



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

BRING EXCELLENCE IN HEALTHCARE



**ANNUAL
REPORT 2024**

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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 VALUES



U



Unity

M



Motivation

C



Commitment

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' NG CHAI ENG

Non-Independent Non-Executive Chairman

LIM TAW SEONG

Executive Director/Chief Executive Officer

DR. PAKIRISAMY BASKARAN A/L P THANGAVELU

Independent Non-Executive Director

TAN CHYE SUAN

Independent Non-Executive Director

LEE YEE WOUI

Independent Non-Executive Director

DATO' DR. TEH KENG HWANG

Independent Non-Executive Director
(Appointed on 5 October 2023)

NG SZE HUI

Alternate Director to Dato' Ng Chai Eng

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Lee Yee Woui

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 Woui

NOMINATION COMMITTEE

Chairman
Dr. Pakirisamy Baskaran A/L P Thangavelu

Members
Tan Chye Suan
Lee Yee Woui

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) 222 0288
Fax: (604) 222 0299

REGISTERED OFFICE

39 Irving Road
10400 George Town
Pulau Pinang
Tel: (604) 210 9828
Fax: (604) 210 9827
Email: cosec@adconsultpg.com.my

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
Fax: (604) 589 9677
Website: www.umedic.com.my
E-mail: ir@umedic.com.my

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

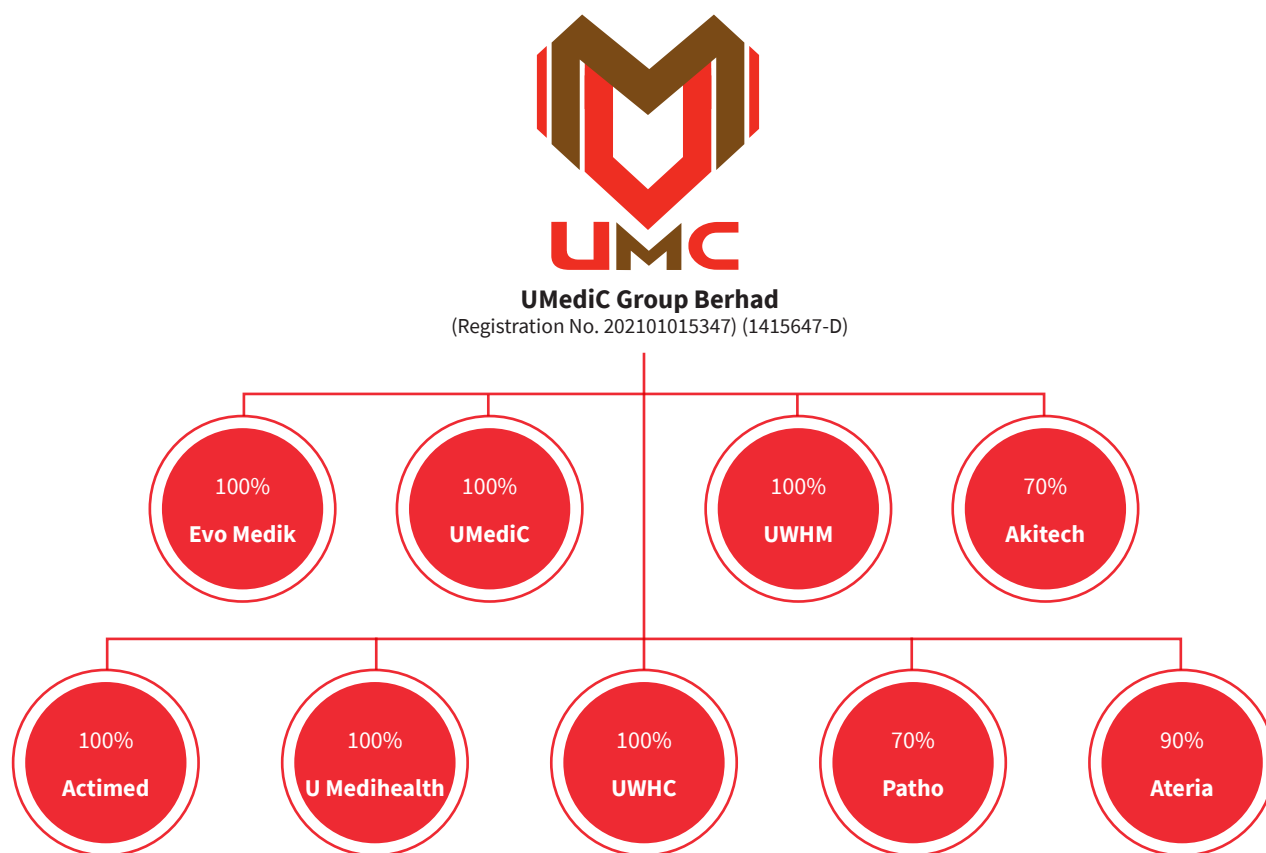
PRINCIPAL BANKER

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

Main Market of Bursa Malaysia Securities Berhad
Stock Name: UMC
Stock Code: 0256
Sector: Health Care
Subsector: Health Care Equipment & Services

CORPORATE STRUCTURE



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 as well as the provision of after-sales service, healthcare and other related services. To operate nursing homes and healthcare centres as well as the provision of other related services
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, training, healthcare and other related services
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
Patho Solutions (M) Sdn Bhd ("Patho")	9 July 2019	70%	Marketing and distribution of laboratory equipment and consumables
Akitech (Malaysia) Sdn Bhd ("Akitech")	20 May 2024	70%	Design, assembly and distribution of medical mounting solution products and related parts
Ateria Medika Sdn Bhd ("Ateria")	30 July 2024	90%	Import, export, marketing and distribution of medical devices as well as the provision of after-sales service

* Actimed and U Medihealth had commenced the Members' Voluntary Winding up on 1 August 2024.

MEDIA HIGHLIGHTS (CONT'D)

UMedC to gain from govt's allocation of RM766 mln for medicines

News Desk

KUALA LUMPUR: UMedC Group Bhd (UMedC) is expected to gain from Malaysia's government's allocation of RM766 million for the procurement of medicines in the Health Ministry's hospitals, analysts observed.

In a report by Rakuten Trade research team (Rakuten), it pointed out that UMedC is witnessing notable potential to tender opportunities for its Marketing and Distribution (M&D) segment that offers attractive GP margins of up to 40 per cent.

Not to be left behind, UMedC is expanding horizontally into laboratory equipment and laboratory consumables via the acquisition of Patho Solutions (MS) Sdn Bhd, which allows UMedC to cover four out of five main categories within the medical industry.

Though contributions from Patho Solutions is currently minimal by comparison, we believe UMedC will leverage on its superior GP margins of 40 per cent to grow its market share within the fast-growing medical equipment supplies industry, it added.

For the manufacturing segment, it noted that UMedC's current operations is based in a 40,000-sq-ft production facility, which is 90 per cent utilised.

As part of its expansion, UMedC has completed the construction of its new factory measuring 120,000 sq ft, which will effectively double its production capacity.

Upon completion, UMedC will be able to launch its new products including prefilled humidifier with macro-oscillation system, low-noise heat seal and sterile water for injection bag (SQW), it said.

Additionally, it said UMedC will be able to increase the production capacity of its HydroX series prefilled humidifiers and AxiOx series inhaler spacers.

Meanwhile, for products such as HydroX prefilled humidifiers in which UMedC unit of production is at least 30 per cent cheaper than the imported products, UMedC is confident a surge in import substitution demand to drive the new factory to full utilisation by 2025.

"As such, we anticipate UMedC's manufacturing segment will deliver 15 per cent per cent of earnings growth in FY2025 as it scales with the ongoing expansion," Rakuten projected.

UMedC to tap into new markets and factory expansion

Revenue (RM million)	2023	2024	2025	2026
Revenue	100.0	110.0	120.0	130.0
Profit	10.0	11.0	12.0	13.0
EPS (RM)	1.0	1.1	1.2	1.3

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Bigger budget a boon for healthcare sector

Demand for pharmaceuticals, equipment set to rise

HEALTHCARE

"Malaysia is on track to potentially achieve RM260 in medical tourism revenue in 2025," says a 2024 report by Rakuten Trade.

KUALA LUMPUR: The Rakuten Trade research team (Rakuten) has released a report titled "Malaysia's Healthcare Sector Outlook 2024-2025", which highlights the potential for growth in the healthcare sector, particularly in pharmaceuticals and medical equipment.

The report notes that the Malaysian government's allocation of RM766 million for the procurement of medicines in the Health Ministry's hospitals is expected to drive demand for pharmaceuticals, which is projected to grow at a CAGR of 5.5% from 2023 to 2028.

Additionally, the report highlights the potential for growth in medical equipment, driven by the government's push for digital health and the increasing demand for medical devices in the private sector.

The report also notes that the healthcare sector is expected to contribute significantly to Malaysia's economic growth, with the potential to attract foreign investment and create jobs.

Overall, the report concludes that the healthcare sector in Malaysia is well-positioned for growth, driven by government support and increasing demand for medical services.

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UMedC devises path to steady growth



UMedC posts Q2 revenue of RM13.5m



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PENANG: Malaysia's medical device company, UMedC Group Bhd (UMC) posted a revenue and profit before tax (PBT) of RM13.5 million and RM3.9 million respectively, representing an increase of 7.7% and 6% year-on-year respectively, it said when announcing the second quarter of its financial year ending July 31, 2024 (Q224).

For the quarter under review, the group also reported a profit after tax (PAT) of RM2.6 million. However, upon adjusting for the Main Market transfer related listing expenses the normalised PAT would be RM3.1 million, representing a 7.6% increase over Q223.

For the cumulative six months comparison, the group recorded a 17.5% and 10% increase in revenue and PBT to RM28 million and RM6.6 million respectively. On a normalised basis after factoring in the transfer listing expenses, UMC's normalised PAT stands at RM5.3 million reflecting an 8.6% growth over the 6M FY23.

The higher revenue was mainly accredited to both the marketing and distribution as well as manufacturing segments which experienced higher demand both domestically and regionally for its medical devices as well as consumables. The group also experienced an uptick in sales volume for its manufactured medical consumables, particularly the HydroX series prefilled humidifiers and AxiOx series inhaler spacers which further bolstered earnings.

UMC executive director/CEO Lim Taw Seong said their new factory which is slated to commence production in the coming months will not only double their manufacturing capabilities but also enable them to meet the rising demand for medical consumables globally.

"The new factory will not only double our manufacturing capabilities but also enable us to meet the rising demand for medical consumables globally, thereby ensuring we can deliver on our commitment to our customers," he pointed out.

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Healthcare to continue delivering steady earnings

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THE EDGE MALAYSIA

Phillip Capital keeps buy on UMedC, raises target price to RM1.08

By: Sam-Muayon / muayon@phillipcapital.com

15 May 2024, 08:18 AM

KUALA LUMPUR (March 12): Phillip Capital has maintained its "buy" rating on UMedC Group Bhd at 66 sen with a higher target price (TP) of RM1.08 (from 87 sen) and said UMedC's BMFY24 core net profit of RM5.3 million (+7.8% y-o-y) was in line with house forecast but missed consensus estimates.

In a note on Tuesday, the research house said the sequential earnings improvement was mainly driven by better margins from the manufacturing and distribution segments.

"We raise our target price to RM1.08 (from 87 sen) after rolling forward our valuation horizon to FY25, based on unchanged 25x PE multiple."

"We expect the commencement of new factory and product launches to drive stronger earnings delivery ahead."

"Key risks include slowdown in medical equipment demand, and the loss of license," it said.

UMedC all set to transfer to Bursa Main Market

KUALA LUMPUR: UMedC Group Bhd's transition to the Main Market is progressing well, says executive director and chief executive officer Lim Taw Seong.

"We believe that the strategic shift is poised to capture vast new opportunities for us to further grow and expand. It will underscore our commitment in bringing excellence in healthcare," Lim said in a statement.

"As we continue to expand, we have also started to ramp up our efforts by strengthening our workforce in anticipation of the imminent launch of our new facility."

"The new facility will not only double our manufacturing capabilities but also enable us to meet the rising demand for medical consumables globally, thereby ensuring we can deliver on our commitment to our customers," he pointed out.

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UMedC集團 次季淨利1348萬

(吉隆坡11日訊) 得益於新廠和分銷以及製造貢獻，UMedC集團 (UMC, 0256, 主要板醫療保健) 截至今年1月底次季，營業額按年升7.7%至1548萬令吉。

該公司向馬尼安交所披露，由於稅務與開銷增加，導致次季淨利按年下滑14.8%至248萬令吉。

縱觀上半年，UMedC集團累計淨利按年跌11%至437萬令吉，營業額則增17.5%至2800萬令吉。

UMedC集團執行董事兼總執行長林椿德說，公司轉板到主要板的進展順利，相信此戰略舉措將進一步增長和擴張業務并帶來巨大的新機遇。

"我們新廠即將在未來幾個月內開始投產，我們也開始加強旗下員工團隊。"

他說，新廠不僅使製造能力提高1倍，也能滿足全球對醫療耗材不斷增長的需求，相信這有助於更好的擴大區域版圖，讓公司更上一層樓。

MEDIA HIGHLIGHTS (CONT'D)

UMediC 集团
成本优势拖累财测

最新进展：UMediC 集团（UMC）在 2023 年 12 月 31 日（截至 2023 年 12 月 31 日）的财务表现显示，其 2023 年 12 月 31 日的净利润为 1.1 亿元，较 2022 年 12 月 31 日的 1.1 亿元有所增加。然而，其 2023 年 12 月 31 日的总资产为 1.1 亿元，较 2022 年 12 月 31 日的 1.1 亿元有所减少。

行业建议：UMediC 集团（UMC）在 2023 年 12 月 31 日（截至 2023 年 12 月 31 日）的财务表现显示，其 2023 年 12 月 31 日的净利润为 1.1 亿元，较 2022 年 12 月 31 日的 1.1 亿元有所增加。然而，其 2023 年 12 月 31 日的总资产为 1.1 亿元，较 2022 年 12 月 31 日的 1.1 亿元有所减少。

UMediC 集团股价走势图

日期	最高价	最低价	收盘价
2020-01-01	10.00	9.50	9.80
2021-01-01	15.00	14.00	14.50
2022-01-01	20.00	18.00	19.00
2023-01-01	25.00	23.00	24.00
2023-12-31	91.50	89.00	91.50

UMediC to benefit from government's focus on healthcare

PETALING JAYA: UMediC Group Berhad (UMC) is well-positioned to benefit from the government's focus on healthcare, according to a report by HLB Research.

The research firm said that the government's focus on healthcare is expected to drive the growth of the healthcare sector, which is expected to be a key driver of economic growth in the coming years.

HLB Research also noted that the government's focus on healthcare is expected to drive the growth of the healthcare sector, which is expected to be a key driver of economic growth in the coming years.

HLIB Research keeps 'buy' stance on UMC

91 SEN TARGET PRICE

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BUSINESS TODAY

UMediC Receives SC Nod For Main Market Transfer

UMediC Group Berhad announced that the Securities Commission had approved the group's proposed transfer to the main market of Bursa.

The group was incorporated in 2011 as a private limited company under the name of UMediC Group Sdn Bhd and was subsequently renamed to UMediC Berhad in 2012 and listed on the ACE Market of Bursa Securities in 2013.

Based on the Board of Directors of UMC in its LPO approximately 14,500 of the total number of issued Shares were held by 3,711 public shareholders holding less than 1% Shares each.

UMC market capitalisation is approximately RM4.17 billion based on existing 27,437,000 UMC Shares in issue and the closing price of UMC Shares in the LPO of RM151.40 per Share.

THE EDGE MALAYSIA

UMediC gets SC's nod for proposed Main Market transfer

UMediC Group Berhad (UMC) is well-positioned to benefit from the government's focus on healthcare, according to a report by HLB Research.

The research firm said that the government's focus on healthcare is expected to drive the growth of the healthcare sector, which is expected to be a key driver of economic growth in the coming years.

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Capacity expansion, diversification to boost UMediC

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UMediC set to post better results with expansion

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'Buy' stance maintained on UMC with target price of 91 sen

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FINANCIAL HIGHLIGHTS

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Revenue (RM'000)	23,676	34,116	50,738	45,432	54,570
Gross Profit (RM'000)	7,434	12,563	18,659	18,933	22,671
Profit Before Taxation (RM'000)	3,043	6,554	8,482	12,932	12,641
Profit After Taxation (attributable to owners of the parent) (RM'000)	2,419	5,087	6,426	10,315	8,991
EBITDA (RM'000)	4,154	8,096	10,833	14,591	14,329
Basic and Diluted EPS (sen)⁽¹⁾	0.65	1.36	1.72	2.76	2.40
Shareholders' Equity (RM'000)	6,632	15,739	52,679	62,994	71,981
Return on Equity	36.47%	32.32%	12.20%	16.38%	12.49%
Current Ratio (times)	1.34	1.23	5.78	11.68	8.20
Gearing Ratio (times)	2.46	1.67	0.15	0.06	0.01

Note:

⁽¹⁾ Computed based on the profit after taxation (attributable to owners of the parent) divided by the total number of issued shares of the Company of 373,910,000 shares.



CHAIRMAN'S STATEMENT

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Despite the formidable challenges that confronted FYE2024, UMediC Group Berhad (“UMC” or the “Company”) has continued to make notable progress, executing its growth strategies with precision and purpose. Building upon the solid foundation established in previous years, UMC and its subsidiaries (“Group”) have continued to make strides in elevating their foothold within the healthcare industry by delivering impactful solutions that address the evolving needs of the global healthcare sector.

”

Dato' Ng Chai Eng

Non-Independent Non-Executive Chairman



Dear esteemed shareholders,

On behalf of the Board, I am pleased to present UMC's third annual report for the financial year ended 31 July (“FYE”) 2024.

In essence, the past year has been a remarkable journey for the Group filled with several exciting key developments which enabled us to carry out our strategic initiatives in tandem with our approach of growing both the marketing and distribution segments as well as the manufacturing segment, elevating our presence within the industries that we operate in. These key developments include the recent commencement of our new factory which has enabled us to effectively double our production capability, alleviating global demand constraints along with new partnerships and innovative products which have further enriched our portfolio and offerings. Coupled with our successful transfer to the Main Market of Bursa Malaysia Securities Berhad, we believe that we are poised for significant growth, supported by a conducive manufacturing environment along with vast opportunities in categorical expansion under the medical device and consumable industry.

FINANCIAL PERFORMANCE

From the financial standpoint, UMC managed to achieve a new record high in terms of revenue of RM54.6 million, representing a 20.1% improvement over the corresponding year's RM45.4 million. This was achieved on the back of stronger contributions attributed from both the marketing and distribution segments along with the manufacturing segment as a result of the overwhelming demand from both the public and private hospitals as well as healthcare service providers. In terms of segmental performance, the marketing and distribution segments took the lead, having contributed 66.3% of the Group's total revenue at RM36.2 million followed by the manufacturing segment which accounted for the remaining 33.7% at RM18.4 million, representing a substantial increase in revenue by 18.7% and 22.9% respectively as opposed to FYE2023. The uptick in sales performance was also a direct result of our in-house manufactured medical consumables, namely HydroX series prefilled humidifiers and AirdroX series inhaler spacers which continued to gain strong market traction globally. Meanwhile, profit before tax (“PBT”) and profit after tax (“PAT”) were slightly lower at RM12.6 million and RM9.3 million respectively as a result of the increase in administrative cost and one-off expenses in relations to our transfer listing.

Taking into account the financial position, UMC remains relatively healthy with a robust cash and bank balances of RM4.2 million and a current ratio of 8.2 times, underscoring its solid financial health and effective cash management. Along with the remaining balance of RM7.0 million in initial public offering proceeds that has yet to be utilised, the Group is in an optimum position to exercise growth as well as explore other potential business opportunities over the coming years.

CHAIRMAN'S STATEMENT (CONT'D)

PROSPECTS AND OUTLOOK

Envisioning the future of healthcare, we foresee abundant opportunities ahead driven by several supporting factors such as the ongoing technological advancements in medical devices, healthcare digitalisation, medical tourism, the government's agenda in providing quality healthcare in addition to the industry's underinvestment which will continue to spur interest. The exponential increase in healthcare expenditure from both public and private sectors is set to address critical issues such as the overcrowding of hospitals and ageing population which is expected to significantly boost the demand for medical devices as well as consumables over the recent years.

In spite of this, we have been actively expanding our offerings to include complementary services such as nursing home management and ambulance services leveraging the use of our existing portfolio of products to explore synergistic vertical integration providing essential healthcare services. In tandem with various growth drivers, UMC is also actively staying ahead of evolving trends by promoting digital healthcare equipment to meet overwhelming industrial demand and cater to our customers' needs.

Likewise, following our previous strategic venture into the laboratory segment through Patho Solutions (M) Sdn. Bhd., we have since experienced immense demand allowing us to penetrate into new addressable markets by leveraging our existing marketing and distribution networks. To better expand our presence into this space, we recently formed a strategic partnership with AliveDx, a Swiss diagnostic solutions provider specialising in cutting-edge technologies that address unmet needs in Malaysia's diagnostic landscape particularly in auto immune and allergy laboratory medicine. This collaboration will significantly enhance our solution offerings, allowing us to deliver innovative diagnostic solutions to the market.

As for our manufacturing segment, we have made significant headway in this space following the launch of two new products which includes the HYDROX prefilled nebulizer and FLEXIDROX water for inhalation bag which is expected to further bolster the demand for this segment in line with our capacity expansion plans as aforementioned. Apart from that, we took a significant step forward venturing into medical mounting solution products. This follows the incorporation of Akiteck (Malaysia) Sdn. Bhd. and Ateria Medika Sdn. Bhd. focusing on the design, assembly, as well as import, export, marketing, and distribution to the Southeast Asian markets.

With all the developments in place, the positive outlook of the healthcare industry further reinforces our commitment to innovate and by leveraging our highly skilled and experienced workforce, we are well-positioned to maintain our competitive edge and continue to thrive in this dynamic industry.

SUSTAINABILITY

Given the growing emphasis and push towards sustainable practices, sustainability remains an integral part of our long-term success and business strategy which we are committed towards integrating environmental, social, and governance ("ESG") principles into every facet of our operations, creating lasting value for our stakeholders as well as the planet. As we progress into 2024, the evolving ESG landscape continues to shape our initiatives by refining and strengthening our framework. For a comprehensive overview of our sustainability initiatives and achievements, please refer to the sustainability statement on page 42 to 75. We invite you to explore the steps we are taking to drive meaningful impact and contribute to a more sustainable future.

APPRECIATION

As we reflect on another year of remarkable progress, I would just like to extend my profound gratitude to all our invaluable stakeholders for your trust and unwavering belief in UMC. Your confidence in our vision has been the cornerstone of our success and we look forward towards what is to come given the exciting developments that are underway as we embark on the next chapter of our journey together.

Lastly, a special note of appreciation goes to all our employees for your resilience, innovative spirit, and adaptability which have enabled us to overcome the challenging industrial landscape, surpassing expectations and setting new standards. I am honoured to work alongside such a talented group of people and together, let us continue to elevate our standards, uphold our core values, and redefine 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

UMediC Group Berhad (“UMC”, or the “Group”, or the “Company”) primarily functions as an investment holding entity. Through our diverse subsidiaries, we are deeply involved in the marketing, distribution, and manufacturing of a wide range of branded medical devices and consumables. Additionally, we offer comprehensive after-sales services for all our products, ensuring continued support and quality assurance. Our Group is also active in the development, manufacturing, and marketing of medical consumables, as well as the distribution of laboratory equipment and consumables to meet the evolving needs of the healthcare sector. As of 22 September 2023, our subsidiary, Evo Medik Sdn. Bhd., has expanded its principal activities to include the operation of healthcare centres, collectively known as “Healthcare Services.” This strategic expansion not only enables us to diversify our service offerings and address the increasing demand for high-quality, comprehensive healthcare solutions but also leverages synergies within our downstream supply chain. By tapping into this synergy, we can directly supply our medical devices to these centres, enhancing operational efficiency and providing integrated healthcare solutions across the sector.

- **Marketing and distribution** – We specialize in the marketing and distribution of medical devices, along with the provision of after-sales services, to both public and private hospitals, healthcare service providers, and even non-medical business entities. As the authorised distributor for renowned international medical device companies such as Philips, Mindray, and GE, we ensure a broad portfolio of high-quality products. In FYE 2023, our Group strategically acquired a 70% stake in Patho Solutions (M) Sdn. Bhd. (“Patho”), a leading company focused on the marketing and distribution of laboratory equipment and consumables. Patho stands out for its ability to customize solutions that cater to the unique needs of laboratories, further broadening our market reach and capabilities;
- **Manufacturing** – We are deeply committed to the development, manufacturing, and marketing of innovative medical consumables, designed to meet the highest industry standards. Our flagship products include the HYDROX series prefilled humidifiers, the HYDROX prefilled nebulizers, the AIRDROX series inhaler spacers and the FLEXIDROX water for inhalation bag. These products are manufactured in our cutting-edge facility, which operates with strict adherence to the rigorous standards set by relevant regulatory authorities; and
- **Healthcare services** – As part of our strategic diversification, we have recently expanded into healthcare services with the establishment of the UMC Care Centre. This new venture complements our core business in medical equipment distribution, allowing us to offer direct healthcare services. Located in a newly acquired 4-storey shop lot in Batu Kawan, the UMC Care Centre is designed to provide both day-care and short and long-term care services. Leveraging our existing expertise, much of the required medical equipment for the care centre is sourced internally from our marketing and distribution network, ensuring a seamless and efficient setup.



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

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF BUSINESS AND OPERATIONS (CONT'D)

Key Achievement

It has been two years since we began our journey as a public company, successfully listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 26 July 2022. This marked a significant milestone for us, providing the capital, visibility, and credibility to support our growth and strengthen our operations.

Since our listing, we have focused on innovation, improving efficiency, and expanding our market presence. On 29 April 2024, we reached another key achievement by transferring to the Main Market of Bursa Securities. This move reflects the growth and maturity of our business, as well as our commitment to strong governance and financial stability.



UMediC gets SC's nod for proposed Main Market Transfer
Apr 4, 2024 | News



UMediC Receives SC Nod For Main Market Transfer
Apr 4, 2024 | Bursa Malaysia, News

The transfer allows us to reach a broader investor base, positioning us for continued growth and increased shareholder value. We remain dedicated to building on this momentum as we explore new opportunities and deliver strong returns to our stakeholders.

This transition highlights our progress and ongoing commitment to excellence, transparency, and responsible management.

Expansion Strategies

1. Incorporation of New Subsidiaries

As part of our ongoing growth and diversification initiatives, our Group has actively pursued strategic expansions to strengthen our market presence and broaden our product offerings within the medical sector. Two key developments in 2024 exemplify our commitment to enhancing our capabilities and exploring new opportunities:

a) Akiteck (Malaysia) Sdn. Bhd.



On 20 May 2024, UMC incorporated a new subsidiary, Akiteck (Malaysia) Sdn. Bhd. ("Akiteck"), in which it holds a 70% ownership stake. With an initial paid-up capital of RM100 comprising 100 ordinary shares, Akiteck was established to focus on the design, assembly, and distribution of innovative medical mounting solution products and related parts. This strategic move aligns with our objective to venture into specialized medical solutions, catering to the growing demand for precision-engineered healthcare products. By leveraging Akiteck's capabilities, we aim to create new revenue streams while enhancing our offerings in advanced medical technologies.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF BUSINESS AND OPERATIONS (CONT'D)

Expansion Strategies (Cont'd)

b) Ateria Medika Sdn. Bhd.



On 30 July 2024, UMC further expanded its portfolio by incorporating Ateria Medika Sdn. Bhd. ("Ateria"), a 90% owned subsidiary with a paid-up capital of RM1,000 consisting of 1,000 ordinary shares. The primary focus of Ateria is to import, export, market, and distribute medical devices, complemented by the provision of comprehensive after-sales services. This expansion positions our Group to capitalize on the increasing global demand for high-quality medical devices, while reinforcing our ability to provide end-to-end solutions. Ateria's establishment aligns with our long-term strategy of becoming a leading player in the medical devices market, both locally and internationally.

2. Expansion of Operation Capabilities



UMC has relocated its Plant 1 warehouse to the new facility ("Plant 2") to facilitate the expansion of its cleanroom facilities. The group's monthly production capacity currently stands at 420,000 bottles of prefilled humidifiers, a 40% increase from the previous 300,000 bottles. The production capacity is expected to reach 600,000 bottles, effectively doubling its previous capacity by December 2024. HYDROX prefilled humidifier is used to humidify the respiratory gas for patients and mostly used in oxygen therapy such as oxygen concentrators, gas cylinder or wall gas outlets via a mask or cannula in homecare, hospital, extended care facilities or hospital environment. The new space allows for further capacity expansion through the installation of more manufacturing lines.

With the new capacity, UMC is venturing into the new Latin American market to market its products. The company is confident that its current workforce of 150 employees, supported by increased automation, is well-equipped to handle the growing demand, with the capability to boost monthly production to 600,000 bottles.

UMC's Plant 2 is set to be fully operational by the end of 2024, further driving production efficiency and meeting international market needs. The facility will manufacture key products such as the HYDROX Prefilled Humidifier, HYDROX Prefilled Nebulizer, AIRDROX Inhaler Spacer, and FLEXIDROX Water for Inhalation Bag. This expansion reinforces UMC's commitment to delivering high-quality medical consumables to global markets, while optimizing its production capabilities.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF BUSINESS AND OPERATIONS (CONT'D)

Expansion Strategies (Cont'd)

3. Venturing into Healthcare Services



UMC has recently diversified into healthcare services with the establishment of the UMC Care Centre, a new venture complementing its core business of medical equipment distribution.

The care centre will occupy a four-storey shop-lot building spanning 7,427.10 square feet in Batu Kawan. Approval for the facility's floor plan has been obtained from local authorities, and renovation work is currently in progress.

Sustainability and Climate Change Management



At the core of our business, sustainability is not just an operational goal but a fundamental principle that guides our long-term strategy. As part of our efforts to align with global sustainability standards and address the pressing issue of climate change, we have implemented several proactive measures. One of the most significant milestones in this journey is the installation of 420 solar panels with a total capacity of 231 kWp at Plant 1 in October 2023.

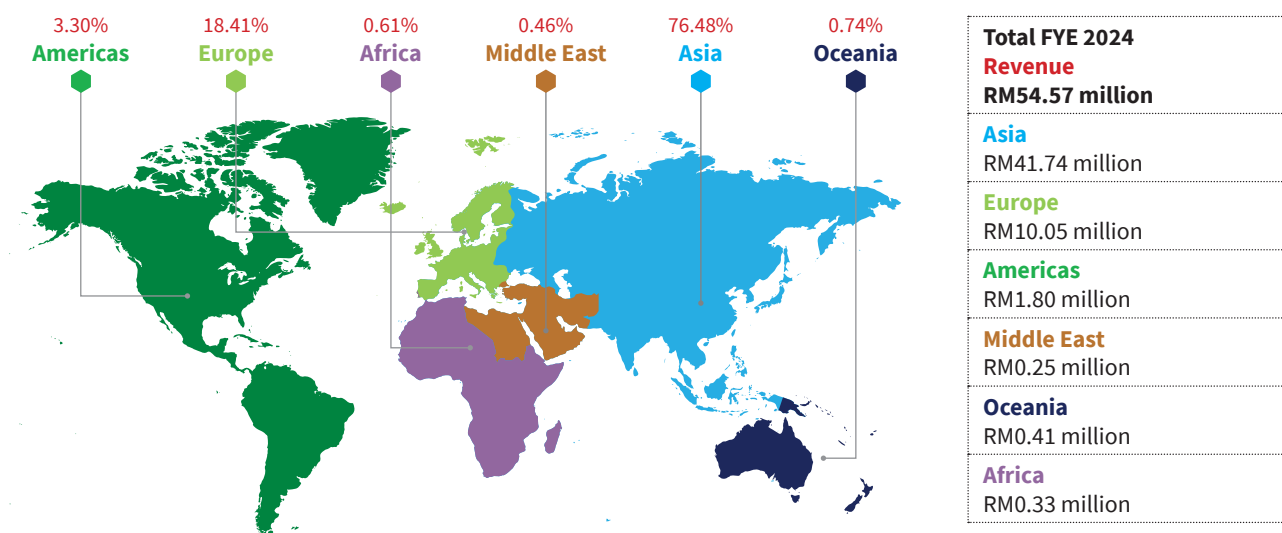
We had commenced the utilisation solar panels in December 2023, a strategic milestone that will allow us to reap the benefits of sustainable energy adoption. As we continue to expand our green energy initiatives, we remain dedicated to creating a positive environmental impact while simultaneously driving operational and financial growth.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF BUSINESS AND OPERATIONS (CONT'D)

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 RM36.16 million (FYE2023: RM30.78 million) or 66.27% of our revenue for FYE 2024, while the remaining revenue of RM18.41 million (FYE2023: RM14.65 million) or 33.73% was generated from the overseas markets. The FYE 2024 revenue by region is illustrated as below:



Our Journey

In 2024 and beyond, our unwavering commitment to our core values of **Unity**, **Motivation**, and **Commitment** remains the driving force behind our journey. These values form the foundation of our company, guiding our decisions and actions as we continue to expand and innovate in the healthcare industry.



With a remarkable track record spanning over two decades, we have consistently strived to be a leader in our field, delivering an integrated healthcare supply chain powered by advanced technology. Our goal is not just to provide medical products and services but to enhance the quality of human life on a global scale.

As we reflect on our significant milestones, including our successful listing on the ACE Market in 2022 and our recent transition to the Main Market in 2024, we recognize that these achievements mark the beginning of new opportunities. These accomplishments, though significant, are not destinations—they are stepping stones towards a much larger mission. Each milestone reaffirms our commitment to innovation, operational excellence, and delivering sustainable value to our stakeholders.

Looking ahead, we will continue to embrace change and challenge industry standards, positioning ourselves at the forefront of healthcare advancements. Through ongoing innovation, we will adapt to emerging trends, set new benchmarks, and further enhance our offerings. Our focus remains on driving meaningful impact, from expanding our reach in international markets to elevating the standard of care through cutting-edge solutions.

Together, we are embarking on an exciting journey into the future, one where we will continue to shape a brighter, healthier tomorrow for communities worldwide. Our success is built on the strength of our people, our values, and our dedication to delivering the best for our customers and stakeholders. As we move forward, we are poised to make an even greater impact, driven by our vision to improve lives through healthcare innovation.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF BUSINESS AND OPERATIONS (CONT'D)

2002

- Incorporation of UMeDiC, principally involved in the marketing and distribution of medical supplies and dental-related products and devices

2003

- Diversified marketing and distribution to include imported medical devices
- Secured authorised distributorship rights from Goldway

2004

- Commenced distribution of ambulance and paramedic equipment as well as medical consumables

2005

- Commenced distribution of medical devices and consumables to general ward, and accident and emergency departments

2006

- Ceased the marketing and distribution of dental-related products and devices

2007

- Incorporation of Evo Medik to manage the marketing and distribution activities in the east coast region of Peninsular Malaysia

2013

- UWHM's QMS was assessed and accredited with ISO 9001:2008 and ISO 13485:2003 under the scope of "manufacture of prefilled humidifier content with sterile purified water" from BSI
- Received the Halal certification for our prefilled humidifiers from Majlis Agama Islam Pulau Pinang
- Ventured into Thailand market

2012

- Developed and commercialised our first HYDROX series prefilled humidifiers

2011

- Ventured into the R&D and manufacturing of our own brand medical consumables
- Incorporation of U Medihealth to manage the marketing and distribution activities in Perak and Sabah states

2010

- Setting up a marketing and distribution office in Johor Bahru
- Further expanded to Sarawak state
- Secured authorised distributorship rights from Philips

2009

- Setting up a marketing and distribution office located in Kota Bharu, Kelantan
- Commenced distribution of Philips Goldway branded patient monitors and colposcope

2014

- Commenced distribution of Philips Goldway branded cardiotocography monitors
- Commenced distribution of Philips branded clinically advanced patient monitors
- Ventured into Indonesia and Philippines markets

2015

- Commenced distribution of Philips branded AEDs
- UMeDiC and Evo Medik received GDPMD certification from BSI
- UWHM granted a certificate of EC registration from BSI
- Received the Best Country Order Growth, Patient Care and Monitoring Solutions appreciation award by Philips for year 2015
- Ventured into Jordan and Saudi Arabia markets

2016

- Received the Best Channel Partner Performance, Value Segment for Patient Monitors appreciation award by Philips
- Established an in-house microbiology and chemical laboratory
- Ventured into India, Mauritius and Sri Lanka markets

2017

- Commenced distribution of Philips branded MRI-compatible patient monitors, medical consumables and sensors equipment
- Ventured into the South Africa, Chile, Ecuador and South Korea markets
- Commenced the development of sterile water for inhalation

2018

- Secured authorised distributorship rights from E-Medtest (M) Sdn Bhd and commenced distribution of Dameca branded general anaesthetic machines
- Ventured into Czech Republic, Myanmar, Pakistan, Kuwait, Moldova and Romania markets
- Commenced the development of our AIRDROX series inhaler spacers and HYDROX series prefilled nebulisers

2023

- Successfully acquired 70% of Patho Solutions (M) Sdn. Bhd.
- Expansion of new plant
- Confirmation of solar panels installation to address sustainability and climate change matter

2022

- Commercialised our AIRDROX series inhaler spacers
- Developed our sterile water for inhalation
- Ventured into Germany and Spain markets
- Listed on the ACE Market of Bursa Securities

2021

- Relocated our operations to our new office and factory building on the Batu Kawan Land
- Commenced distribution of Mindray branded neonatal ventilators
- Ventured into Bahrain and Brazil markets
- Developed our AIRDROX series inhaler spacers

2020

- Commenced distribution of Philips branded ultrasound machines
- Secured authorised distributorship rights from Care Vision Healthcare Pte Ltd
- Ventured into Costa Rica, Italy, Japan, Kenya and Netherlands markets
- Commenced the development of digital oxygen flowmeters and humidifier humidity sensors

2019

- Secured authorised distributorship rights from Mindray, GE, Merit
- Commenced construction of our new office and factory building on the Batu Kawan Land
- UMeDiC's QMS was assessed and accredited with ISO 13485:2016 from BSI
- Ventured into Croatia, Singapore and the United Arab Emirates markets

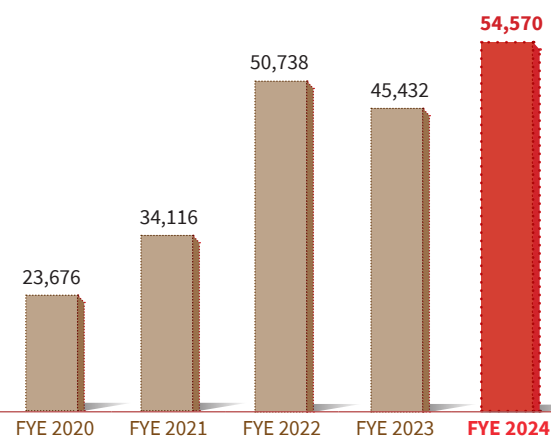
2024

- Successfully transferred to Main Market of Bursa Securities
- Incorporated 70% owned subsidiary, Akiteck (Malaysia) Sdn. Bhd.
- Incorporated a 90% owned subsidiary, Ateria Medika Sdn. Bhd.

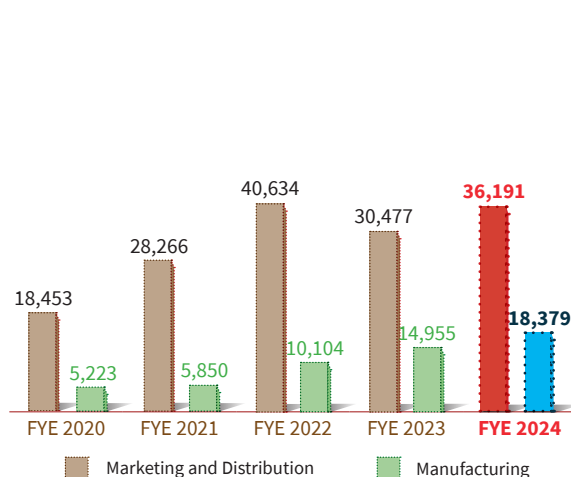
MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW

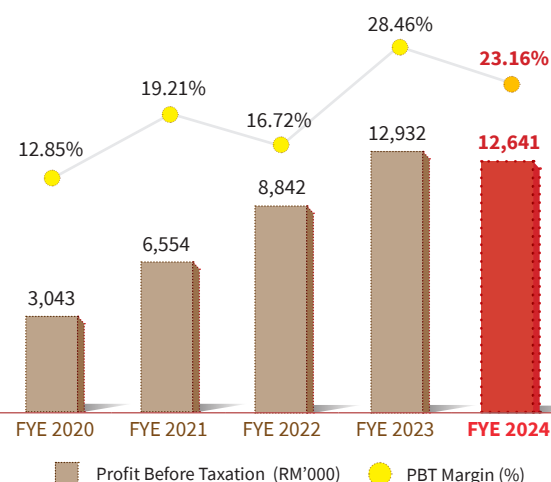
Revenue (RM'000)



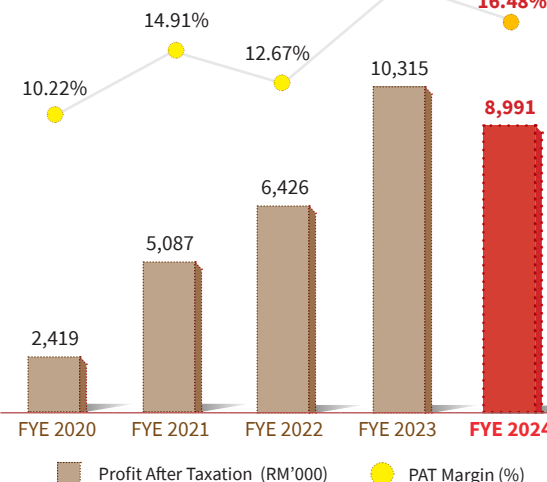
Revenue by Business Segments(RM'000)



Profit Before Taxation (RM'000)



Profit After Taxation (RM'000)



Our Group achieved a revenue of RM54.57 million for FYE 2024 (FYE 2023: RM45.43 million), an increased by 20.11% as compared with the previous financial year. Nevertheless, the PBT of our Group decreased by approximately RM0.29 million or 2.25% from approximately RM12.93 million in the previous financial year to approximately RM12.64 million in the current financial year.

In FYE 2024, revenue from marketing and distribution segment accounted for 66.32% (FYE 2023: 67.08%) of our Group's revenue, increased by 18.75% from RM30.48 million in the previous year to RM36.19 million in FYE 2024. On the other hand, the manufacturing segment accounted for the remaining 33.68% (FYE 2023: 32.92%) of our Group's revenue, increased by 22.90% from RM14.95 million in the previous year to RM18.38 million in FYE 2024.

Our Group's gross profit has increased by 19.74%, from RM18.93 million in FYE 2023 to RM22.67 million in FYE 2024. Our Group generated a profit before taxation ("PBT") of RM12.64 million in FYE 2024, a 2.25% decrease from RM12.93 million in FYE 2023. The PBT margin was 23.16% in FYE 2024 as compared to 28.46% in FYE 2023. Our Group generated a profit after taxation attributable to owners of the parent ("PAT") of RM8.99 million in FYE 2024, decreased by 12.84% from RM10.32 million in FYE 2023. The PAT margin was 16.48% in FYE 2024 as compared to 22.70% in FYE 2023. The lower PBT and PAT was contributed by the higher administrative and other expenses, mainly attributable to transfer listing expenses.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW (CONT'D)

As at 31 July 2024, our Group maintained a solid balance sheet with a net cash position of RM12.90 million⁽¹⁾.

Overall, our financial position remained healthy with a high current ratio of 8.20 times (FYE 2023: 11.68 times) and a low gearing ratio of 0.01 times (FYE 2023: 0.06 times). The lower gearing ratio was mainly due to the decrease in our bank borrowings.

Note:

(1) Computed based on the sum of short-term funds and cash and bank balances and less current borrowing.

OPERATION REVIEW

CORPORATE STRATEGIES

Operational Efficiency

Our business and manufacturing activities are currently centered at our head office and factory complex located in Batu Kawan, Penang, strategically designed to enhance operational efficiency and scale to meet increasing market demand. The facility sits on a land area of approximately 126,852.68 square feet, with a built-up area of 69,832.66 square feet. It features a double-storey office building annexed with two single-storey factory buildings, providing ample space for both manufacturing and storage.

Manufacturing Space:

The current production floor spans 59,160.23 square feet, allowing us to carry out our in-house manufacturing of key medical consumables such as the HYDROX and AIRDROX product series. By centralizing our manufacturing activities under one roof, we streamline operations, minimize downtime, and ensure stringent quality control throughout the production cycle. Additionally, the layout of the production floor is designed for flexibility, allowing for future expansion and the integration of new production lines as our product offerings grow.

Storage Area:

To ensure seamless operations, 10,672.83 square feet of space is dedicated to storage, designed for the safe and efficient handling of raw materials, finished goods, and distribution products. The proximity of the storage area to the production floor enhances the flow of materials and products, reducing transportation time and increasing overall productivity. This integrated approach allows for better inventory management and quicker response times to market demand, contributing to improved lead times for customers.

The RM3.50 million allocated from our IPO proceeds is being utilized for this expansion, and as of FYE 2024, we have used RM3.33 million, which accounts for 95.26% of the allocated funds. This strategic expansion underscores our commitment to enhancing operational capabilities and meeting future business demands.

Domestic Presence and Reach



Our domestic presence and reach are strategically designed to cover key regions across Malaysia, as illustrated in the above map. Our operations are primarily based out of our head office and factory complex in Batu Kawan, Penang. This facility serves as the hub for our manufacturing and distribution activities, allowing us to manage and streamline operations effectively.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATION REVIEW (CONT'D)

Marketing and Distribution Offices:

Currently, our marketing and distribution activities are supported by rented offices in Bandar Tun Razak, Kuala Lumpur, and Johor Bahru, Johor. These rented spaces do not include showrooms, limiting our ability to physically showcase our products to customers.

To strengthen our presence in these regions and tap into the potential business opportunities, we are planning to establish new marketing and distribution offices with dedicated showrooms in both Kuala Lumpur and Johor Bahru. These showrooms will allow us to demonstrate the functionality of our products to existing and potential customers, enhancing customer engagement and providing a hands-on experience.

We have allocated RM6.80 million from our IPO proceeds for the establishment of these new offices. The identification of suitable locations is currently in progress, with a focus on ensuring these offices are strategically located to maximize visibility and access to key markets.

Sales Representatives:

In addition to our office presence, we have in-house sales representatives stationed in major cities across West Malaysia and East Malaysia, as shown on the map. This widespread sales network allows us to provide comprehensive coverage and personalized support to customers throughout the country, ensuring that our products and services are readily accessible.

This combination of physical offices, sales representatives, and a robust supply chain infrastructure positions us well to serve the diverse needs of our customers across Malaysia while supporting our growth strategy.

New Product Development and Commercialisation

Since the incorporation of UWHM, we have successfully introduced the HYDROX Prefilled Humidifier, followed by the commercial launch of our AIRDROX series inhaler spacers in FYE 2022. Building on this momentum, our Group is committed to further expanding the manufacturing segment, with a strategic focus on developing and commercializing an even broader range of innovative products under our own brand.

Subsequently, we introduced the HYDROX Prefilled Humidifier with Macro Nebulization System and FLEXIDROX water for inhalation bag, two groundbreaking products designed for respiratory care, particularly in oxygen therapy as shown below:

a) HYDROX Prefilled Humidifier with Macro Nebulization System



- Features enhanced performance with a clear DEHP-free return tube.
- DEHP-free, USP-grade sterile water for premium quality assurance.
- Available in four different volumes (450, 650, 750, and 900 mL) to accommodate various medical needs.
- Safe and user-friendly, with a patent-pending design eliminating the need for sharp spikes, utilizing a direct connection system.

b) FLEXIDROX water for inhalation bag



- FLEXIDROX Sterile Water in Bag is a disposable, single-use device filled with sterile water.
- Made of flexible plastic with a twist-off administration port at the base.
- Closed-system design minimizes contamination risk for patients.
- Easy one-step setup, reducing interruptions for patient care.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATION REVIEW (CONT'D)

New Product Development and Commercialisation (Cont'd)

Looking ahead, we are excited to introduce a new product namely Digital Humidifier Monitoring Sensor. Our commitment to continuously assessing market needs ensures that our evolving product pipeline remains at the forefront of healthcare innovation, addressing the dynamic requirements of the industry.

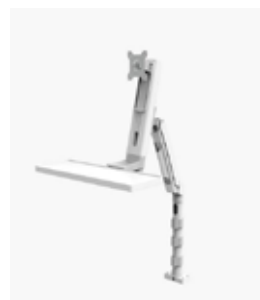
In addition, under Akiteck, we have launched a range of mounting and cart solutions, including the Surveillance Monitor Mount, Cardiotocography (“CTG”) Cart and Multi-Function Computer Arm. Our products are meticulously designed to be durable, flexible, and user-friendly, ensuring cost-efficiency without compromising quality. From customizable medical carts to monitor mounts and ultrasound carts, our solutions are engineered to enhance workflow efficiency and improve the comfort and productivity of healthcare professionals and patients alike.



Surveillance Monitor Mount



Cardiotocography (“CTG”) Cart



Multi-Function Computer Arm

Product Portfolio Expansion

Presently, our Group is the appointed distributor for international brand owners/ manufacturers, namely Philips, Mindray, and GE. 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.

In addition, we are the appointed regional distributor for medical consumables for several leading brands. These partnerships allow us to provide advanced medical solutions within Malaysia as well as across Southeast Asia. The brands we represent include Curatia, Hi-Lex Medical, Wallaby/Phenox, and PINS Medical. These brands cover a range of cutting-edge medical devices and consumables for interventional cardiology, neurology, radiology, and vascular surgery, helping us to serve healthcare professionals throughout the region.

In May 2024, our subsidiary Patho Solutions Malaysia Sdn Bhd (“Patho”) signed a significant distribution agreement with AliveDx Suisse S.A., enabling Patho to distribute the MosaiQ® solution in Malaysia. This advanced solution leverages multiplexing microarray assay technology to simplify workflows and improve efficiencies across healthcare settings. By streamlining processes, the MosaiQ® solution delivers faster, more cost-effective diagnostics, benefiting both healthcare providers and patients. We are confident that introducing the MosaiQ® solution to the Malaysian healthcare sector will allow us to deliver cutting-edge, best-in-class technology that will positively impact patient care and outcomes across the country.

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 healthcare industry is growing due to factors such as rising patient admissions driven by chronic diseases, an aging population, and better access to healthcare services due to higher income levels and medical insurance uptake. Increased public and private healthcare spending also contributes to this growth. However, any reduction in healthcare expenditure may impact hospital supplies and equipment demand, potentially affecting our Group's financial performance.

To address these challenges, our Group is actively exploring opportunities to expand and commercialize products under our own brand. This strategy ensures that our product offerings stay aligned with market needs, while complementing existing products. Our new products are designed to be cross-marketed to our current customers, enhancing value and strengthening our market presence.

Advances in artificial intelligence (AI), miniaturization, and digital health devices are rapidly transforming medical technology, creating both opportunities and competition. Geopolitical tensions, particularly in China, have led companies to seek new markets like Southeast Asia. As global players enter the region, our Group is focused on expanding our product pipeline and leveraging AI and digital health solutions to remain competitive in this dynamic landscape.

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 approximately 34% of our Group's revenue are denominated in foreign currencies.

To manage the foreign exchange risks, our Group monitors closely the movement of the foreign exchange. Our Group has entered into forward foreign currency contracts as well as 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 recognize that our employees are our most valuable asset, and the continued success of our Group depends significantly on their efforts, commitment, skills, and the values they create. As our business operations grow, attracting and retaining the right talent is critical to driving our Group to new levels of performance.

However, the competitive landscape in Batu Kawan, where numerous multinational corporations are situated, presents challenges in talent acquisition and retention. The presence of these global firms not only intensifies competition for top-tier professionals but also increases the risk of losing current employees who may be attracted to the diverse opportunities and potentially higher remuneration packages offered by larger corporations.

To address these challenges, we are committed to investing in our employees' professional development, enhancing our recruitment processes, and regularly reviewing our remuneration and benefits packages to remain competitive. We also prioritize upholding human and labour rights and providing a safe, supportive work environment that fosters employee well-being and productivity.

Additionally, our Group places a strong emphasis on succession planning and facilitating skills transfer, ensuring operational continuity and the long-term success of the organization. We will continue to engage in ongoing workforce planning and discussions to ensure that we remain well-positioned to attract, retain, and nurture talent despite the competitive pressures in our region.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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

As the Malaysian government continues to prioritize the enhancement of healthcare standards, UMC is poised for growth, driven by several key factors. The increasing demand for upgraded healthcare facilities, the rise of healthcare tourism, and the pressing need to alleviate facility overcrowding underscore the Group's vital role in the dynamic healthcare landscape.

The medical device industry in Malaysia is on a promising trajectory, supported by a favorable manufacturing environment and a globally recognized healthcare system. The Ministry of Health's allocation of RM41.2 billion in Budget 2024—an impressive 13.5% increase from the previous year—demonstrates the government's strong commitment to improving healthcare quality. This boost in funding aligns with the Group's expectations for growth in the upcoming financial periods.

To enhance its footprint in the medical industry, the Group has established new subsidiaries: Akiteck, formed on May 20, 2024, focuses on designing, assembling, and distributing medical mounting solutions and related parts, while Ateria aims to import, export, market, and distribute medical devices and provide after-sales services. These strategic additions reflect the Group's vision of expanding its portfolio and offering a diverse range of medical devices to meet the growing demand.

With a clear focus on capitalizing on industry growth and government support, the Group is confident in its growth trajectory and remains optimistic about the future.

BOARD OF DIRECTORS



from left to right

- | | |
|---|--|
| 1 Tan Chye Suan
Independent Non-Executive Director | 5 Lee Yee Wooi
Independent Non-Executive Director |
| 2 Dr. Pakirisamy Baskaran A/L P Thangavelu
Independent Non-Executive Director | 6 Dato' Dr. Teh Keng Hwang
Independent Non-Executive Director
(Appointed on 5 October 2023) |
| 3 Dato' Ng Chai Eng
Non-Independent Non-Executive Chairman | 7 Ng Sze Hui
Alternate Director to Dato' Ng Chai Eng |
| 4 Lim Taw Seong
Executive Director/Chief Executive Officer | |

PROFILE OF DIRECTORS

DATO' NG CHAI ENG

Non-Independent Non-Executive Chairman

Age 61

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 Ng Sze Hui, 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

- 5/5

PROFILE OF DIRECTORS (CONT'D)

LIM TAW SEONG

Executive Director/ Chief Executive Officer

Age 46

Gender Male

Nationality 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 Ng Sze Hui, 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

- 5/5

PROFILE OF DIRECTORS (CONT'D)

DR. PAKIRISAMY BASKARAN A/L P THANGAVELU

Independent Non-Executive Director

Age 62

Gender Male

Nationality 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

- 5/5

PROFILE OF DIRECTORS (CONT'D)

TAN CHYE SUAN

Independent Non-Executive Director

Age 56

Gender Female

Nationality Malaysian



QUALIFICATION

- Bachelor of Laws (Hons) - University of Malaya
- Advocate and Solicitor of 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
- 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
- Honorary Treasurer in Women Centre for Change
- Committee member of National Council of Women's Organisation (NCWO), Penang

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

- 5/5

PROFILE OF DIRECTORS (CONT'D)

LEE YEE WOOL

Independent Non-Executive Director

Age 52

Gender Male

Nationality 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
- 2013-2022: Director - Income Sector Sdn Bhd
- 2019-2023: Accountant - Biochem Laboratories Sdn Bhd
- 2022-2024: Non-Independent Non-Executive Director - HHRG Berhad
- 2019-Present: Director - Amanpuri Leisure Sdn Bhd
- 2020-Present: Director - Tarzan Travel (M) Sdn Bhd

PRESENT APPOINTMENT

- Independent and Non-Executive Director of Mclean Technologies 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

- 5/5

PROFILE OF DIRECTORS (CONT'D)

DATO' DR. TEH KENG HWANG

Independent Non-Executive Director

Age 71

Gender Female

Nationality Malaysian



QUALIFICATION

- Clinical Fellowship Paediatric Critical Care Medicine – University of Toronto, Canada
- Membership of the Royal Colleges of Physicians of the United Kingdom - University of Glasgow, United Kingdom
- Bachelor of Medicine and Bachelor of Surgery – University of Malaysia

DATE FIRST APPOINTED TO THE BOARD

- 5 October 2023

MEMBERSHIP OF BOARD COMMITTEE

- None

WORKING EXPERIENCE AND OCCUPATION

- 1978-1979: House officer –General Hospital Penang
- 1979-1984: Medical Officer - General Hospital Alor Setar, Sungai Petani and Penang in Paediatrics
- 1984-1985: Attachment – Royal Hospital for Sick Children Yorkhill Glasgow
- 1985-1988: Consultant Paediatrician - Hospital Kuala Terengganu
- 1988-1997: Consultant Paediatrician - Hospital Alor Setar, Kedah
- 1997-1998: Fellowship Training - Paediatric Intensive Care at the Critical Care Unit of the Hospital for Sick Children (SickKids) Toronto Canada
- 1998-2012: Consultant Paediatrician and Paediatric Intensivist - Hospital Alor Setar, Kedah
- 2012-2016: Consultant Paediatrician and Paediatric Intensivist - Hospital Sultan Abdul Halim, Sungai Petani, Kedah
- 2017-present: Lecturer (Professor of Paediatrics) - University Islam Antarabangsa Sultan Abdul Halim Muadzam Shah, Kuala Ketil, Kedah

PRESENT APPOINTMENT

- Lecturer (Professor) of University Islam Antarabangsa Sultan Abdul Halim Muadzam Shah (UniSHAMS)

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

- 3/3

PROFILE OF DIRECTORS (CONT'D)

NG SZE HUI

Alternate Director to Dato' Ng Chai Eng

Age 28

Gender Female

Nationality Malaysian



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
- Advocate and Solicitor of the High Court of Malaya
- Registered trademark agent
- Registered industrial design agent

DATE FIRST APPOINTED TO THE BOARD

- 6 March 2023

MEMBERSHIP OF BOARD COMMITTEE

- None

WORKING EXPERIENCE AND OCCUPATION

- 2020: Wong & Partners (a member firm of Baker McKenzie International)
- 2020-2021: Azmi & Associates (a member firm of TerraLex Worldwide)
- 2021-2022: Legal and Corporate Adviser – UMC
- 2023-present: Partner - Messrs Ng Law Firm
- 2023-present: Legal & Product Development Manager (Jan – Mar) and Legal Compliance Adviser (Mar-present) – UMC

PRESENT APPOINTMENT

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

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF UMC

- Daughter 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

- 5/5

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 2024.

Name of Directors	Mode of Training	Title
Dato' Ng Chai Eng	Webinar	• Trends and Forecast Of Malaysia's E&E, and Semiconductor Industry with S&P Global Market Intelligence
	Webinar	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Webinar	• GenAI Innovation through Design Thinking - Towards Human Centered AI
Lim Taw Seong	External	• Medical Device Manufacturing Process Validation
	Webinar	• Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	External	• Integrated ISO 13485:2016 and ISO 9001:2015 Management System Awareness & Internal Audit
	Internal briefing	• Fire Drill Training UMediC
	Internal briefing	• Basic First Aid Training
Dr. Pakirisamy Baskaran A/L P Thangavelu	External	• Anti-Bribery and Corruption Awareness Training
	External	• E-Invoice
Tan Chye Suan	External	• Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	Webinar	• Circular Economy Conference 2023 – Green Investment Towards a Circular Economy
	Webinar	• ChatGPT by GreenoNetics™: Unleashing the Power of AI in Business English & Writing
	Webinar	• M&A Contract Drafting: Best Practices for Corporate and Law Firms
	Webinar	• ChatGPT by GreenoNetics™: Unleashing the Power of AI in Customer Service"
	Webinar	• Malaysian Bar Budget Conference
	Webinar	• Tax Law - Capital Gains Tax and Its Implications for Corporate Malaysia and Legal Practitioners
	External	• Northern Region Seminar on Conveyancing Matter
	Webinar	• AMLA Awareness: A Guide for Small Firm Practices
	Webinar	• Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
Lee Yee Wooi	Webinar	• Consultative Webinar: National Sustainability Reporting Framework (NSRF)
	External	• The 2nd World Green & Sustainability Summit
	External	• Launch & Roundtable Discussion on the “Code of Conduct for the Promotion of Equal Opportunities Through the Elimination of Racial Discrimination”
	External	• E-Invoicing for Law Firms
	Webinar	• Submission of e-CKHT by Role of Lawyers & e-Invoicing for Law Firms
Dato' Dr. Teh Keng Hwang	External	• Medicap Healthcare talk
	Webinar	• Tougher Year in 2024? How To Overcome And Propel?
	Webinar	• Seminar Percukaian Kebangsaan 2023 (Bajet 2024) -LHDN
	External	• MIA Penang Budget 2024 seminar
	Webinar	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Webinar	• CTOS x MDI – Bankrap – Memahami Peluang Kedua
	External	• E-invoicing, Penang Chinese Chamber of Commerce
	External	• Penang Largest Electronic & Industrial Manufacturing Expo
Dato' Dr. Teh Keng Hwang	Webinar	• Mandatory Accreditation Programme (MAP)

PROFILE OF DIRECTORS (CONT'D)

Training Programs attended by our Director (CONT'D)

Name of Directors	Mode of Training	Title
Ng Sze Hui	External	<ul style="list-style-type: none"> Industry Workshop for Translating Frontier Technologies into Business Opportunities and National High-Impact Programmes Session 2
	Webinar	<ul style="list-style-type: none"> UMeDiC Enterprise Risk Management 2023
	Webinar	<ul style="list-style-type: none"> 2023 Korea Regulatory Overview
	Webinar	<ul style="list-style-type: none"> Familiarization with GE Process – Equipment Sales & Service Sales
	Webinar	<ul style="list-style-type: none"> GE e-commerce order process
	External	<ul style="list-style-type: none"> Malaysia MedTech Industry Summit 2023
	External	<ul style="list-style-type: none"> Medical Device Manufacturing Process Validation
	Webinar	<ul style="list-style-type: none"> Management of Cyber Risk
	Webinar	<ul style="list-style-type: none"> Bursa PLCs Investor Relations Series 3: Economic Outlook 2024
	External	<ul style="list-style-type: none"> The Amendments of Employment Act
	External	<ul style="list-style-type: none"> Employment Act 1955: Overview And Latest Update With Employment (Amendment) Act 2022
	Webinar	<ul style="list-style-type: none"> Mandatory Accreditation Programme (MAP)
	External	<ul style="list-style-type: none"> Integrated ISO 13485:2016 and ISO 9001:2015 Management System Awareness
	External	<ul style="list-style-type: none"> Integrated ISO 13485:2016 and ISO 9001:2015 Management System Internal Audit
	Webinar	<ul style="list-style-type: none"> ISO 9001:2015 and ISO 13485:2016 QMS Internal Audit
	Webinar	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Webinar	<ul style="list-style-type: none"> PSDC Online Preview: Importance of Design in Electronics Manufacturing
	Webinar	<ul style="list-style-type: none"> Medtech Professional Course: NCR/CAPA/Complain Handling
	Webinar	<ul style="list-style-type: none"> Medtech Professional Course: Process Mapping
	Webinar	<ul style="list-style-type: none"> Medtech Professional Course: Hypothesis Testing
	Internal Briefing	<ul style="list-style-type: none"> Fire Drill Training UMeDiC
	Internal Briefing	<ul style="list-style-type: none"> Anti-Bribery and Corruption Awareness Training
	Webinar	<ul style="list-style-type: none"> Medtech Professional Course: Statistical Process Control & Capability Analysis
	Webinar	<ul style="list-style-type: none"> Medtech Professional Course: Measurement System Analysis
	Webinar	<ul style="list-style-type: none"> Medtech Professional Course: Design of Experiment

Remuneration

The following are the remuneration breakdown of all directors as at FYE 2024.

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	-	60	-	-	1	-	61.0
Lim Taw Seong	274	-	46	34	87	-	441.0
Dr. Pakirisamy Baskaran A/L P Thangavelu	-	30	-	-	0.5	-	30.5
Tan Chye Suan	-	30	-	-	0.5	-	30.5
Lee Yee Wooi	-	30	-	-	0.5	-	30.5
Dato' Dr. Teh Keng Hwang (Appointed on 5 Oct 2023)	-	25	-	--	0.5	-	25.5
Dato' Lau Chee Kheong (Cessation of office on 5 Oct 2023)	-	-	-	-	5.0	-	5.0
Ng Sze Hui	78	-	13	10.5	11.9	-	113.4

PROFILE OF KEY SENIOR MANAGEMENT

NG HUI HOOI

Financial Controller

Age

48

Gender

Female

Nationality

Malaysian

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 Key Senior Management

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 the financial year

None

KONG YOEN HOO

Sales Vice President

Age

46

Gender

Male

Nationality

Malaysian

Qualification

- Bachelor of Engineering (Mechanical) - Universiti Teknologi Malaysia

Date first appointed to the Key Senior Management

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 the financial year

None

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

LIM SUAT GIM

Sales Vice President

Age

40

Gender

Female

Nationality

Malaysian

Qualification

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

Date first appointed to the Key Senior Management

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
- 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 the 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") and the Corporate Governance Guide (4th 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 our Group during the FYE 2024. 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.

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 Secretary and may obtain independent professional advice at our Company's expense in order to discharge their duties effectively.

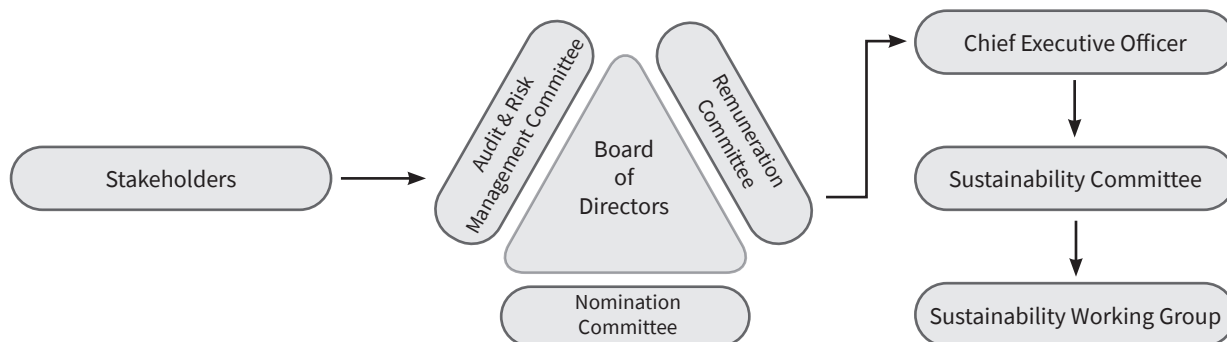
Our Group has formed a Sustainability Committee and Sustainability Working Group to assist our Board in overseeing the formulation, implementation and effective management of our Company's sustainability strategies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

Governance Framework



Performance evaluations of our Board and Senior Management in addressing our Company's material sustainability risks and opportunities has been conducted for the financial year under review.

Our Board Chairman instils 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, Nomination Committee Chairman and Remuneration Committee Chairman;
- Approval of quarterly results;
- Approval of contents of annual report;
- Review and approval of the Board Charter, Code of Conduct, Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy; and
- Business updates by the Executive Director/Chief Executive Officer.

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. In FYE 2024, all board members and employees have made annual attestation to re-affirm the understanding and commitment on Anti-Bribery Programme.

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, Directors' Fit and Proper Policy, Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy and Code of Conduct and Ethics are also posted on our Company's website at www.umedic.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

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. one (1) Non-Independent Non-Executive Director, one (1) Executive Director/ Chief Executive Officer, four (4) Independent Non-Executive Directors. Our current Board composition complies with Rule 15.02 of MMLR that requires at least one-third (1/3) of the Board consists of Independent Directors. The profile of each Director is presented in page 24 to 32 of this Annual Report.

Our Board recognises the importance of gender diversity of at least 30% women directors in our Company. On 5 Oct 2023, the Board welcomed Dato' Dr. Teh Keng Hwang as a new board member. Subsequent the appointment of Dato' Dr. Teh Keng Hwang, there are two (2) female Directors (equivalent to 33.3% of the board composition) sitting on our Board.

The above is in line with MMLR which stipulate the inclusion of at least one female Director on the Board, as well as MCCC Practice 5.9, which recommended that at least 30% of the Board is comprised of women director. This reflects the Company's strong commitment to promoting gender diversity and fostering inclusive leadership at the highest level.

Our Board is mindful that any gender representation should be in the best interest of the 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 Company's Board and workforce.

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. During FYE 2024, the Nomination Committee had reviewed the size, composition and principal functions of each Board Committee. Additionally, the results of self-evaluation by all Directors had been reviewed and the results are satisfactory. The Nomination Committee thereby concluded that the performance of the current Board, coupled with the experiences, competencies of each Director enable the Board to discharge their duties and responsibilities effectively. The outcome of the assessment had been presented to our Board subsequently.

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) business 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 2024, there were five (5) board meetings held and all the Board Papers were circulated to our Board in timely manner. Our Directors' attendance at the Board & Committees meetings during FYE 2024 were as follows:

Director	Number of Meetings held			
	Board	ARMC	NC	RC
Dato' Ng Chai Eng	5/5	-	-	-
Mr. Lim Taw Seong	5/5	-	-	-
Dr. Pakirisamy Baskaran A/L P Thangavelu	5/5	5/5	1/1	1/1
Ms. Tan Chye Suan	5/5	5/5	1/1	1/1
Mr. Lee Yee Wooi	5/5	5/5	1/1	1/1
Ms. Ng Sze Hui	5/5	-	-	-
Dato' Dr. Teh Keng Hwang (Appointed on 5 October 2023)	3/3	-	-	-
Dato' Lau Chee Kheong (Cessation of Office on 5 October 2023)	2/2	-	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

All Directors have successfully met the minimum 50% attendance requirement in respect of Board meetings as stipulated by MMLR. The Board expressed its satisfaction with the dedication and time commitment demonstrated by its Directors in FYE 2024 towards fulfilling their roles and responsibilities effectively.

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 2024, 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 2024, our Directors attended the following training programmes:

Director	Training Attended
Dato' Ng Chai Eng	<ul style="list-style-type: none"> Trends and Forecast of Malaysia's E&E, and Semiconductor Industry with S&P Global Market Intelligence; Mandatory Accreditation Programme Part II: Leading for Impact (LIP); and GenAI Innovation through Design Thinking – Towards Human Centered AI.
Mr. Lim Taw Seong	<ul style="list-style-type: none"> Medical Device Manufacturing Process Validation; Mandatory Accreditation Programme Part II : Leading for Impact (LIP); Integrated ISO 13485:2016 and ISO 9001:2015 Management System Awareness & Internal Audit; Fire Drill Training UMeDiC; Basic First Aid Training; Anti-Bribery and Corruption Awareness Training; and E-Invoice.
Dr. Pakirisamy Baskaran A/L P Thangavelu	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP).
Ms. Tan Chye Suan	<ul style="list-style-type: none"> Circular Economy Conference 2023 – Green Investment Towards a Circular Economy; ChatGPT by GreenoNetics™: Unleashing the Power of AI in Business English & Writing; M&A Contract Drafting: Best Practices for Corporate and Law Firms Webinar; ChatGPT by GreenoNetics™: Unleashing the Power of AI in Customer Service; Malaysian Bar Budget Conference; Tax Law - Capital Gains Tax and Its Implications for Corporate Malaysia and Legal Practitioners; Northern Region Seminar on Conveyancing Matter; AML Awareness: A Guide for Small Firm Practices; Mandatory Accreditation Programme Part II: Leading for Impact (LIP); Consultative Webinar: National Sustainability Reporting Framework (NSRF); The 2nd World Green & Sustainability Summit; Launch & Roundtable Discussion on the Code of Conduct for the Promotion of Equal Opportunities Through the Elimination of Racial Discrimination; E-Invoicing for Law Firms; and Submission of e-CKHT by Role of Lawyers & e-Invoicing for Law Firms.
Mr. Lee Yee Wooi	<ul style="list-style-type: none"> Medicap Healthcare talk; Tougher Year in 2024? How to Overcome and Propel? Seminar Percukaian Kebangsaan 2023 (Bajet 2024) – LHDN; MIA Penang Budget 2024 Seminar; Mandatory Accreditation Programme Part II: Leading for Impact (LIP); CTOS x MDI – Bankrap – Memahami Peluang Kedua; E-invoicing, Penang Chinese Chamber of Commerce; and Penang Largest Electronic & Industrial Manufacturing Expo.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

Director	Training Attended
Ms. Ng Sze Hui	<ul style="list-style-type: none"> Industry Workshop for Translating Frontier Technologies into Business Opportunities and National High-Impact Programmes Session 2; UMediC Enterprise Risk Management 2023; 2023 Korea Regulatory Overview; Familiarization with GE Process – Equipment Sales & Service Sales; GE E-commerce Order Process; Malaysia MedTech Industry Summit 2023; Medical Device Manufacturing Process Validation; Management of Cyber Risk; Bursa PLCs Investor Relations Series 3: Economic Outlook 2024; The Amendments of Employment Act; Employment Act 1955: Overview And Latest Update With Employment (Amendment) Act 2022; Mandatory Accreditation Programme (MAP); Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Integrated ISO 13485:2016 and ISO 9001:2015 Management System Awareness Integrated ISO 13485:2016 and ISO 9001:2015 Management System Internal Audit ISO 9001:2015 and ISO 13485:2016 QMS Internal Audit PSDC Online Preview: Importance of Design in Electronics Manufacturing Medtech Professional Course: NCR/CAPA/Complain Handling Medtech Professional Course: Process Mapping Medtech Professional Course: Hypothesis Testing Fire Drill Training UMediC; Anti-Bribery and Corruption Awareness Training; Medtech Professional Course: Statistical Process Control & Capability Analysis; Medtech Professional Course: Measurement System Analysis; and Medtech Professional Course: Design of Experiment.
Dato' Dr. Teh Keng Hwang (Appointed on 5 October 2023)	<ul style="list-style-type: none"> Mandatory Accreditation Programme (MAP).

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 Financial Controller, 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.

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 senior management's remuneration component in bands of RM50,000. The remuneration details of both individual directors and top senior management for FYE 2024 were disclosed in Practice 8.1 and Practice 8.2 of the CG Report accordingly.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 MMLR 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 MCCG 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 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 80 to 81 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 YNC Business Consulting Sdn Bhd ("YNC"), an independent professional firm. There is no other engagement between our Group and YNC which may create conflict of interest or impair their objectivity and independence. The internal audit engagement shall be led by the Executive Director, 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 20 years of experience in Audit and Advisory engagement. She provides overall direction for the internal audit engagement and is responsible for all stages of the internal audit work. She also maintains contact with our Management to ensure open communication is practiced and all internal audit works are carried out effectively and in a timely manner. She is further supported by other YNC professional staffs. All the personnel deployed by YNC 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 execute the internal audit work based on a risk-based internal audit plan which is approved by the ARMC before the commencement of work. The Internal Auditors 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 76 to 79 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 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.

In addition, we also utilise social media network as a platform for disseminating messages of our Company.

Our Group also periodically organises investor relation activities such as conferences and briefing sessions targeted at market analysts and fund managers to allow for constructive and informative communication with shareholders and potential investors.

Detailed information regarding stakeholder engagement methods can be found in the Sustainability Statement, which is available in the Annual Report.

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.

For our 3rd AGM held on 16 January 2024, the notice of AGM was dated on 3 November 2023, which goes above and beyond the standard 28 days notification period. This proactive approach showcases our dedication to facilitating shareholders' involvement and preparedness. For the upcoming AGMs, we will continue to ensure the notice will be circulated to the shareholders at least 28 days prior to the meeting.

Our Board recognises its accountability to shareholders, underlining the imperative to foster active engagement and deliver meaningful responses to the shareholders' queries. In demonstration of this commitment, all the Directors, the Chairman of our Board and Board Committees as well as the Financial Controller, Company Secretary and External Auditors attended the 3rd AGM. Throughout the AGM, Mr. Lim Taw Seong, the CEO of the Company, highlighted the accomplishments and challenges of our Company while Ms. Ng Sze Hui, the alternate director of Dato' Ng Chai Eng presented our Company's business overview, financial highlights and the future outlook of our Company. Further, the shareholders were given with ample and sufficient opportunity to pose their queries and our Company ensured that all the questions were answered.

Shareholders who were unable to attend the AGM were advised that they can appoint proxies to attend and vote on their behalf by completing the proxy form enclosed in the Annual Report and depositing it at the Office of the Share Registrar before the time for holding the meeting or any adjournment thereof. The guideline to appointing a proxy was outlined in the notice of AGM. All resolutions set out in the Notice of AGM were put to vote by poll. Our Company had appointed independent scrutineer to validate the vote cast in the AGM. The outcome of the AGM was announced to Bursa Securities on the same meeting day, which is 16 January 2024.

Our Company is mindful of the requirement to circulate the minutes of the general meeting no later than 30 business days after the general meeting. The minutes of 3rd AGM duly confirmed and signed by the Chairman were uploaded on our Company's website at www.umedic.com.my, not later than 30 business days after the AGM.

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 8 November 2024.

SUSTAINABILITY REPORT

INTRODUCTION

We are pleased to present our third Sustainability Statement (“Sustainability Statement” or the “Statement”) for the financial reporting period from 1 August 2023 to 31 July 2024 (“FYE 2024”), providing an overview of our Group’s sustainability initiatives and practices, highlighting our economic, environmental, social and governance impacts.

This Sustainability Statement has been prepared as required under the Main Market Listing Requirement (“MMLR”) and in accordance with the Sustainability Reporting Guide (“Guide”) 3rd Edition issued by Bursa Malaysia Securities Berhad (“Bursa Securities”).

Our Group has been guided by the principles outlined in the Guide for our sustainability practices. This guide helps us understand how to make sustainability a natural part of our organization. It also assists us in recognizing, assessing, and handling important Economic, Environmental, Social and Governance (“EESG”) risks 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.

REPORTING PERIOD AND SCOPE OF REPORTING

This Statement covers the sustainability performance of our core business operations for the FYE 2024 unless stated otherwise. Where possible, information from previous years has been included to provide comparative data. 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 (3rd edition) and Toolkits released by Bursa Securities. This Statement should be read alongside with other sections in this Annual Report namely Management Discussion and Analysis, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control as sustainability efforts may be better contextualised and narrated in the respective sections.

ASSURANCE

There is no external assurance on seeking an independent evaluation of performance data published in this Statement. Regular audits/ reviews are in place in relation to the policies and procedures quoted in this Statement. This Statement is reviewed and approved by our Board.

AVAILABILITY

This Statement is made available on our Company’s website at 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.

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.





SUSTAINABILITY REPORT (CONT'D)

COMMITMENT TO SUSTAINABILITY (CONT'D)

Core Values	Description
Unity 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 PRACTICES

In line with the Guide, our Group's sustainability is viewed in the context of EESG. The terms of EESG can be explained as follows:

Economic 	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. Note: These may include the organisation's procurement practices, or community investment
Environmental 	An organisation's impact on living and non-living natural systems, including land, air, water and ecosystems. Note: These may include the organisation's usage of energy and water.
Social 	The impacts an organisation has on the social systems within which it operates. Note: These may include the organisation's relationships with communities, employees, consumers, etc.
Governance 	An organization's influence on the systems and structures that govern its operations, including the rules, regulations, and ethical standards it adheres to. Note: These may include the organization's commitment to transparency, accountability, and ethical behavior in its decision-making processes.

SUSTAINABILITY GOVERNANCE

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.

SUSTAINABILITY REPORT (CONT'D)

SUSTAINABILITY GOVERNANCE (CONT'D)




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"> Oversees the sustainability efforts and initiatives of our Group; Reviews and endorses our Group's material sustainability matters; Reviews and endorses the sustainability initiatives proposed by the Sustainability Committee; Reviews and endorses the annual sustainability report for inclusion in our annual report; and Sets strategies that support long-term value creation and includes strategies on EESG considerations underpinning sustainability.
<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"> Identifies material sustainability matters that are relevant to our Group's business operations; Proposes sustainability initiatives and measures to be implemented across our Group; Implements sustainability initiatives that have been approved by our Board; and The Chairman reports the overall progress of our Group's sustainability efforts to our Board.

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
<p>Investor/ Shareholders</p> 	<ul style="list-style-type: none"> Return on investment Business prospects Future roadmap Corporate governance 	<ul style="list-style-type: none"> Annual general meeting Quarterly reporting Company's website Roadshow/ Investor briefing Whistleblowing policy, Shareholder communication policy, Corporate disclosure policy and Investor relation policy 	<ul style="list-style-type: none"> Monthly, quarterly, annually
<p>Directors</p> 	<ul style="list-style-type: none"> Return on investment Business prospects Future roadmap Corporate governance 	<ul style="list-style-type: none"> Board of Directors meetings Business updates and CEO reports Company events 	<ul style="list-style-type: none"> Quarterly, annually
<p>Management</p> 	<ul style="list-style-type: none"> Human capital Financial performance Production performance Business strategy 	<ul style="list-style-type: none"> Continuous management progress meeting and reporting On-going interaction Company events 	<ul style="list-style-type: none"> Daily, weekly, monthly, quarterly, annually
<p>Employees</p> 	<ul style="list-style-type: none"> Competitive salary and benefits package Occupational safety and health Clear line of reporting and proper communication channel Work - life balance Career path and opportunities 	<ul style="list-style-type: none"> Employee handbook Monthly employee meetings Employee satisfaction survey and feedback Performance appraisal Internal training and development Engagement with employees Occupational safety and health programme Anti Bribery and Anti Corruption briefing 	<ul style="list-style-type: none"> Daily, weekly, monthly, quarterly, annually
<p>Customers</p> 	<ul style="list-style-type: none"> Product quality Reliable delivery Competitive prices Technical advancement Customer service and responsiveness 	<ul style="list-style-type: none"> Customer feedback/ survey After sales service Customer periodic visit/ audit Customer evaluation on suppliers Training and development Customer survey 	<ul style="list-style-type: none"> Daily, weekly, monthly, quarterly, annually

SUSTAINABILITY REPORT (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

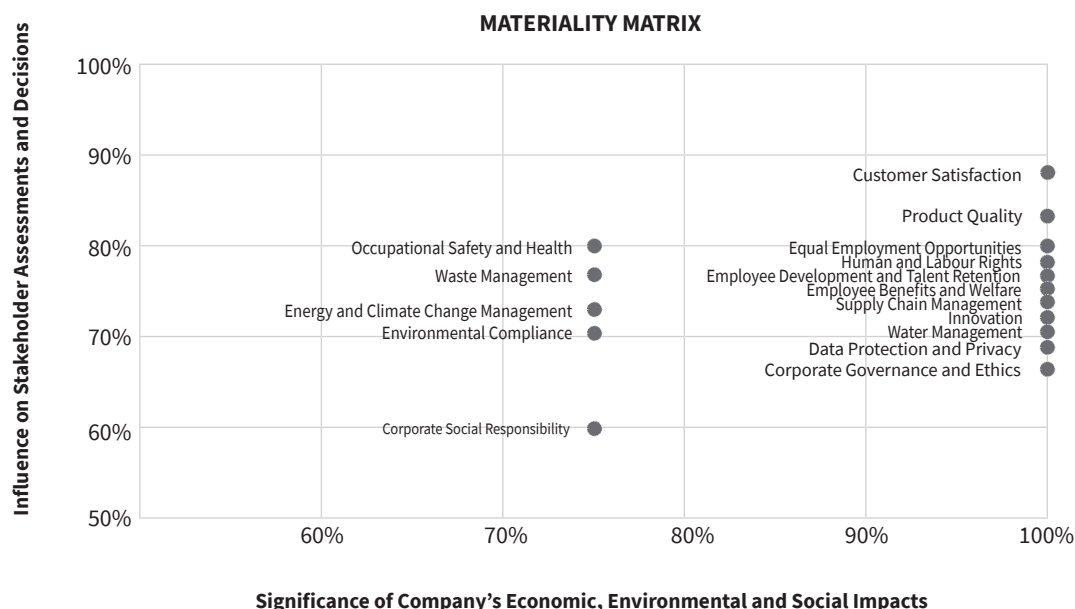
Stakeholder Groups	Areas of Interest	Engagement Methods	Engagement Frequency
Suppliers/ vendors/ business partners 	<ul style="list-style-type: none"> Procurement policy and procedures Product cost Industry standard and requirement Prompt payments within credit period Business prospects and financial stability 	<ul style="list-style-type: none"> Disseminate procurement policy and procedures Supplier evaluation and assessment on suitability of vendors Reinforcement of code of conduct for ethical practices Supplier periodic visit and audit 	<ul style="list-style-type: none"> Daily, weekly, monthly, quarterly, annually
Local communities/ societies 	<ul style="list-style-type: none"> Impact of operations on surrounding environment Corporate social responsibility Corporate governance 	<ul style="list-style-type: none"> Engagement with local communities Provide job opportunities Pay attention to 3Rs (reduce, reuse and recycle) 	<ul style="list-style-type: none"> On an as needed basis and driven by events
Governments/ Regulatory authorities 	<ul style="list-style-type: none"> Compliance with existing laws Standards and certification 	<ul style="list-style-type: none"> Updates on rules and regulations Consultation with authorities Attendance at relevant seminars and conferences Member of the Federation of Malaysia Manufacturers Member of AMMI 	<ul style="list-style-type: none"> Monthly, quarterly, annually

MATERIALITY ASSESSMENT

Our materiality assessment process enables us to identify and assess key risks and opportunities to ensure long-term sustainable growth. We have been integrating Bursa Securities' Common Sustainability Matters as part of our materiality assessment since FYE 2022. Our first materiality assessment was conducted in FYE 2022, 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.

In FYE 2024, we conducted a comprehensive sustainability materiality assessment by distributing survey forms to gather feedback from our selected stakeholders, namely investors, employees, customers, suppliers and government. Based on the feedback collected, we developed a materiality matrix to illustrate the relative importance of each material sustainability matter. During the assessment, we have identified and prioritised the 16 material sustainability matters. The identified material sustainability matters and its materiality matrix are illustrated as below:

Economic and Governance	Environmental	Social
<ul style="list-style-type: none"> Product Quality Customer Satisfaction Supply Chain Management Innovation Data Protection and Privacy Corporate Governance and Ethics 	<ul style="list-style-type: none"> Environmental Compliance Energy and Climate Management Water Management Waste Management 	<ul style="list-style-type: none"> Equal Employment Opportunities Development and Talent Retention Employee Benefits and Welfare Human and Labour Rights Occupational Safety and Health Corporate Social Responsibility



SUSTAINABILITY REPORT (CONT'D)




MATERIALITY ASSESSMENT (CONT'D)

Looking ahead, our Group is committed to conducting periodic reviews of our material sustainability matters, ensuring they align with the dynamic business environment and evolving expectations of stakeholders.

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 2024 Performance
ECONOMIC AND GOVERNANCE		
<ul style="list-style-type: none"> Product Quality Customer Satisfaction Supply Chain Management Innovation Data Protection and Privacy Corporate Governance and Ethics 	<ul style="list-style-type: none"> Deliver quality products and services which meet customers' requirements and expectations Promote local procurement Deliver financial values to shareholders such as growth in revenue and earnings and dividend pay out Uphold the high standard of corporate governance and ethics 	<ul style="list-style-type: none"> No major customer complaints received 56% procurement with local suppliers Zero complaints concerning breaches of customer privacy and losses of customer data Zero confirmed cases for corruption
ENVIRONMENTAL		
<ul style="list-style-type: none"> Environmental Compliance Energy and Climate Management Water Management Waste Management 	<ul style="list-style-type: none"> Compliance with local regulatory requirements for scheduled waste disposal Efficient in energy management Efficient in water management Efficient in waste management 	<ul style="list-style-type: none"> Zero cases reported for non-compliance and breach of environmental regulations
SOCIAL		
<ul style="list-style-type: none"> Equal Employment Opportunities Development and Talent Retention Employee Benefits and Welfare Human and Labour Rights Occupational Safety and Health Corporate Social Responsibility 	<ul style="list-style-type: none"> Provide equal employment and career growth opportunities for all irrespective of gender, race, religion and disabilities Provide employment with development and talent retention Zero tolerance to discrimination and harassment Protection of human and labour rights Provide safe and health work environment Support local communities through Corporate Social Responsibility programs 	<ul style="list-style-type: none"> Zero cases reported for forced or child labour, discrimination, harassment, breach of human and labour rights 4,273.90 hours of training to employees Zero substantiated complaints concerning human rights violations Zero cases of work-related fatalities Organised regular employee wellness programme such as workplace health promotion competition Contributed RM1,600 in "Planting One Million Trees Within a Day in conjunction with Earth Day", a program organised by the Penang Governor's Charity Foundation

SUSTAINABILITY REPORT (CONT'D)




ECONOMIC AND GOVERNANCE

Product Quality

Our Group places emphasis on the quality of products that we manufacture. Our production facility adheres to the highest standards required by the relevant authorities. We take great pride in our numerous accreditations, including **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 	Quality check on finished products including namely leak test and sterility will be performed prior to sending for packing. <ul style="list-style-type: none"> 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. 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.

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.

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC AND GOVERNANCE (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);
- Best Innovation Award (by Malaysia Technology Expo 2020); and
- Growth Breakthrough Award (by Mindray in 2021).



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 regularly 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. These ongoing engagements serve as a testament to our unwavering dedication to meeting their needs and expectations. Through these personal connections, we not only ensure their satisfaction but also strengthen our presence and influence within our markets, ultimately contributing to our mutual growth and success.



We also set up our showroom at our headquarters to display our products. Looking ahead, we are actively planning to expand our market footprint by setting up new marketing and distribution offices. These strategic moves will play a pivotal role in strengthening our market presence even further.

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC AND GOVERNANCE (CONT'D)

Market Presence (Cont'd)



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

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 FYE 2024 are shown in below.



ASMIC 2023 at Shangri-La Hotel, Kuala Lumpur (8-10 September 2023)

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC AND GOVERNANCE (CONT'D)

Market Presence (Cont'd)



Indo-Pacific Military Health Exchange ("IPMHE") 2023 at Shangri-La Hotel, Kuala Lumpur (26-29 September 2023)



MEDICA 2023 at Messe Dusseldorf, Germany (13-16 November 2023)



Arab Health 2024 at Dubai World Trade Centre, UAE (29 January – 1 February 2024)

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC AND GOVERNANCE (CONT'D)

Market Presence (Cont'd)



National Emergency Critical Care Symposium ("NECCS") 2024 at Casuarina Convention Center, Ipoh, Perak (20-21 February 2024)



Hospitalar 2024 at Sao Paulo Expo, Brazil (21-24 May 2024)

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC AND GOVERNANCE (CONT'D)

Market Presence (Cont'd)



Association of Private Hospitals of Malaysia ("APHM") 2024 at KLCC, Kuala Lumpur (4-6 June 2024)



EMAS 2024 at KLCC, Kuala Lumpur (5-6 August 2024)

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC AND GOVERNANCE (CONT'D)

Market Presence (Cont'd)



Ministry of Health ("MOH") event at Plaza WCOE, Batu Kawan Industrial Park (11 October 2023)

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.

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.

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC AND GOVERNANCE (CONT'D)

Supply Chain Management (Cont'd)

Responsible Supply Chain (Cont'd)

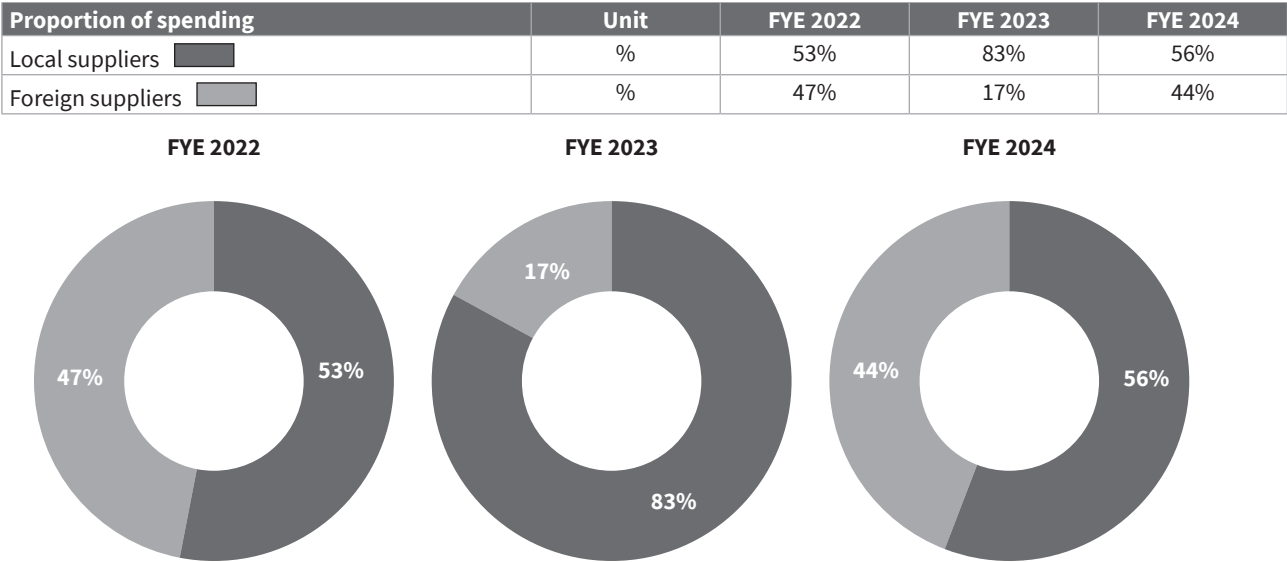
The key issues addressed in the Supplier Code of Conduct are as below:

Key Issues	
Compliance with Laws and Regulations	<ul style="list-style-type: none">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.
Doing Business with Integrity	<ul style="list-style-type: none">Conduct their business in accordance with the highest ethical standards with timely delivery.Comply with all applicable laws and regulations concerning corruption, bribery, fraud and unfair and prohibited business practices.
Representation	<ul style="list-style-type: none">Provide an honest, accurate and open representation of its organisation, its qualification, experience and capabilities.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.
Quality	<ul style="list-style-type: none">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.Any services supplied shall be provided by appropriately qualified and trained personnel, with due care and diligence.
Privacy, Freedom of Expression and Data Protection	<ul style="list-style-type: none">Recognize and respect privacy and freedom of expression within the supplier's operation.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.
Social and Working Condition	<ul style="list-style-type: none">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.
Environment	<ul style="list-style-type: none">Recognize that environmental responsibility is integral to producing high quality products.Comply with all applicable environmental laws, regulations and industry standards.

Local vs Foreign Procurement

In our commitment to promote the sustainability of the local economy, our Group prioritises the procurement of goods and services from local suppliers who meet our stringent standards. This approach not only supports local business but also has a positive environmental impact by minimising transportation needs, thereby indirectly contributing to a reduction in carbon emissions. In FYE 2024, our local procurement stood at 56% whereby our foreign procurement spending amounted to 44%.

The proportion of spending on local and foreign suppliers is illustrated as below:






SUSTAINABILITY REPORT (CONT'D)

ECONOMIC AND GOVERNANCE (CONT'D)

Innovation

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

Technology	Description
Enterprise Resource Planning System 	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.
Fill-seal-leak Test Machine 	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.
Adaptor Automated Assembly Line 	An adaptor assembly line comprises multiple modules including rubber insertion station, cap insertion station and packaging that adapts to the production process.
BWT OSMOTRON® PRO 	A skid-mounted system for the production of pharmaceutical water that meets the current United States Pharmacopeia Convention and European Pharmacopoeia requirements.
BWT LOOPO 	A system for the distribution, sanitisation, control and monitoring of purified and highly purified water or water-for-injection circulation systems.

Technology	Description
FEDEGARI Steam Air Steriliser 	A technology used for the counter pressure sterilisation of aqueous solutions in sealed containers.
OMRON Collaborative Robot System 	A technology designed to share the same workspace with humans and can be easily switched for any task including pick and place processes etc.
Zalpha Autonomous Guided Vehicle ("AGV") 	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.
Vision Inspection System 	A technology which could help to ensure all outgoing goods in accurate quantity, eliminate human error, and all goods are in place properly.

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC AND GOVERNANCE (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 assessing 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 2024, there were no reports of major cyber security violations and no complaints concerning breaches of customer privacy and losses of customer data.

	Unit	FYE 2022	FYE 2023	FYE 2024
Reports of major cyber security violations	Number	0	0	0
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0

Corporate Governance and Ethics

Our Board has continuously pursued the advancement of sound governance by implementing policies that not only comply with the latest regulatory requirements but also adhere to the core principles of best corporate governance practices. These requirements and practices include, but are not limited to, the Listing Requirements of Bursa Securities and the principles of the Malaysian Code on Corporate Governance (“MCCG”) 2021.

Below are our key policies and governance framework, which are readily accessible to the public on our website at www.umedic.com.my.

Code of Conduct

Anti-Bribery and Anti-Corruption Policy

Whistleblowing Policy

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 2024, there were no non-compliance cases and breach of Code of Conduct.

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC AND GOVERNANCE (CONT'D)

Corporate Governance and Ethics (Cont'd)

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.

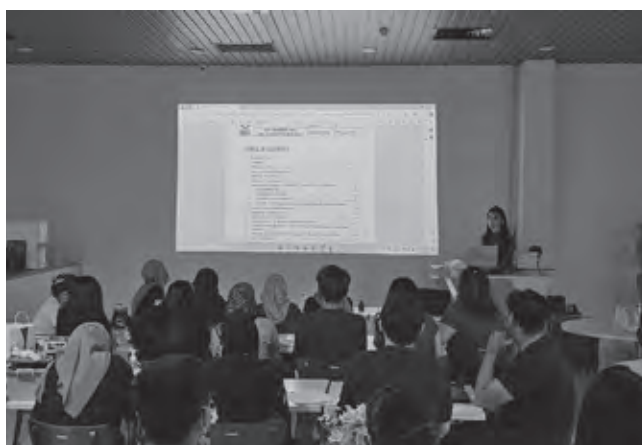
We pride ourselves on our reputation for acting fairly and ethically wherever we do business. Our reputation is built on our values as a company, the values of our employees and our collective commitment to acting with integrity throughout our organization.

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.

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.

Throughout the year, we organised anti corruption training to brief our employees on our Group policies and procedures pertaining to anti bribery and anti corruption measures, reaffirming our commitment to upholding highest ethical standards within our organisation.



Anti-corruption trainings to employees

The percentage of employees who have received training on anti corruption by employee category is illustrated as below:

	Unit	FYE 2022	FYE 2023	FYE 2024
Executive	%	-*	70	95
Non-Executive	%	-*	13	30
Manager and above	%	-*	100	100

*Note: *Data has been tracked since FYE 2023.*

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC AND GOVERNANCE (CONT'D)

Corporate Governance and Ethics (Cont'd)

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

In FYE 2024, there were no confirmed incidents of corruption.

	Unit	FYE 2022	FYE 2023	FYE 2024
Confirmed incidents of corruption	Number	0	0	0

Our commitment to anti corruption extends beyond our workforce, our Supplier Code of Conduct emphasis that our suppliers are equally accountable for conducting business in accordance with the highest ethical standards and complying with all relevant laws and regulations pertaining to corruption and bribery.

Currently, we have not conducted a comprehensive corruption risk assessments. Nevertheless, during the annual enterprise risk management exercise, we examine corruption risk. We will review the necessity of performing a comprehensive corruption risk assessments in the future.

	Unit	FYE 2022	FYE 2023	FYE 2024
Percentage of operations assessed for corruption-related risks	%	0	0	0

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 2024, 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 2024, there were no non-compliance cases and breach of environmental regulations.

SUSTAINABILITY REPORT (CONT'D)

ENVIRONMENT (CONT'D)

Energy and Climate Management

Carbon emissions are a major contributor to climate change, a critical global issue. Therefore, we are committed to an ongoing initiative aimed at reducing our carbon footprint. This initiative includes reducing electricity consumption to combat climate change. As part of our commitment to this cause, in October 2023, we have installed 420 solar panels with a total capacity of 231 kWp at our current plant, the installation of solar panels at our company serves as a tangible manifestation of our firm commitment to sustainability, as well as our proactive approach to mitigating the risks posed by climate change.

We had commenced the utilisation of solar panels in December 2023, a strategic milestone that will allow us to reap the benefits of sustainable energy adoption. As we move closer to this target date, we look forward to reaping the environmental, financial, and reputational rewards of our commitment to sustainability and climate change mitigation.

Furthermore, we also integrate climate-related risks into our Group's overall risk management. Through a rigorous risk assessment process, we evaluated the potential risks and their impacts on our business operation, ensuring that we have strategies in place to navigate the challenges posed by climate change.

Electricity Consumption	Unit	FYE 2022	FYE 2023	FYE 2024
Total electricity consumption	kWh	1,098,199	1,070,528	1,024,819
Revenue	RM	50,738,156	45,432,437	54,570,002
Percentage of electricity consumption over revenue	%	2.16	2.36	1.88

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

Petrol Consumption	Unit	FYE 2022	FYE 2023	FYE 2024
Total petrol consumption – RON95	Litre	60,462.66	67,428.25	80,155.63
Total petrol consumption – Diesel	Litre	1,969.58	1,819.58	506.24
Total petrol consumption	Litre	62,432.24	69,247.83	80,661.87
Revenue	RM	50,738,156	45,432,437	54,570,002
Percentage of petrol consumption over revenue	%	0.12	0.15	0.15

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	Unit	FYE 2022	FYE 2023	FYE 2024
Direct Emissions (Scope 1)	tCO ₂ e	150.99	167.38	194.53
Indirect Emissions (Scope 2)	tCO ₂ e	642.45	626.26	599.52
Total	tCO ₂ e	793.44	793.64	794.05
Revenue	RM	50,738,156	45,432,437	54,570,002
Percentage of Scope 1 over revenue	%	0.0003	0.0004	0.0004
Percentage of Scope 2 over revenue	%	0.0013	0.0014	0.0011

Note:

- The GHG emission for Scope 1 is calculated using the emission factor obtained from IPCC Fifth Assessment Report, while the default emissions factors were based on IPCC Guidelines for National Greenhouse Gas Inventories (2006).
- The GHG emission for Scope 2 is calculated using the emission factor obtained from 2017 Clean Development Mechanism ("CDM") Electricity Baseline for Malaysia.

SUSTAINABILITY REPORT (CONT'D)

ENVIRONMENT (CONT'D)

Energy and Climate Management (Cont'd)

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), putting photocopy machines into sleep mode during period of inactivity 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)

Energy and Climate Management (Cont'd)

We actively participated in activities which contribute positive impacts to the environment. During the year, we are delighted to be part of the project “One Million Tree Planting in One Day”, organised by the Penang Governor’s Charity Foundation and the Office of State Housing and Environment, in conjunction with the Earth Day on 22 April 2024. This event aims to reduce deforestation, maintain biodiversity, to preserve goals at the state level and reduce the effects of climate change. In this event, we have contributed to 200 trees planting. Moving forward, we are committed to actively participating in projects which contribute to the environmental protection.



Water Management

Our operation sites utilise water from water supply companies with developed water distribution structure and we do not withdraw surface water from rivers, lakes, natural ponds, groundwater from wells, quarry water or sea water. 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. To further solidify our dedication to sustainability, we have installed a rainwater harvesting tank at our Batu Kawan plant. This initiative allows us to harness a natural resource for various purposes including gardening and sanitary purposes.

Water Consumption	Unit	FYE 2022	FYE 2023	FYE 2024
Total water consumption	m3	10,297	11,674	19,159
Revenue	RM	50,738,156	45,432,437	54,570,002
Percentage of water consumption over revenue	%	0.0203	0.0257	0.0351

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



Save water posters



Rainwater harvesting tank

SUSTAINABILITY REPORT (CONT'D)

ENVIRONMENT (CONT'D)

Energy and Climate Management (Cont'd)

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	Unit	FYE 2022	FYE 2023	FYE 2024
Total no. of paper reams (A4 papers)	Ream	254	363	360
Total no. of paper reams (photostat reading)	Ream	372	396	558

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. Presently, we are in the midst of exploring the process of collecting data on waste generated, waste diverted from disposal and waste directed to disposal.

SOCIAL



Equal Employment Opportunity

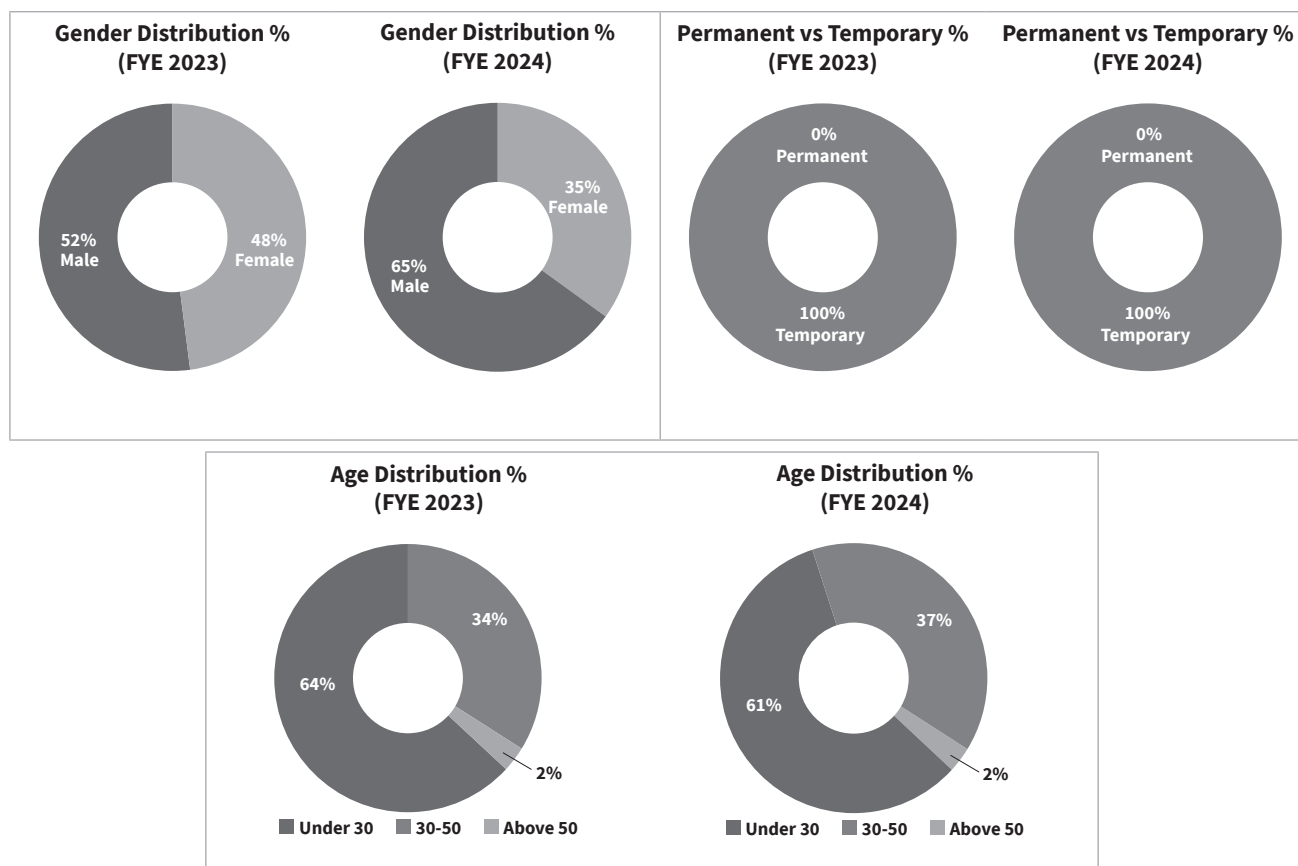
We strive to provide equal employment opportunity for all employees as we believe that true innovation and growth are built on a culture that respects diversity, inclusion and equality. We have implemented a standard recruitment procedure which will ensure the proper identification and recruitment of 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. Bonuses, increments, benefits and promotions are provided to our employees benchmarked against set KPIs, purely based on merits and aligned with the principles of equal employment opportunities.

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Equal Employment Opportunity (Cont'd)

In FYE 2024, we recorded a total of 165 employees (FYE 2023: 122 employees) and the details of the employee profile are presented as below:



	FYE 2022	FYE 2023	FYE 2024
Employee Distribution (in %)	Percentage (%)	Percentage (%)	Percentage (%)
By Gender			
Male	46	52	65
Female	54	48	35
By Age			
Under 30	68	64	61
Between 30-50	30	34	37
Above 50	2	2	2
Permanent vs Temporary			
Permanent	100	100	100
Temporary	-	-	-
Employee Category			
Executive	60.18	57.38	49.70
Non-Executive	28.32	31.96	42.42
Manager and above	11.50	10.66	7.88

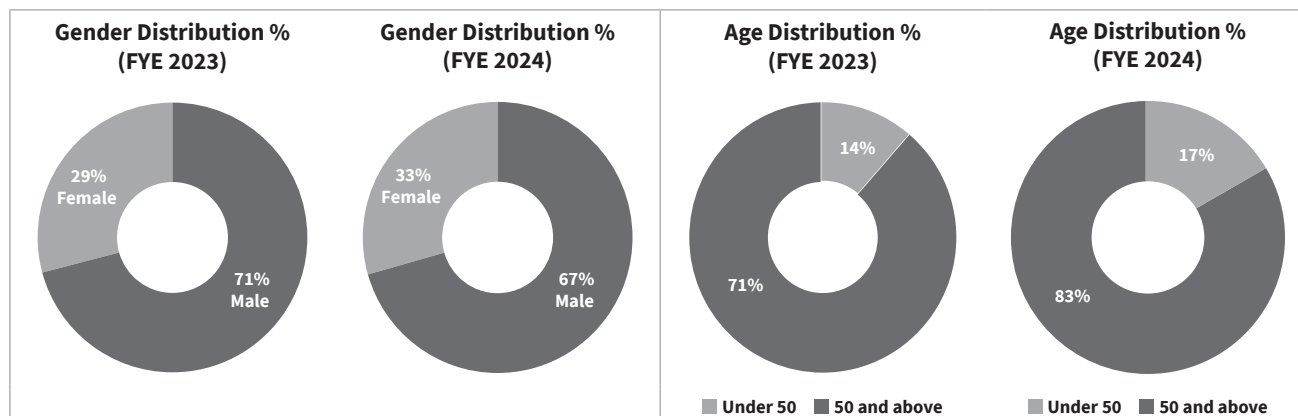
SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Equal Employment Opportunity (Cont'd)

	FYE 2022	FYE 2023	FYE 2024
Employee Distribution (in %)	Percentage (%)	Percentage (%)	Percentage (%)
By Gender – Employee Category			
Executive – Male	23.89	22.13	24.24
Executive – Female	36.29	35.25	25.45
Non-Executive – Male	18.58	23.76	36.97
Non-Executive – Female	9.74	8.20	5.46
Manager and above – Male	6.20	5.74	4.24
Manager and above – Female	5.30	4.92	3.64
By Age – Employee Category			
Executive – Under 30	40.72	39.35	33.94
Executive – Between 30-50	18.58	16.39	14.55
Executive – Above 50	0.88	1.64	1.21
Non-Executive – Under 30	25.65	22.94	26.06
Non-Executive – Between 30-50	1.78	9.02	16.36
Non-Executive – Above 50	0.89	-	-
Manager and above – Under 30	1.77	1.64	0.61
Manager and above – Between 30-50	8.85	8.20	6.06
Manager and above – Above 50	0.88	0.82	1.21

The details of the Board of Directors profile are presented as below:



	FYE 2022	FYE 2023	FYE 2024
Board of Director Distributor	Percentage (%)	Percentage (%)	Percentage (%)
By Gender			
Male	83	71	67
Female	17	29	33
By Age			
Under 50	17	14	17
50 and above	83	71	83

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

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 2024, we have carried out a total of 4,273.90 hours (FYE 2023: 2,451.50 hours) of training with average 25.90 training hours per employee (FYE 2023: average 20 training hours per employee).

Training Hours	Unit	FYE 2022	FYE 2023	FYE 2024
By Employee Category				
Executive	Hour	1,718	2,090	3,437.10
Non-Executive	Hour	58	12	193.90
Manager and above	Hour	158	349.50	642.90
Total	Hour	1,934	2,451.50	4,273.90

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

As an integral component of our talent retention strategies, we are committed to fostering the growth of high potential employees, facilitating their development into senior positions within 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.

We observe a reduction in our employee turnover over the past three (3) years.

Employee Turnover	Unit	FYE 2022	FYE 2023	FYE 2024
By Employee Category				
Executive	Number	24	16	24
Non-Executive	Number	58	13	8
Manager and above	Number	2	1	1
Total	Number	84	30	33

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Development and Talent Retention (Cont'd)

We also collaborate with schools in industrial visit, offering students the opportunity to witness our facilities to expand their knowledge and gain valuable hands-on experience in a real-world setting.



Industrial visit by students from University Malaysia Perlis (21 June 2024)

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

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Employee Benefits and Welfare (Cont'd)



Cafeteria



Leisure area



Celebration of Hari Raya

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Employee Benefits and Welfare (Cont'd)



Celebration of Chinese New Year

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Employee Benefits and Welfare (Cont'd)



Celebration of Christmas

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

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. Our actions implemented to avoid, prevent and mitigate human and labour rights issues include, but are not limited to the following:

✓ **Dedicated resources to oversee human and labour rights matters**

We will not tolerate the use of child or forced labour under no circumstances. Our HR department oversees the issues regarding human rights and ensure there are no forced and child labour within our operations. In this regard, 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.

✓ **Established policies**

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.

✓ **Grievance management**

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 2024, there were no substantiated complaints concerning human rights violations and cases reported for child labour, discrimination or harassment incidents.

	Unit	FYE 2022	FYE 2023	FYE 2024
Substantiated complaints concerning human rights violations	Number	0	0	0

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 convenes regular meetings to address and deliberate upon all matters pertaining to safety within our workplace.

The team will also provide the necessary training to increase the consciousness of Safety, Health and Environment among the employees. During the financial year, we have also conducted trainings such as First Aid, CPR and AED training to our employees to raise awareness and knowledge about life-saving techniques.

	Unit	FYE 2022	FYE 2023	FYE 2024
Number of employees trained on health and safety	Number	-*	48	124

Note: *Data has been tracked since FYE 2023.

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Occupational Safety and Health



First Aid Training

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 2024

	Unit	FYE 2022	FYE 2023	FYE 2024
Number of work-related fatalities	Number	0	0	0
Lost time incident rate	Number	0	0	0



TV display at production area showing safety rules

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Occupational Safety and Health (Cont'd)

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.

The highlights of our Corporate Social Responsibility endeavours during this period are outlined below:

	Unit	FYE 2022	FYE 2023	FYE 2024
Total amount invested in the community	RM	500	-	1,600
Total number of beneficiaries of the investment in community	Number	1 organisation	-	1 organisation

Conduct Public CPR and AED Talk

In conjunction with the World First Aid Day 2023, we conducted a public talk about CPR and AED at the Vangohh Eminent Hotel on 10 September 2023, aiming to raise awareness and knowledge about life-saving technique.



SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Occupational Safety and Health (Cont'd)

Continuous efforts in contributing AED to non-profit organisations and schools

On 19 September 2023, we contributed AED trainer machine and provide user training to Persatuan Bantuan Kecemasan Bukit Mertajam Pulau Pinang.



In conjunction with the Majlis Terbuka Tahun Baru Cina Kadun Komtar, we organised CPR life-saving-skill training session, imparting the knowledge and skill in performing CPR with the use of AED.



SUSTAINABILITY REPORT (CONT'D)

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Executive	Percentage	95.00
Non-executive	Percentage	30.00
Manager and above	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,600.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Executive Under 30	Percentage	33.94
Executive Between 30-50	Percentage	14.55
Executive Above 50	Percentage	1.21
Non-executive Under 30	Percentage	26.06
Non-executive Between 30-50	Percentage	16.36
Non-executive Above 50	Percentage	0.00
Manager and above Under 30	Percentage	0.61
Manager and above Between 30-50	Percentage	6.06
Manager and above Above 50	Percentage	1.21
Gender Group by Employee Category		
Executive Male	Percentage	24.24
Executive Female	Percentage	25.45
Non-executive Male	Percentage	36.97
Non-executive Female	Percentage	5.46
Manager and above Male	Percentage	4.24
Manager and above Female	Percentage	3.64
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	67.00
Female	Percentage	33.00
Under 50	Percentage	17.00
50 and above	Percentage	83.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	1,024.82
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	124
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Executive	Hours	3,437
Non-executive	Hours	194
Manager and above	Hours	643
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Executive	Number	24
Non-executive	Number	8
Manager and above	Number	1
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	56.00

SUSTAINABILITY REPORT (CONT'D)

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2024
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	19.159000

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 financial year ended (“FYE”) 31 July 2024 and up to the date of approval of this statement disclosed pursuant to the Rule 15.26(b) of Main Market Listing Requirement (“MMLR”) and Malaysian Code on Corporate Governance 2021 (“MCCG”). 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”).

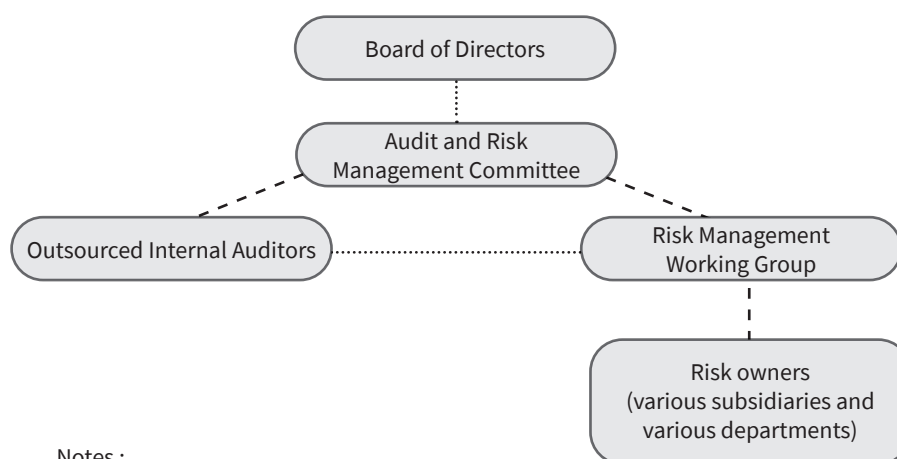
2. Board Responsibilities

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 Audit and Risk Management Committee (“ARMC”) which is comprised solely of Independent Non-Executive Directors. The ARMC is tasked 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. 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 Chief Executive Officer, ARMC and Board of Directors. The reporting structure is outlined as below:



Notes :

- - - Functional Report

..... Independent Feedback

Our risk assessment was outsourced to an independent professional firm, YNC Business Consulting Sdn. Bhd. (“YNC”), to assist our Board and Management in updating our Group’s key business risks, including climate change risk and integrity risk, which could affect its strategic, operational and reputational well-being via ERM assessment activities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

3. Risk Management Framework (Cont'd)

The ERM assessment activities encompasses:-

- Discussions with Executive Directors and Senior Management to identify our Group's strategic concerns and to align risk assessment procedures accordingly;
- Evaluate the risk rating by considering the potential impact and likelihood of risk occurrence, effectiveness of controls and action plans taken to manage the risks to the desired level; and
- Assess and document the Management's controls for key business risks identified.

The results of ERM assessment, which encompassed the updates since the last assessment and management action plans, were presented to the Management and subsequently reported to the ARMC and Board 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. To ensure effective risk management, our Management and Heads of Department have been entrusted with the responsibility to manage identified risks within defined parameters. This delegation empowers our skilled teams to proactively and proficiently navigate potential challenges while fostering a culture of accountability and adaptability across the organisation.

4. Internal Audit Function

Our Group has outsourced the internal audit function to YNC Business Consulting Sdn. Bhd. ("YNC"), an independent professional firm, which is independent of the activities and operations of our Group as an Internal Auditor to review the adequacy and sufficiency of systems, procedures and controls of our Group. The firm is free from any relationships or conflicts of interest, which could impair its objectivity and independence of the internal audit function. The firm does not have any direct operational responsibility or authority over any of the activities audited. 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 Audit engagement by YNC is led by 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 20 years of experience in Audit and Advisory engagement. She provides overall direction for the internal audit engagement and is responsible for all stages of the internal audit work. She also maintains contact with the Management to ensure open communication is practised and all internal audit works are carried out effectively and in a timely manner. All the personnel deployed by YNC 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 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 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.

During the financial year under review, the Internal Auditors conducted an internal audit focusing on Inventory Management. The observations noted during the internal audit, together with the recommendations, were reported to Management and subsequently presented to the ARMC. The total cost incurred for the internal audit function during the financial year under review was approximately RM23,000.

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.

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

5. Other Internal Control Processes (Cont'd)

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 Employee 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.

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.

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

5. Other Internal Control Processes (Cont'd)

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.

6. Review of the Statement by External Auditors

The external auditor has reviewed this Statement on Risk Management and Internal Control as required under Paragraph 15.23 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information other than Audits or Reviews of Historical Financial Information and Audit 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. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

7. Conclusion

Our Board has received assurance from the 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 8 November 2024.

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.

ATTENDANCE

During the financial year ended 31 July 2024, there were five (5) 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 External Audit Planning Memorandum and the Independence of the External Auditors

Our ARMC conducted three (3) times of private dialogue session with the external auditors without the presence of Executive Directors on 12 September 2023, 25 September 2023 and 10 June 2024 respectively.

Before the commencement of the current financial year audit, our 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 Audited Financial Statements

Our ARMC has reviewed the Audited Financial Statements for the financial year ended 31 July 2023 together with the Reports of Directors and Auditors on 25 September 2023 before presentation to the Board for approval and for release to the authorities and public.

c. 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)

d. Reviewing the Related Party Transactions and Conflict of Interest

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 conflict of interest situation that may arise within the Company or the Group.

Save as disclosed below, there is no related party transaction or conflict of interest during the year.

Sunray Medical Sdn Bhd is carrying on export and import of medical diagnostic preparation, which carrying on a similar trade as that of our Group and Dr. Pakirisamy Baskaran A/L P Thangavelu is one of the shareholders which hold 50% equity interest in Sunray Medical Sdn Bhd. On 15 February 2022, he had resigned as a director of Sunray Medical Sdn Bhd and was not involved in the day-to-day operations of Sunray Medical Sdn Bhd.

Besides that, Dr. Pakirisamy Baskaran A/L P Thangavelu is an Independent Non-Executive Director and he is not involved in the day-to-day management of our Group.

As such, our Board is of the view that the involvement and interests of our Director, as described above, do not give rise to any existing and potential conflict of interest situation.

e. Reviewing the Internal Audit Functions

The ARMC has reviewed and approved the Internal Audit Plan FYE 2024 presented by Internal Auditor on 25 September 2023. The Internal Auditor reported its findings together with the management action plan and recommendations to the ARMC for review on 4 December 2023. The ARMC also reviewed the adequacy of the scope, function, competency and resources of the internal audit functions, and ensures that it has the necessary authority to carry out its work. The ARMC and Management work closely with the outsourced internal audit function to review the internal control issues and ensure that significant issues are brought to the attention of the Board.

f. Reviewing the Audit and Risk Management Committee Report, Corporate Governance Report, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, and Sustainability Statement.

Our ARMC has reviewed the Audit and Risk Management Committee Report, Corporate Governance Report, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, and Sustainability Statement prior to recommending the same for Board's approval for inclusion in the Annual Report 2023 on 25 September 2023.

INTERNAL AUDIT FUNCTION

During the FYE 2024, our Group has outsourced the internal audit function to YNC Business Consulting Sdn Bhd ("YNC"), 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. The annual cost incurred for our Group's internal audit function is RM23,000.

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 the effectiveness of 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.

During the financial year under review, one internal audit cycle with the following audit scopes of work was carried out to assess the internal control systems:

No.	Audit Area	Reporting Date
1.	Inventory management	24 November 2023

Findings arising from the internal audit exercise with recommendation and management action plan were reported and discussed at the ARMC meeting on 4 December 2023.

NOMINATION COMMITTEE STATEMENT

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

The terms of reference of our Nomination Committee ("NC" or "Committee") are also posted at our Company's website at www.umedic.com.my.

ATTENDANCE

During the financial year ended 31 July 2024, there was one (1) meeting held. This meeting was attended by all members of NC.

SUMMARY OF ACTIVITIES

On 25 September 2023, our NC reviewed the outcome of an annual evaluation process on the Board, Board Committees and individual Directors that reviews their performance and assesses their effectiveness and contribution during the year under review. The assessment is administered using questionnaires that incorporate a range of criteria including Board composition, skills and competencies, meeting conduct and administration as well as self and peer evaluation model with an eye towards improvement opportunities. Our NC evaluated each individual Director taking into consideration of their skillsets, experience, competence and commitment required of them to discharge their respective role and is satisfied with the performance of all the directors.

NC has conducted a review on the term of office and performance of the ARMC and each of the members individually for FYE 2023. Upon its assessment, the NC is satisfied and has recommended to the Board that the ARMC and its members have discharged their duties in accordance with the ARMC's terms of reference.

In addition, NC also reviewed and is satisfied with the current Board structure, size and composition which ensured appropriate balance and size of non-executive participation as well as having the right mix of skill sets and diversity of experience. Our NC is cognisant of the need to increase female representation on Board to comprise at least 30% of women Directors and had recommended one suitable female candidate to align with the best practice of Malaysian Code on Corporate Governance.

NC has also assessed and recommended to the Board of the proposed re-election and re-appointment of Dato' Ng Chai Eng and Tan Chye Suan by the shareholders at the forthcoming AGM after reviewing their skill and experience.

DIRECTORS' RESPONSIBILITY STATEMENT

Our Directors are responsible to ensure the annual audited financial statement 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 Paragraph 15.26(a) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") so as that give a true and fair view of the state of affairs of our Group and of our Company at the end of the financial year, and of the financial performance and cash flows of our Group and of our Company for the financial year.

In preparing the financial statements for the financial year ended 31 July 2024, our Directors have: -

- adopted appropriate accounting policies and applied consistently;
- made judgements and estimates that are reasonable and prudent;
- ensure all applicable Malaysian Financial Reporting Standards have been complied with; and
- prepared the financial statements on a going concern basis.

Our Directors are responsible to ensure that our Group and our Company maintain proper accounting records which disclose the financial position of our Group and of our Company with reasonable accuracy to ensure that the financial statements comply with the Companies Act 2016.

Our Directors are responsible for taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of our Group and of our Company to prevent and detect fraud and other irregularities.

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 2024, our utilisation of the IPO Proceeds is as follows:

Details of the use of proceeds	Estimated timeframe for the use of proceeds upon Listing ⁽ⁱ⁾	RM'000	Actual Utilisation RM'000	Percentage Utilised %
Capital expenditure				
(i) Construction of new factory building	Within thirty (30) months	3,500	3,334	95.26
(ii) Setting up new marketing and distribution offices	Within thirty-six (36) months	6,800	-	-
		10,300	3,334	32.37
Repayment of bank borrowings ⁽ⁱⁱ⁾	Within six (6) months	9,000	9,000	100.00
Working capital	Within thirty-six (36) months	8,662	8,662	100.00
Estimated listing expenses	Within two (2) months	3,150	3,150	100.00
Total		31,112	24,146	

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 2024 by our Company's Auditors are as follows:

Category	Audit Fees (RM)	Non-Audit Fees (RM)*
Company	25,500	96,000
Subsidiaries	49,600	3,000
	75,100	99,000

Notes:

* Non-Audit fees include review of Statement on Risk management and Internal Control transfer listing and Agreed-Upon Procedure Engagements.

ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

3. RECURRENT RELATED PARTY TRANSACTION

There was no recurrent related party transaction entered into by our Group during FYE 2024.

4. MATERIAL CONTRACTS

There were no material contracts entered into by our Group involving the interest of our Directors, Chief Executive who is not a Director and major shareholders, either still subsisting as at 31 July 2024 or entered into since the end of the previous financial year.

5. EMPLOYEE SHARE GRANT SCHEME ("SGS")

On 1 February 2023, our Company established and implemented an employees' Share Grant Scheme of up to 15% of the total number of issued shares of UMC (excluding treasury shares) at any point of time during the duration of the scheme period for the eligible Directors and employees of the UMC and its subsidiary companies (excluding subsidiary companies which are dormant) ("SGS"). The SGS shall be in force for a period of ten (10) years from the effective date.

During the financial year, no SGS shares were issued by our Company.



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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 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged as investment holding company. The principal activities of subsidiaries are mainly developing, manufacturing, marketing, design, assembly, import, export, distribution of medical devices as well as provision of after-sale services. The details of the subsidiaries are set out in Note 7 to the financial statements.

As of 22 September 2023, one of the subsidiaries, Evo Medik Sdn. Bhd., has expanded its principal activities to include business operation of nursing homes and healthcare centres. There have been no significant changes in the nature of these activities other than those disclosed above.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	9,296,910	(3,935,658)
Attributable to:	8,990,693	(3,935,658)
Owners of the parent	306,217	0
Non-controlling interests	9,296,910	(3,935,658)

DIVIDENDS

No dividend has been proposed, paid or declared by the Company since the previous financial year.

The Directors do not recommend any payment of dividend for the current financial year ended 31 July 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or 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.

SHARE GRANT SCHEME ('SGS')

On 1 February 2023, the Company established and implemented an employees' Share Grant Scheme ("SGS"). The SGS shall be in force for a period of ten (10) years from the effective date.

The salient features and terms of the SGS are as follows:

- (i) The Board of Directors ('Board') shall appoint the SGS Committee to administer the SGS. The SGS Committee shall be vested with such powers and duties conferred upon it by the Board and the Board may determine all matters pertaining to the SGS Committee, including its duties, power and limitations;
- (ii) The maximum number of shares which may be made available under the SGS shall not in aggregate exceed fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the SGS period;

DIRECTORS' REPORT (CONT'D)

SHARE GRANT SCHEME ('SGS')(CONT'D)

The salient features and terms of the SGS are as follows: (Cont'd)

- (iii) The aggregate maximum number of SGS shares that may be allocated to the executive directors and senior management of the Group shall not be more than seventy percent (70%);
- (iv) The aggregate maximum shares allocated to any eligible individual executive director or employee who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the total number of issued shares of the Company (excluding treasury shares, if any), shall not be more than ten percent (10%) of the maximum number of shares which may be made available under the SGS;
- (v) Subject to the discretion of the SGS Committee, an employee or a director of the Group who fulfils the relevant conditions of the By-Laws of the SGS shall be eligible to participate in the SGS ("Grantees");
- (vi) The number of SGS shares to be allocated to the Grantees shall be determined by the SGS Committee at its sole discretion after taking into consideration factors which may include the Grantees' position, job performance, seniority, duration of service, potential for future development and contribution to the Group and/or such other factors as the SGS Committee deems fit; and
- (vii) The Shares to be issued and/or transferred to the Grantees pursuant to the SGS will rank pari passu, in all respects with the existing shares, save and except that the shares will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid, where the entitlement date is before the date of issuance and/or transfer of the abovementioned shares.

The Company did not issue or grant any SGS during the financial year.

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*	
Dr. Pakirisamy Baskaran A/L P Thangavelu	
Tan Chye Suan	
Lee Yee Wooi	
Ng Sze Hui	(Alternate Director to Dato' Ng Chai Eng)
Dato' Dr. Teh Keng Hwang	(Appointed on 5 October 2023)
Dato' Lau Chee Kheong	(Resigned on 5 October 2023)

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

Subsidiaries of UMeDiC Group Berhad (excluding those Directors listed above)

Dato' Lau Chee Kheong	
Lai Eng Seong	
Tiam Kian Peng	
Lim Suat Gim	(Resigned on 1 August 2023)
Lai Yuen Yan	(Appointed on 30 July 2024)
Yap Teck Lee	(Appointed on 20 May 2024)

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 2024 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:

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

		[----- Number of ordinary shares -----]		
	Balance as at 1.8.2023	Bought	Sold	Balance as at 31.7.2024/ date of resignation^
Shares in the Company				
Direct interests:				
Lim Taw Seong	19,902,200	0	(799,500)	19,102,700
Dato' Ng Chai Eng	20,402,200	0	0	20,402,200
Dr. Pakirisamy Baskaran				
A/L P Thangavelu	300,000	0	0	300,000
Tan Chye Suan	300,000	0	0	300,000
Lee Yee Wooi	300,000	0	0	300,000
Ng Sze Hui (Alternate Director to Dato' Ng Chai Eng)	300,000	0	0	300,000
Dato' Lau Chee Kheong#	17,754,022	0	0	17,754,022^
Indirect interests:				
Lim Taw Seong #	192,327,220	0	0	192,327,220
Dato' Ng Chai Eng *	192,627,220	0	0	192,627,220
Dato' Lau Chee Kheong#	192,327,220	0	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 and Dato' Ng Chai Eng 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' BENEFITS

Since the end of the previous financial year, 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 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' REPORT (CONT'D)

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	Company RM
Fee	180,000	180,000
Salaries and other emoluments	514,075	3,000
Contributions to defined contribution plan	42,216	0
Social security contributions	1,040	0
Other benefits	119	0
	<u>737,450</u>	<u>183,000</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: (Cont'd)
- (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.

ULTIMATE HOLDING COMPANY

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 27 November 2023, on behalf of the Board of Directors of the Company, UMediC Group Berhad, Affin Hwang Investment Bank Berhad announced that the Company proposed to undertake the proposed transfer of the listing and quotation of the entire issued share capital of the Company from the ACE Market to the Main Market of Bursa Securities ("Proposed Transfer").

The Securities Commission Malaysia and Bursa Securities had, via its letter dated 3 April 2024 and 18 April 2024 respectively, approved the Proposed Transfer. Consequently, the listing of and quotation for the entire issued share capital of UMediC Group Berhad has been transferred from the ACE Market to the Main Market of Bursa Securities on 29 April 2024.

AUDITORS

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

Auditors' remuneration of the Group and of the Company for the financial year ended 31 July 2024 were as follows:

	Group RM	Company RM
Statutory audit	75,100	25,500
Non-statutory audit	99,000	96,000
	<u>174,100</u>	<u>121,500</u>

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

Lim Taw Seong
Director

Dato' Ng Chai Eng
Director

Penang
8 November 2024

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 96 to 137 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2024 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
8 November 2024

Dato’ Ng Chai Eng
Director

STATUTORY DECLARATION

I, Lim Taw Seong (I/C No. 781014-07-5121), 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 96 to 137 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 8 November 2024.

Lim Taw Seong

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE 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 2024 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 material accounting policy information, as set out on pages 96 to 137.

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 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards 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 2024 were RM17,503,062 as disclosed in Note 9 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UME DIC GROUP BERHAD (CONT'D)

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.

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, IFRS Accounting Standards 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UMEDIC GROUP BERHAD (CONT'D)

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

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: (Cont'd)

- (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.

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

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
8 November 2024

Goh Chee Beng

03535/11/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	28,302,435	24,370,374	0	0
Right-of-use assets	6	4,689,277	4,810,178	0	0
Investments in subsidiaries	7	0	0	15,135,225	15,134,255
Goodwill on consolidation	8	287,237	287,237	0	0
Other receivables	9	0	0	12,647,034	3,330,000
		<u>33,278,949</u>	<u>29,467,789</u>	<u>27,782,259</u>	<u>18,464,255</u>
Current assets					
Inventories	10	14,569,390	12,514,209	0	0
Trade and other receivables	9	20,131,390	12,799,213	2,898,747	11,450,300
Current tax assets		1,218,404	524,573	0	0
Derivative assets	11	0	5,625	0	0
Short term funds	12	9,278,269	11,873,704	9,278,269	11,873,704
Cash and bank balances	13	4,231,579	6,106,628	77,663	16,517
		<u>49,429,032</u>	<u>43,823,952</u>	<u>12,254,679</u>	<u>23,340,521</u>
TOTAL ASSETS		<u>82,707,981</u>	<u>73,291,741</u>	<u>40,036,938</u>	<u>41,804,776</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	14	44,348,333	44,348,333	44,348,333	44,348,333
Reserves	15	27,636,341	18,645,648	(6,531,919)	(2,596,261)
		<u>71,984,674</u>	<u>62,993,981</u>	<u>37,816,414</u>	<u>41,752,072</u>
Non-controlling interests	7(c)	788,678	482,331	0	0
TOTAL EQUITY		<u>72,773,352</u>	<u>63,476,312</u>	<u>37,816,414</u>	<u>41,752,072</u>
LIABILITIES					
Non-current liabilities					
Borrowings	16	256,221	2,877,676	0	0
Lease liabilities	6	0	6,705	0	0
Government grants	17	2,503,040	2,872,997	0	0
Deferred tax liabilities	18	1,150,617	307,076	0	0
		<u>3,909,878</u>	<u>6,064,454</u>	<u>0</u>	<u>0</u>
Current liabilities					
Trade and other payables	19	4,444,740	2,583,504	2,220,524	52,422
Borrowings	16	605,656	710,630	0	0
Lease liabilities	6	14,287	43,911	0	0
Government grants	17	430,519	369,957	0	0
Current tax liabilities		529,549	42,973	0	282
		<u>6,024,751</u>	<u>3,750,975</u>	<u>2,220,524</u>	<u>52,704</u>
TOTAL LIABILITIES		<u>9,934,629</u>	<u>9,815,429</u>	<u>2,220,524</u>	<u>52,704</u>
TOTAL EQUITY AND LIABILITIES		<u>82,707,981</u>	<u>73,291,741</u>	<u>40,036,938</u>	<u>41,804,776</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 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	22	54,570,002	45,432,437	0	0
Cost of sales		(31,898,890)	(26,499,374)	0	0
Gross profit		22,671,112	18,933,063	0	0
Other income		1,560,952	1,883,447	360,258	516,750
Net (loss)/gain on impairment of financial assets	9	(25,835)	12,057	(2,493,390)	0
Marketing expenses		(1,145,221)	(700,070)	(8,582)	(5,610)
Administrative and other expenses		(10,284,668)	(6,943,564)	(1,794,226)	(704,381)
Finance costs	24	(135,820)	(253,217)	0	0
Profit/(Loss) before tax		12,640,520	12,931,716	(3,935,940)	(193,241)
Taxation	25	(3,343,610)	(2,568,093)	282	1,318
Profit/(Loss) for the financial year		<u>9,296,910</u>	<u>10,363,623</u>	<u>(3,935,658)</u>	<u>(191,923)</u>
Profit/(Loss) for the financial year attributable to:					
Owners of the parent		8,990,693	10,315,334	(3,935,658)	(191,923)
Non-controlling interests	7(c)	<u>306,217</u>	<u>48,289</u>	<u>0</u>	<u>0</u>
		<u>9,296,910</u>	<u>10,363,623</u>	<u>(3,935,658)</u>	<u>(191,923)</u>
Other comprehensive income, net of tax		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income/ (loss), attributable to:					
Owners of the parent		8,990,693	10,315,334	(3,935,658)	(191,923)
Non-controlling interests	7(c)	<u>306,217</u>	<u>48,289</u>	<u>0</u>	<u>0</u>
		<u>9,296,910</u>	<u>10,363,623</u>	<u>(3,935,658)</u>	<u>(191,923)</u>
Earnings per share attributable to owners of the parent:					
Basic and diluted (sen)	27	<u>2.40</u>	<u>2.76</u>		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

Group	Note	Share capital RM	Reorganisation debit reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non- controlling interests RM	Total equity RM
Balance as at 1 August 2022		44,348,333	(6,851,755)	15,182,069	52,678,647	0	52,678,647
Profit for the financial year		0	0	10,315,334	10,315,334	48,289	10,363,623
Other comprehensive income, net of tax		0	0	0	0	0	0
Total comprehensive income		0	0	10,315,334	10,315,334	48,289	10,363,623
<u>Transactions with owners</u>							
Acquisition of a subsidiary	7(b)	0	0	0	0	134,042	134,042
Additional investment in subsidiary by non-controlling interests		0	0	0	0	300,000	300,000
Total transaction with owners		0	0	0	0	434,042	434,042
Balance as at 31 July 2023		44,348,333	(6,851,755)	25,497,403	62,993,981	482,331	63,476,312

Group		Share capital RM	Reorganisation debit reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non- controlling interests RM	Total equity RM
Balance as at 1 August 2023		44,348,333	(6,851,755)	25,497,403	62,993,981	482,331	63,476,312
Profit for the financial year		0	0	8,990,693	8,990,693	306,217	9,296,910
Other comprehensive income, net of tax		0	0	0	0	0	0
Total comprehensive income		0	0	8,990,693	8,990,693	306,217	9,296,910
<u>Transaction with owners</u>							
Acquisition of shares by non- controlling interest		0	0	0	0	130	130
Total transaction with owners		0	0	0	0	130	130
Balance as at 31 July 2024		44,348,333	(6,851,755)	34,488,096	71,984,674	788,678	72,773,352

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

Company	Share capital RM	Accumulated losses RM	Total equity RM
Balance as at 1 August 2022	44,348,333	(2,404,338)	41,943,995
Loss for the financial year	0	(191,923)	(191,923)
Other comprehensive income, net of tax	0	0	0
Total comprehensive loss	0	(191,923)	(191,923)
Balance as at 31 July 2023	44,348,333	(2,596,261)	41,752,072
Balance as at 1 August 2023	44,348,333	(2,596,261)	41,752,072
Loss for the financial year	0	(3,935,658)	(3,935,658)
Other comprehensive income, net of tax	0	0	0
Total comprehensive loss	0	(3,935,658)	(3,935,658)
Balance as at 31 July 2024	44,348,333	(6,531,919)	37,816,414

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		12,640,520	12,931,716	(3,935,940)	(193,241)
Adjustments for:					
Depreciation of:					
- property, plant and equipment	5	2,368,787	2,048,425	0	0
- right-of-use assets	6	129,027	138,232	0	0
Amortisation of					
government grants	17	(369,957)	(369,957)	0	0
Finance costs	24	135,820	253,217	0	0
Allowance/(Reversal) of impairment					
losses on trade and other receivables	9	25,835	(12,057)	2,493,390	0
Interest income		(202,139)	(108,280)	(5,693)	(4,305)
Distribution income from short-term funds		(372,997)	(302,578)	(354,565)	(283,821)
Property, plant and equipment written off		4,825	1,836	0	0
Loss/(Gain) on:					
- lease terminations	6(e)	0	(250)	0	0
- fair value adjustment on short-term funds	12(b)	0	(267,881)	0	(228,624)
- fair value adjustment on derivative assets	11(e)	5,625	(5,625)	0	0
Unrealised (gain)/loss on foreign exchange		(58,372)	142,087	0	0
Operating profit/(loss) before changes in working capital		14,306,974	14,448,885	(1,802,808)	(709,991)
Increase in inventories		(2,055,181)	(2,693,094)	0	0
Increase in trade and other receivables		(7,358,997)	(5,357,295)	(371)	(1,000)
Increase/(Decrease) in trade and other payables		1,875,581	(2,449,255)	(2,898)	24,200
Cash generated from/(used in) operations		6,768,377	3,949,241	(1,806,077)	(686,791)
Government grants received	17	60,562	0	0	0
Interest received		202,139	108,280	5,693	4,305
Tax paid		(2,887,163)	(2,677,090)	0	0
Tax refunded		179,839	423,647	0	0
Net cash from/(used in) operating activities		4,323,754	1,804,078	(1,800,384)	(682,486)

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of a subsidiary	7(b)	0	0	0	(600,000)
Additional investment in a subsidiary		0	0	(970)	(700,000)
Net cash inflow on acquisition of a subsidiary	7(b)	0	286,775	0	0
Purchase of short-term funds		(5,150,000)	(25,799,999)	(3,850,000)	(18,200,000)
Purchase of property, plant and equipment	5	(6,305,673)	(5,313,071)	0	0
Proceeds from disposal of short-term funds		8,118,432	35,504,011	6,800,000	24,845,002
Net cash (used in)/from investing activities		(3,337,241)	4,677,716	2,949,030	5,345,002
CASH FLOWS FROM FINANCING ACTIVITIES					
Net advance to subsidiaries		0	0	(3,258,500)	(4,899,134)
Net advance from subsidiaries		0	0	2,171,000	0
Capital contribution of non-controlling interest		130	300,000	0	0
Drawdown of bankers' acceptance		0	6,100,000	0	0
Repayment of bankers' acceptance		0	(7,550,000)	0	0
Repayment of term loans		(2,726,429)	(2,958,362)	0	0
Interest paid		(134,445)	(251,070)	0	0
Payment of lease liabilities	6	(45,830)	(55,160)	0	0
Net cash used in financing activities		(2,906,574)	(4,414,592)	(1,087,500)	(4,899,134)
Net (decrease)/increase in cash and cash equivalents		(1,920,061)	2,067,202	61,146	(236,618)
Effect of foreign exchange rates changes		45,012	(120,158)	0	0
Cash and cash equivalents at beginning of financial year		6,106,628	4,159,584	16,517	253,135
Cash and cash equivalents at end of financial year	13	4,231,579	6,106,628	77,663	16,517

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

Reconciliation of liabilities arising from financing activities

Group	Lease liabilities (Note 6) RM	Bankers' acceptance (Note 16) RM	Term loans (Note 16) RM	Total RM
Balance as at 1 August 2023	50,616	0	3,588,306	3,638,922
Cash flows	(45,830)	0	(2,726,429)	(2,772,259)
Non-cash flows:				
- addition	8,126	0	0	8,126
- unwinding of interest	1,375	0	0	1,375
Balance as at 31 July 2024	<u>14,287</u>	<u>0</u>	<u>861,877</u>	<u>876,164</u>
Balance as at 1 August 2022	54,810	1,450,000	6,546,668	8,051,478
Cash flows	(55,160)	(1,450,000)	(2,958,362)	(4,463,522)
Non-cash flows:				
- acquisition of a subsidiary	59,874	0	0	59,874
- terminations	(11,055)	0	0	(11,055)
- unwinding of interest	2,147	0	0	2,147
Balance as at 31 July 2023	<u>50,616</u>	<u>0</u>	<u>3,588,306</u>	<u>3,638,922</u>

Company	Amounts owing by subsidiaries (Note 9)		Amounts owing to subsidiaries (Note 19)	
	2024 RM	2023 RM	2024 RM	2023 RM
Balance as at 1 August 2023/2022	14,779,300	9,880,166	0	0
Cash flows	3,258,500	4,899,134	2,171,000	0
Non-cash flow:				
- impairment loss	(2,493,390)	0	0	0
Balance as at 31 July	<u>15,544,410</u>	<u>14,779,300</u>	<u>2,171,000</u>	<u>0</u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2024

1. CORPORATE INFORMATION

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

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 2024 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 8 November 2024.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged as investment holding company. The principal activities of subsidiaries are mainly developing, manufacturing, marketing, design, assembly, import, export, distribution of medical devices as well as provision of after-sale services. The details of the subsidiaries are set out in Note 7 to the financial statements.

As of 22 September 2023, one of the subsidiary, Evo Medik Sdn. Bhd., has expanded its principal activities to include business operation of nursing homes and healthcare centres. There have been no significant changes in the nature of these activities other than those disclosed above.

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'), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

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

4. OPERATING SEGMENTS

The Group 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

4. OPERATING SEGMENTS (CONT'D)

(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).

31 July 2024	Manufacturing RM	Marketing and distribution RM	Eliminations RM	Consolidated RM
Revenue from external customers	18,378,823	36,191,179	0	54,570,002
Inter-segment revenue	1,617,296	0	(1,617,296)	0
Total revenue	<u>19,996,119</u>	<u>36,191,179</u>	<u>(1,617,296)</u>	<u>54,570,002</u>
Interest income and distribution income from short-term funds	138,294	436,842	0	575,136
Interest expense	(23,068)	(121,206)	8,454	(135,820)
Net interest expense	<u>115,226</u>	<u>315,636</u>	<u>8,454</u>	<u>439,316</u>
Segment profit before tax	5,491,540	7,218,862	(69,882)	12,640,520
Taxation	(1,673,734)	(1,669,876)	0	(3,343,610)
Other material non-cash items:				
- Depreciation of property, plant and equipment	(1,963,104)	(473,495)	67,812	(2,368,787)
- Depreciation of right-of-use assets	(347,104)	(78,984)	297,061	(129,027)
- Depreciation of investment properties	0	(117,855)	117,855	0
- Impairment losses on trade receivables	<u>0</u>	<u>25,835</u>	<u>0</u>	<u>25,835</u>
Additions to non-current assets other than financial instruments	<u>673,420</u>	<u>5,640,379</u>	<u>0</u>	<u>6,313,799</u>
Assets				
Segment assets	22,854,713	63,191,269	(18,066,253)	67,979,729
Short term funds	0	9,278,269	0	9,278,269
Cash and bank balances	2,617,453	1,614,126	0	4,231,579
Current tax assets	6,292	1,212,112	0	1,218,404
				<u>82,707,981</u>
Liabilities				
Segment liabilities	7,476,904	3,935,060	(3,157,501)	8,254,463
Deferred tax liabilities	793,000	357,617	0	1,150,617
Current tax liabilities	407,445	122,104	0	529,549
				<u>9,934,629</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

4. OPERATING SEGMENTS (CONT'D)

31 July 2023	Manufacturing RM	Marketing and distribution RM	Eliminations RM	Consolidated RM
Revenue from external customers	14,954,782	30,477,655	0	45,432,437
Inter-segment revenue	957,422	601	(958,023)	0
Total revenue	15,912,204	30,478,256	(958,023)	45,432,437
Interest income and distribution income from short-term funds	52,862	357,996	0	410,858
Interest expense	(38,082)	(228,530)	13,395	(253,217)
Net interest expense	14,780	129,466	13,395	157,641
Segment profit before tax	5,095,209	7,883,103	(46,596)	12,931,716
Taxation	(652,793)	(1,915,300)	0	(2,568,093)
Other material non-cash items:				
- Depreciation of property, plant and equipment	(1,781,676)	(334,561)	67,812	(2,048,425)
- Depreciation of right-of-use assets	(346,640)	(88,189)	296,597	(138,232)
- Depreciation of investment properties	0	(117,855)	117,855	0
- Impairment losses on trade receivables	30,748	0	0	30,748
- Reversal of impairment losses on trade receivables	0	(42,805)	0	(42,805)
- Gain on fair value adjustment on short- term funds	0	267,881	0	267,881
Additions to non-current assets other than financial instruments	2,296,585	3,016,486	0	5,313,071
Assets				
Segment assets	19,504,522	57,355,517	(22,073,203)	54,786,836
Short term funds	0	11,873,704	0	11,873,704
Cash and bank balances	3,483,080	2,623,548	0	6,106,628
Current tax assets	13,811	510,762	0	524,573
				73,291,741
Liabilities				
Segment liabilities	11,755,903	4,926,553	(7,217,076)	9,465,380
Deferred tax liabilities	19,500	287,576	0	307,076
Current tax liabilities	38,207	4,766	0	42,973
				9,815,429

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

4. OPERATING SEGMENTS (CONT'D)**(a) Geographical information**

In determining the geographical segment of the Group, revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Group	
	2024	2023
	RM	RM
Revenue from external customers		
Asia Pacific	41,737,334	36,568,752
Americas	1,798,315	1,530,130
Europe	10,046,401	6,376,649
Middle East	252,452	355,640
Africa	330,234	210,567
Oceania	405,266	390,699
	<u>54,570,002</u>	<u>45,432,437</u>
Segment assets		
Malaysia	<u>82,707,981</u>	<u>73,291,741</u>

(b) Major customers

There are no major customers with revenue equal or more than ten percent (10%) of the revenue of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings* RM	Solar PV systems RM	Plant and machinery RM	Tools & production equipment RM	Furniture, fittings, office equipment and computer system RM	Motor vehicles RM	Mould and simulator RM	Renovation RM	Capital work-in-progress RM	Total RM
At cost											
Balance as at 1 August 2023	0	7,512,472	0	14,762,352	1,741,341	1,474,200	269,589	668,665	638,320	2,479,917	29,546,856
Additions	460,000	1,840,000	525,000	309,090	50,074	109,953	0	240,500	477,883	2,293,173	6,305,673
Written off	0	0	0	0	(7,000)	(3,733)	0	0	0	0	(10,733)
Reclassification	0	0	0	70,000	8,800	0	0	0	30,284	(109,084)	0
Balance as at 31 July 2024	460,000	9,352,472	525,000	15,141,442	1,793,215	1,580,420	269,589	909,165	1,146,487	4,664,006	35,841,796
Accumulated depreciation											
Balance as at 1 August 2023	0	298,503	0	3,120,755	469,562	673,001	69,122	286,180	259,359	0	5,176,482
Current charge	0	134,830	13,125	1,494,960	235,715	209,654	53,918	77,370	149,215	0	2,368,787
Written off	0	0	0	0	(3,849)	(2,059)	0	0	0	0	(5,908)
Balance as at 31 July 2024	0	433,333	13,125	4,615,715	701,428	880,596	123,040	363,550	408,574	0	7,539,361
Carrying amount											
31 July 2024	460,000	8,919,139	511,875	10,525,727	1,091,787	699,824	146,549	545,615	737,913	4,664,006	28,302,435

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Buildings* RM	Plant and machinery RM	Tools & production equipment RM	Furniture, fittings, office equipment and computer system RM	Motor vehicles RM	Mould and simulator RM	Renovation RM	Capital work-in- progress RM	Total RM
At cost									
Balance as at 1 August 2022	7,512,472	11,501,771	1,125,457	1,351,491	93,000	622,353	506,311	1,470,546	24,183,401
Additions	0	1,872,536	517,270	158,451	176,589	0	129,593	2,458,632	5,313,071
Written off	0	0	0	(48,586)	0	0	0	0	(48,586)
Reclassification	0	1,388,045	14,904	0	0	46,312	0	(1,449,261)	0
Acquisition of a subsidiary (Note 7 (b))	0	0	83,710	12,844	0	0	2,416	0	98,970
Balance as at 31 July 2023	7,512,472	14,762,352	1,741,341	1,474,200	269,589	668,665	638,320	2,479,917	29,546,856
Accumulated depreciation									
Balance as at 1 August 2022	166,740	1,755,451	315,323	520,780	38,750	225,713	152,050	0	3,174,807
Current charge	131,763	1,365,304	154,239	198,971	30,372	60,467	107,309	0	2,048,425
Written off	0	0	0	(46,750)	0	0	0	0	(46,750)
Balance as at 31 July 2023	298,503	3,120,755	469,562	673,001	69,122	286,180	259,359	0	5,176,482
Carrying amount									
Balance as at 31 July 2023	7,213,969	11,641,597	1,271,779	801,199	200,467	382,485	378,961	2,479,917	24,370,374

* Included in buildings are leasehold building and freehold building amounting to RM7,082,206 and RM1,836,933 (2023: RM7,213,969 and RM NIL) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) 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. After initial recognition, property, plant and equipment except for freehold land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is calculated to write down the cost or valuation of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods and annual rates are as follows:

Buildings	2%
Plant and machinery	10%
Tools & production equipment	10% to 20%
Furniture, fittings, office equipment and computer system	10% to 20%
Mould and simulator	10% to 20%
Motor vehicles	20%
Renovation	10% to 20%
Solar PV systems	10%

- (c) Freehold land has unlimited useful life and is not depreciated. 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.
- (d) 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 to the financial statements are as follows:

	Group	
	2024	2023
	RM	RM
Leasehold buildings	7,082,206	7,213,969

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

Right-of-use assets

	Balance as at 1.8.2023 RM	Addition RM	Depreciation charge for the financial year RM	Balance as at 31.7.2024 RM
Carrying amount				
Leasehold land	4,760,582	0	(85,264)	4,675,318
Offices	14,622	8,126	(15,783)	6,965
Warehouse	34,974	0	(27,980)	6,994
	4,810,178	8,126	(129,027)	4,689,277

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

Right-of-use assets (Cont'd)

Carrying amount	Balance as at 1.8.2022 RM	Acquisition of a subsidiary (Note 7(b)) RM	Terminations RM	Depreciation charge for the financial year RM	Balance as at 31.7.2023 RM
Leasehold land	4,845,846	0	0	(85,264)	4,760,582
Offices	54,212	0	0	(39,590)	14,622
Warehouse	0	59,157	(10,805)	(13,378)	34,974
	<u>4,900,058</u>	<u>59,157</u>	<u>(10,805)</u>	<u>(138,232)</u>	<u>4,810,178</u>

Lease liabilities

Carrying amount	Balance as at 1.8.2023 RM	Addition RM	Lease payments RM	Interest expenses (Note 24) RM	Balance as at 31.7.2024 RM
Offices	15,016	8,126	(16,430)	284	6,996
Warehouse	35,600	0	(29,400)	1,091	7,291
	<u>50,616</u>	<u>8,126</u>	<u>(45,830)</u>	<u>1,375</u>	<u>14,287</u>

Carrying amount	Balance as at 1.8.2022 RM	Acquisition of a subsidiary (Note 7(b)) RM	Terminations RM	Lease payments RM	Interest expenses (Note 24) RM	Balance as at 31.7.2023 RM
Offices	54,810	0	0	(41,160)	1,366	15,016
Warehouse	0	59,874	(11,055)	(14,000)	781	35,600
	<u>54,810</u>	<u>59,874</u>	<u>(11,055)</u>	<u>(55,160)</u>	<u>2,147</u>	<u>50,616</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

	Group	
	2024	2023
	RM	RM
Represented by:		
Current liabilities	14,287	43,911
Non-current liabilities	0	6,705
Lease liabilities owing to non-financial institutions	<u>14,287</u>	<u>50,616</u>

(a) Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases. After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

(b) Right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	60 years
Offices	24 months
Warehouse	14 months

(c) As at the end of the reporting period, leasehold land of the Group with a total carrying amounts of RM4,675,318 (2023: RM4,760,582) have been charged to licensed bank for credit facilities granted to the Group as disclosed in Note 16 to the financial statements.

(d) The Group has certain leases of offices and equipment 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.

(e) The following are the amounts recognised in profit or loss:

	Group	
	2024	2023
	RM	RM
Depreciation charge of right-of-use assets		
- included in administrative and other expenses	129,027	138,232
Interest expense on lease liabilities		
- included in finance costs	1,375	2,147
Expense relating to short-term leases		
- included in administrative and other expenses	37,509	44,250
Expense relating to leases of low-value assets		
- included in cost of sales	9,300	198
- included in administrative and other expenses	39,108	29,914
Gain on lease terminations	0	(250)
	<u>216,319</u>	<u>214,491</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

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

	Group	
	2024	2023
	RM	RM
Included in net cash from/(used in) operating activities:		
Payment relating to low-value assets and short-term leases	85,917	74,362
Included in net cash used in financing activities:		
Payment of lease liabilities	45,830	55,160
Total cash outflows for leases	<u>131,747</u>	<u>129,522</u>

(g) 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. The following are the undiscounted potential future rental payments that are not included in the lease term:

	Group	
	2024	2023
	RM	RM
Extension options expected not to be exercised		
- within five (5) years	<u>36,600</u>	<u>36,600</u>

(h) Information on maturities profile of the lease liabilities is disclosed in Note 30 to the financial statements.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024	2023
	RM	RM
Unquoted shares, at cost	<u>15,135,225</u>	<u>15,134,255</u>

(a) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2024	2023	
		%	%	
Actimed Healthcare Sdn. Bhd.	Malaysia	100	100	Marketing and distribution of medical devices

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows: (Cont'd)

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2024	2023	
		%	%	
Evo Medik Sdn. Bhd. [^]	Malaysia	100	100	Marketing and distribution of medical devices as well as provision of after-sale service, healthcare and other related services and to operate nursing homes and healthcare centres as well as the provision of other related services
U Medihealth Sdn. Bhd.	Malaysia	100	100	Marketing and distribution of medical devices
UMediC Healthcare Sdn. Bhd.	Malaysia	100	100	Marketing and distribution of medical devices as well as provision of after-sale services, training, healthcare and other related services
UWHC Sdn. Bhd.	Malaysia	100	100	Holding of intellectual property rights
UWHM Sdn. Bhd.	Malaysia	100	100	Developing, manufacturing and marketing of medical devices
Patho Solutions (M) Sdn. Bhd.	Malaysia	70	70	Marketing and distribution of laboratory equipment and consumables
Akiteck (Malaysia) Sdn. Bhd.*	Malaysia	70	N/A	Design, assembly and distribution of medical mounting solution products and related parts
Ateria Medika Sdn. Bhd.*	Malaysia	90	N/A	Import, export, marketing and distribution of medical devices as well as the provision of after-sales service

[^] As of 22 September 2023, Evo Medik Sdn. Bhd. has expanded its principal activities to include business operation of nursing homes and healthcare centres operator.

* Newly incorporated during the year and consolidated using management financial statements.

(b) Acquisition of a subsidiary

In the previous financial year, the Company had completed the acquisition of 280,000 ordinary shares in Patho Solutions (M) Sdn. Bhd ('Patho'), representing 70% equity interest in Patho for a total consideration of RM600,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Acquisition of a subsidiary

	Pre-acquisition carrying amount RM
Property, plant and equipment	98,970
Right-of-use assets	59,157
Inventories	360,812
Trade and other receivables	92,753
Cash and bank balances	886,775
Deferred tax liabilities	(127)
Lease liabilities	(59,874)
Trade and other payables	(980,553)
Current tax liabilities	(11,108)
Total identifiable net assets	<u>446,805</u>
Purchase consideration settled in cash and cash equivalents	600,000
Non-controlling interests	134,042
Carrying amount of identifiable net assets	<u>(446,805)</u>
Goodwill on consolidation (Note 8)	<u>287,237</u>
Purchase consideration settled in cash and cash equivalents	(600,000)
Cash and cash equivalents of subsidiaries acquired	<u>886,775</u>
Net cash inflow on acquisition	<u>286,775</u>

If the acquisition occurred on 1 August 2022, revenue and profit after tax of the Group for the financial year ended 31 July 2023 would be RM46,363,171 and RM10,503,573 respectively.

(c) The subsidiaries of the Group that have non-controlling interests ('NCI') are as follows:

	Akitek (Malaysia) Sdn. Bhd.	Ateria Medika Sdn. Bhd.	Patho Solutions (M) Sdn. Bhd.	Total
31 July 2024				
NCI percentage of ownership interest and voting interest	30%	10%	30%	
Carrying amount of NCI (RM)	<u>(6,522)</u>	<u>100</u>	<u>795,100</u>	<u>788,678</u>
(Loss)/Profit allocated to NCI (RM)	<u>(6,552)</u>	<u>0</u>	<u>312,769</u>	<u>306,217</u>
31 July 2023			Patho Solutions (M) Sdn. Bhd.	Total
NCI percentage of ownership interest and voting interest			30%	
Carrying amount of NCI (RM)			<u>482,331</u>	<u>482,331</u>
Profit allocated to NCI (RM)			<u>48,289</u>	<u>48,289</u>

The summarised financial information before intra-group elimination of the subsidiary are not disclosed as they are not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Changes in investments in subsidiaries

(i) Akiteck (Malaysia) Sdn. Bhd. ('Akiteck')

On 20 May 2024, the Company incorporated Akiteck with paid-up share capital RM100 comprising of 100 ordinary shares. The Company subscribed 70 ordinary shares for a total consideration of RM70. Pursuant to that, the Company holds 70 ordinary shares representing 70% equity interest in Akiteck.

(ii) Ateria Medika Sdn. Bhd. ('Ateria')

On 30 July 2024, the Company incorporated Ateria with paid-up share capital RM1,000 comprising of 1,000 ordinary shares. The Company subscribed 900 ordinary shares for a total consideration of RM900. Pursuant to that, the Company holds 900 ordinary shares representing 90% equity interest in Ateria.

(iii) Patho Solutions (M) Sdn. Bhd. ('Patho')

In the previous financial year, the Company acquired additional 700,000 new ordinary shares at RM1 each in Patho, for a total cash consideration of RM700,000.

There were no changes to the percentage of shareholding of the Group on subsidiary arising from this additional investment.

8. GOODWILL ON CONSOLIDATION

	2024 RM	2023 RM
Balance as at beginning of the financial year	287,237	0
Acquisition through business combination (Note 7(b))	0	287,237
Balance as at end of the financial year	<u>287,237</u>	<u>287,237</u>

Impairment tests for goodwill with indefinite useful live.

Goodwill is tested for impairment by comparing the carrying amounts with the recoverable amounts of the CGUs. The recoverable amount of a CGU is determined based on value in use calculations using cash flow projections from the financial budgets and forecasts approved by management covering a period of five (5) years. Cash flows beyond the five (5)-year period are extrapolated assuming zero growth rates.

Key assumptions used in the value in use calculations are as follows:

- (i) The growth rate of the revenue over the five-year forecast period with no terminal growth rate thereafter based on the industry trend and management's expectations for the future;
- (ii) profit margin applied to the projections are the average gross margin achieved in the preceeding years before the budgeted year; and
- (iii) the pre-tax discount rates based on the weighted average cost of capital.

Based on the annual impairment testing undertaken by the Group, no impairment loss was required for the carrying amount of goodwill assessed as at 31 July 2024 as its recoverable amount was in excess of its carrying amount. Management believes that there is no reasonably possible change in the key assumptions on which management has based its determination of the CGU's recoverable amount, which would cause the CGU's carrying amount to materially exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-current assets				
Other receivables				
Amounts owing by subsidiaries	0	0	14,916,900	3,330,000
Less: Allowance for impairment losses	0	0	(2,269,866)	0
	0	0	12,647,034	3,330,000
Current assets				
Trade receivables				
Third parties	17,503,062	12,001,672	0	0
Less: Allowance for impairment losses	(80,300)	(54,465)	0	0
	17,422,762	11,947,207	0	0
Other receivables				
Third parties	361,347	95,818	371	0
Amounts owing by subsidiaries	0	0	3,120,900	11,449,300
	361,347	95,818	3,121,271	11,449,300
Less: Allowance for impairment losses	0	0	(223,524)	0
	361,347	95,818	2,897,747	11,449,300
Deposits and prepayments				
Deposits	97,638	338,928	1,000	1,000
Prepayments	2,249,643	417,260	0	0
	2,347,281	756,188	1,000	1,000
Total current receivables	20,131,390	12,799,213	2,898,747	11,450,300
Total trade and other receivables	20,131,390	12,799,213	15,545,781	14,780,300

- (a) Trade and other receivables excluding prepayments are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 0 to 180 days (2023: 0 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) During the year, the repayment schedule for amounts owing by subsidiaries was modified and restructured for capital expenditure utilisation. As a result of this change, additional expected credit loss ('ECL') of RM2,493,390 was recognised based on a revised assessment of credit risk.

Furthermore, amounts owing by subsidiaries amounting to RM6,580,000 have been reclassified from current to non-current to reflect the revised repayment terms appropriately.

Non-current amounts owing by subsidiaries of the Company represents advances, which is unsecured and interest-free. The advances are not expected to be recalled within the next twelve (12) months.

Current amounts owing by subsidiaries represents advances and payment on behalf, which are unsecured, interest-free and payable within next twelve (12) months or upon demand in cash and cash equivalents.

- (d) Included in the prepayments in was a total sum of RM1,864,828 (2023: RM220,636) paid in respect to the acquisition of plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

9. TRADE AND OTHER RECEIVABLES (CONT'D)

- (e) The currency exposure profile of trade and other receivables (net of prepayment) are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Ringgit Malaysia ('RM')	12,540,961	9,839,571	15,545,781	14,780,300
United States Dollar ('USD')	5,253,827	2,542,382	0	0
Others	86,959	0	0	0
	<u>17,881,747</u>	<u>12,381,953</u>	<u>15,545,781</u>	<u>14,780,300</u>

- (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.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

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 2024

9. 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			Total
		1-60 days past due	61-120 days past due	>120 days past due	
As at 31 July 2024					
Trade receivables, gross (RM)	13,252,650	2,391,032	1,160,476	698,904	17,503,062
Lifetime ECL allowance (RM)	(6,348)	(6,318)	(6,898)	(60,736)	(80,300)
Trade receivables, net (RM)	13,246,302	2,384,714	1,153,578	638,168	17,422,762
As at 31 July 2023					
Trade receivables, gross (RM)	9,881,227	1,505,880	266,254	348,311	12,001,672
Lifetime ECL allowance (RM)	(19,616)	(18,999)	(4,431)	(11,419)	(54,465)
Trade receivables, net (RM)	9,861,611	1,486,881	261,823	336,892	11,947,207

The Group did not renegotiate the terms of any trade receivables for the financial year ended 31 July 2024 and 31 July 2023 respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

9. TRADE AND OTHER RECEIVABLES (CONT'D)

- (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 2023	54,465	0	54,465
Charge for the financial year	25,835	0	25,835
Balance as at 31 July 2024	80,300	0	80,300
Balance as at 1 August 2022	66,522	0	66,522
Reversal of impairment losses	(12,057)	0	(12,057)
Balance as at 31 July 2023	54,465	0	54,465

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 twelve (12) months past due.

- (h) Impairment for other receivables and amounts owing by subsidiaries 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 and the Company assess 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.

The Group and the Company defined significant increase in credit risk based on payment trends and operational performance of other receivables and amounts owing by subsidiaries.

The probability of non-payment by other receivables and subsidiaries are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve (12) months or lifetime expected credit loss for other receivables and subsidiaries. The Group and the Company have identified the consumer price index as the key macroeconomic factor of the forward-looking information.

Movements in the impairment allowance for amounts owing by subsidiaries based on the general approach are as follows:

	12 months ECL RM	Company Lifetime ECL RM	Total RM
Balance as at 1 August 2023	0	0	0
Charge for the financial year	223,524	2,269,866	2,493,390
Balance as at 31 July 2024	223,524	2,269,866	2,493,390

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

10. INVENTORIES

	Group	
	2024 RM	2023 RM
At cost		
Raw materials	1,569,685	1,302,784
Finished goods	12,999,705	11,211,425
	<u>14,569,390</u>	<u>12,514,209</u>

- (a) Inventories are stated at the lower of cost and net realisable value.
- (b) Cost is determined using the first-in, first-out formula. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods included 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.
- (c) During the financial year, inventories of the Group recognised as cost of sales amounted to RM24,297,720 (2023: RM20,081,588).

11. DERIVATIVE ASSETS

	2024		2023	
Group	Contracts amount RM	Asset RM	Contracts amount RM	Asset RM
Financial asset at fair value through profit or loss				
Forward foreign exchange contracts	<u>0</u>	<u>0</u>	<u>810,540</u>	<u>5,625</u>

- (a) Derivative assets were classified as financial asset measured at fair value through profit or loss.
- (b) The Group used forward currency derivatives to manage some of the foreign transaction exposure. These derivatives are not designated as cash flow or fair value hedges and are entered into for period consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.
- (c) Derivative assets of the Group were categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (d) Fair value of a forward foreign currency contract was the amount that would be payable or receivable upon termination of the outstanding position arising and was determined by reference to the difference between contracted rate and the forward exchange rate as at the end of each reporting period applied to a contract of similar amount and maturity profile.
- (e) The fair value adjustments on derivative financial instruments were as follows:

	2024 RM	2023 RM
(Loss)/Gain on derivative assets	<u>(5,625)</u>	<u>5,625</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

12. SHORT TERM FUNDS

	Group and Company	
	2024	2023
	RM	RM

Financial assets at fair value through profit or loss

In Malaysia

Money market funds	9,278,269	11,873,704
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- (a) Short term funds are denominated in Ringgit Malaysia.
- (b) In the previous financial year, the Group and the Company have recognised an increase in fair value amounting to RM267,881 and RM228,624 respectively with regards to the short term funds.
- (c) The fair value of short term funds are determined by reference to the counter party quotes at the end of each reporting period.

Short term funds of the Company are categorised as Level 1 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

13. CASH AND BANK BALANCES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash and bank balances, representing cash and cash equivalent as reported in statements of cash flows	4,231,579	6,106,628	77,663	16,517

- (a) Cash and bank balances are classified as financial assets measured at amortised costs.
- (b) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
RM	1,703,930	3,442,893	77,663	16,517
USD	2,495,261	2,628,032	0	0
EURO	32,388	35,703	0	0
	4,231,579	6,106,628	77,663	16,517

- (c) No expected credit loss is recognised arising from cash and bank balances because the probability of default of these financial institutions is negligible.
- (d) 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 2024

14. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of shares	RM	Number of shares	RM
Issued and fully paid up with no par value				
Ordinary shares	373,910,000	44,348,333	373,910,000	44,348,333

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	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-distributable:				
Reorganisation debit reserve	(6,851,755)	(6,851,755)	0	0
Accumulated losses	0	0	(6,531,919)	(2,596,261)
Distributable:				
Retained earnings	34,488,096	25,497,403	0	0
	<u>27,636,341</u>	<u>18,645,648</u>	<u>(6,531,919)</u>	<u>(2,596,261)</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	
	2024	2023
	RM	RM
Non-current liability		
Term loans	<u>256,221</u>	<u>2,877,676</u>
Current liabilities		
Term loans	<u>605,656</u>	<u>710,630</u>
Total borrowings	<u>861,877</u>	<u>3,588,306</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

16. BORROWINGS (CONT'D)

	Group	
	2024	2023
	RM	RM
The term loans are repayable as follows:		
- not later than one (1) year	605,656	710,630
- later than one (1) year and not later than five (5) years	256,221	1,890,027
- later than five (5) years	0	987,649
	<u>861,877</u>	<u>3,588,306</u>

- (a) Borrowings are classified as financial liability measured at amortised cost.
- (b) The borrowings 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 5 and Note 6 to the financial statements;
 - (ii) corporate guarantee by the Company; and
 - (iii) a guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad for RM800,000 as the facility is under Government Guarantee Scheme - Prihatin (GGs-Prihatin).
- (c) The carrying amounts of borrowings are reasonable approximation of the fair values, either due to the insignificant impact of discounting or they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Fair value of the borrowings of the Group are categorised as Level 3 in the fair value hierarchy. There is no transfer between levels in hierarchy during the financial year.

- (d) Information on financial risks and remaining maturities of borrowings are disclosed in Note 30 to the financial statements.

17. GOVERNMENT GRANTS

	Group	
	2024	2023
	RM	RM
At cost		
Balance as at beginning of financial year	3,242,954	3,612,911
Add: Grants received during the year	60,562	0
Less: Amortisation during the year	(369,957)	(369,957)
Balance as at end of financial year	<u>2,933,559</u>	<u>3,242,954</u>
Represented by:		
Current	430,519	369,957
Non-current	<u>2,503,040</u>	<u>2,872,997</u>
	<u>2,933,559</u>	<u>3,242,954</u>

- (a) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

17. GOVERNMENT GRANTS (CONT'D)

- (b) 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.
- (c) The government grants was obtained by UWHM Sdn. Bhd. from the Malaysian Investment Development Authority ('MIDA') for the purchase of certain item of property, plant and equipment. The subsidiary is not allowed to rent, sell or transfer the risk and rewards of the property, plant and equipment to third parties within five (5) years from the assets acquisition date.
- (d) During the financial year, a new government grant was obtained by UWHM Sdn. Bhd. from Northern Corridor Implementation Authority ('NCIA') for the participation in NCER Technology Innovation Centre ('NTIC') for technology and innovation program for the use of business, totalling RM255,000 which progressively claimed throughout the project.

18. DEFERRED TAX LIABILITIES/(ASSETS)

- (a) The deferred tax liabilities and (assets) are made up of the following:

	Group	
	2024	2023
	RM	RM
Balance as at beginning of financial year	307,076	(427,710)
Acquisition of a subsidiary (Note 7(b))	0	127
Relating to origination and reversal of temporary differences (Note 25)	761,976	734,043
Underprovision in prior years (Note 25)	81,565	616
	843,541	734,659
Balance as at end of financial year	<u>1,150,617</u>	<u>307,076</u>

- (b) The components and movements of deferred tax liabilities and (assets) during the financial year are as follows:

Deferred tax liabilities/(asset) of the Group

	Property, plant and equipment RM	Unutilised reinvestment allowances RM	Total RM
Balance as at 1 August 2023	1,069,576	(762,500)	307,076
Recognised in profit or loss	338,041	505,500	843,541
Balance as at 31 July 2024	<u>1,407,617</u>	<u>(257,000)</u>	<u>1,150,617</u>

	Property, plant and equipment RM	Unutilised reinvestment allowances RM	Accrued expenses RM	Total RM
Balance as at 1 August 2022	739,864	(909,000)	(258,574)	(427,710)
Recognised in profit or loss	329,585	146,500	258,574	734,659
Acquisition of a subsidiary (Note 7(b))	127	0	0	127
Balance as at 31 July 2023	<u>1,069,576</u>	<u>(762,500)</u>	<u>0</u>	<u>307,076</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Trade payables				
Third parties	2,585,277	1,301,368	0	0
Other payables				
Third parties	1,063,093	610,189	13,024	9,922
Amounts owing to subsidiaries	0	0	2,171,000	0
Accrued expenses	796,370	671,947	36,500	42,500
	1,859,463	1,282,136	2,220,524	52,422
Total trade and other payables	4,444,740	2,583,504	2,220,524	52,422

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2023: 30 to 90 days).
- (b) The amounts owing to subsidiaries are unsecured, interest-free and payable within next twelve (12) months or upon demand in cash and cash equivalents.
- (c) The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
RM	2,990,850	2,485,395	2,220,524	52,422
USD	1,398,939	97,370	0	0
EURO	54,951	739	0	0
	4,444,740	2,583,504	2,220,524	52,422

- (d) Information on financial risks of trade and other payables is disclosed in Note 30 to the financial statements.

20. CAPITAL COMMITMENTS

	Group	
	2024	2023
	RM	RM
Capital expenditure in respect of purchase of property, plant and equipment:		
- Approved but not contracted for	6,843,041	7,170,015
- Contracted but not provided for	5,062,071	3,008,756
	11,905,112	10,178,771

21. FINANCIAL GUARANTEE CONTRACTS

	Company	
	2024	2023
	RM	RM
<u>Unsecured</u>		
Financial guarantee given to financial institutions for credit facilities		
- Limit of guarantee	18,474,833	16,519,833
- Amount utilised	7,169,711	3,588,306

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

21. FINANCIAL GUARANTEE CONTRACTS (CONT'D)

- (a) The Company provides financial guarantees to financial institutions for credit facilities granted to certain subsidiaries.
- (b) The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements to the secured loans of subsidiaries amounts to RM861,877 (2023: RM3,588,306) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.
- (c) Financial guarantee contracts are initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation, where appropriate.
- (d) Financial guarantees have not been recognised since the fair values was not material on initial recognition. As at the end of each reporting period, there was no indication that the subsidiaries would default on repayment.
- (e) Information on financial risks of financial guarantee contracts is disclosed in Note 30 to the financial statements.

22. REVENUE

	Group	
	2024	2023
	RM	RM
<i>Revenue from contracts with customers:</i>		
Sales of goods and services	<u>54,570,002</u>	<u>45,432,437</u>
<i>Timing of revenue recognition:</i>		
At a point in time	<u>54,570,002</u>	<u>45,432,437</u>

Revenue from the sale of goods and services are recognised at a point in time when the Group satisfies a performance obligation by transferring a promised goods and services 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.

Revenue from contracts with customers is disaggregated by primary geographical market as disclosed in Note 4 to the financial statements.

There is no right of return and warranty provided to the customers on the sale of goods and services.

There is no significant financing component in the revenue arising from sale of goods and services as the sales are made on the normal credit terms not exceeding twelve (12) months.

23. EMPLOYEE BENEFITS

The details of the employee benefits are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Directors' fee	180,000	180,000	180,000	180,000
Directors' remuneration	841,087	678,687	3,000	3,000
Wages, salaries and bonuses	6,417,250	5,090,043	0	0
Contributions to defined contribution plans	557,638	543,150	0	0
Social security contributions	88,051	79,346	0	0
Other benefits	<u>131,807</u>	<u>20,779</u>	<u>0</u>	<u>0</u>
	<u>8,215,833</u>	<u>6,592,005</u>	<u>183,000</u>	<u>183,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

23. EMPLOYEE BENEFITS (CONT'D)

Included in the employee benefits of the Group and of the Company are Directors' remunerations as below:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Directors of the Company				
Fees	180,000	180,000	180,000	180,000
Salaries and other emoluments	514,075	434,000	3,000	3,000
Contributions to defined contribution plan	42,216	31,680	0	0
Social security contributions	1,040	1,022	0	0
Other benefits	119	117	0	0
Total Directors' remuneration	<u>737,450</u>	<u>646,819</u>	<u>183,000</u>	<u>183,000</u>
Directors of the subsidiaries				
Salaries and other emoluments	228,000	190,400	0	0
Contributions to defined contribution plan	22,320	19,488	0	0
Social security contributions	2,080	1,778	0	0
Other benefits	31,237	202	0	0
Total Directors' remuneration	<u>283,637</u>	<u>211,868</u>	<u>0</u>	<u>0</u>
Total Directors' remuneration				
Fees	180,000	180,000	180,000	180,000
Other emoluments	841,087	678,687	3,000	3,000
	<u>1,021,087</u>	<u>858,687</u>	<u>183,000</u>	<u>183,000</u>

24. FINANCE COSTS

	Group	
	2024	2023
	RM	RM
Interest expenses on:		
- bankers' acceptance	0	14,323
- term loans	73,240	212,232
- lease interest	1,375	2,147
- letter of credit interest	24,462	1,519
- bank guarantee interest	36,743	22,996
	<u>135,820</u>	<u>253,217</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

25. TAXATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense based on profit/(loss) for the financial year	2,461,270	1,870,351	0	282
Under/(Over)provision of tax expenses in prior years	38,799	(36,917)	(282)	(1,600)
	<u>2,500,069</u>	<u>1,833,434</u>	<u>(282)</u>	<u>(1,318)</u>
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	761,976	734,043	0	0
Underprovision in prior years	81,565	616	0	0
	<u>843,541</u>	<u>734,659</u>	<u>0</u>	<u>0</u>
Total taxation	<u>3,343,610</u>	<u>2,568,093</u>	<u>(282)</u>	<u>(1,318)</u>

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profits for the fiscal year.
- (b) 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	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before tax	<u>12,640,520</u>	<u>12,931,716</u>	<u>(3,935,940)</u>	<u>(193,241)</u>
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	3,033,700	3,103,600	(944,600)	(46,400)
Tax effects in respect of:				
- Non-allowable expenses	846,544	679,659	944,600	46,682
- Income not subject to tax	(256,085)	(244,846)	0	
Different tax rate for the first RM600,000 (2023: RM600,000) of chargeable income	0	(18,610)	0	0
Double deduction of expenses	(10,000)	(10,000)	0	0
Reinvestment allowance claimed during the year	(390,894)	(899,083)	0	0
Utilisation of previously unrecognised deferred tax assets	(19)	(6,326)	0	0
Underprovision of deferred tax in prior years	81,565	616	0	0
Under/(Over)provision of tax expense in prior years	38,799	(36,917)	(282)	(1,600)
	<u>3,343,610</u>	<u>2,568,093</u>	<u>(282)</u>	<u>(1,318)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

25. TAXATION (CONT'D)

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2024	2023
	RM	RM
Unabsorbed capital allowances	29,598	29,677

Deferred tax assets were not recognised in respect of these items as it was not probable that taxable profits would be available against which the deductible temporary differences could be utilised.

26. STATUTORY DISCLOSURE

Persuant to Section 249(4)(e) of Companies Act 2016, details of auditors' remuneration payable by the Group and the Company during the financial year were as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
BDO PLT				
- Statutory audit	75,100	61,400	25,500	22,500
- Non-statutory audit	99,000	7,500	96,000	5,000

27. 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.

	Group	
	2024	2023
Profit attributable to owners of the parent (RM)	8,990,693	10,315,334
Weighted average number of ordinary shares in issue (units)	373,910,000	373,910,000
Basic earnings per share (sen)	2.40	2.76

- (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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

28. 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:

- (i) The ultimate holding company, UMediC Capital Sdn. Bhd.; and
- (ii) Subsidiaries as disclosed in Note 7 to the financial statements.

(b) Significant related parties transactions

The Group has not entered into any transactions with related parties during the financial year.

(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:

	Group	
	2024	2023
	RM	RM
Short term employee benefits	1,530,909	1,659,665
Contributions to defined contribution plans	107,460	113,016
	<u>1,638,369</u>	<u>1,772,681</u>

Included in the compensation of key management personnel are Directors' remuneration of the Group as disclosed in Note 23 to the financial statements.

29. 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, borrowings, lease liabilities and trade and other payables less cash and bank balances and short-term funds. Capital represents equity attributable to the owners of the Group. The net debt-to-equity ratios as at 31 July 2024 and 31 July 2023 are as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

29. CAPITAL MANAGEMENT

		Group	
	Note	2024 RM	2023 RM
Borrowings	16	861,877	3,588,306
Lease liabilities	6	14,287	50,616
Trade and other payables	19	4,444,740	2,583,504
Total liabilities		5,320,904	6,222,426
Less: Short-term funds	12	(9,278,269)	(11,873,704)
Cash and bank balances	13	(4,231,579)	(6,106,628)
Net cash		(8,188,944)	(11,757,906)
Total equity		72,773,352	63,476,312
Net debt-to-equity ratio		*	*

* No net debt-to-equity ratio is presented as the Group are in net cash position.

Pursuant to the requirements of Practice Note No. 17/2005 of Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five per centum (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40 million. The Group has complied with this requirement during the financial year ended 31 July 2024.

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, foreign currency risk and price 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

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	2024 RM	% of total	2023 RM	% of total
Malaysia	12,363,933	71%	9,218,365	77%
Italy	1,182,400	7%	189,417	2%
Spain	1,025,243	6%	502,745	4%
South Korea	762,873	4%	843,543	7%
Thailand	652,544	4%	68,150	1%
Czech Republic	446,672	3%	144,318	1%
Poland	282,037	2%	0	0%
Chile	114,350	*	211,266	2%
Others	592,710	3%	769,403	6%
	<u>17,422,762</u>	<u>100%</u>	<u>11,947,207</u>	<u>100%</u>

* Amount less than 1%.

At the end of each reporting period, approximately 61% (2023: 53%) of the trade receivables of the Group were due from ten (10) (2023: five (5)) major customers.

(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 and the Company at the end of the reporting period based on contractual undiscounted repayment obligations.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity and cash flow risks

Financial liabilities	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Group				
As at 31 July 2024				
Trade and other payables	4,444,740	0	0	4,444,740
Borrowings	646,090	240,830	0	886,920
Lease liabilities	14,550	0	0	14,550
Total undiscounted financial liabilities	5,105,380	240,830	0	5,346,210

The table below summarises the maturities profile of the liabilities of the Group and the Company at the end of the reporting period based on contractual undiscounted repayment obligations. (continued)

Financial liabilities	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Group				
As at 31 July 2023				
Trade and other payables	2,583,504	0	0	2,583,504
Borrowings	859,965	2,203,193	1,076,380	4,139,538
Lease liabilities	44,630	7,350	0	51,980
Total undiscounted financial liabilities	3,488,099	2,210,543	1,076,380	6,775,022
Company				
As at 31 July 2024				
Trade and other payables	2,220,524	0	0	2,220,524
Financial guarantee contracts*	18,474,833	0	0	18,474,833
Total undiscounted financial liabilities	20,695,357	0	0	20,695,357
As at 31 July 2023				
Trade and other payables	52,422	0	0	52,422
Financial guarantee contracts*	16,519,833	0	0	16,519,833
Total undiscounted financial liabilities	16,572,255	0	0	16,572,255

* Includes the maximum exposure of the liquidity risk for financial guarantee contracts of RM18,474,833 (2023: RM16,519,833).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(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	
	2024	2023
	RM	RM
Profit after tax		
- Increase by 0.5%	(753)	(9,539)
- Decrease by 0.5%	753	9,539

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

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
31 July 2024								
Fixed rate								
Term loans	3.50%	407,475	256,221	0	0	0	0	663,696
Lease liabilities	4.80% - 5.35%*	14,287	0	0	0	0	0	14,287
Floating rate								
Term loans	4.91%	198,181	0	0	0	0	0	198,181
31 July 2023								
Fixed rate								
Term loans	3.50%	399,151	426,481	252,458	0	0	0	1,078,090
Lease liabilities	3.54% - 4.80%*	43,911	6,705	0	0	0	0	50,616
Floating rate								
Term loans	4.76%	311,479	302,772	302,772	302,772	302,772	987,649	2,510,216

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

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 RM2,527,649 (2023: RM2,663,735).

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:

	2024 RM	2023 RM
Profit before tax		
USD/RM		
- strengthen by 15%	723,917	578,968
- weaken by 15%	<u>(723,917)</u>	<u>(578,968)</u>
EURO/RM		
- strengthen by 15%	(2,572)	3,986
- weaken by 15%	<u>2,572</u>	<u>(3,986)</u>

Sensitivity analysis of other foreign currencies are not disclosed as they are not material to the Group.

(e) Price risk

Price risk is the risk that the fair value of future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company is exposed to changes in market quoted prices arising from short term funds held by the Group and the Company. The short term funds comprises mainly money market funds in Malaysia.

As the short term funds are mainly money market fund placement where the volatility of these fund's prices is considered low, the Directors were of the opinion that the Company was not subject to the significant exposure to price risk and accordingly, no sensitivity analysis was being presented at the end of each financial year.

31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 27 November 2023, on behalf of the Board of Directors of the company, UMediC Group Berhad, Affin Hwang Investment Bank Berhad announced that the Company proposed to undertake the proposed transfer of the listing and quotation of the entire issued share capital of the Company from the ACE Market to the Main Market of Bursa Securities ("Proposed Transfer").

The Securities Commission Malaysia and Bursa Securities had, via its letter dated 3 April 2024 and 18 April 2024 respectively, approved the Proposed Transfer. Consequently, the listing of and quotation for the entire issued share capital of UMediC Group Berhad has been transferred from the ACE Market to the Main Market of Bursa Securities on 29 April 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

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 and Amendments to the Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year.

Title	Effective date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</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 112 <i>International Tax Reform - Pillar Two Model Rules</i>	See MFRS 112 paragraph 98M

Adoption of the above Standards and Amendments to the Standards did not have any material effect on the financial performance or position of the Group and of the Company.

32.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

The following are Standards and Amendments to Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Group and the Company:

Title	Effective date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosure - Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Classification and Measurement of Financial instruments</i>	1 January 2026
Amendments to <i>Annual Improvements to MFRS Accounting Standards-Volume 11</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
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 to Standards, since the effects would only be observable for the future financial years.

LIST OF PROPERTIES

No.	Name of registered owner/Address	Description/ Existing use	Land Area / Built-up area (sq. feet)	Tenure	Approximate age of building (years)	Carrying Amount as at 31 July 2024 (RM'000)	Date of Acquisition
1	UMedIC Healthcare Sdn. Bhd. PMT 790, Jalan Cassia Selatan 5/2, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang	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	3	11,758	17 May 2019
2	Evo Medik Sdn. Bhd. No. 2, Jalan Perniagaan Vorteks 3, Pusat Perniagaan Vorteks, 14100 Simpang Ampat, Pulau Pinang.	A four-storey semi-detached corporate office	7,427.10/ 5,087.00	Freehold	1	1,837	11 July 2023

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	%	No. of Shares	%
1 - 99	1	0.03	50	0.00
100 - 1,000	360	12.27	212,300	0.06
1,001 - 10,000	1,385	47.20	8,397,300	2.24
10,001 - 100,000	998	34.02	34,534,650	9.24
100,001 - 18,695,499 (*)	186	6.34	99,959,132	26.73
18,695,500 AND ABOVE (**)	4	0.14	230,806,568	61.73
Total	2,582	100.00	373,910,000	100.00

* Less than 5% of issued shares

** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS AS AT 30 OCTOBER 2024

No.	Name of Shareholder	Direct Interest		Indirect Interest	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1	UMediC Capital Sdn. Bhd.	191,301,668	51.16	-	-
2	Dato' Ng Chai Eng	20,402,200	5.46	191,601,668*	51.24
3	Lim Taw Seong	19,102,700	5.11	191,301,668^	51.16
4	Dato' Lau Chee Kheong	17,754,022	4.75	191,301,668^	51.16

* 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 30 OCTOBER 2024

No.	Directors	Direct Interest	%	Indirect Interest	%
1	Dato' Ng Chai Eng	20,402,200	5.46	191,601,668*	51.24
2	Lim Taw Seong	19,102,200	5.11	191,601,668^	51.16
3	Pakirisamy Baskaran A/L P Thangavelu	300,000	0.08	-	-
4	Tan Chye Suan	300,000	0.08	-	-
5	Lee Yee Wooi	300,000	0.08	-	-
6	Dato' Dr. Teh Keng Hwang	-	-	-	-
7	Ng Sze Hui	300,000	0.08	-	-
Total		40,704,400	10.89		

* 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 SHARES HELD	PERCENTAGE (%)
1	UMEDIC CAPITAL SDN. BHD.	112,173,000	30.00
2	UMEDIC CAPITAL SDN. BHD.	79,128,668	21.16
3	DATO' NG CHAI ENG	20,402,200	5.46
4	LIM TAW SEONG	19,102,700	5.11
5	DATO' LAU CHEE KHEONG	17,754,022	4.75
6	KONG YOEN HOO	8,941,298	2.39
7	LIM SUAT GIM	6,050,050	1.62
8	AMANAHRAYA TRUSTEES BERHAD PB ISLAMIC SMALLCAP FUND	5,950,400	1.59
9	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB BANK BERHAD (EDP 2)	3,197,000	0.86
10	AMANAHRAYA TRUSTEES BERHAD PB SMALLCAP GROWTH FUND	2,300,000	0.62
11	AMANAHRAYA TRUSTEES BERHAD PB GROWTH SEQUEL FUND	2,256,400	0.60
12	AMANAHRAYA TRUSTEES BERHAD PUBLIC E-ISLAMIC FLEXI ALLOCATION FUND	1,937,000	0.52
13	NG SZE LING	1,626,000	0.43
14	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR MAYBANK MALAYSIA SMALLCAP FUND	1,400,000	0.37
15	TAN AH NYAH	1,188,700	0.32
16	KONG YOEN HOO	1,025,552	0.27
17	KUAN MIN HUEY	900,000	0.24
18	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOH HUI PENG (8076778)	890,000	0.24
19	LIM CHIN HON	850,000	0.23
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR TRADEVIEW CAPITAL SDN. BHD.	809,300	0.22
21	LIM SIN CHING	780,700	0.21
22	LIM WEI YUEN	776,000	0.21
23	SEE HOCK CHUAN	746,200	0.20
24	TEOH MENG LEE	710,000	0.19
25	LING SIEW LUAN	709,700	0.19
26	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WOH (REM 646)	666,000	0.18
27	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE BOON TIONG	650,000	0.17
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE BOON TIONG (E-BMM)	647,300	0.17
29	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BOB STANDARD SDN. BHD.	634,200	0.17
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD YAP CHEE WAI	627,400	0.17

NOTICE OF FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting (“4th AGM”) of UMediC 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 Wednesday, 15 January 2025 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 2024 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 RM200,000.00 to the Non-Executive Directors for the period from 16 January 2025 until the conclusion of the next annual general meeting (“AGM”) of the Company to be held in 2026.
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) Mr. Lee Yee Wooi
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 Constitution of the Company and the approvals of the relevant government and/or regulatory authorities, the Directors 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 of the shares to be issued does not exceed 10% of the total number of issued shares of the Company and that the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares to be issued.

THAT the existing shareholders’ right of pre-emption under Clause 31 of the Company’s Constitution shall not apply to the allotment and issuance of new shares pursuant to this mandate.”

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.

BY ORDER OF THE BOARD

OOI YOONG YOONG (MAICSA 7020753/ SSM PC NO. 202008002042)

Company Secretary

Penang
29 November 2024

NOTICE OF FOURTH ANNUAL GENERAL MEETING (CONT'D)

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 appointment 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 authorised 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.
 - 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 **Monday, 13 January 2025 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 following manner if the Proxy Form has not been lodged at the office of the Share Registrar earlier:
 - (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 FOURTH ANNUAL GENERAL MEETING (CONT'D)

General Meeting Record of Depositors

12. Only a depositor whose name appears on the Record of Depositors of the Company as at **31 December 2024** shall be entitled to attend this 4th 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 2024**

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 RM200,000.00 to the Non-Executive Directors for the period from 16 January 2025 until the conclusion of the next AGM of the Company to be held in 2026**

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. 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 16 January 2025 until the next to be held in 2026. 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 AGM. 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.

Mr. Lim Taw Seong and Mr. Lee Yee Wooi retire in accordance with Clause 165.1 of the Company's Constitution and being eligible, have offered themselves for re-election.

In determining the eligibility of the Directors due for retirement to stand for re-election at the forthcoming 4th AGM, the Nomination Committee ("NC") has assessed the retiring Directors and recommended the re-election of retiring Directors based on the following consideration:

- (i) they met the criteria of character, experience, integrity, competence and time commitment in discharging their roles as directors of the Company;
- (ii) their active participation at the Board meetings showed that they were prepared and were effective in the discharge of their responsibilities; and
- (iii) Mr. Lee Yee Wooi is an Independent Non-Executive Director of the Company. He has fulfilled the requirements on independence as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. No circumstances have arisen in the past year to impair the independent judgement of Mr Lee on matters brought for Board discussion and he has always acted in the best interest of the Company as a whole.

Based on the above, the Board supports the re-election of the retiring Directors. The retiring Directors had abstained from deliberation and decision making on their own eligibility to stand for re-election at the relevant NC and Board meetings.

16. **Ordinary Resolution 4 – Re-appointment of Messrs. BDO PLT as Auditors**

The Audit and Risk Management Committee ("ARMC") and the Board have considered the re-appointment of Messrs. BDO PLT as Auditors of the Company, are satisfied with the performance, competency, audit approach and independence of Messrs. BDO PLT and collectively agreed that they have met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board endorsed ARMC's recommendation to seek for shareholders' approval to re-appoint Messrs. BDO PLT as external auditors of the Company and to authorise the Directors to fix their remuneration.

NOTICE OF FOURTH ANNUAL GENERAL MEETING (CONT'D)

Special Business

17. **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 AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

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 4th AGM

18. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of 4th AGM will be put to vote by poll.

STATEMENT ACCOMPANYING NOTICE OF 4th AGM

(Pursuant to Paragraph 8.27 of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

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 4th AGM.



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

PROXY FORM

Number of shares held	
CDS account number	

I/We _____ NRIC/Passport/Company No _____
(Full name in block)
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 Fourth Annual General Meeting ("4th AGM") 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 Wednesday, 15 January 2025 at 10.30 a.m. or and at any adjournment thereof, on the following resolutions referred to in the notice of 4th AGM. 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 RM200,000.00 to the Non-Executive Directors for the period from 16 January 2025 until the conclusion of the next AGM of the Company to be held in 2026.		
2.	To re-elect Mr. Lim Taw Seong as Director of the Company.		
3.	To re-elect Mr. Lee Yee Wooi 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 appointment 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 authorised 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/her 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 11th 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 bsr_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 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.

- 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 Monday, **13 January 2025 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 following manner if the Proxy Form has not been lodged at the office of the Share Registrar earlier:
 - 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 **31 December 2024** shall be entitled to attend this 4th 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 4th AGM, and any adjournment thereof.



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Affix
Stamp

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.

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

ADMINISTRATIVE GUIDE

FOR THE FOURTH ANNUAL GENERAL MEETING (“4TH AGM”)

Dear Shareholders

Greeting from UMEDIC GROUP BERHAD

(A) Details of the 4th AGM

Date : Wednesday, 15 January 2025

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 Wednesday, 15 January 2025.
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 31 December 2024 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 or by fax +603-7890 4670. We do not acknowledge receipt of the form(s) of proxy.



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

ADMINISTRATIVE GUIDE

FOR THE FOURTH ANNUAL GENERAL MEETING (“4TH AGM”) (CONT'D)

(D) Proxy (CONT'D)

- 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 which is free and available to all individual shareholders. For further information, kindly refer to Table 1 below for proxy appointment via BSIP.

Table 1 – Proxy Appointment via Boardroom Smart Investor Portal

<p>Step 1 -</p> <p>Register Online with Boardroom Smart Investor Portal</p> <p>(For first time registration only)</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"> Access the website https://investor.boardroomlimited.com Click "Register" to sign up as a user. Complete registration with all the required information. Upload and attach a softcopy of your Identity Card (NRIC) (front and back) or Passport. Click "Register". You will receive an email from BSIP Online for email address verification. Click on "Verify Email Address" from the email received to continue with the registration. Once your email address is verified, you will be re-direct to BSIP Online for verification of mobile number. Click on "Request OTP Code" and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click "Enter" to complete the process. Once your mobile number is verified, registration of your new BSIP account will be pending for final verification. 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 https://investor.boardroomlimited.com with the email address and password filled up by you during the registration to proceed.
<p>Step 2 -</p> <p>Appointment of Proxy</p>	<ul style="list-style-type: none"> Login to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. Click "Meeting Event" and select from the list of companies "FOURTH (4TH) UMediC Group Berhad" and click "Enter". Click "Submit eProxy Form". Read and accept the General Terms and Conditions and enter your CDS account number. Select your proxy — either the Chairman of the meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies). Indicate your voting instructions — FOR or AGAINST or ABSTAIN. If you wish to have your proxy(ies) to act upon his/her discretion, please indicate DISCRETIONARY. Review and confirm your proxy appointment. Click "Apply". Download or print the eProxy Form as acknowledgement. <p>Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee</p> <ol style="list-style-type: none"> Write in to bsr.helpdesk@boardroomlimited.com 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 13 January 2025 at 10:30 a.m. 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.

- 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.



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

ADMINISTRATIVE GUIDE FOR THE FOURTH ANNUAL GENERAL MEETING (“4TH AGM”) (CONT'D)

(E) Poll Voting

1. In accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the voting at the 4th 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 4th AGM Attendees before the commencement of and during the voting process.
3. Upon completion of the voting session for the 4th AGM, the Scrutineers will verify and announce the poll results followed by the Chairman’s declaration of whether the resolutions are duly passed.

(F) Annual Report 2024

1. The Company’s Annual Report 2024, 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 2024, 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 2024. We would appreciate your support by joining us to promote “Act Green” initiative to achieve environmentally responsible and paperless.

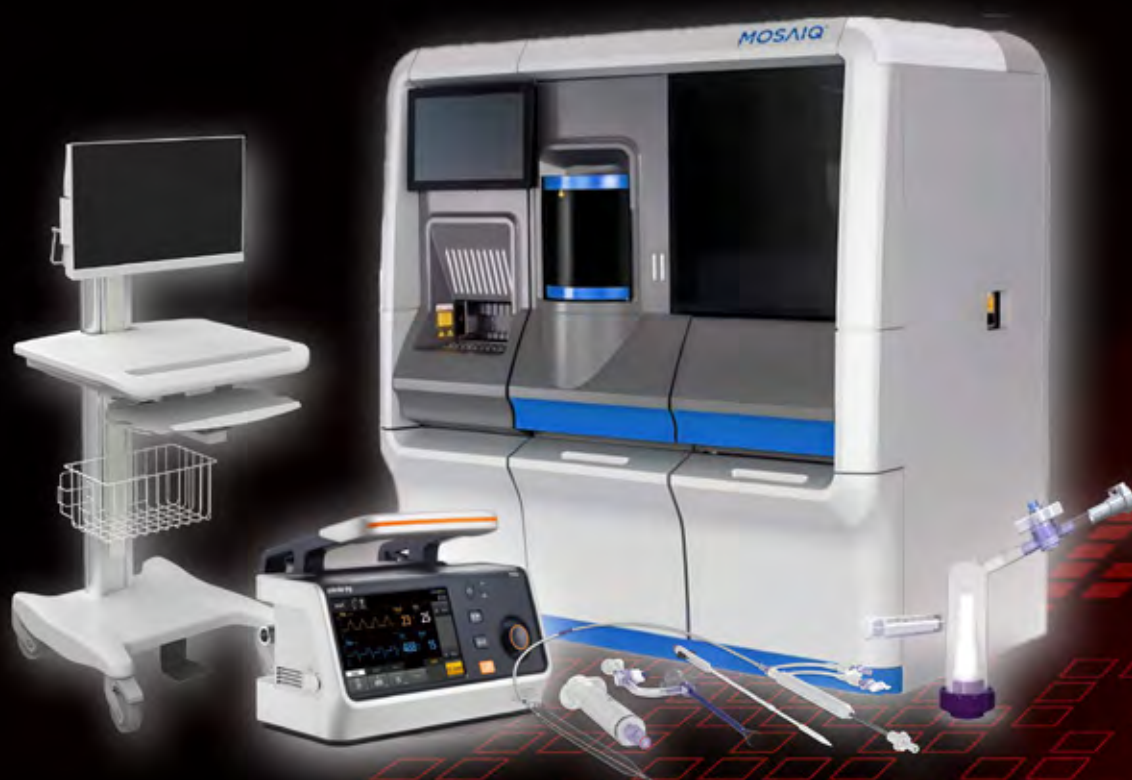
(G) Enquiry

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 / 4711
	Fax No.	+603-7890 4670
	Email Add	bsr.helpdesk@boardroomlimited.com
	Contact Person:	EN. MUHAMMAD FARHAN

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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Taman Perindustrian Batu Kawan,
14110 Bandar Cassia, Penang.

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info@umedichealthcare.com
www.umedic.com.my