July 2022</b>				
Revenue from external customers	10,104,299	40,633,857	0	50,738,156
Inter-segment revenue	1,195,768	0	(1,195,768)	0
Total revenue	11,300,067	40,633,857	(1,195,768)	50,738,156
Interest income and distribution income from short-term fund	16,017	100,665	0	116,682
Interest expense	(365,864)	(454,495)	12,966	(807,393)
Net interest expense	(349,847)	(353,830)	12,966	(690,711)
<b>Segment profit before tax</b>	<b>1,457,043</b>	<b>9,854,416</b>	<b>(2,829,792)</b>	<b>8,481,667</b>
Taxation	442,858	(2,498,530)	0	(2,055,672)
<b>Other material non-cash items:</b>				
- Depreciation of property, plant and equipment	(1,320,521)	(141,302)	(67,520)	(1,529,343)
- Depreciation of right-of-use assets	(449,313)	(65,117)	295,949	(218,481)
- Depreciation of investment properties	0	(117,563)	117,563	0
- Reversal of impairment losses on trade receivables	0	1,998,434	(1,984,056)	14,378
Additions to non-current assets other than financial instruments	697,668	394,597	0	1,092,265
<b>Assets</b>				
Segment assets	18,659,331	51,970,203	(27,901,026)	42,728,508
Deferred tax assets	398,000	34,297		432,297
Short term funds	0	21,007,257		21,007,257
Cash and bank balances	1,094,453	3,065,131		4,159,584
Current tax assets	153,336	409,563		562,899
				68,890,545
<b>Liabilities</b>				
Segment liabilities	13,538,014	16,238,436	(14,059,339)	15,717,111
Deferred tax liabilities	1,587	3,000		4,587
Current tax liabilities	0	490,200		490,200
				16,211,898
<b>31 July 2021</b>				
Revenue from external customers	5,849,890	28,266,069	0	34,115,959
Inter-segment revenue	683,254	2,753,623	(3,436,877)	0
Total revenue	6,533,144	31,019,692	(3,436,877)	34,115,959
Interest income	13,795	23,468	0	37,263
Interest expense	(308,524)	(436,185)	13,623	(731,086)
Net interest expense	(294,729)	(412,717)	13,623	(693,823)
<b>Segment profit before tax</b>	<b>649,451</b>	<b>5,892,863</b>	<b>11,204</b>	<b>6,553,518</b>
Tax expense	(120,782)	(1,346,042)	0	(1,466,824)

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 28. OPERATING SEGMENTS (Cont'd)

	Manufacturing RM	Marketing and distribution RM	Eliminations RM	Consolidated RM
<b>31 July 2021 (Cont'd)</b>				
<b>Other material non-cash items:</b>				
- Depreciation of property, plant and equipment	(417,939)	(107,762)	0	(525,701)
- Depreciation of right-of-use assets	(383,196)	(90,990)	151,785	(322,401)
- Depreciation of investment properties	0	(78,006)	78,006	0
- Reversal of impairment losses on trade receivables/ (Impairment losses on trade receivables)	10,743	(12,068)	0	(1,325)
Additions to non-current assets other than financial instruments	13,329,060	1,837,160	0	15,166,220
<b>Assets</b>				
Segment assets	17,373,106	33,229,877	(3,814,122)	46,788,861
Cash and bank balances				2,761,335
Current tax assets				375,419
				49,925,615
<b>Liabilities</b>				
Segment liabilities	13,275,654	26,155,452	(5,728,628)	33,702,478
Deferred tax liabilities				130,687
Current tax liabilities				353,875
				34,187,040

### (a) Geographical information

Segment revenue is based on geographical location of customers of the Group.

Segment assets are based on the geographical location of the assets of the Group.

The following are revenue from external customers by geographical location with revenue equal or more than one percent (1%) of revenue of the Group:

	1.8.2021 to 31.7.2022 RM	Group 1.8.2020 to 31.7.2021 RM
<b>Revenue from external customers</b>		
Malaysia	40,628,858	28,559,643
Asia Pacific	5,229,201	3,417,129
Americas	902,219	773,417
Europe	3,468,008	876,084
Middle East	236,065	298,000
Africa	94,233	191,686
Oceania	179,572	0
	50,738,156	34,115,959

### (b) Major customer

The following are major customer with revenue equal or more than ten percent (10%) of revenue of the Group:

	31.7.2022 RM	Group 31.7.2021 RM
Customer A	*	4,660,789

\* Less than 10%



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 29. FINANCIAL INSTRUMENTS

### (a) Capital management

The primary objective of the capital management of the Group is to ensure that the Group would be able to continue as a going concern whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged throughout the reporting periods.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes throughout the reporting periods.

The Group monitors capital utilisation on the basis of net debt-to-equity ratio, which is net debt divided by total capital. The Group includes within net debt, loans and borrowings, lease liabilities and trade and other payables less short-term fund and cash and bank balances. Capital represents equity attributable to the owners of the Group. The net debt-to-equity ratios as at 31 July 2022 and 31 July 2021 are as follows:

	Note	2022 RM	Group 2021 RM
Borrowings	16	7,996,668	25,188,939
Lease liabilities	7	54,810	1,140,390
Trade and other payables	19	4,052,722	7,223,149
Total liabilities		12,104,200	33,552,478
Less: Short-term fund	12	(21,007,257)	0
Cash and bank balances	13	(4,159,584)	(2,761,335)
Net (cash)/debt		(13,062,641)	30,791,143
Total equity		52,678,647	15,738,575
Net debt-to-equity ratio		*	196%

\* No net debt-to-equity ratio is presented as the Group are in net cash position.

Pursuant to the requirements of Guidance Note No. 13/2007 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of not less than or equals to twenty-five percent (25%) of the issued and paid-up capital of the Group. The Company has complied with this requirements for the financial year ended 31 July 2022.

The Group and the Company are not subject to any externally imposed capital requirements.

### (b) Categories of financial instruments

Group	2022 RM	2021 RM
<b>Financial assets measured at fair value through profit or loss</b>		
Short-term fund	21,007,257	0
<b>Financial assets measured at amortised cost</b>		
Trade and other receivables (excluding prepayments)	6,583,029	9,975,838
Cash and bank balances	4,159,584	2,761,335
	10,742,613	12,737,173
<b>Financial liabilities measured at amortised cost</b>		
Borrowings	7,996,668	25,188,939
Trade and other payables	4,052,722	7,223,149
	12,049,390	32,412,088
<b>Company</b>		
<b>Financial assets measured at fair value through profit or loss</b>		
Short-term fund	18,006,261	0
<b>Financial asset measured at amortised cost</b>		
Trade and other receivables (excluding prepayments)	9,880,166	0
Cash and bank balances	253,135	1
	10,133,301	1
<b>Financial liability measured at amortised cost</b>		
Trade and other payables	28,222	10,197

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 29. FINANCIAL INSTRUMENTS (Cont'd)

### (c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

*Financial instruments that are not carried at fair values and whose carrying amounts are a reasonable approximation of fair values.*

The carrying amounts of financial assets and financial liabilities, such as cash and bank balances, trade and other receivables, trade and other payables and borrowings (fixed interest rate), are reasonable approximation of fair values, either due to their short-term nature or they are floating rate instruments that are re-priced to market interest rates on or near the end of each reporting period.

## 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management policy of the Group and of the Company is to ensure that adequate financial resources are available for the development of the operations of the Group and of the Company whilst managing its financial risks, including credit risk, liquidity and cash flow risks, interest rate risk and foreign currency risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

### (a) Credit risk

Trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are the customers of the Group and licensed financial institutions. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with the customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of one (1) month, extending up to three (3) months for major customers. Nevertheless, the management of the Group may give longer credit terms by discretion. The Group consistently monitors its outstanding receivables to minimise credit risk.

#### Exposure to credit risk

At the end of the reporting period, the maximum exposure of the Group to credit risk is substantially represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

#### Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of the reporting period are as follows:

By countries	2022 RM	% of total	2021 RM	% of total
Malaysia	3,534,380	57%	8,513,768	89%
South Korea	622,405	10%	365,964	4%
Thailand	136,018	2%	177,472	2%
Others	1,884,709	31%	459,076	5%
	<u>6,177,512</u>	<u>100%</u>	<u>9,516,280</u>	<u>100%</u>

At the end of each reporting period, approximately 52% (2021: 61%) of the trade receivables of the Group were due from seven (7) (2021: seven (7)) major customers.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

### (b) Liquidity and cash flow risks

Liquidity and cash flow risks are the risks that the Group will not be able to meet its financial obligations when they fall due. The exposure of the Group to liquidity risk arises principally from its trade and other payables, borrowings and lease liabilities.

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintain a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The table below summarises the maturities profile of the liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations.

Financial liabilities	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
<b>Group</b>				
<b>As at 31 July 2022</b>				
Trade and other payables	4,052,722	0	0	4,052,722
Borrowings	2,627,045	2,926,027	3,977,360	9,530,432
Lease liabilities	41,160	15,230	0	56,390
Total undiscounted financial liabilities	6,720,927	2,941,257	3,977,360	13,639,544
<b>As at 31 July 2021</b>				
Trade and other payables	7,223,149	0	0	7,223,149
Borrowings	11,614,628	7,901,129	7,608,514	27,124,271
Lease liabilities	368,603	896,706	0	1,265,309
Total undiscounted financial liabilities	19,206,380	8,797,835	7,608,514	35,612,729
<b>Company</b>				
<b>As at 31 July 2022</b>				
Trade and other payables	28,222	0	0	28,222
Total undiscounted financial liabilities	28,222	0	0	28,222
<b>As at 31 July 2021</b>				
Trade and other payables	10,197	0	0	10,197
Total undiscounted financial liabilities	10,197	0	0	10,197

### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market interest rates.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk and fair value interest rate risk. Interest rates of bank borrowings are mainly subject to fluctuations in the banks' base lending rates. Short term borrowings which are on fixed rates are not significantly subject to interest rate risk.

#### Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group's floating rate instrument if interest rates at the end of reporting period changed by fifty (50) basis points with all other variables held constant:

	Group	
	2022 RM	2021 RM
<b>Profit after tax</b>		
- Increase by 0.5%	(24,877)	(59,808)
- Decrease by 0.5%	24,877	59,808

## 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

### (c) Interest rate risk (Cont'd)

The following table sets out the carrying amounts, the incremental borrowing rate ('IBR')/weighted average effective interest rates ('WAEIR') as at the end of each reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk, which included fixed rates financial instruments:

	IBR* / WAEIR per annum %	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years RM	Total RM
<b>31 July 2022</b>								
<b>Fixed rate</b>								
Bankers' acceptance	2.71%	1,450,000	0	0	0	0	0	1,450,000
Term loans	3.50%	409,277	420,002	410,570	238,485	0	0	1,478,334
Lease liabilities	2.71% - 3.84%*	39,794	15,016	0	0	0	0	54,810
<b>Floating rate</b>								
Term loans	3.54%	553,192	302,772	302,772	302,772	302,772	3,304,054	5,068,334
<b>31 July 2021</b>								
<b>Fixed rate</b>								
Bankers' acceptance	2.09%	9,450,000	0	0	0	0	0	9,450,000
Lease liabilities	2.71% - 3.84%*	312,032	296,917	278,564	170,140	82,737	0	1,140,390
<b>Floating rate</b>								
Term loans	3.73%	1,583,372	1,622,453	1,663,023	1,627,456	1,339,948	7,902,687	15,738,939

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

### (d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group. The currencies giving rise to this risk are primarily in USD and EURO.

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. At the end of each reporting period, such foreign currency balances in USD and EURO amounted to RM682,847 (2021: RM83,423) for the Group.

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the USD and EURO exchange rate against the functional currency of the Group, with all other variables held constant:

	2022 RM	2021 RM
<b>Profit before tax</b>		
USD/RM		
- strengthen by 15%	324,380	7,587
- weaken by 15%	(324,380)	(7,587)
EURO/RM		
- strengthen by 15%	25,955	(2,302)
- weaken by 15%	(25,955)	2,302

Sensitivity analyses of other foreign currencies are not disclosed as they are not material to the Group.

## 31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- The Company acquired entire issued share capital of Actimed Healthcare Sdn. Bhd., for a purchase consideration of RM1,498,520 which was satisfied via the issuance of 29,970,400 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards Actimed Healthcare Sdn. Bhd. as its wholly-owned subsidiary.
- The Company acquired entire issued share capital of Evo Medik Sdn. Bhd., for a purchase consideration of RM1,210,470 which was satisfied via the issuance of 24,209,400 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards Evo Medik Sdn. Bhd. as its wholly-owned subsidiary.
- The Company acquired entire issued share capital of U Medihealth Sdn. Bhd., for a purchase consideration of RM160,835 which was satisfied via the issuance of 3,216,700 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards U Medihealth Sdn. Bhd. as its wholly-owned subsidiary.
- The Company acquired entire issued share capital of UMediC Healthcare Sdn. Bhd., for a purchase consideration of RM6,098,815 which was satisfied via the issuance of 121,976,300 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards UMediC Healthcare Sdn. Bhd. as its wholly-owned subsidiary.
- The Company acquired entire issued share capital of UWHC Sdn. Bhd., for a purchase consideration of RM46,315 which was satisfied via the issuance of 926,300 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards UWHC Sdn. Bhd. as its wholly-owned subsidiary.
- The Company acquired entire issued share capital of UWHM Sdn. Bhd., for a purchase consideration of RM4,819,300 which was satisfied via the issuance of 96,386,000 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards UWHM Sdn. Bhd. as its wholly-owned subsidiary.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2022

## 32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

### 32.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective date
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> (Amendment to MFRS 16 Leases)	1 April 2021

Adoption of the above Standards did not have any material effect on the financial performance or position of the Company.

### 32.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022

Title	Effective date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i> )	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> )	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

## LIST OF PROPERTIES

No.	Name of registered owner/Address	Description	Land Area / Built-up area (sq. feet)	Tenure	Carrying Amount as at 31 July 2022 (RM'000)	Date of Acquisition
1	<p><b>Title Identification:</b> PT 6031 held under HSD 50873 in Mukim 13, Daerah Seberang Perai Selatan, Negeri Pulau Pinang</p> <p><b>Postal Address:</b> PMT 790, Jalan Cassia Selatan 5/2, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang</p>	A double-storey office building annexed with a single-storey factory building	126,852.68/ 48,487.40	60 years' lease expiring on 20 September 2079 (remaining tenure 57 years)	12,192	17-May-2019

# ANALYSIS OF SHAREHOLDINGS

TOTAL NUMBER OF ISSUED SHARES	:	373,910,000
CLASS OF SHARE	:	Ordinary shares
VOTING RIGHTS	:	One vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	% of Shareholders	No. of Shares	% of Shares
1-99	-	-	-	-
100-1,000	275	10.41	176,300	0.05
1,001-10,000	1,343	50.81	8,278,200	2.21
10,001-100,000	859	32.50	29,089,350	7.78
100,001-18,695,499(*)	163	6.17	103,234,530	27.61
18,695,499 and above(**)	3	0.11	233,131,620	62.35
<b>Total</b>	<b>2,643</b>	<b>100.00</b>	<b>373,910,000</b>	<b>100.00</b>

\* Less than 5% of issued shares

\*\* 5% and above of issued shares

## SUBSTANTIAL SHAREHOLDERS AS AT 31 OCTOBER 2022

No.	Name of Shareholder	Direct Interest		Indirect Interest	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1	UMediC Capital Sdn. Bhd.	192,327,220	51.44	-	-
2	Dato' Ng Chai Eng	20,402,200	5.46	192,627,220*	51.52
3	Lim Taw Seong	20,402,200	5.46	192,327,220^	51.44

\* Deemed interest through shares in UMediC Capital Sdn. Bhd. by virtue to Section 8 of the Company Act 2016 and the shares held by his daughter, Ng Sze Hui pursuant to Section 8 of the Company Act 2016

^ Deemed interest through shares in UMediC Capital Sdn. Bhd. by virtue to Section 8 of the Company Act 2016

## DIRECTORS' SHAREHOLDINGS AS AT 31 OCTOBER 2022

No.	Directors	Direct Interest		Indirect Interest	
			%		%
1	Dato' Ng Chai Eng	20,402,200	5.46	192,627,220*	51.52
2	Lim Taw Seong	20,402,200	5.46	192,327,220^	51.44
3	Lau Chee Kheong	17,754,022	4.75	192,327,220^	51.44
4	Pakirisamy Baskaran A/L P Thangavelu	300,000	0.08	-	-
5	Tan Chye Suan	300,000	0.08	-	-
6	Lee Yee Wooi	300,000	0.08	-	-

\* Deemed interest through shares in UMediC Capital Sdn. Bhd. by virtue to Section 8 of the Company Act 2016 and the shares held by his daughter, Ng Sze Hui pursuant to Section 8 of the Company Act 2016

^ Deemed interest through shares in UMediC Capital Sdn. Bhd. by virtue to Section 8 of the Company Act 2016

# ANALYSIS OF SHAREHOLDINGS (CONT'D)

## LIST OF 30 LARGEST SHAREHOLDERS

No.	Name	No. Of Sharesheld	% Of Issued Capital
1	UMEDIC CAPITAL SDN. BHD.	192,327,220	51.44
2	LIM TAW SEONG	20,402,200	5.46
3	NG CHAI ENG	20,402,200	5.46
4	LAU CHEE KHEONG	17,754,022	4.75
5	KONG YOEN HOO	9,746,098	2.61
6	LIM SUAT GIM	6,125,050	1.64
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR ARECA EQUITYTRUST FUND (211882)	5,346,900	1.43
8	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (TMEF)	5,300,000	1.42
9	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR MAYBANK MALAYSIA SMALLCAP FUND	3,500,000	0.94
10	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY MOY KOH (SEGAMAT-CL)	2,770,000	0.74
11	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR GIBRALTAR BSN STRATEGIC FUND	2,730,000	0.73
12	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR GIBRALTAR BSN AGGRESSIVE FUND	1,980,000	0.53
13	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD HONG LEONG ASSET MANAGEMENT BHD FOR HONG LEONG FOUNDATION (ED100)	1,600,000	0.43
14	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR UNITED MALAYSIA FUND	1,500,000	0.40
15	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOAY KAI BENG (MY2627)	1,375,000	0.37
16	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR UNITED ASEAN DISCOVERYFUND	1,300,000	0.35
17	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	1,154,000	0.31
18	TOH LEE KIN	1,079,300	0.29
19	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR PHILLIP MASTER EQUITY GROWTH FUND (50144 TR01)	1,000,000	0.27
20	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI KENG THYE (023)	969,900	0.26
21	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG HWEI LENG (MY3019)	860,000	0.23
22	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG THIAN FOOK (7000207)	781,300	0.21
23	GOH CHUAN KIONG	730,000	0.20
24	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD ( A/C CLIENTS )	730,000	0.20
25	NG MEI SEE	700,000	0.19
26	LIM WAH LEE	692,800	0.19
27	LOO LEE LIAN	625,000	0.17
28	ANG SHU YUN	610,500	0.16
29	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIA AI SENG (7007375)	600,000	0.16
30	QUAH ZHENG WEI	600,000	0.16



## NOTICE OF SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting (“2<sup>nd</sup> AGM”) of UMed iC Group Berhad (“UMC” or the “Company”) will be held at Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25-A Farquhar Street, 10200 George Town, Pulau Pinang on Tuesday, 10 January 2023 at 10.30 a.m. for the transaction of the following business:

### ORDINARY BUSINESS

1. To receive the Audited Financial Statements for financial year ended 31 July 2022 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors’ fees and benefits of up to an aggregate amount of RM300,000 to the Non-Executive Directors for the period from 1 August 2022 until the conclusion of the next annual general meeting (“AGM”) of the Company.
3. To re-elect the following Directors who retire by rotation in accordance with Clause 165.1 of the Company’s Constitution and who, being eligible, offer themselves for re-election: -
  - (i) Mr. Lim Taw Seong
  - (ii) Dr. Pakirisamy Baskaran A/L P Thangavelu.
4. To re-appoint Messrs. BDO PLT as Auditors of the Company and to authorise the Directors to determine their remuneration.

**Ordinary Resolution 1**

**Ordinary Resolution 2**

**Ordinary Resolution 3**

**Ordinary Resolution 4**

### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution:

#### 5. AUTHORITY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES

“THAT, subject always to the Companies Act, 2016 (“the Act”), the Company’s Constitution, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant government and/or regulatory authorities, the Directors of the Company be and are hereby authorised, pursuant to Sections 75 and 76 of the Act, to allot and issue shares in the Company at any time until the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deemed fit, provided that the aggregate number of the shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and that the Directors are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares to be issued.

THAT pursuant to Section 85 of the Act read together with Clause 31 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of new shares pursuant to this mandate.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new share.”

**Ordinary Resolution 5**

6. To transact any other business of which due notice shall have been given in accordance with the Company’s Constitution and the Companies Act, 2016.



# NOTICE OF SECOND ANNUAL GENERAL MEETING

(CONT'D)

## BY ORDER OF THE BOARD

**OOI YOONG YOONG (SSM PC NO. 202008002042/MAICSA 7020753)**

Company Secretary

Penang

30 November 2022

## Notes :-

### Appointment of Proxy

1. A proxy need not be a member and a member may appoint any person to be his proxy without limitation save that the proxy must be of full age.
  2. A member of the Company entitled to attend, participate, speak and vote at the meeting is entitled to appoint one (1) or more proxies (who need not be members) to attend, participate, speak and vote at the same meeting.
  3. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
  4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing.
  5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
  6. Where a member is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
  7. For a proxy to be valid, the instrument appointing a proxy must be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting PROVIDED that in the event the member(s) duly execute(s) the Proxy Form but does/do not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, PROVIDED ALWAYS that the rest of the Proxy Form, other than the particulars of the proxy, have been duly completed by the member(s):
    - i. In hard copy form  
The proxy form must be deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.
    - ii. By electronic means via facsimile  
The proxy form must be received via facsimile at +603-7890 4670.
    - iii. By electronic means via email  
The proxy form must be received via email at [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com).
    - iv. By electronic means via Boardroom Smart Investor Portal, BSIP online (for individual shareholder only)  
The Proxy Form can be lodged electronically via BSIP Online website at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide on the procedure for electronic lodgement of proxy form via Online.
- For option (ii) and (iii), the Company will require the member to deposit the original executed proxy form to the office of Share Registrar before or on the day of meeting for verification purpose.
8. Any authority pursuant to which an appointment is made by a power of attorney must be deposited at the office of the Share Registrar before the cut-off time for the lodgement of the proxy form.
  9. Please ensure that ALL particulars as required in the Proxy Form are completed and the said Proxy Form is duly signed and dated.
  10. Last date and time for lodging the Proxy Form is **Sunday, 8 January 2023 at 10.30 a.m.**
  11. For corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please bring the **original / duly certified** certificate of appointment executed in the manner as stated in the Proxy Form if this has not been lodged at the office of the Share Registrar earlier. The certificate of appointment of authorised representative should be executed in the following manner:
    - (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.
    - (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
      - (i) at least two (2) authorised officers, of whom one shall be a director; or
      - (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

# NOTICE OF SECOND ANNUAL GENERAL MEETING

(CONT'D)

## Notes :- (Cont'd)

### General Meeting Record of Depositors

12. Only a depositor whose name appears on the Record of Depositors of the Company as at 30 December 2022 shall be entitled to attend this AGM or appoint proxies to attend, participate, speak and/or vote on his/her behalf.

### Ordinary Business

13. **Audited Financial Statements for financial year ended 31 July 2022**  
The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.
14. **Ordinary Resolution 1 – To approve the payment of Directors' fees and benefits of up to an aggregate amount of RM300,000 to the Non-Executive Directors for the period from 1 August 2022 until the conclusion of the next AGM of the Company**  
Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of the Company and its subsidiaries shall be approved at a general meeting.

The Ordinary Resolution 1 is to seek shareholders' approval on the payment of Directors' fees and benefits to the Non-Executive Directors which have been reviewed by the Remuneration Committee and the Board of Directors of the Company, which recognises that the payment of fees and benefits is in the best interest of the Company. In determining the estimated total amount of fees and benefits, the Board considered various factors including the number of scheduled meetings as well as the number of Directors involved in these meetings for the period from 1 August 2022 until the next AGM. In the event that the proposed amount is insufficient (due to enlarged Board size and additional number of meetings), approval will be sought at the next AGM to meet the shortfall.

15. **Ordinary Resolutions 2 and 3 – Re-election of Directors**

Clause 165.1 of the Company's Constitution states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each Annual General Meeting. All the Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

In determining the eligibility of the Directors due for retirement to stand for re-election at the forthcoming 2<sup>nd</sup> AGM, the Nomination Committee has assessed the retiring Directors and was satisfied with the outcome of the fit and proper assessment and the Independent Non-Executive Director has provided confirmation of his independence.

The Board approved the Nomination Committee's recommendation for the re-election of the retiring Directors pursuant to Clause 165.1 of the Company's Constitution at the forthcoming 2<sup>nd</sup> AGM of the Company. During a Board Meeting, the retiring Directors have offered themselves for re-election, and abstained from deliberation as well as decision on their own eligibility to stand for re-election at the forthcoming 2<sup>nd</sup> AGM.

### Special Business

16. **Ordinary Resolution 5- Authority pursuant to Sections 75 and 76 of the Companies Act, 2016 for the Directors to allot and issue shares**

The proposed Ordinary Resolution 5, if passed, will give authority to the Directors to allot and issue up to a maximum of ten per centum (10%) of the total number of issued shares of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

By voting in favour, the shareholders of the Company will waive their statutory pre-emptive right and thus will allow the Directors to issue new shares to any person under the General Mandate without having to offer the new shares to be issued equally to all existing shareholders of the Company prior to issuance.

This new general mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

### Voting at 2<sup>nd</sup> AGM

17. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 2<sup>nd</sup> AGM will be put to vote by poll.

# STATEMENT ACCOMPANYING NOTICE OF AGM

(Pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding Directors who are standing for re-election as stated above) at this forthcoming 2<sup>nd</sup> AGM.



# UMediC Group Berhad

(Registration No. 202101015347) (1415647-D)

Number of shares held	
CDS account number	

## PROXY FORM

I/We \_\_\_\_\_ (Full name in block) NRIC/Passport/Company No \_\_\_\_\_  
 Tel no./ Email Address: \_\_\_\_\_ of \_\_\_\_\_ (Full Address)

being member(s) of UMEDIC GROUP BERHAD, hereby appoint: -

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Telephone No.		
Address			

\* and/or failing him/her

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Telephone No.		
Address			

or failing \*him/her, the Chairman of the meeting, as \*my/our proxy/proxies to vote for \*me/us on \*my/our behalf at the Second Annual General Meeting of the Company to be held at Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25-A Farquhar Street, 10200 George Town, Pulau Pinang on Tuesday, 10 January 2023 at 10.30 a.m. or and at any adjournment thereof, on the following resolutions referred to in the notice of Second Annual General Meeting. My/our proxy is to vote as indicated below:

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and benefits of up to an aggregate amount of RM300,000 to the Non-Executive Directors for the period from 1 August 2022 until the conclusion of the next AGM of the Company.		
2.	To re-elect Mr. Lim Taw Seong as Director of the Company.		
3.	To re-elect Dr. Pakirisamy Baskaran A/L P Thangavelu as Director of the Company.		
4.	To re-appoint Messrs. BDO PLT as Auditors of the Company and to authorise the Directors to determine their remuneration.		
5.	Authority pursuant to Sections 75 and 76 of the Companies Act, 2016 for the Directors to allot and issue shares.		

Please indicate with an "X" in the appropriate space provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

Signature of Member(s)/ Common Seal

\* strike out whichever is not desired.

### Notes:

#### Appointment of Proxy

- A proxy need not be a member and a member may appoint any person to be his proxy without limitation save that the proxy must be of full age.
- A member of the Company entitled to attend, participate, speak and vote at the meeting is entitled to appoint one (1) or more proxies (who need not be members) to attend, participate, speak and vote at the same meeting.
- Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- For a proxy to be valid, the instrument appointing a proxy must be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting PROVIDED that in the event the member(s) duly execute(s) the Proxy Form but does/do not name

any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, PROVIDED ALWAYS that the rest of the Proxy Form, other than the particulars of the proxy, have been duly completed by the member(s):

- In hard copy form  
The proxy form must be deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.
  - By electronic means via facsimile  
The proxy form must be received via facsimile at +603-7890 4670.
  - By electronic means via email  
The proxy form must be received via email at [helpdesk@boardroomlimited.com](mailto:helpdesk@boardroomlimited.com).
  - By electronic means via Boardroom Smart Investor Portal, BSIP online (for individual shareholder only)  
The Proxy Form can be lodged electronically via Online website at <https://investor.boardroomlimited.com/>. Please refer to the Administrative Guide on the procedure for electronic lodgement of proxy form via Online.  
For option (ii) and (iii), the Company will require the member to deposit the original executed proxy form to the office of Share Registrar before or on the day of meeting for verification purpose.
- Any authority pursuant to which an appointment is made by a power of attorney must be deposited at the office of the Share Registrar before the cut-off time for the lodgement of the proxy form.
  - Please ensure that ALL particulars as required in the Proxy Form are completed and the said Proxy Form is duly signed and dated.
  - Last date and time for lodging the Proxy Form is Sunday, 8 January 2023 at 10.30 a.m.
  - For corporate member who has appointed an

authorised representative instead of a proxy to attend this meeting, please bring the original / duly certified certificate of appointment executed in the manner as stated in this Proxy Form if this has not been lodged at the office of the Share Registrar earlier. The certificate of appointment of authorised representative should be executed in the following manner:

- If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.
- If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
  - at least two (2) authorised officers, of whom one shall be a director; or
  - any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

#### General Meeting Record of Depositors

- Only a depositor whose name appears on the Record of Depositors of the Company as at 30 December 2022 shall be entitled to attend this AGM or appoint proxies to attend, participate, speak and/or vote on his/her behalf.

#### Personal Data Privacy

By submitting the duly executed Proxy Form, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 2<sup>nd</sup> AGM, and any adjournment thereof.



Please fold across the line and close



*The Share Registrar*  
**UMEDIC GROUP BERHAD**  
Registration No. 202101015347 (1415647-D)

c/o Boardroom Share Registrars Sdn. Bhd.  
11th Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,  
46200 Petaling Jaya, Selangor.

Please fold across the line and close





## ADMINISTRATIVE GUIDE

**Dear Shareholders**

**Greeting from UMEDIC GROUP BERHAD**

**(A) Details of the 2<sup>nd</sup> AGM**

Date : Tuesday, 10 January 2023  
Time : 10:30 a.m. or any adjournment thereof  
Venue : Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25-A Farquhar Street, 10200 George Town, Pulau Pinang

**(B) Registration**

1. Registration will start at 9.00 a.m. on Tuesday, 10 January 2023.
2. Kindly produce your original MyKad/Passport (for foreigners) to the registration staff at the registration counter for verification. Please ensure to collect your MyKad/Passport thereafter.
3. Upon verification, you are required to sign on the Attendance list prepared by the registration staff.
4. After registration, a polling slip will be issued to the respective shareholders and will only be given a wristband as identification in order to vote.
5. No person will be allowed to register on behalf of another person, even with the original MyKad/Passport of that person.
6. The registration counter will handle only the verification of identity and registration.
7. Please vacate the registration area immediately after registration and proceed to the meeting hall.
8. For any clarification or enquiry, please proceed to the Company's Helpdesk at the registration counter.
9. Poll Administrator's Helpdesk will handle the revocation of a proxy's appointment.

**(C) Entitlement to Participate in the AGM**

Only members whose names appear on the Record of Depositors as at 30 December 2022 shall be entitled to attend the AGM or appoint proxy(ies)/corporate representative(s)/attorney to attend and to vote in his/her stead. A proxy must be 18 years and above and need not be a member of the Company.

**(D) Proxy**

1. A member entitled to attend and vote is entitled to appoint proxy/proxies, to attend and vote instead of him/her. If you are unable to attend the meeting and wish to appoint a proxy to vote on your behalf, please submit your proxy form in accordance with the notes and instructions printed therein.
2. You may submit your proxy form to the office of the Share Registrar of our Company, Boardroom Share Registrars Sdn. Bhd. or by email to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) or by fax +603-7890 4670. We do not acknowledge receipt of the form(s) of proxy.
3. The proxy appointment may also be lodged electronically via Boardroom Smart Investor Portal ("BSIP") at <https://investor.boardroomlimited.com> or email to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) which is free and available to all individual shareholders. For further information, kindly refer to Table 1 below for proxy appointment via BSIP.



## ADMINISTRATIVE GUIDE (CONT'D)

### (D) Proxy (Cont'd)

#### 3.(Cont'd)

**Table 1 – Proxy Appointment via Boardroom Smart Investor Portal**

<p><b>Step 1 -</b></p> <p><b>Register Online with Boardroom Smart Investor Portal</b></p> <p><b>(For first time registration only)</b></p>	<p><i>Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2.</i></p> <ul style="list-style-type: none"> <li>Access the website <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a></li> <li>Click “<b>Register</b>” to sign up as a user.</li> <li>Complete registration with all the required information. Upload and attach a softcopy of your Identity Card (NRIC) (front and back) or Passport. Click “<b>Register</b>”.</li> <li>You will receive an email from BSIP Online for email address verification. Click on “<b>Verify Email Address</b>” from the email received to continue with the registration.</li> <li>Once your email address is verified, you will be re-direct to BSIP Online for verification of mobile number.</li> <li>Click on “<b>Request OTP Code</b>” and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click “<b>Enter</b>” to complete the process.</li> <li>Once your mobile number is verified, registration of your new BSIP account will be pending for final verification.</li> <li>An email will be sent to you to inform the approval of your BSIP account within one (1) business day. Subsequently, you can login at <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a> with the email address and password filled up by you during the registration to proceed.</li> </ul>
<p><b>Step 2 –</b></p> <p><b>Appointment of Proxy</b></p>	<ul style="list-style-type: none"> <li>Login to <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a> using your user ID and password from Step 1 above.</li> <li>Click “Corporate Meeting” and select from the list of companies “<b>SECOND (2ND) UMedC Group Berhad</b>” and click “<b>Enter</b>”.</li> <li>Click “Submit eProxy Form”.</li> <li>Read and accept the General Terms and Conditions and enter your CDS account number.</li> <li>Select your proxy — either the Chairman of the meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies).</li> <li>Indicate your voting instructions — <b>FOR or AGAINST or ABSTAIN</b>. If you wish to have your proxy(ies) to act upon his/her discretion, please indicate <b>DISCRETIONARY</b>.</li> <li>Review and confirm your proxy appointment. Click “Apply”. Download or print the eProxy Form as acknowledgement</li> </ul> <p><b>Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee</b></p> <ol style="list-style-type: none"> <li>Write in to <a href="mailto:bsr.helpdesk@boardroomlimited.com">bsr.helpdesk@boardroomlimited.com</a> by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Proxy Form (as the case may be) to submit the request latest by <b>8 January 2023 at 10:30 a.m.</b></li> <li>Please provide a copy of Corporate Representative’s or Proxy’s Identity Card (front and back) or Passport as well as his/her email address</li> </ol>

- If you wish to attend the Meeting yourself, please do not submit any Proxy Form. You will not be allowed to attend the Meeting together with a proxy appointed by you.
- If you have submitted your proxy form prior to the meeting and subsequently decided to attend the meeting yourself, please proceed to the Poll Administrator’s Helpdesk to revoke the appointment of your proxy.

### (E) Covid-19 Prevention Measures

- Attendees are highly encouraged to perform self-test for Covid-19 at home a day before the meeting.
- A shareholder/ proxy who has symptoms of being unwell or showing any symptoms of Covid-19 is advised not to attend the AGM.
- Wear a face mask throughout the meeting and clean your hands frequently with alcohol-based hand rub or soap and water.



## ADMINISTRATIVE GUIDE (CONT'D)

### (F) **Poll Voting**

1. In accordance with Rule 8.31A(1) of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the voting at the 2nd AGM will be conducted by poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
2. The Poll Administrator will be available to brief and/or guide all 2nd AGM Attendees before the commencement of and during the voting process.
3. Upon completion of the voting session for the 2nd AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration of whether the resolutions are duly passed.

### (G) **Annual Report 2022**

1. The Company's Annual Report 2022, Proxy Form, Corporate Governance Report and Administrative Guide are available on the following websites:
  - (a) <https://www.bursamalaysia.com>
  - (b) <https://www.umedic.com.my>
2. If you wish to request a printed copy of the Annual Report 2022, please complete and send the Requisition Form which can be downloaded from the Company's website at <https://www.umedic.com.my> and email the same to the Share Registrar or visit Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> by selecting "Request Annual Report" under "Investor service".
3. Kindly think of the environment before you decide to print the Annual Report 2022. We would appreciate your support by joining us to promote "Act Green" initiative to achieve environmentally responsible and paperless.

### (H) **Enquiry**

If you have any queries prior to the meeting, please contact the following officers during office hours:

Boardroom Share Registrars Sdn. Bhd. [199601006647 (378993-D)] 11th Floor, Menara Symphony No. 5, Jalan Professor Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan, Malaysia	Tel No.	+603-7890 4700 / 4714
	Fax No.	+603-7890 4670
	Email Add	bsr.helpdesk@boardroomlimited.com
	Contact Person: MR ISAAC GAN-SELVAM	

The Company and its subsidiary companies, their officers and employees shall have no liability whatsoever to any and all shareholders, their proxies, corporate representatives and/or any other party arising out of or in connection of any infection or suspicion of any infection from Covid-19 and/or suffering any losses arising out of or in connection with attendance at the Company's AGM and/or measures are undertaken by the Company in the Company's sole discretion in response to the Covid-19 pandemic.

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## **UMediC Group Berhad**

(Registration No. 202101015347) (1415647-D)

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