

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION

#### 9.1 Combined/Consolidated Statements of Financial Position

The audited combined statements of financial position as at 31 July 2019, 31 July 2020, 31 July 2021 and consolidated statements of financial position as at 31 January 2022 are set out below:

	Section	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9.5	20,149,818	20,331,930	7,122,864	1,321,281
Right-of-use assets	9.6	6,186,644	6,274,730	6,017,186	5,586,121
Investment in an associate	9.8	-	-	-	52,543
		26,336,462	26,606,660	13,140,050	6,959,945
<b>Current assets</b>					
Inventories	9.9	8,602,999	10,116,431	5,590,334	3,708,359
Trade and other receivables	9.10	7,838,525	10,065,770	7,557,956	3,301,562
Current tax assets		513,473	375,419	89,957	117,285
Cash and bank balances	9.11	5,608,573	2,761,335	3,500,606	1,535,495
		22,563,570	23,318,955	16,738,853	8,662,701
<b>TOTAL ASSETS</b>		<b>48,900,032</b>	<b>49,925,615</b>	<b>29,878,903</b>	<b>15,622,646</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to the owners of parent/common controlling shareholders of the combining entities</b>					
Share capital/ Invested equity*	9.12	13,834,286	6,907,501	2,887,500	2,687,500
Reserves	9.13	6,476,282	8,831,074	3,744,380	2,590,835
<b>TOTAL EQUITY</b>		<b>20,310,568</b>	<b>15,738,575</b>	<b>6,631,880</b>	<b>5,278,335</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	9.14	13,498,126	14,155,567	10,186,181	1,638,060
Lease liabilities	9.6	688,317	828,358	512,105	224,363
Government grant	9.17	441,667	135,000	-	-
Deferred tax liabilities	9.18	113,421	130,687	29,300	88,900
		14,741,531	15,249,612	10,727,586	1,951,323

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad*  
*Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.1 Combined/Consolidated Statements of Financial Position (continued)**

The audited combined statements of financial position as at 31 July 2019, 31 July 2020, 31 July 2021 and consolidated statements of financial position as at 31 January 2022 are set out below (continued):

	Section	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
<b>Current liabilities</b>					
Trade and other payables	9.19	5,615,674	7,223,149	6,606,723	8,071,739
Borrowings	9.14	5,699,496	11,033,372	5,378,366	107,018
Lease liabilities	9.6	318,596	312,032	364,146	203,768
Government grant	9.17	50,000	15,000	-	-
Current tax liabilities		2,164,167	353,875	170,202	10,463
		13,847,933	18,937,428	12,519,437	8,392,988
<b>TOTAL LIABILITIES</b>		<b>28,589,464</b>	<b>34,187,040</b>	<b>23,247,023</b>	<b>10,344,311</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>48,900,032</b>	<b>49,925,615</b>	<b>29,878,903</b>	<b>15,622,646</b>

\*Number of ordinary shares on combined basis

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad*  
*Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.2 Combined/Consolidated Statements of Profit or Loss and Other Comprehensive Income**

The audited combined statements of profit or loss and other comprehensive income for the financial years ended 31 July 2019, 31 July 2020, 31 July 2021 and consolidated statements of profit or loss and other comprehensive income for the financial period ended 31 January 2022 are set out below:

	Section	1.8.2021 to 31.1.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2019 to 31.7.2020 RM	1.8.2018 to 31.7.2019 RM
Revenue	9.21	36,855,262	34,115,959	23,675,991	16,422,381
Cost of sales		<u>(23,943,634)</u>	<u>(21,553,156)</u>	<u>(16,242,126)</u>	<u>(10,719,103)</u>
Gross profit		12,911,628	12,562,803	7,433,865	5,703,278
Other income		268,369	606,859	643,558	362,343
Net gains/(losses) on impairment of financial assets	9.10(g)	14,378	(1,325)	79,650	(156,915)
Marketing expenses		(390,892)	(265,887)	(449,097)	(460,924)
Administrative and other expenses		(5,624,407)	(5,617,846)	(4,216,928)	(3,651,527)
Finance costs	9.23	(467,110)	(731,086)	(445,627)	(163,379)
Share of loss of an associate, net of tax	9.8(d)	<u>-</u>	<u>-</u>	<u>(3,373)</u>	<u>(15,665)</u>
Profit before tax		6,711,966	6,553,518	3,042,048	1,617,211
Tax expense	9.24	<u>(2,140,003)</u>	<u>(1,466,824)</u>	<u>(623,503)</u>	<u>(298,466)</u>
Profit for the financial period/years		<u>4,571,963</u>	<u>5,086,694</u>	<u>2,418,545</u>	<u>1,318,745</u>
Profit attributable to: Owners of the parent/ Common controlling shareholders of the combining entities		<u>4,571,963</u>	<u>5,086,694</u>	<u>2,418,545</u>	<u>1,318,745</u>
Other comprehensive income, net of tax		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the financial period/ years		<u>4,571,963</u>	<u>5,086,694</u>	<u>2,418,545</u>	<u>1,318,745</u>

---

**12. ACCOUNTANTS' REPORT (CONT'D)**


---

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.2 Combined/Consolidated Statements of Profit or Loss and Other Comprehensive Income (continued)**

The audited combined statements of profit or loss and other comprehensive income for the financial years ended 31 July 2019, 31 July 2020, 31 July 2021 and consolidated statements of profit or loss and other comprehensive income for the financial period ended 31 January 2022 are set out below (continued):

	1.8.2021 to 31.1.2022	1.8.2020 to 31.7.2021	1.8.2019 to 31.7.2020	1.8.2018 to 31.7.2019
Section	RM	RM	RM	RM
Total comprehensive income attributable to:				
Owners of the parent/ Common controlling shareholders of the combining entities	4,571,963	5,086,694	2,418,545	1,318,745
Earnings per share attributable to:				
Owners of the parent/ Common controlling shareholders of the combining entities				
Basic and diluted (sen)	9.26	1.22	1.36	0.65
	<u>1.22</u>	<u>1.36</u>	<u>0.65</u>	<u>0.35</u>

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad  
Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.3 Combined/Consolidated Statements of Changes in Equity

The audited combined statements of changes in equity for the financial years ended 31 July 2019, 31 July 2020, 31 July 2021 and consolidated statement of changes in equity for the financial period from 1 August 2021 to 31 January 2022 are set out below:

	Section	Invested equity RM	Retained earnings RM	Total equity RM
Balance as at 1 August 2018		687,500	2,772,090	3,459,590
Profit for the financial year		-	1,318,745	1,318,745
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	1,318,745	1,318,745
<u>Transactions with common controlling shareholders of the combining entities</u>				
Issuance of ordinary shares	9.12(d)(i)	800,000	-	800,000
Bonus issue of ordinary shares	9.12(d)(ii)	1,200,000	(1,200,000)	-
Dividend paid	9.25	-	(300,000)	(300,000)
Total transactions with common controlling shareholders of the combining entities		2,000,000	(1,500,000)	500,000
Balance as at 31 July 2019		2,687,500	2,590,835	5,278,335

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**

**9.3 Combined/Consolidated Statements of Changes in Equity (continued)**

The audited combined statements of changes in equity for the financial years ended 31 July 2019, 31 July 2020, 31 July 2021 and consolidated statement of changes in equity for the financial period from 1 August 2021 to 31 January 2022 are set out below (continued):

	Section	Invested equity RM	Retained earnings RM	Total equity RM
Balance as at 1 August 2019		2,687,500	2,590,835	5,278,335
Profit for the financial year		-	2,418,545	2,418,545
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	2,418,545	2,418,545
<u>Transactions with common controlling shareholders of the combining entities</u>				
Issuance of ordinary shares	9.12(c)	200,000	-	200,000
Dividends paid	9.25	-	(1,265,000)	(1,265,000)
Total transactions with common controlling shareholders of the combining entities		200,000	(1,265,000)	(1,065,000)
Balance as at 31 July 2020		2,887,500	3,744,380	6,631,880

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**

**9.3 Combined/Consolidated Statements of Changes in Equity (continued)**

The audited combined statements of changes in equity for the financial years ended 31 July 2019, 31 July 2020, 31 July 2021 and consolidated statement of changes in equity for the financial period from 1 August 2021 to 31 January 2022 are set out below (continued):

Section	Invested equity RM	Retained earnings RM	Total equity RM
Balance as at 1 August 2020	2,887,500	3,744,380	6,631,880
Profit for the financial year	-	5,086,694	5,086,694
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	5,086,694	5,086,694
<u>Transaction with common controlling shareholders of the combining entities</u>			
Issuance of ordinary shares	4,020,001	-	4,020,001
Total transaction with common controlling shareholders of the combining entities	4,020,001	-	4,020,001
Balance as at 31 July 2021	6,907,501	8,831,074	15,738,575

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.3 Combined/Consolidated Statements of Changes in Equity (continued)**

The audited combined statements of changes in equity for the financial years ended 31 July 2019, 31 July 2020, 31 July 2021 and consolidated statement of changes in equity for the financial period from 1 August 2021 to 31 January 2022 are set out below (continued):

Section	Share capital RM	Reorganisation debit reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 August 2021	6,907,501	-	8,831,074	15,738,575
Profit for the financial period	-	-	4,571,963	4,571,963
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	4,571,963	4,571,963
<u>Transactions with owners</u>				
Issuance of ordinary shares	30	-	-	30
Acquisition of subsidiaries in business combination under common control	6,926,755	(6,851,755)	-	75,000
Dividend paid	-	-	(75,000)	(75,000)
Total transactions with owners	6,926,785	(6,851,755)	(75,000)	30
Balance as at 31 January 2022	13,834,286	(6,851,755)	13,328,037	20,310,568



**12. ACCOUNTANTS' REPORT (CONT'D)**

 UMediC Group Berhad  
 Accountants' Report

**9. HISTORICAL FINANCIAL INFORMATION (continued)**
**9.4 Combined/Consolidated Statements of Cash Flows**

The audited combined statements of cash flows for the financial years ended 31 July 2019, 31 July 2020, 31 July 2021 and consolidated statements of cash flows for the financial period from 1 August 2021 to 31 January 2022 are set out below:

Section	1.8.2021 to 31.1.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2019 to 31.7.2020 RM	1.8.2018 to 31.7.2019 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax	6,711,966	6,553,518	3,042,048	1,617,211
Adjustments for:				
Depreciation of property, plant and equipment	9.5 713,132	525,701	192,832	162,156
Depreciation of right-of-use assets	9.6 110,913	322,401	504,891	169,579
Amortisation of government grant	9.17 (8,333)	-	-	-
Finance costs	9.23 467,110	731,086	445,627	163,379
Impairment losses on trade receivables	9.10(g) -	1,325	-	156,915
Interest income	(48,607)	(37,263)	(31,915)	(30,889)
Strike off of investment in an associate	9.8(b) -	-	418	-
Lease concessions	9.6 -	(14,850)	(1,799)	-
(Gain)/Loss on disposal of property, plant and equipment	(2,124)	2,465	-	-
Gain on lease terminations	(368)	-	-	-
Right-of-use assets written off	-	3	-	-
Property, plant and equipment written off	-	258	5,012	-
Reversal of impairment loss on trade receivables	9.10(g) (14,378)	-	(79,650)	-
Share of loss of an associate, net of tax	9.8(d) -	-	3,373	15,665
Unrealised loss/(gain) on foreign exchange	7,258	(10,667)	(120,564)	(94,059)
Operating profit before changes in working capital	7,936,569	8,073,977	3,960,273	2,159,957
Decrease/(Increase) in inventories	1,513,432	(4,526,097)	(1,881,975)	(69,884)
Decrease/(Increase) in trade and other receivables	2,244,534	(2,486,560)	(4,062,383)	(1,178,048)
(Decrease)/Increase in trade and other payables	(1,605,984)	4,018,914	(1,462,739)	5,799,257
Cash generated from/(used in) operations carried forward	10,088,551	5,080,234	(3,446,824)	6,711,282

**12. ACCOUNTANTS' REPORT (CONT'D)***UMediC Group Berhad  
Accountants' Report***9. HISTORICAL FINANCIAL INFORMATION (continued)****9.4 Combined/Consolidated Statements of Cash Flows (continued)**

The audited combined statements of cash flows for the financial years ended 31 July 2019, 31 July 2020, 31 July 2021 and consolidated statements of cash flows for the financial period from 1 August 2021 to 31 January 2022 are set out below (continued):

	Section	1.8.2021 to 31.1.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2019 to 31.7.2020 RM	1.8.2018 to 31.7.2019 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES (continued)</b>					
Cash generated from/(used in) operations brought forward		10,088,551	5,080,234	(3,446,824)	6,711,282
Interest received		48,607	37,263	31,915	30,889
Tax paid		(485,031)	(1,485,742)	(591,102)	(465,590)
Tax refunded		-	18,516	95,066	390,917
Net cash from/(used in) operating activities		<u>9,652,127</u>	<u>3,650,271</u>	<u>(3,910,945)</u>	<u>6,667,498</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment	9.5(b)	(560,896)	(9,351,901)	(1,152,517)	(411,922)
Proceeds from refinancing of right-of-use assets transferred from plant and equipment/(Purchase of right-of-use assets)	9.6(b)	-	22,782	171,597	(5,110,887)
Proceeds from disposal of property, plant and equipment		32,000	66,800	-	-
Dividend received from an associate		-	-	48,752	-
Net cash used in investing activities		<u>(528,896)</u>	<u>(9,262,319)</u>	<u>(932,168)</u>	<u>(5,522,809)</u>

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**
**9.4 Combined/Consolidated Statements of Cash Flows (continued)**

The audited combined statements of cash flows for the financial years ended 31 July 2019, 31 July 2020, 31 July 2021 and consolidated statements of cash flows for the financial period from 1 August 2021 to 31 January 2022 are set out below (continued):

	Section	1.8.2021 to 31.1.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2019 to 31.7.2020 RM	1.8.2018 to 31.7.2019 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES (continued)</b>					
Dividends paid	9.25	-	-	(1,265,000)	(300,000)
Drawdown of bankers' acceptances		3,950,000	9,450,000	4,525,000	-
Repayment of banker's acceptance		(9,450,000)	(4,525,000)	-	-
Drawdown of term loan		283,209	1,000,000	6,370,230	-
Repayment of term loans		(774,526)	(651,069)	(2,092,689)	(43,681)
Interest paid		(436,310)	(673,084)	(392,178)	(140,013)
Payment of lease liabilities	9.6	(186,736)	(483,671)	(541,065)	(209,834)
Proceeds from issuance of shares		30	600,001	200,000	-
Government grant received		350,000	150,000	-	-
Net cash (used in)/from financing activities		<u>(6,264,333)</u>	<u>4,867,177</u>	<u>6,804,298</u>	<u>(693,528)</u>
Net increase/(decrease) in cash and cash equivalents		2,858,898	(744,871)	1,961,185	451,161
Effect of foreign exchange rates changes		(11,660)	5,600	3,926	15,521
Cash and cash equivalents at beginning of financial period/years		<u>2,761,335</u>	<u>3,500,606</u>	<u>1,535,495</u>	<u>1,068,813</u>
Cash and cash equivalents at end of financial period/years	9.11	<u>5,608,573</u>	<u>2,761,335</u>	<u>3,500,606</u>	<u>1,535,495</u>

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.4 Combined/Consolidated Statements of Cash Flows (continued)

The audited combined statements of cash flows for the financial years ended 31 July 2019, 31 July 2020, 31 July 2021 and consolidated statements of cash flows for the financial period from 1 August 2021 to 31 January 2022 are set out below (continued):

#### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Section 9.6) RM	Bankers' acceptance (Section 9.14) RM	Term loans (Section 9.15) RM	Total RM
At 1 August 2021	1,140,390	9,450,000	15,738,939	26,329,329
Cash flows	(186,736)	(5,500,000)	(491,317)	(6,178,053)
Non-cash flows:				
- additions of lease liabilities	35,400	-	-	35,400
- termination	(12,941)	-	-	(12,941)
- unwinding of interest	30,800	-	-	30,800
	53,259	-	-	53,259
At 31 January 2022	1,006,913	3,950,000	15,247,622	20,204,535
At 1 August 2020	876,251	4,525,000	11,039,547	16,440,798
Cash flows	(483,671)	4,925,000	348,931	4,790,260
Non-cash flows:				
- additions of lease liabilities	704,658	-	-	704,658
- additions of property, plant and equipment	-	-	4,350,461	4,350,461
- unwinding of interest	58,002	-	-	58,002
- lease concession	(14,850)	-	-	(14,850)
	747,810	-	4,350,461	5,098,271
At 31 July 2021	1,140,390	9,450,000	15,738,939	26,329,329

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.4 Combined/Consolidated Statements of Cash Flows (continued)

The audited combined statements of cash flows for the financial years ended 31 July 2019, 31 July 2020, 31 July 2021 and consolidated statements of cash flows for the financial period from 1 August 2021 to 31 January 2022 are set out below (continued):

#### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

	Lease liabilities (Section 9.6) RM	Hire purchase creditors (Section 9.16) RM	Term loans (Section 9.15) RM	Total RM
At 1 August 2019	428,131	-	1,745,078	2,173,209
Cash flows	(541,065)	4,525,000	4,277,541	8,261,476
Non-cash flows:				
- additions of lease liabilities	937,535	-	-	937,535
- additions of property, plant and equipment	-	-	5,016,928	5,016,928
- unwinding of interest	53,449	-	-	53,449
- lease concession	(1,799)	-	-	(1,799)
	989,185	-	5,016,928	6,006,113
At 31 July 2020	876,251	4,525,000	11,039,547	16,440,798
At 1 August 2018	-	461,157	1,788,759	2,249,916
Effect of adoption of MFRSs	461,157	(461,157)	-	-
Cash flows	(209,834)	-	(43,681)	(253,515)
Non-cash flows:				
- additions of lease liabilities	153,442	-	-	153,442
- unwinding of interest	23,366	-	-	23,366
	176,808	-	-	176,808
At 31 July 2019	428,131	-	1,745,078	2,173,209

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**

**9.5 Property, plant and equipment**

31 January 2022	Leasehold building RM	Plant and machinery RM	Production equipment RM	Furniture, fitting, office equipment and computer system RM	Moulds and simulator RM	Tools and equipment RM	Quality assessment equipment RM	Renovation RM	Capital work-in- progress RM	Total RM
<b>At cost</b>										
Balance as at 1 August 2021	6,631,956	2,037,811	657,780	1,016,395	596,953	145,985	85,640	368,364	10,153,090	21,693,974
Additions	69,314	33,450	30,846	49,917	-	126,352	3,600	115,984	131,433	560,896
Disposals	-	(46,560)	-	-	-	-	-	-	-	(46,560)
Reclassification	-	8,592,279	-	107,096	-	-	-	-	(8,699,375)	-
Balance as at 31 January 2022	6,701,270	10,616,980	688,626	1,173,408	596,953	272,337	89,240	484,348	1,585,148	22,208,310
<b>Accumulated depreciation</b>										
Balance as at 1 August 2021	47,643	564,825	135,000	311,065	167,679	46,941	26,527	62,364	-	1,362,044
Current charge	57,272	458,739	33,657	75,205	28,896	13,571	4,371	41,421	-	713,132
Disposals	-	(16,684)	-	-	-	-	-	-	-	(16,684)
Balance as at 31 January 2022	104,915	1,006,880	168,657	386,270	196,575	60,512	30,898	103,785	-	2,058,492
<b>Carrying amount</b>										
Balance as at 31 January 2022	6,596,355	9,610,100	519,969	787,138	400,378	211,825	58,342	380,563	1,585,148	20,149,818

**12. ACCOUNTANTS' REPORT (CONT'D)****9. HISTORICAL FINANCIAL INFORMATION (continued)****9.5 Property, plant and equipment**

	Leasehold building RM	Plant and machinery RM	Production equipment RM	Furniture, fitting, office equipment and computer system RM	Moulds and simulator RM	Tools and equipment RM	Quality assessment equipment RM	Motor vehicles RM	Renovation RM	Capital work-in- progress RM	Total RM
<b>31 July 2021</b>											
<b>At cost</b>											
Balance as at 1 August 2020	-	1,245,833	282,593	530,048	234,800	128,739	73,856	93,000	127,906	5,159,253	7,876,028
Additions	-	611,745	199,420	313,912	362,153	17,246	11,784	-	327,477	11,858,625	13,702,362
Disposals	-	-	-	(10,989)	-	-	-	-	(87,019)	-	(98,008)
Written off	-	-	-	-	-	-	-	-	-	(258)	(258)
Reclassification	6,631,956	(76,767)	125,917	183,424	-	-	-	-	-	(6,864,530)	-
Transfer from^(to)* right-of-use assets (section 9.6)	-	257,000	49,850	-	-	-	-	(93,000)	-	-	213,850
<b>Balance as at 31 July 2021</b>	<b>6,631,956</b>	<b>2,037,811</b>	<b>657,780</b>	<b>1,016,395</b>	<b>596,953</b>	<b>145,985</b>	<b>85,640</b>	<b>-</b>	<b>368,364</b>	<b>10,153,090</b>	<b>21,693,974</b>
<b>Accumulated depreciation</b>											
Balance as at 1 August 2020	-	270,276	59,678	223,236	121,018	33,349	18,038	1,550	26,019	-	753,164
Current charge	47,643	196,922	59,477	95,285	46,661	13,592	8,489	-	57,632	-	525,701
Disposals	-	-	-	(7,456)	-	-	-	-	(21,287)	-	(28,743)
Reclassification	-	(891)	891	-	-	-	-	-	-	-	-
Transfer from^(to)* right-of-use assets (section 9.6)	-	98,518	14,954	-	-	-	-	(1,550)	-	-	111,922
<b>Balance as at 31 July 2021</b>	<b>47,643</b>	<b>564,825</b>	<b>135,000</b>	<b>311,065</b>	<b>167,679</b>	<b>46,941</b>	<b>26,527</b>	<b>-</b>	<b>62,364</b>	<b>-</b>	<b>1,362,044</b>
<b>Carrying amount</b>											
Balance as at 31 July 2021	6,584,313	1,472,986	522,780	705,330	429,274	99,044	59,113	-	306,000	10,153,090	20,331,930

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**

**9.5 Property, plant and equipment (continued)**

31 July 2020	Plant and machinery RM	Production equipment RM	Furniture, fitting, office equipment and computer system RM	Moulds and simulator RM	Tools and equipment RM	Quality assessment equipment RM	Motor vehicles RM	Renovation RM	Capital work-in- progress RM	Total RM
<b>At cost</b>										
Balance as at 1 August 2019	917,748	125,223	348,387	236,100	67,864	66,088	-	102,122	30,408	1,893,940
Additions	504,918	159,934	188,321	-	60,875	7,768	93,000	25,784	5,128,845	6,169,445
Transfer to right-of-use assets (Section 9.6)*	(172,353)	-	-	-	-	-	-	-	-	(172,353)
Written off	(4,480)	(2,564)	(6,660)	(1,300)	-	-	-	-	-	(15,004)
Balance as at 31 July 2020	<u>1,245,833</u>	<u>282,593</u>	<u>530,048</u>	<u>234,800</u>	<u>128,739</u>	<u>73,856</u>	<u>93,000</u>	<u>127,906</u>	<u>5,159,253</u>	<u>7,876,028</u>
<b>Accumulated depreciation</b>										
Balance as at 1 August 2019	191,686	44,787	188,415	100,368	21,490	11,073	-	14,840	-	572,659
Current charge	82,836	16,269	40,464	21,710	11,859	6,965	1,550	11,179	-	192,832
Transfer to right-of-use assets (Section 9.6)*	(2,335)	-	-	-	-	-	-	-	-	(2,335)
Written off	(1,911)	(1,378)	(5,643)	(1,060)	-	-	-	-	-	(9,992)
Balance as at 31 July 2020	<u>270,276</u>	<u>59,678</u>	<u>223,236</u>	<u>121,018</u>	<u>33,349</u>	<u>18,038</u>	<u>1,550</u>	<u>26,019</u>	<u>-</u>	<u>753,164</u>
<b>Carrying amount</b>										
Balance as at 31 July 2020	<u>975,557</u>	<u>222,915</u>	<u>306,812</u>	<u>113,782</u>	<u>95,390</u>	<u>55,818</u>	<u>91,450</u>	<u>101,887</u>	<u>5,159,253</u>	<u>7,122,864</u>



## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad  
Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.5 Property, plant and equipment (continued)

	Plant and machinery RM	Production equipment RM	Furniture, fitting, office equipment and computer system RM	Moulds and simulator RM	Tools and equipment RM	Quality assessment equipment RM	Motor vehicles RM	Renovation RM	Capital work-in- progress RM	Total RM
<b>31 July 2019</b>										
<b>At cost</b>										
Balance as at 1 August 2018	931,994	175,073	302,193	179,600	67,864	37,188	605,603	64,548	30,408	2,394,471
Effects of adoption of MFRSs	(257,000)	(49,850)	-	-	-	-	(605,603)	-	-	(912,453)
	674,994	125,223	302,193	179,600	67,864	37,188	-	64,548	30,408	1,482,018
Additions	242,754	-	46,194	56,500	-	28,900	-	37,574	-	411,922
Balance as at 31 July 2019	917,748	125,223	348,387	236,100	67,864	66,088	-	102,122	30,408	1,893,940
<b>Accumulated depreciation</b>										
Balance as at 1 August 2018	167,795	37,249	155,291	79,679	14,704	7,023	364,411	5,433	-	831,585
Effects of adoption of MFRSs	(47,117)	(9,554)	-	-	-	-	(364,411)	-	-	(421,082)
	120,678	27,695	155,291	79,679	14,704	7,023	-	5,433	-	410,503
Current charge	71,008	17,092	33,124	20,689	6,786	4,050	-	9,407	-	162,156
Balance as at 31 July 2019	191,686	44,787	188,415	100,368	21,490	11,073	-	14,840	-	572,659
<b>Carrying amount</b>										
Balance as at 31 July 2019	726,062	80,436	159,972	135,732	46,374	55,015	-	87,282	30,408	1,321,281

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

^ The assets previously acquired under hire purchase arrangements were reclassified from right-of-use assets as the lease liabilities for those assets have been fully settled during the reporting periods.

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad*  
*Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.5 Property, plant and equipment (continued)**

- (a) As at the end of the reporting period, the carrying amounts of the property, plant and equipment charged to bank for credit facilities granted to the Group as disclosed in Section 9.14 and Section 9.15 of this Report are as follows:

	31.1.2022	31.7.2021 RM	31.7.2020 RM
Leasehold building	6,596,355	6,584,313	-
Plant and machinery	5,391,352	-	-
Capital work-in-progress	770,642	5,000,000	5,070,903
	<u>12,758,349</u>	<u>11,584,313</u>	<u>5,070,903</u>

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

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
Purchase of property, plant and equipment	560,896	13,702,362	6,169,445	411,922
Financed by term loans	-	(4,350,461)	(5,016,928)	-
Cash payments on purchase of property, plant and equipment	<u>560,896</u>	<u>9,351,901</u>	<u>1,152,517</u>	<u>411,922</u>

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**

**9.6 Right-of-use assets and lease liabilities**

The Group as a lessee

**Right-of-use assets**

	Balance as at 1.8.2021	Additions	Terminations	Depreciation charge for the financial period	Balance as at 31.1.2022
	RM	RM	RM	RM	RM
<b>Carrying amount</b>					
Leasehold land	4,931,110	-	-	(42,631)	4,888,479
Offices	15,677	35,400	(12,573)	(11,925)	26,579
Plant and machinery	597,764	-	-	(37,051)	560,713
Computer software and hardware	66,707	-	-	(10,006)	56,701
Motor vehicles	72,850	-	-	(9,300)	63,550
Capital work-in-progress	590,622	-	-	-	590,622
	<b>6,274,730</b>	<b>35,400</b>	<b>(12,573)</b>	<b>(110,913)</b>	<b>6,186,644</b>

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**

**9.6 Right-of-use assets and lease liabilities (continued)**

The Group as a lessee (continued)

**Right-of-use assets (continued)**

	Balance as at 1.8.2020 RM	Additions RM	Transfer (to)^/from* property, plant and equipment (Section 9.5) RM	Depreciation charge for the financial year RM	Written off RM	Balance as at 31.7.2021 RM
<b>Carrying amount</b>						
Leasehold land	5,016,374	-	-	(85,264)	-	4,931,110
Factory	67,131	-	-	(67,131)	-	-
Offices	66,114	-	-	(50,437)	-	15,677
Plant and machinery	740,617	91,254	(158,482)	(75,625)	-	597,764
Production equipment	34,896	-	(34,896)	-	-	-
Computer software and hardware	86,719	-	-	(20,012)	-	66,707
Motor vehicles	5,335	-	91,450	(23,932)	(3)	72,850
Capital work-in-progress	-	590,622	-	-	-	590,622
	<u>6,017,186</u>	<u>681,876</u>	<u>(101,928)</u>	<u>(322,401)</u>	<u>(3)</u>	<u>6,274,730</u>

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**

**9.6 Right-of-use assets and lease liabilities (continued)**

The Group as a lessee (continued)

**Right-of-use assets (continued)**

Carrying amount	Balance as at 1.8.2019 RM	Additions RM	Transfer from* property, plant and equipment (Section 9.5) RM	Depreciation charge for the financial year RM	Balance as at 31.7.2020 RM
Leasehold land	5,101,638	-	-	(85,264)	5,016,374
Factory	-	182,213	-	(115,082)	67,131
Offices	-	154,710	-	(88,596)	66,114
Plant and machinery	324,530	328,955	170,018	(82,886)	740,617
Production equipment	39,881	-	-	(4,985)	34,896
Computer software and hardware	-	100,060	-	(13,341)	86,719
Motor vehicles	120,072	-	-	(114,737)	5,335
	<u>5,586,121</u>	<u>765,938</u>	<u>170,018</u>	<u>(504,891)</u>	<u>6,017,186</u>

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**

**9.6 Right-of-use assets and lease liabilities (continued)**

The Group as a lessee (continued)

**Right-of-use assets (continued)**

	Balance as at 1.8.2018 RM	Effects of adoption of MFRSs RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.7.2019 RM
<b>Carrying amount</b>					
Leasehold land	-	-	5,115,849	(14,211)	5,101,638
Plant and machinery	-	209,883	148,480	(33,833)	324,530
Production equipment	-	40,296	-	(415)	39,881
Motor vehicles	-	241,192	-	(121,120)	120,072
	-	491,371	5,264,329	(169,579)	5,586,121
	-	491,371	5,264,329	(169,579)	5,586,121

\* The assets previously acquired by cash were reclassified from property, plant and equipment as these assets have been refinanced under hire purchase arrangement during the reporting periods.

^ The assets previously acquired under hire purchase arrangements were reclassified to property, plant and equipment as the lease liabilities for those assets have been fully settled during the reporting periods.

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**

**9.6 Right-of-use assets and lease liabilities (continued)**

The Group as a lessee (continued)

**Lease liabilities**

	Balance as at 1.8.2021 RM	Additions RM	Terminations RM	Lease payments RM	Interest expense RM	Balance as at 31.1.2022 RM
<b>Carrying amount</b>						
Offices	16,120	35,400	(12,941)	(12,381)	613	26,811
Plant and machinery	504,582	-	-	(87,198)	14,229	431,613
Computer software and hardware	51,628	-	-	(17,119)	1,336	35,845
Motor vehicles	76,742	-	-	(10,788)	2,220	68,174
Capital work-in-progress	491,318	-	-	(59,250)	12,402	444,470
	<u>1,140,390</u>	<u>35,400</u>	<u>(12,941)</u>	<u>(186,736)</u>	<u>30,800</u>	<u>1,006,913</u>

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

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**

**9.6 Right-of-use assets and lease liabilities (continued)**

The Group as a lessee (continued)

**Lease liabilities (continued)**

	Balance as at 1.8.2019 RM	Additions RM	Lease payments RM	Interest expense RM	Lease concession RM	Balance as at 31.7.2020 RM
<b>Carrying amount</b>						
Factory	-	182,213	(118,800)	5,008	-	68,421
Offices	-	154,710	(89,301)	3,339	(1,799)	66,949
Plant and machinery	270,690	506,912	(195,052)	38,093	-	620,643
Production equipment	28,783	-	(11,640)	1,348	-	18,491
Computer software and hardware	-	93,700	(14,265)	2,296	-	81,731
Motor vehicles	128,658	-	(112,007)	3,365	-	20,016
	<u>428,131</u>	<u>937,535</u>	<u>(541,065)</u>	<u>53,449</u>	<u>(1,799)</u>	<u>876,251</u>
	Balance as at 1.8.2018 RM	Effects of adoption of MFRSs RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 31.7.2019 RM
<b>Carrying amount</b>						
Plant and machinery	-	182,105	153,442	(77,750)	12,893	270,690
Production equipment	-	38,463	-	(11,640)	1,960	28,783
Motor vehicles	-	240,589	-	(120,444)	8,513	128,658
	<u>-</u>	<u>461,157</u>	<u>153,442</u>	<u>(209,834)</u>	<u>23,366</u>	<u>428,131</u>



## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.6 Right-of-use assets and lease liabilities (continued)

The Group as lessee (continued)

##### Lease liabilities (continued)

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
Represented by:				
Current liabilities	318,596	312,032	364,146	203,768
Non-current liabilities	688,317	828,358	512,105	224,363
	<u>1,006,913</u>	<u>1,140,390</u>	<u>876,251</u>	<u>428,131</u>
Lease liabilities owing to financial institutions	980,102	1,124,270	740,881	428,131
Lease liabilities owing to non-financial institutions	26,811	16,120	135,370	-
	<u>1,006,913</u>	<u>1,140,390</u>	<u>876,251</u>	<u>428,131</u>

- (a) As at the end of the reporting period, the carrying amounts of the right-of-use asset charged to bank for credit facilities granted to the Group as disclosed in Section 9.14 and Section 9.15 of this Report is as follow:

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
Leasehold land	<u>4,888,479</u>	<u>4,931,110</u>	<u>5,016,374</u>	<u>5,101,638</u>

- (b) As at the end of the reporting period, the Group made the following cash payments to purchase right-of-use assets:

	1.8.2021 to 31.1.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2019 to 31.7.2020 RM	1.8.2018 to 31.7.2019 RM
Purchase of right-of-use assets	35,400	681,876	765,938	5,264,329
Financed by lease liabilities (Proceeds from refinancing of right-of-use assets transferred from plant and equipment)/cash payments on purchase of right-of-use assets	<u>(35,400)</u>	<u>(704,658)</u>	<u>(937,535)</u>	<u>(153,442)</u>
	<u>-</u>	<u>(22,782)</u>	<u>(171,597)</u>	<u>5,110,887</u>

- (c) The Group has certain leases of factory and hostels with lease terms of twelve (12) months or less and low-value asset of RM20,000 and below. The Group applies the "short term leases" and "low-value asset" exemptions for those leases.

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.6 Right-of-use assets and lease liabilities (continued)

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

	1.8.2021 to 31.1.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2019 to 31.7.2020 RM	1.8.2018 to 31.7.2019 RM
Depreciation charge of right-of-use assets				
- included in cost of sales	37,052	142,755	202,953	-
- included in administrative and other expenses	73,861	179,646	301,938	169,579
Interest expense on lease liabilities				
- included in finance costs	30,800	58,002	53,449	23,366
Expense relating to short-term leases				
- included in cost of sales	-	9,400	69,600	188,400
- included in administrative and other expenses	11,171	24,810	47,150	103,660
Expense relating to leases of low-value assets				
- included in cost of sales	2,649	443	348	288
- included in administrative and other expenses	13,478	36,794	11,442	3,200
Variable lease payments included in other income arising from COVID-19-related rent concessions	-	(14,850)	(1,799)	-
Gain on lease termination	(368)	-	-	-
	<u>168,643</u>	<u>437,000</u>	<u>685,081</u>	<u>488,493</u>

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

	1.8.2021 to 31.1.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2019 to 31.7.2020 RM	1.8.2018 to 31.7.2019 RM
Included in net cash from operating activities:				
Payment relating to low-value assets and short-term leases	27,298	71,447	128,540	295,548
Included in net cash from investing activities:				
(Proceeds from refinancing of right-of-use assets transferred from plant and equipment)/Purchase of right-of-use assets	-	(22,782)	(171,597)	5,110,887
Included in net cash from financing activities:				
Payment of lease liabilities	<u>186,736</u>	<u>483,671</u>	<u>541,065</u>	<u>209,834</u>
Total cash outflows for leases	<u>214,034</u>	<u>532,336</u>	<u>498,008</u>	<u>5,616,269</u>

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.6 Right-of-use assets and lease liabilities (continued)

- (f) The Group leases several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing those assets used in the Group's operations.

There is no potential future rental payments that are not included in the lease terms.

- (g) Information on maturity profile of the lease liabilities is disclosed in Section 9.30 of the Report.

#### 9.7 Subsidiaries/Combining entities

- (a) Details of subsidiaries/combining entities are as follows:

Name of combining entities	Country of incorporation /Principal place of business	Effective interest in equity				Principal activities
		31.1.2022 %	31.7.2021 %	31.7.2020 %	31.7.2019 %	
Actimed	Malaysia	100 <sup>(i)</sup>	100	100	100	Marketing and distribution of medical devices
Evo Medik	Malaysia	100 <sup>(ii)</sup>	100	100	100	Marketing and distribution of medical devices
U Medihealth	Malaysia	100 <sup>(iii)</sup>	100	100	100	Marketing and distribution of medical devices
UMediC	Malaysia	100 <sup>(iv)</sup>	100	100	100	Marketing and distribution of medical devices as well as the provision of after-sales services
UWHC	Malaysia	100 <sup>(v)</sup>	100	100	100	Holding of intellectual property rights
UWHM	Malaysia	100 <sup>(vi)</sup>	100	100	100	Developing, manufacturing and marketing of medical devices

- (i) The Company acquired entire issued share capital of Actimed, for a purchase consideration of RM1,498,520 which was satisfied via the issuance of 29,970,400 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards Actimed as its wholly-owned subsidiary.

---

**12. ACCOUNTANTS' REPORT (CONT'D)**

---

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.7 Subsidiaries/Combining entities (continued)**

(a) Details of subsidiaries/combining entities are as follows (continued):

- (ii) The Company acquired entire issued share capital of Evo Medik, for a purchase consideration of RM1,210,470 which was satisfied via the issuance of 24,209,400 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards Evo Medik as its wholly-owned subsidiary.
  - (iii) The Company acquired entire issued share capital of U Medihealth, for a purchase consideration of RM160,835 which was satisfied via the issuance of 3,216,700 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards U Medihealth as its wholly-owned subsidiary.
  - (iv) The Company acquired entire issued share capital of UMediC, for a purchase consideration of RM6,098,815 which was satisfied via the issuance of 121,976,300 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards UMediC as its wholly-owned subsidiary.
  - (v) The Company acquired entire issued share capital of UWHC, for a purchase consideration of RM46,315 which was satisfied via the issuance of 926,300 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards UWHC as its wholly-owned subsidiary.
  - (vi) The Company acquired entire issued share capital of UWHM, for a purchase consideration of RM4,819,300 which was satisfied via the issuance of 96,386,000 new ordinary shares in the capital of the Company at an issue price of RM0.05 per share. The acquisition was completed on 28 September 2021. Following this, the Company regards UWHM as its wholly-owned subsidiary.
- (b) Business combinations under common control that were undertaken during the financial period are disclosed in Section 7.1.1 of this Report.

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

## 9. HISTORICAL FINANCIAL INFORMATION (continued)

## 9.8 Investment in an associate

	31.7.2020 RM	31.7.2019 RM
Unquoted shares, at cost	-	500
Share of post-acquisition reserves	-	52,043
	<u>-</u>	<u>52,543</u>

(a) Details of the associate, which is incorporated in and having the principal place of business in Malaysia, are as follows:

Name of associate	Country of incorporation /Principal place of business	Effective interest in equity		Principal activities
		31.7.2020 %	31.7.2019 %	
Medik Healthcare Sdn. Bhd.	Malaysia	0	50	Trading in medical products

(b) On 24 June 2020, UMediC has strike off its 50% shareholding owned in Medik Healthcare Sdn. Bhd.. The strike off was completed on 23 October 2020.

The strike-off of Medik Healthcare Sdn. Bhd. was as follows:

	31.7.2020 RM
Cost of investment	500
Add: Share of post-acquisition reserves, net of dividend received	<u>(82)</u>
Strike-off of investment in an associate	<u>418</u>

(c) The Group does not have any associate, which is individually material to the Group for financial years ended 31 July 2019 and 31 July 2020.

(d) Set out below is the financial information of an immaterial associate.

	31.7.2020 RM	31.7.2019 RM
Carrying amount of interests in an associate	<u>-</u>	<u>52,543</u>
<b>Share of results for the financial years</b>		
Share of loss	(3,373)	(15,665)
Share of other comprehensive loss	-	-
Share of total comprehensive loss	<u>(3,373)</u>	<u>(15,665)</u>
<b>Other information</b>		
Dividend received	<u>48,752</u>	<u>-</u>

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.9 Inventories

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
<b>At cost</b>				
Raw materials	1,102,962	674,293	617,716	187,639
Work-in-progress	-	-	53,883	115,814
Finished goods	7,500,037	9,442,138	4,918,735	3,404,906
	<u>8,602,999</u>	<u>10,116,431</u>	<u>5,590,334</u>	<u>3,708,359</u>

As at 31 January 2022, inventories recognised as cost of sales amounted to RM20,856,333 (31 July 2021: RM18,377,315; 31 July 2020: RM13,218,166; 31 July 2019: RM8,998,721).

#### 9.10 Trade and other receivables

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
<b>Trade receivables</b>				
Third parties	6,996,827	9,549,911	3,890,697	2,785,577
Amounts owing by related parties	-	47,269	15,798	58,421
	6,996,827	9,597,180	3,906,495	2,843,998
Less: Allowance for impairment loss	(66,522)	(80,900)	(79,575)	(159,225)
	6,930,305	9,516,280	3,826,920	2,684,773
<b>Other receivables</b>				
Third parties	343,005	355,091	357,856	446,164
Amounts owing by related parties	-	-	27,841	63,752
Amounts owing by Directors	-	-	8,617	67,697
	343,005	355,091	394,314	577,613
<b>Deposits and prepayments</b>				
Deposits	460,614	104,467	28,417	27,140
Prepayments	104,601	89,932	3,308,305	12,036
	565,215	194,399	3,336,722	39,176
	<u>7,838,525</u>	<u>10,065,770</u>	<u>7,557,956</u>	<u>3,301,562</u>

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 90 days (31 July 2021: 30 to 90 days; 31 July 2020: 30 to 90 days; 31 July 2019: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (b) Amounts owing by related parties (non-trade) and amounts owing by Directors are unsecured, interest-free and payable within twelve (12) months or upon demand in cash and cash equivalents.
- (c) The related parties are companies incorporated in Malaysia in which the Directors have significant and controlling financial interest.
- (d) Included in the prepayments in 31 July 2020 was a total sum of RM3,306,157 paid in respect to the acquisition of plant and equipment.

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad*  
*Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.10 Trade and other receivables (continued)

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

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
Ringgit Malaysia ("RM")	6,639,239	9,081,991	4,342,526	2,892,658
United States Dollar ("USD")	1,199,286	983,779	614,479	393,666
EURO	-	-	2,364,811	-
Others	-	-	236,140	15,238
	<u>7,838,525</u>	<u>10,065,770</u>	<u>7,557,956</u>	<u>3,301,562</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.

The Group believes that the financial impacts to the forward-looking information are inconsequential for the purpose of impairment calculation of trade receivables due to their relatively short-term nature.

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.

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.10 Trade and other receivables (continued)

(f) (continued)

Lifetime expected loss provision for trade receivables of the Group are as follows:

	Trade receivables - days past due				Credit impaired	Total
	Not past due	1 - 60 days past due	61 - 120 days past due	>120 days past due		
<b>As at 31 January 2022</b>						
ECL rate (%)	0.09%	0.23%	0.38%	7.90%	9.85%	
Trade receivables, gross (RM)	2,027,502	1,656,501	2,754,578	235,047	323,199	6,996,827
Lifetime ECL allowance (RM)	(1,807)	(3,877)	(10,418)	(18,571)	-	(34,673)
Credit impaired (RM)	-	-	-	-	(31,849)	(31,849)
Trade receivables, net (RM)	<u>2,025,695</u>	<u>1,652,624</u>	<u>2,744,160</u>	<u>216,476</u>	<u>291,350</u>	<u>6,930,305</u>
<b>As at 31 July 2021</b>						
ECL rate (%)	0.15%	0.64%	1.67%	8.79%	10.96%	
Trade receivables, gross (RM)	6,163,911	2,640,159	222,940	535,996	34,174	9,597,180
Lifetime ECL allowance (RM)	(9,317)	(17,019)	(3,729)	(47,090)	-	(77,155)
Credit impaired (RM)	-	-	-	-	(3,745)	(3,745)
Trade receivables, net (RM)	<u>6,154,594</u>	<u>2,623,140</u>	<u>219,211</u>	<u>488,906</u>	<u>30,429</u>	<u>9,516,280</u>



## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.10 Trade and other receivables (continued)

(f) (continued)

Lifetime expected loss provision for trade receivables of the Group are as follows (continued):

	Trade receivables - days past due				Credit impaired	Total
	Not past due	1 - 60 days past due	61 - 120 days past due	>120 days past due		
<b>As at 31 July 2020</b>						
ECL rate (%)	0.29%	0.71%	4.29%	6.08%	9.81%	
Trade receivables, gross (RM)	1,574,078	1,403,686	361,227	161,784	405,720	3,906,495
Lifetime ECL allowance (RM)	(4,529)	(9,948)	(15,481)	(9,832)	-	(39,790)
Credit impaired (RM)	-	-	-	-	(39,785)	(39,785)
Trade receivables, net (RM)	<u>1,569,549</u>	<u>1,393,738</u>	<u>345,746</u>	<u>151,952</u>	<u>365,935</u>	<u>3,826,920</u>
<b>As at 31 July 2019</b>						
ECL rate (%)	0.83%	3.08%	6.11%	22.59%	28.31%	
Trade receivables, gross (RM)	1,402,039	455,193	552,702	403,949	30,115	2,843,998
Lifetime ECL allowance (RM)	(11,699)	(13,998)	(33,762)	(91,240)	-	(150,699)
Credit impaired (RM)	-	-	-	-	(8,526)	(8,526)
Trade receivables, net (RM)	<u>1,390,340</u>	<u>441,195</u>	<u>518,940</u>	<u>312,709</u>	<u>21,589</u>	<u>2,684,773</u>

The Group did not renegotiate the terms of any trade receivables for the financial years/period ended 31 July 2019, 31 July 2020 and 31 July 2021 and 31 January 2022.

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad*  
*Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.10 Trade and other receivables (continued)

(g) Movements in the impairment allowance for trade receivables based on the simplified approach are as follows:

	Lifetime ECL allowance RM	Credit impaired RM	Total RM
Balance as at 1 August 2021	77,155	3,745	80,900
(Reversal of impairment losses)/Charge for the financial period	(42,482)	28,104	(14,378)
Balance as at 31 January 2022	34,673	31,849	66,522
Balance as at 1 August 2020	39,790	39,785	79,575
Charge for the financial year/(Reversal of impairment losses)	37,365	(36,040)	1,325
Balance as at 31 July 2021	77,155	3,745	80,900
Balance as at 1 August 2019	150,699	8,526	159,225
(Reversal of impairment losses)/Charge for the financial year	(110,909)	31,259	(79,650)
Balance as at 31 July 2020	39,790	39,785	79,575
Balance as at 1 August 2018	2,310	-	2,310
Charge for the financial year	148,389	8,526	156,915
Balance as at 31 July 2019	150,699	8,526	159,225

Trade receivables that are individually determined to be impaired at the financial period/year end relate to trade receivables who are in significant financial difficulties and have defaulted in payments. The Group considers trade receivables to be in default when the trade receivables are more than 12 months past due.

(h) Impairment for other receivables, amounts owing by related parties (non-trade) and amounts owing by Directors are recognised based on the three-stage general approach within MFRS 9 using the forward-looking ECL model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) months ECL along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. As at the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime ECL along with interest income on a net basis are recognised.

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.10 Trade and other receivables (continued)**

(h) (continued)

The Group defined significant increase in credit risk based on payment trends and operational performance of other receivables.

No ECL is recognised arising from other receivables as it is negligible.

(i) Information on financial risks of trade and other receivables is disclosed in Section 9.30 of this Report.

**9.11 Cash and bank balances**

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
Cash and bank balances	<u>5,608,573</u>	<u>2,761,335</u>	<u>3,500,606</u>	<u>1,535,495</u>

(a) The currency exposure profile of cash and bank balances is as follows:

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
RM	5,398,801	2,677,912	3,429,775	1,415,547
USD	200,834	74,485	61,930	111,722
Others	<u>8,938</u>	<u>8,938</u>	<u>8,901</u>	<u>8,226</u>
	<u>5,608,573</u>	<u>2,761,335</u>	<u>3,500,606</u>	<u>1,535,495</u>

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

(c) Information on financial risks of cash and bank balances is disclosed in Section 9.30 of this Report.

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad*  
*Accountants' Report*

## 9. HISTORICAL FINANCIAL INFORMATION (continued)

## 9.12 Share capital/Invested equity

31 January 2022	Number of shares	RM
<b>Issued and fully paid-up with no par value:</b>		
Balance as at 1 August 2021	6,907,501	6,907,501
Issuance of ordinary shares	599	30
Effects of business combinations under common control:		
- Elimination of issued and paid up ordinary share capital of Actimed Healthcare Sdn. Bhd.	(10,000)	(10,000)
- Elimination of issued and paid up ordinary share capital of Evo Medik Sdn. Bhd.	(25,000)	(25,000)
- Elimination of issued and paid up ordinary share capital of U Medihealth Sdn. Bhd.	(2,500)	(2,500)
- Elimination of issued and paid up ordinary share capital of UMediC Healthcare Sdn. Bhd.	(2,400,000)	(2,400,000)
- Elimination of issued and paid up ordinary share capital of UWHC Sdn. Bhd.	(50,000)	(50,000)
- Elimination of issued and paid up ordinary share capital of UWHM Sdn. Bhd.	(4,420,000)	(4,420,000)
- Restated to the ordinary share capital of the Company	276,685,100	13,834,255
	<u>269,777,600</u>	<u>6,926,755</u>
Balance as at 31 January 2022	<u>276,685,700</u>	<u>13,834,286</u>
<b>31 July 2021</b>		
<b>Issued and fully paid-up with no par value:</b>		
As at 1 August 2020	2,887,500	2,887,500
Issuance of ordinary shares	4,020,001	4,020,001
As at 31 July 2021	<u>6,907,501</u>	<u>6,907,501</u>
<b>31 July 2020</b>		
<b>Issued and fully paid-up with no par value:</b>		
As at 1 August 2019	2,687,500	2,687,500
Issuance of ordinary shares	200,000	200,000
As at 31 July 2020	<u>2,887,500</u>	<u>2,887,500</u>
<b>31 July 2019</b>		
<b>Issued and fully paid-up with no par value</b>		
As at 1 August 2018	687,500	687,500
Issuance of ordinary shares	800,000	800,000
Bonus issue	1,200,000	1,200,000
As at 31 July 2019	<u>2,687,500</u>	<u>2,687,500</u>

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad  
Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.12 Share capital/Invested equity (continued)

- (a) During the financial period ended 31 January 2022, the issued and paid up share capital of the Company has been increased from RM1 to RM13,834,286 by way of issuance of 276,685,699 new ordinary shares pursuant to the following:
- (i) issuance of 276,685,100 new ordinary shares of RM0.05 pursuant to the acquisition of subsidiaries; and
  - (ii) allotment of 599 new ordinary shares issued at an issue price of RM0.05 each for cash.
- (b) During the financial year ended 31 July 2021, the issued and paid-up ordinary share capital of the Group was increased from RM2,887,500 to RM6,907,501 by way of issuance of 4,020,001 new ordinary shares pursuant to the following:
- (i) 600,001 new ordinary shares at RM1 per ordinary share for cash consideration; and
  - (ii) 3,420,000 new ordinary shares at RM1 per ordinary share by way of debit part of the amounts owing to Directors.
- (c) During the financial year ended 31 July 2020, the issued and paid-up ordinary share capital of the Group was increased from RM2,687,500 to RM2,887,500 by way of issuance of 200,000 new ordinary shares at RM1 per ordinary share for cash consideration.
- (d) During the financial year ended 31 July 2019, the issued and paid-up ordinary share capital of the Group was increased from RM687,500 to RM2,687,500 by way of issuance of 2,000,000 new ordinary shares pursuant to the following:
- (i) Issuance of 800,000 new ordinary shares at RM1 per ordinary share by way of debit part of the amounts owing to Directors; and
  - (ii) Bonus issue of 1,200,000 new ordinary shares to be credited as fully paid, on the basis of one (1) new ordinary share for every one (1) existing ordinary share held.
- (e) As at 31 July 2019, 31 July 2020 and 31 July 2021, the number of ordinary shares is on combined basis.
- (f) The owners of parent/common controlling shareholders of the combining entities are entitled to receive dividends as and when declared by the Group and are entitled to one (1) vote per ordinary share at meetings of the Group. All ordinary shares rank pari passu with regard to the residual assets of the Group.

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.13 Reserves

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
<b>Non-distributable:</b>				
Reorganisation debit reserve	(6,851,755)	-	-	-
<b>Distributable:</b>				
Retained earnings	13,328,037	8,831,074	3,744,380	2,590,835
	<u>6,476,282</u>	<u>8,831,074</u>	<u>3,744,380</u>	<u>2,590,835</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, Evo Medik, U Medihealth, UMediC, UWHC and UWHM pursuant to business combinations under common control.

#### 9.14 Borrowings

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
<b>Non-current liability:</b>				
Term loans (Section 9.15)	13,498,126	14,155,567	10,186,181	1,638,060
<b>Current liabilities</b>				
Bankers' acceptance	3,950,000	9,450,000	4,525,000	-
Term loans (Section 9.15)	1,749,496	1,583,372	853,366	107,018
	<u>5,699,496</u>	<u>11,033,372</u>	<u>5,378,366</u>	<u>107,018</u>
Total borrowings	<u>19,197,622</u>	<u>25,188,939</u>	<u>15,564,547</u>	<u>1,745,078</u>
Represented by:				
Bankers' acceptance	3,950,000	9,450,000	4,525,000	-
Term loans (Section 9.15)	15,247,622	15,738,939	11,039,547	1,745,078
	<u>19,197,622</u>	<u>25,188,939</u>	<u>15,564,547</u>	<u>1,745,078</u>

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad*  
*Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.14 Borrowings (continued)**

(a) The interest rates of the borrowings of the Group are as follows:

	<b>31.1.2022</b> RM	<b>31.7.2021</b> RM	<b>31.7.2020</b> RM	<b>31.7.2019</b> RM
Bankers' acceptance	1.92%-2.42%	1.92%-2.36%	2.49%-2.84%	Nil
Term loans	<u>3.36%-3.54%</u>	<u>3.50%-3.88%</u>	<u>3.50%-3.84%</u>	<u>4.52%</u>

(b) The bankers' acceptance are secured by the following:

- (i) legal charge over property, plant and equipment and right-of-use assets of the Group as disclosed in Section 9.5 and Section 9.6 of this Report;
- (ii) corporate guarantee by a subsidiary/combining entity and a related party of the Group;
- (iii) a guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad for RM800,000 as the facility is under Government Guarantee Scheme - Prihatin (GGS-Prihatin); and
- (iv) joint and several guarantee by certain Directors of the Group.

(c) Information on financial risks and remaining maturities of borrowings are disclosed in Section 9.30 of this Report.

**9.15 Term loans**

	<b>31.1.2022</b> RM	<b>31.7.2021</b> RM	<b>31.7.2020</b> RM	<b>31.7.2019</b> RM
<b>Secured</b>				
Term loans				
- non-current	13,498,126	14,155,567	10,186,181	1,638,060
- current	<u>1,749,496</u>	<u>1,583,372</u>	<u>853,366</u>	<u>107,018</u>
	<u>15,247,622</u>	<u>15,738,939</u>	<u>11,039,547</u>	<u>1,745,078</u>

The term loans of the Group are repayable as follows:

- not later than one (1) year	1,749,496	1,583,372	853,366	107,018
- later than one (1) year and not later than five (5) years	6,527,371	6,252,880	4,292,595	479,789
- later than five (5) years	<u>6,970,755</u>	<u>7,902,687</u>	<u>5,893,586</u>	<u>1,158,271</u>
	<u>15,247,622</u>	<u>15,738,939</u>	<u>11,039,547</u>	<u>1,745,078</u>

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.15 Term loans (continued)**

The term loans are secured by the following:

- (i) legal charge over property, plant and equipment and right-of-use assets of the Group as disclosed in Section 9.5 and Section 9.6 of this Report;
- (ii) legal charge over a piece of land of a related party of the Group;
- (iii) corporate guarantee by a subsidiary/combining entity and a related party of the Group;
- (iv) a guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad for RM800,000 as the facility is under Government Guarantee Scheme - Prihatin (GGs-Prihatin); and
- (v) joint and several guarantee by certain Directors of the Group.

**9.16 Hire purchase creditors**

Movement of hire purchase upon adoption of MFRSs is as follows:

	<b>31.7.2019</b>
	<b>RM</b>
At 1 August 2018, as previously reported	461,157
Effect of adoption of MFRSs	(461,157)
At 1 August 2018, as restated	-

**9.17 Government grant**

	<b>31.1.2022</b>	<b>31.7.2021</b>
	<b>RM</b>	<b>RM</b>
<b>At cost</b>		
Balance as at beginning of the financial period/year	150,000	-
Add: Grant received during the period/year	350,000	150,000
Less: Amortisation during the period/year	(8,333)	-
	491,667	150,000
Balance as at end of financial period/year		
Represented by:		
Non-current	441,667	135,000
Current	50,000	15,000
	491,667	150,000

The government grant was obtained by UWHM Sdn. Bhd. amounted to RM500,000 from the Malaysian Investment Development Authority ("MIDA").



## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad*  
*Accountants' Report*

## 9. HISTORICAL FINANCIAL INFORMATION (continued)

## 9.18 Deferred tax liabilities

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

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
Balance as at beginning of financial period/year	130,687	29,300	88,900	184,100
Recognised in the profit or loss (Section 9.24)	(131,266)	100,987	(1,900)	28,500
Underprovision in prior years	114,000	400	(57,700)	(123,700)
	(17,266)	101,387	(59,600)	(95,200)
Balance as at end of financial period/year	113,421	130,687	29,300	88,900

(b) The components and movements of deferred tax assets and liabilities during the financial period/years prior to offsetting are as follows:

	Property, plant and equipment RM	Accrued expenses RM	Total RM
Balance as at 1 August 2021	130,687	-	130,687
Recognised in profit or loss	335,444	(352,710)	(17,266)
Balance as at 31 January 2022	466,131	(352,710)	113,421
Balance as at 1 August 2020	29,300	-	29,300
Recognised in profit or loss	101,387	-	101,387
Balance as at 31 July 2021	130,687	-	130,687
Balance as at 1 August 2019	88,900	-	88,900
Recognised in profit or loss	(59,600)	-	(59,600)
Balance as at 31 July 2020	29,300	-	29,300
Balance as at 1 August 2018	184,100	-	184,100
Recognised in profit or loss	(95,200)	-	(95,200)
Balance as at 31 July 2019	88,900	-	88,900

(c) The amount of temporary differences for which no deferred tax asset has been recognised in the combined statements of financial position are as follows:

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
Unabsorbed capital allowances	31,535	21,610	136,400	25,800
Unused tax losses				
- expiring on 31 July 2028	-	-	391,800	288,200
	31,535	21,610	528,200	314,000

Deferred tax assets of the Group have not been recognised in respect of these items as it is not probable that future taxable profits of the Group would be available against which the deductible temporary differences can be utilised.

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.18 Deferred tax liabilities (continued)

(c) (continued)

With effective from 1 January 2022, any unused tax losses shall be deductible for a maximum period of ten consecutive years of assessment immediately following that year of assessment. Any amount which is not deducted at the end of the period of ten years of assessment shall be disregarded.

#### 9.19 Trade and other payables

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
<b>Trade payables</b>				
Third parties	2,643,400	3,643,459	1,745,260	542,584
<b>Other payables</b>				
Third parties	839,422	2,571,090	670,149	437,150
Amounts owing to related parties	-	8,480	85,500	86,377
Amounts due to Directors	-	-	3,570,371	6,645,497
Accrued expenses	2,132,852	1,000,120	535,443	360,131
	2,972,274	3,579,690	4,861,463	7,529,155
<b>Total trade and other payables</b>	<b>5,615,674</b>	<b>7,223,149</b>	<b>6,606,723</b>	<b>8,071,739</b>

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (31 July 2021: 30 to 90 days; 31 July 2020: 30 to 90 days; 31 July 2019: 30 to 90 days).
- (b) The amounts due to Directors and amounts due to related parties were unsecured, interest-free and payable within twelve (12) months or upon demand in cash and cash equivalents.
- (c) The related parties are companies incorporated in Malaysia in which the Directors have significant and controlling financial interest.
- (d) The currency exposure profile of trade and other payables is as follows:

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
RM	5,464,466	6,202,307	6,485,931	7,819,904
USD	142,939	991,711	120,458	246,077
Others	8,269	29,131	334	5,758
	5,615,674	7,223,149	6,606,723	8,071,739

- (e) Information on financial risks of trade and other payables is disclosed in Section 9.30 of this Report.

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.20 Capital commitment

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
Capital expenditure in respect of purchase of property, plant and equipment:				
Contracted but not provided for Commitments in respect of purchase/import of raw materials/trading goods	559,194	2,145,694	7,160,604	-
	<u>-</u>	<u>2,831,145</u>	<u>2,181,568</u>	<u>-</u>

#### 9.21 Revenue

	1.8.2021 to 31.1.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2019 to 31.7.2020 RM	1.8.2018 to 31.7.2019 RM
<i>Revenue from contracts with customers:</i>				
Sale of goods and services	<u>36,855,262</u>	<u>34,115,959</u>	<u>23,675,991</u>	<u>16,422,381</u>
Timing of revenue recognition: At a point in time	<u>36,855,262</u>	<u>34,115,959</u>	<u>23,675,991</u>	<u>16,422,381</u>

#### *Disaggregation of revenue from contracts with customers*

Revenue from contracts with customers is disaggregated by primary geographical market as disclosed in Section 9.28 in this Report.

#### 9.22 Employee benefits

	1.8.2021 to 31.1.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2019 to 31.7.2020 RM	1.8.2018 to 31.7.2019 RM
Directors' remuneration	307,673	1,109,797	825,122	767,335
Wages, salaries and bonuses	3,741,313	2,854,410	2,683,524	2,065,470
Contributions to defined contribution plan	222,264	282,411	265,980	201,910
Social security contributions	28,421	38,358	38,120	29,111
Other benefits	<u>187,661</u>	<u>57,773</u>	<u>17,100</u>	<u>6,990</u>
	<u>4,487,332</u>	<u>4,342,749</u>	<u>3,829,846</u>	<u>3,070,816</u>

Included in the Directors' remuneration are contributions to defined contribution plan amounting to RM21,600 (31 July 2021: RM69,180; 31 July 2020: RM72,216; 31 July 2019: RM63,540).

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad*  
*Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.23 Finance costs

	1.8.2021 to 31.1.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2019 to 31.7.2020 RM	1.8.2018 to 31.7.2019 RM
Interest expense on:				
- bankers' acceptance	128,646	133,217	71,402	-
- term loans	282,813	483,301	268,637	140,013
- lease interest	30,800	58,002	53,449	23,366
- letter of credit interest	22,111	52,941	49,665	-
- others	2,740	3,625	2,474	-
	<u>467,110</u>	<u>731,086</u>	<u>445,627</u>	<u>163,379</u>

#### 9.24 Tax expense

	1.8.2021 to 31.1.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2019 to 31.7.2020 RM	1.8.2018 to 31.7.2019 RM
Current tax expense based on profit for the financial period/years	2,025,308	1,273,699	625,278	402,255
Under/(Over)provision of tax expense in prior years	131,961	91,738	57,825	(8,589)
	<u>2,157,269</u>	<u>1,365,437</u>	<u>683,103</u>	<u>393,666</u>
Deferred tax (Section 9.18) Relating to origination and reversal of temporary differences	(131,266)	100,987	(1,900)	28,500
Under/(Over)provision in prior years	114,000	400	(57,700)	(123,700)
	<u>(17,266)</u>	<u>101,387</u>	<u>(59,600)</u>	<u>(95,200)</u>
	<u>2,140,003</u>	<u>1,466,824</u>	<u>623,503</u>	<u>298,466</u>

Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (31 July 2021: 24%; 31 July 2020: 24%; 31 July 2019: 24%) of the estimated taxable profits for the fiscal period/years.

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad*  
*Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.24 Tax expense (continued)

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates are as follows:

	1.8.2021 to 31.1.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2019 to 31.7.2020 RM	1.8.2018 to 31.7.2019 RM
Profit before tax	6,711,966	6,553,518	3,042,048	1,617,211
Tax at statutory tax rate of 24% (31 July 2021: 24%; 31 July 2020: 24%; 31 July 2019: 24%)	1,610,900	1,572,800	730,100	388,100
Tax effects in respect of:				
- Non-allowable expenses	351,758	74,648	252,578	122,869
- Income not subject to tax	(19,208)	(37,687)	(233,500)	-
Different tax rate for the first RM600,000 (31 July 2021: RM600,000; 31 July 2020: RM600,000; 31 July 2019: RM500,000) of chargeable income	(51,790)	(113,475)	(113,300)	(98,914)
Deferred tax assets not recognised during the period/year	2,382	-	51,400	19,100
Utilisation of previously unrecognised deferred tax assets	-	(121,600)	(63,900)	(400)
Under/(Over)provision of deferred tax in prior years	114,000	400	(57,700)	(123,700)
Under/(Over)provision of tax expense in prior years	131,961	91,738	57,825	(8,589)
	<u>2,140,003</u>	<u>1,466,824</u>	<u>623,503</u>	<u>298,466</u>

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.25 Dividends

	Gross dividend per share RM	Amount of dividend net of tax RM
<b>31.1.2022</b>		
In respect of financial period ended 31 January 2022: Distribution of ordinary shares in UMC ('Distribution Shares') held by UMediC by way of dividend-in-specie	0.031	<u>75,000</u>
<b>31.7.2020</b>		
In respect of financial year ended 31 July 2020: First single tier interim dividend of:		
- UMediC	0.45	1,080,000
- Actimed	6.00	60,000
- Evo Medik	1.25	<u>125,000</u>
		<u>1,265,000</u>
<b>31.7.2019</b>		
In respect of financial year ended 31 July 2019: First single tier interim dividend of Actimed	30.00	<u>300,000</u>

#### 9.26 Earnings per share

##### (a) Basic

Basic earnings per share for the financial period/years are calculated by dividing the profit for the financial period/years attributable to owners of parent/common controlling shareholders of the combining entities by the expected number of ordinary shares of the Company upon completion of the Listing.

	1.8.2021 to 31.1.2022	1.8.2020 to 31.7.2021	1.8.2019 to 31.7.2020	1.8.2018 to 31.7.2019
Profit attributable to the owners of parent/common controlling shareholders of the combining entities (RM)	<u>4,571,963</u>	<u>5,086,694</u>	<u>2,418,545</u>	<u>1,318,745</u>
Expected number of ordinary shares upon completion of the Listing (unit)	<u>373,910,000</u>	<u>373,910,000</u>	<u>373,910,000</u>	<u>373,910,000</u>
Basic earnings per share (sen)	<u>1.22</u>	<u>1.36</u>	<u>0.65</u>	<u>0.35</u>

##### (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.

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad*  
*Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.27 Related party disclosures

##### (a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

Related parties of the Group include:

- (i) Ultimate holding company, UMediC Capital Sdn. Bhd.;
  - (ii) Combining entities/subsidiaries as disclosed in Section 9.7 of this Report;
  - (iii) An associate as disclosed in Section 9.8 of this Report;
  - (iv) Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Executive Directors of the Group; and
  - (v) UWC Holdings Sdn. Bhd., Meditech Scientific Sdn. Bhd., Atnesis Sdn. Bhd. and Empayar Stabil Sdn. Bhd., whereby certain Directors of the Group and their family members have significant financial and controlling interests or are connected to certain Directors of the related parties.
- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following material transactions with related parties during the financial period/years:

	1.8.2021 to 31.1.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2019 to 31.7.2020 RM	1.8.2018 to 31.7.2019 RM
<b>Related parties</b>				
- Sale of goods	39,989	192,824	133,376	188,324
- Purchase of machinery	-	-	-	11,500
- Short term leases	-	9,400	69,600	195,500
- Lease payment	-	80,650	128,400	-

Balances with related parties at the end of the financial period/years are disclosed in Section 9.10 and Section 9.19 of this Report.

The related party transactions described above were undertaken on mutually agreed and negotiated terms.

**12. ACCOUNTANTS' REPORT (CONT'D)***UMediC Group Berhad  
Accountants' Report***9. HISTORICAL FINANCIAL INFORMATION (continued)****9.27 Related party disclosures (continued)****(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 Directors and other key management personnel during the financial period/years were as follows:

	<b>1.8.2021 to 31.1.2022 RM</b>	<b>1.8.2020 to 31.7.2021 RM</b>	<b>1.8.2019 to 31.7.2020 RM</b>	<b>1.8.2018 to 31.7.2019 RM</b>
Short term employee benefits	673,445	1,147,662	752,906	703,795
Estimated monetary value of benefits-in-kind	-	209,600	-	-
Contributions to defined contribution plans	51,440	79,290	72,216	63,540
	<u>724,885</u>	<u>1,436,552</u>	<u>825,122</u>	<u>767,335</u>

Included in the remuneration of total key management personnel are:

	<b>1.8.2021 to 31.1.2022 RM</b>	<b>1.8.2020 to 31.7.2021 RM</b>	<b>1.8.2019 to 31.7.2020 RM</b>	<b>1.8.2018 to 31.7.2019 RM</b>
Directors' remuneration (exclude benefits-in-kind)	307,673	1,109,797	825,122	767,335
Estimated monetary value of benefits-in-kind	-	209,600	-	-
Total Directors' remuneration (including benefits-in-kind)	<u>307,673</u>	<u>1,319,397</u>	<u>825,122</u>	<u>767,335</u>



---

**12. ACCOUNTANTS' REPORT (CONT'D)**

---

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.28 Operating segments**

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

For management purposes, the Group is organised into business units based on its products and services. The reportable segments of the Group are as follows:

- (a) Marketing and distribution - marketing and distribution of medical devices as well as the provision of after-sales service.
- (b) Manufacturing - developing, manufacturing and marketing of medical devices.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

The accounting policies of operating segments are the same as those described in Section 7.2.18 to this Report.

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 period/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).

**12. ACCOUNTANTS' REPORT (CONT'D)***UMediC Group Berhad  
Accountants' Report***9. HISTORICAL FINANCIAL INFORMATION (continued)****9.28 Operating segments (continued)**

	Manufacturing RM	Marketing and distribution RM	Eliminations RM	Consolidated RM
<b>31.1.2022</b>				
Revenue from external customers	4,386,016	32,469,246	-	36,855,262
Inter-segment revenue	779,158	-	(779,158)	-
Total revenue	<u>5,165,174</u>	<u>32,469,246</u>	<u>(779,158)</u>	<u>36,855,262</u>
Interest income	7,741	40,866	-	48,607
Interest expense	(190,179)	(285,077)	8,146	(467,110)
Net interest expense	<u>(182,438)</u>	<u>(244,211)</u>	<u>8,146</u>	<u>(418,503)</u>
<b>Segment profit before tax</b>	611,142	8,931,911	(2,831,087)	6,711,966
Tax expense	(161,976)	(1,978,027)	-	(2,140,003)

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**

**9.28 Operating segments (continued)**

	Manufacturing RM	Marketing and distribution RM	Eliminations RM	Consolidated RM
<b>31.1.2022 (continued)</b>				
Other material non-cash items:				
- Depreciation of property, plant and equipment	(610,098)	(69,420)	(33,614)	(713,132)
- Depreciation of right-of-use assets	(229,352)	(29,535)	147,974	(110,913)
- Depreciation of investment properties	-	(58,635)	58,635	-
- Reversal of impairment losses on trade receivables	-	1,998,434	(1,984,056)	14,378
	-	1,998,434	(1,984,056)	14,378
Additions to non-current assets other than financial instruments	308,952	287,344	-	596,296
	308,952	287,344	-	596,296
<b>Assets</b>				
Segment assets	17,428,300	39,739,178	(14,389,492)	42,777,986
Cash and bank balances	727,690	4,880,883		5,608,573
Current tax assets	101,847	411,626		513,473
				48,900,032
<b>Liabilities</b>				
Segment liabilities	(12,720,332)	(14,138,053)	546,509	(26,311,876)
Deferred tax liabilities				(113,421)
Current tax liabilities				(2,164,167)
				(28,589,464)

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad  
Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.28 Operating segments (continued)

	Manufacturing RM	Marketing and distribution RM	Eliminations RM	Combined RM
<b>31.7.2021</b>				
Revenue from external customers	5,849,890	28,266,069	-	34,115,959
Inter-segment revenue	683,254	2,753,623	(3,436,877)	-
Total revenue	<u>6,533,144</u>	<u>31,019,692</u>	<u>(3,436,877)</u>	<u>34,115,959</u>
Interest income	13,795	23,468	-	37,263
Interest expense	(308,524)	(436,185)	13,623	(731,086)
Net interest expense	<u>(294,729)</u>	<u>(412,717)</u>	<u>13,623</u>	<u>(693,823)</u>
<b>Segment profit before tax</b>	649,451	5,892,863	11,204	6,553,518
Tax expense	(120,782)	(1,346,042)	-	(1,466,824)

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.28 Operating segments (continued)

	Manufacturing RM	Marketing and distribution RM	Eliminations RM	Combined RM
<b>31.7.2021 (continued)</b>				
Other material non-cash items:				
- Depreciation of property, plant and equipment	(417,939)	(107,762)	-	(525,701)
- Depreciation of right-of-use assets	(383,196)	(90,990)	151,785	(322,401)
- Depreciation of investment properties	-	(78,006)	78,006	-
- Reversal of impairment losses on trade receivables/(Impairment losses on trade receivables)	10,743	(12,068)	-	(1,325)
	<u>13,329,060</u>	<u>1,837,160</u>	<u>-</u>	<u>15,166,220</u>
Additions to non-current assets other than financial instruments				
	<u>17,373,106</u>	<u>33,229,877</u>	<u>(3,814,122)</u>	<u>46,788,861</u>
<b>Assets</b>				
Segment assets				2,761,335
Cash and bank balances				375,419
Current tax assets				<u>49,925,615</u>
<b>Liabilities</b>				
Segment liabilities	13,275,654	26,155,452	(5,728,628)	33,702,478
Deferred tax liabilities				130,687
Current tax liabilities				<u>353,875</u>
				<u>34,187,040</u>

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**

**9.28 Operating segments (continued)**

	Manufacturing RM	Marketing and distribution RM	Eliminations RM	Combined RM
<b>31.7.2020</b>				
Revenue from external customers	5,222,665	18,453,326	-	23,675,991
Inter-segment revenue	386,699	1,416,245	(1,802,944)	-
Total revenue	5,609,364	19,869,571	(1,802,944)	23,675,991
Interest income	8,123	23,792	-	31,915
Interest expense	(56,279)	(389,348)	-	(445,627)
Net interest expense	(48,156)	(365,556)	-	(413,712)
<b>Segment (loss)/profit before tax</b>	(252,299)	2,713,630	584,090	3,045,421
Share of loss of an associate, net of tax	-	(3,373)	-	(3,373)
Taxation	50,282	(673,785)	-	(623,503)

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**

**9.28 Operating segments (continued)**

	Manufacturing RM	Marketing and distribution RM	Eliminations RM	Combined RM
<b>31.7.2020 (continued)</b>				
Other material non-cash items:				
- Depreciation of property, plant and equipment	(145,907)	(46,925)	-	(192,832)
- Depreciation of right-of-use assets	(216,294)	(288,597)	-	(504,891)
- (Impairment losses of trade receivables)/Reversal of impairment losses on trade receivables	(9,349)	(926,287)	1,015,286	79,650
Additions to non-current assets other than financial instruments	1,319,693	5,278,767	-	6,598,460
<b>Assets</b>				
Segment assets	7,570,276	22,097,098	(3,379,034)	26,288,340
Cash and bank balances				3,500,606
Current tax assets				89,957
				29,878,903
<b>Liabilities</b>				
Segment liabilities	8,474,408	19,855,450	(5,282,337)	23,047,521
Deferred tax liabilities				29,300
Current tax liabilities				170,202
				23,247,023

---

**12. ACCOUNTANTS' REPORT (CONT'D)**


---

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.28 Operating segments (continued)**

	Manufacturing RM	Marketing and distribution RM	Eliminations RM	Combined RM
<b>31.7.2019</b>				
Revenue from external customers	3,573,390	12,848,991	-	16,422,381
Inter-segment revenue	562,688	1,062,952	(1,625,640)	-
Total revenue	<u>4,136,078</u>	<u>13,911,943</u>	<u>(1,625,640)</u>	<u>16,422,381</u>
Interest income	6,395	24,494	-	30,889
Interest expense	(14,852)	(148,527)	-	(163,379)
Net interest expense	<u>(8,457)</u>	<u>(124,033)</u>	<u>-</u>	<u>(132,490)</u>
<b>Segment profit before tax</b>	19,879	658,612	954,385	1,632,876
Share of loss of an associate, net of tax	-	(15,665)	-	(15,665)
Taxation	74,282	(372,748)	-	(298,466)



**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**

**9.28 Operating segments (continued)**

	Manufacturing RM	Marketing and distribution RM	Eliminations RM	Combined RM
<b>31.7.2019 (continued)</b>				
Other material non-cash items:				
- Depreciation of property, plant and equipment	(123,244)	(38,912)	-	(162,156)
- Depreciation of right-of-use assets	(34,248)	(135,331)	-	(169,579)
- Impairment losses on trade receivables	(6,111)	(1,119,574)	968,770	(156,915)
Investment in an associate	-	52,543	-	52,543
Additions to non-current assets other than financial instruments	511,813	5,164,438	-	5,676,251
<b>Assets</b>				
Segment assets	2,331,859	13,712,071	(2,074,064)	13,969,866
Cash and bank balances				1,535,495
Current tax assets				117,285
				15,622,646
<b>Liabilities</b>				
Segment liabilities	2,163,919	11,099,306	(3,018,277)	10,244,948
Deferred tax liabilities				88,900
Current tax liabilities				10,463
				10,344,311

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad*  
*Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.28 Operating segments (continued)

##### (a) Geographical information

Segment revenue is based on geographical location of customers of the Group.

Segment assets are based on the geographical location of the assets of the Group.

The following are revenue from external customers by geographical location with revenue equal or more than one percent (1%) of revenue of the Group:

	1.8.2021 to 31.1.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2019 to 31.7.2020 RM	1.8.2018 to 31.7.2019 RM
<b>Revenue from external customers</b>				
Malaysia	32,540,084	28,559,643	19,341,429	12,889,935
Asia Pacific	3,178,355	3,417,129	3,097,694	2,192,008
Americas	395,136	773,417	570,648	493,003
Europe	558,318	876,084	352,547	430,362
Middle East	-	298,000	246,857	330,883
Africa	94,234	191,686	66,816	86,190
Oceania	89,135	-	-	-
	<u>36,855,262</u>	<u>34,115,959</u>	<u>23,675,991</u>	<u>16,422,381</u>

##### (b) Major customers

The following are major customers with revenue equal or more than ten percent (10%) of revenue of the Group:

	1.8.2021 to 31.1.2022 RM	1.8.2020 to 31.7.2021 RM	1.8.2019 to 31.7.2020 RM	1.8.2018 to 31.7.2019 RM
Customer A	*	4,660,789	2,880,876	2,119,984
Customer B	*	*	*	2,101,766
	*	<u>4,660,789</u>	<u>2,880,876</u>	<u>4,221,750</u>

\* Less than 10%

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad  
Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.29 Financial instruments

##### (a) Capital management

The primary objective of the capital management of the Group is to ensure that the Group would be able to continue as a going concern whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged throughout the reporting periods.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes throughout the reporting periods.

The Group monitors capital utilisation on the basis of net debt-to-equity ratio, which is net debt divided by total capital. The Group includes within net debt, loans and borrowings, lease liabilities and trade and other payables less cash and bank balances. Capital represents equity attributable to the owners of the Group. The net debt-to-equity ratios as at 31 January 2022, 31 July 2021, 31 July 2020 and 31 July 2019 are as follows:

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
Borrowings	19,197,622	25,188,939	15,564,547	1,745,078
Lease liabilities	1,006,913	1,140,390	876,251	428,131
Trade and other payables	5,615,674	7,223,149	6,606,723	8,071,739
Total liabilities	25,820,209	33,552,478	23,047,521	10,244,948
Less: Cash and bank balances	(5,608,573)	(2,761,335)	(3,500,606)	(1,535,495)
Net debt	20,211,636	30,791,143	19,546,915	8,709,453
Total equity	20,310,568	15,738,575	6,631,880	5,278,335
Net debt-to-equity ratio	99%	196%	295%	165%

The Group is not subject to any externally imposed capital requirements.

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad*  
*Accountants' Report*

## 9. HISTORICAL FINANCIAL INFORMATION (continued)

## 9.29 Financial instruments (continued)

## (b) Categories of financial instruments

	31.1.2022 RM	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
<i>Financial assets measured at amortised cost</i>				
Trade and other receivables (excluding prepayments)	7,733,924	9,975,838	4,249,651	3,289,526
Cash and bank balances	5,608,573	2,761,335	3,500,606	1,535,495
	<u>13,342,497</u>	<u>12,737,173</u>	<u>7,750,257</u>	<u>4,825,021</u>
<i>Financial liabilities measured at amortised cost</i>				
Borrowings	19,197,622	25,188,939	15,564,547	1,745,078
Trade and other payables	5,615,674	7,223,149	6,606,723	8,071,739
	<u>24,813,296</u>	<u>32,412,088</u>	<u>22,171,270</u>	<u>9,816,817</u>

## (c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

*Financial instruments that are not carried at fair values and whose carrying amounts are a reasonable approximation of fair values.*

The carrying amounts of financial assets and financial liabilities, such as cash and bank balances, trade and other receivables, trade and other payables and borrowings, are reasonable approximation of fair values, either due to their short-term nature or they are floating rate instruments that are re-priced to market interest rates on or near the end of each reporting period.

---

**12. ACCOUNTANTS' REPORT (CONT'D)**

---

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.30 Financial risk management objectives and policies**

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group are exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures is detailed below.

**(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 are 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 monitor their outstanding receivables to minimise credit risk.

**Exposure to credit risk**

At the end of the reporting period, the maximum exposure of the Group to credit risk is substantially represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad  
Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.30 Financial risk management objectives and policies (continued)

##### (a) Credit risk (continued)

##### Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and industry sector profiles of their 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:

	31.1.2022		31.7.2021		31.7.2020		31.7.2019	
	RM	% of total	RM	% of total	RM	% of total	RM	% of total
<b>By countries</b>								
Malaysia	5,728,108	83%	8,513,768	89%	3,234,015	85%	2,323,168	86%
United States of America	-	0%	-	0%	178,970	5%	-	0%
South Korea	370,176	5%	365,964	4%	130,600	3%	176,207	7%
Thailand	385,154	6%	177,472	2%	99,286	2%	96,654	4%
Others	446,867	6%	459,076	5%	184,049	5%	88,744	3%
	<u>6,930,305</u>	<u>100%</u>	<u>9,516,280</u>	<u>100%</u>	<u>3,826,920</u>	<u>100%</u>	<u>2,684,773</u>	<u>100%</u>

At the end of each reporting period, approximately 58% (31 July 2021: 61%; 31 July 2020: 52%; 31 July 2019: 53%) of the trade receivables of the Group were due from seven (7) (31 July 2021: seven (7); 31 July 2020: ten (10); 31 July 2019: four (4)) major customers.

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad  
Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.30 Financial risk management objectives and policies (continued)

##### (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 their 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 maturity profile of the liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
<b>Financial liabilities</b>				
<b>As at 31 January 2022</b>				
Trade and other payables	5,615,674	-	-	5,615,674
Borrowings	6,225,875	8,458,859	7,801,702	22,486,436
Lease liabilities	370,664	812,028	-	1,182,692
<b>Total undiscounted financial liabilities</b>	<b>12,212,213</b>	<b>9,270,887</b>	<b>7,801,702</b>	<b>29,284,802</b>
<b>As at 31 July 2021</b>				
Trade and other payables	7,223,149	-	-	7,223,149
Borrowings	11,614,628	7,901,129	7,608,514	27,124,271
Lease liabilities	368,603	896,706	-	1,265,309
<b>Total undiscounted financial liabilities</b>	<b>19,206,380</b>	<b>8,797,835</b>	<b>7,608,514</b>	<b>35,612,729</b>
<b>As at 31 July 2020</b>				
Trade and other payables	6,606,723	-	-	6,606,723
Borrowings	5,713,625	5,466,846	7,210,950	18,391,421
Lease liabilities	403,868	555,604	-	959,472
<b>Total undiscounted financial liabilities</b>	<b>12,724,216</b>	<b>6,022,450</b>	<b>7,210,950</b>	<b>25,957,616</b>
<b>As at 31 July 2019</b>				
Trade and other payables	8,071,739	-	-	8,071,739
Borrowings	183,696	734,794	1,365,971	2,284,461
Lease liabilities	222,198	240,704	-	462,902
<b>Total undiscounted financial liabilities</b>	<b>8,477,633</b>	<b>975,498</b>	<b>1,365,971</b>	<b>10,819,102</b>

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad  
Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.30 Financial risk management objectives and policies (continued)

##### (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:

	31.1.2022	31.7.2021	31.7.2020	31.7.2019
		RM	RM	RM
<b>Profit after tax</b>				
- Increase by 0.5%	(57,941)	(59,808)	(41,950)	(6,631)
- Decrease by 0.5%	57,941	59,808	41,950	6,631



**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)**
**9.30 Financial risk management objectives and policies (continued)**

## (c) Interest rate risk (continued)

The following table sets out the carrying amounts, the incremental borrowing rate ('IBR')/weighted average effective interest rates ('WAEIR') as at the end of each reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk, which included fixed rates financial instruments:

	IBR*/WAEIR per annum %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
<b>31 January 2022</b>								
<b>Fixed rate</b>								
Bankers' acceptance	2.33%	3,950,000	-	-	-	-	-	3,950,000
Lease liabilities	2.71% - 3.84%*	318,596	297,232	224,864	145,494	20,727	-	1,006,913
<b>Floating rate</b>								
Term loans	3.47%	1,749,496	1,769,721	1,790,691	1,748,049	1,218,910	6,970,755	15,247,622
<b>31 July 2021</b>								
<b>Fixed rate</b>								
Bankers' acceptance	2.09%	9,450,000	-	-	-	-	-	9,450,000
Lease liabilities	2.71% - 3.84%*	312,032	296,917	278,564	170,140	82,737	-	1,140,390
<b>Floating rate</b>								
Term loans	3.73%	1,583,372	1,622,453	1,663,023	1,627,456	1,339,948	7,902,687	15,738,939

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.30 Financial risk management objectives and policies (continued)**

## (c) Interest rate risk (continued)

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 (continued):

	IBR*/WAEIR per annum %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
<b>31 July 2020</b>								
<b>Fixed rate</b>								
Bankers' acceptance	2.66%	4,525,000	-	-	-	-	-	4,525,000
Lease liabilities	2.42% - 3.84%*	364,146	197,905	159,775	133,555	20,870	-	876,251
<b>Floating rate</b>								
Term loans	3.83%	853,366	1,357,989	1,311,886	763,067	770,488	5,982,751	11,039,547
<b>31 July 2019</b>								
<b>Fixed rate</b>								
Lease liabilities	2.42% - 3.30%*	203,768	121,016	49,493	33,481	20,373	-	428,131
<b>Floating rate</b>								
Term loan	4.52%	107,018	111,956	117,123	122,528	128,182	1,158,271	1,745,078

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad*  
*Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.30 Financial risk management objectives and policies (continued)

##### (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 currency giving rise to this risk is 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, EURO and Singapore Dollar amounted to RM209,772 (31 July 2021: RM83,423; 31 July 2020: RM70,831; 31 July 2019: RM119,948) for the Group.

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the USD and EURO exchange rate against the functional currency of the Group, with all other variables held constant:

	31.1.2022	31.7.2021 RM	31.7.2020 RM	31.7.2019 RM
<b>Profit after tax</b>				
USD/RM				
- strengthen by 15%	143,319	7,587	63,378	29,561
- weaken by 15%	(143,319)	(7,587)	(63,378)	(29,561)
EURO/RM				
- strengthen by 15%	1,019	(2,302)	270,561	278
- weaken by 15%	(1,019)	2,302	(270,561)	(278)

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

#### 9.31 Explanation of transition to MFRSs

The combining entities adopted the MFRS Framework during the financial year ended 31 July 2021.

The accounting policies set out in Section 7.2 of this Report have been applied in preparing the financial statements of the combining entities for the financial year ended 31 July 2021, as well as comparative information presented in this Report for the financial years ended 31 July 2019 and 31 July 2020 and in the preparation of the opening MFRS combined statements of financial position at 1 August 2018 (the date of transition of the combining entities to MFRSs).

The combining entities have adjusted amounts previously reported in financial statements that were prepared in accordance with the previous MPERSs Framework. An explanation on the impact arising from the transition from MPERSs to MFRSs on the combined financial position as at 31 July 2019 and 31 July 2020, combined financial performance and combined cash flows of the combining entities for the financial years ended 31 July 2020 and 31 July 2019 is set out as follows:

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

## 9. HISTORICAL FINANCIAL INFORMATION (continued)

## 9.31 Explanation of transition to MFRSs (continued)

(a) Reconciliation of combined statements of financial position as at 31 July 2019

	Previously Reported under MPERSs RM	Effects on adoption of MFRSs RM	Restated under MFRSs RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6,907,402	(5,586,121)	1,321,281
Right-of-use assets	-	5,586,121	5,586,121
Investment in associate	52,543	-	52,543
	<b>6,959,945</b>	<b>-</b>	<b>6,959,945</b>
<b>Current assets</b>			
Inventories	3,708,359	-	3,708,359
Trade and other receivables	3,458,477	(156,915)	3,301,562
Current tax assets	117,285	-	117,285
Cash and bank balances	1,535,495	-	1,535,495
	<b>8,819,616</b>	<b>(156,915)</b>	<b>8,662,701</b>
<b>TOTAL ASSETS</b>	<b>15,779,561</b>	<b>(156,915)</b>	<b>15,622,646</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to common controlling shareholders of the combining entities</b>			
Invested equity	2,687,500	-	2,687,500
Reserves	2,747,750	(156,915)	2,590,835
<b>TOTAL EQUITY</b>	<b>5,435,250</b>	<b>(156,915)</b>	<b>5,278,335</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	1,852,882	(214,822)	1,638,060
Lease liabilities	-	224,363	224,363
Deferred tax liabilities	88,900	-	88,900
	<b>1,941,782</b>	<b>9,541</b>	<b>1,951,323</b>
<b>Current liabilities</b>			
Trade and other payables	8,071,739	-	8,071,739
Borrowings	320,327	(213,309)	107,018
Lease liabilities	-	203,768	203,768
Current tax liabilities	10,463	-	10,463
	<b>8,402,529</b>	<b>(9,541)</b>	<b>8,392,988</b>
<b>TOTAL LIABILITIES</b>	<b>10,344,311</b>	<b>-</b>	<b>10,344,311</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15,779,561</b>	<b>(156,915)</b>	<b>15,622,646</b>

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.31 Explanation of transition to MFRSs (continued)

(b) Reconciliation of combined statements of profit or loss and other comprehensive income as at 31 July 2019

	Previously Reported under MPERSs RM	Effects on adoption of MFRSs RM	Restated under MFRSs RM
Revenue	16,422,381	-	16,422,381
Cost of sales	(10,719,103)	-	(10,719,103)
Gross profit	5,703,278	-	5,703,278
Other income	362,343	-	362,343
Net losses on impairment of financial assets	-	(156,915)	(156,915)
Marketing expenses	(460,924)	-	(460,924)
Administrative and other expenses	(3,651,527)	-	(3,651,527)
Finance costs	(163,379)	-	(163,379)
Shares of results of associates	(15,665)	-	(15,665)
Profit before tax	1,774,126	(156,915)	1,617,211
Taxation	(298,466)	-	(298,466)
Profit for the financial years	1,475,660	(156,915)	1,318,745
Profit attributable to: Common controlling shareholders of the combining entities	1,475,660	(156,915)	1,318,745
<b>Other comprehensive income, net of tax</b>			
Total comprehensive income for the financial year	1,475,660	(156,915)	1,318,745
<b>Total comprehensive income attributable to: Common controlling shareholders of the combining entities</b>	1,475,660	(156,915)	1,318,745

**12. ACCOUNTANTS' REPORT (CONT'D)**

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.31 Explanation of transition to MFRSs (continued)**

(c) Reconciliation of combined statements of cash flows as at 31 July 2019

	Previously Reported under MPERSs RM	Effects on adoption of MFRSs RM	Restated under MFRSs RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax	1,774,126	(156,915)	1,617,211
Adjustments for:			
Depreciation of property, plant and equipment	331,735	(169,579)	162,156
Depreciation of right-of-use assets	-	169,579	169,579
Finance costs	163,379	-	163,379
Impairment loss on trade receivables	-	156,915	156,915
Interest income	(30,889)	-	(30,889)
Share of results of associates	15,665	-	15,665
Unrealised gain on foreign exchange	(94,059)	-	(94,059)
Operating profit before changes in working capital	2,159,957	-	2,159,957
Increase in inventories	(69,884)	-	(69,884)
Increase in trade and other receivables	(1,178,048)	-	(1,178,048)
Increase in trade and other payables	5,799,257	-	5,799,257
Cash generated from operations	6,711,282	-	6,711,282
Interest received	30,889	-	30,889
Tax paid	(465,590)	-	(465,590)
Tax refunded	390,917	-	390,917
Net cash from operating activities	6,667,498	-	6,667,498
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(5,522,809)	5,110,887	(411,922)
Purchase of right-of-use assets	-	(5,110,887)	(5,110,887)
Net cash used in investing activities	(5,522,809)	-	(5,522,809)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid	(300,000)	-	(300,000)
Repayment of hire purchase payables	(186,468)	186,468	-
Repayment of term loans	(43,681)	-	(43,681)
Interest paid	(163,379)	23,366	(140,013)
Repayment of lease liabilities	-	(209,834)	(209,834)
Net cash used in financing activities	(693,528)	-	(693,528)

---

**12. ACCOUNTANTS' REPORT (CONT'D)**


---

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.31 Explanation of transition to MFRSs (continued)**

(c) Reconciliation of combined statements of cash flows as at 31 July 2019 (continued)

	Previously Reported under MPERSs RM	Effects on adoption of MFRSs RM	Restated under MFRSs RM
Net increase in cash and cash equivalents	451,161		451,161
Effect of foreign exchange rates changes	15,521		15,521
Cash and cash equivalents at beginning of financial year	1,068,813		1,068,813
Cash and cash equivalents at end of financial year	1,535,495		1,535,495

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.31 Explanation of transition to MFRSs (continued)

(d) Reconciliation of combined statements of financial position as at 31 July 2020

	Previously Reported under MPERSs RM	Effects on adoption of MFRSs RM	Restated under MFRSs RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13,006,805	(5,883,941)	7,122,864
Right-of-use assets	-	6,017,186	6,017,186
	13,006,805	133,245	13,140,050
<b>Current assets</b>			
Inventories	5,590,334	-	5,590,334
Trade and other receivables	7,605,345	(47,389)	7,557,956
Current tax assets	89,957	-	89,957
Cash and bank balances	3,500,606	-	3,500,606
	16,786,242	(47,389)	16,738,853
<b>TOTAL ASSETS</b>	<b>29,793,047</b>	<b>85,856</b>	<b>29,878,903</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to common controlling shareholders of the combining entities</b>			
Invested equity	2,887,500	-	2,887,500
Reserves	3,793,894	(49,514)	3,744,380
<b>TOTAL EQUITY</b>	<b>6,681,394</b>	<b>(49,514)</b>	<b>6,631,880</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	10,682,167	(495,986)	10,186,181
Lease liabilities	-	512,105	512,105
Deferred tax liabilities	29,300	-	29,300
	10,711,467	16,119	10,727,586
<b>Current liabilities</b>			
Trade and other payables	6,606,723	-	6,606,723
Borrowings	5,623,261	(244,895)	5,378,366
Lease liabilities	-	364,146	364,146
Current tax liabilities	170,202	-	170,202
	12,400,186	119,251	12,519,437
<b>TOTAL LIABILITIES</b>	<b>23,111,653</b>	<b>135,370</b>	<b>23,247,023</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29,793,047</b>	<b>85,856</b>	<b>29,878,903</b>



## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.31 Explanation of transition to MFRSs (continued)

(e) Reconciliation of combined statements of profit or loss and other comprehensive income as at 31 July 2020

	Previously Reported under MPERSs RM	Effects on adoption of MFRSs RM	Restated under MFRSs RM
Revenue	23,646,115	29,876	23,675,991
Cost of sales	(16,242,126)	-	(16,242,126)
Gross profit	7,403,989	29,876	7,433,865
Other income	641,759	1,799	643,558
Net gains on impairment of Financial assets	-	79,650	79,650
Marketing expenses	(449,097)	-	(449,097)
Administrative and other expenses	(4,064,436)	(152,492)	(4,216,928)
Finance costs	(437,280)	(8,347)	(445,627)
Shares of results of associates	(3,373)	-	(3,373)
Profit before tax	3,091,562	(49,514)	3,042,048
Taxation	(623,503)	-	(623,503)
Profit for the financial years	2,468,059	(49,514)	2,418,545
Profit attributable to: Common controlling shareholders of the combining entities	2,468,059	(49,514)	2,418,545
<b>Other comprehensive income, net of tax</b>			
Total comprehensive income for the financial year	2,468,059	(49,514)	2,418,545
<b>Total comprehensive income attributable to:</b> Common controlling shareholders of the combining entities	2,468,059	(49,514)	2,418,545

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.31 Explanation of transition to MFRSs (continued)

(f) Reconciliation of combined statements of cash flows as at 31 July 2020

	Previously Reported under MPERSs RM	Effects on adoption of MFRSs RM	Restated under MFRSs RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax	3,091,562	(49,514)	3,042,048
Adjustments for:			
Depreciation of property, plant and equipment	494,045	(301,213)	192,832
Depreciation of right-of-use assets	-	504,891	504,891
Finance costs	437,280	8,347	445,627
Interest income	(31,915)	-	(31,915)
Strike off of investment in associate	418	-	418
Lease concessions	-	(1,799)	(1,799)
Property, plant and equipment written off	5,012	-	5,012
Reversal of impairment loss on trade receivables	-	(79,650)	(79,650)
Share of results of associates	3,373	-	3,373
Unrealised gain on foreign exchange	(120,564)	-	(120,564)
Operating profit before changes in working capital	3,879,211	81,062	3,960,273
Increase in inventories	(1,881,975)	-	(1,881,975)
Increase in trade and other receivables	(4,189,422)	127,039	(4,062,383)
Decrease in trade and other payables	(1,462,739)	-	(1,462,739)
Cash used in operations	(3,654,925)	208,101	(3,446,824)
Interest received	31,915	-	31,915
Tax paid	(591,102)	-	(591,102)
Tax refunded	95,066	-	95,066
Net cash used in operating activities	(4,119,046)	208,101	(3,910,945)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(1,581,532)	429,015	(1,152,517)
Proceeds from refinancing of right-of-use assets transferred from plant and equipment	-	171,597	171,597
Dividend received from an associate	48,752	-	48,752
Net cash used in investing activities	(1,532,780)	600,612	(932,168)

## 12. ACCOUNTANTS' REPORT (CONT'D)

UMediC Group Berhad  
Accountants' Report

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.31 Explanation of transition to MFRSs (continued)

(f) Reconciliation of combined statements of cash flows as at 31 July 2020 (continued)

	Previously Reported under MPERSs RM	Effects on adoption of MFRSs RM	Restated under MFRSs RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	(1,265,000)	-	(1,265,000)
Drawdown of banker acceptances	4,525,000	-	4,525,000
Drawdown of hire purchases	600,612	(600,612)	-
Repayment of hire purchase	(287,862)	287,862	-
Drawdown of term loan	6,370,230	-	6,370,230
Repayment of term loans	(2,092,689)	-	(2,092,689)
Interest paid	(437,280)	45,102	(392,178)
Payment of lease liabilities	-	(541,065)	(541,065)
Proceed from issuance of shares	200,000	-	200,000
Net cash from financing activities	7,613,011	(808,713)	6,804,298
Net increase in cash and cash equivalents	1,961,185	-	1,961,185
Effect of foreign exchange rates changes	3,926	-	3,926
Cash and cash equivalents at beginning of financial year	1,535,495	-	1,535,495
Cash and cash equivalents at end of financial year	3,500,606	-	3,500,606

## 12. ACCOUNTANTS' REPORT (CONT'D)

*UMediC Group Berhad  
Accountants' Report*

### 9. HISTORICAL FINANCIAL INFORMATION (continued)

#### 9.32 Significant events during the financial period/years

- (i) The World Health Organisation declared the novel coronavirus ('COVID-19') a global pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order ('MCO') on 18 March 2020 and has entered into the various phases of the MCO, followed by the announcement of the National Recovery Plan ('NRP') in June 2021, which details a roadmap to control the COVID-19 pandemic while progressively reopening society and the economic sectors towards the new normal under four progressive phases. Subsequently, in March 2022, the Government of Malaysia announced that Malaysia will enter the "Transition to Endemic" phase of COVID-19 and reopen its borders from 1 April 2022.

Consequently, effective from 1 April 2022, the restrictions on business operating hours and the capacity limit imposed on the number of employees allowed in the workplace based on the employees' vaccination status are removed.

The implementation of the MCO/NRP and the COVID-19 pandemic have not resulted in any material impact to the Group's business and operations. The Group was able to operate during the MCO/NRP period upon obtained approval from Ministry of International Trade and Industry ('MITI'). It had also not negatively impacted the liquidity position of the Group. In addition, the Group had not observed any material impairments of the assets or a significant change in the fair value of assets due to the COVID-19 pandemic.

Based on the assessment and information available at the date of authorisation of the financial statements, the Group has sufficient cash flows to meet its liquidity needs in the next twelve (12) months after the end of the reporting period. The Group does not anticipate significant supply disruptions and would continuing monitor its fund and operational needs.

- (ii) On 22 April 2021, UMediC Group Berhad was incorporated in Malaysia under the Companies Act 2016 as a private limited company under the name of UMediC Group Sdn. Bhd.. Subsequently, on 7 October 2021, it was converted into a public limited company and since then, assumed its current name of UMediC Group Berhad.
- (iii) UMC acquired the entire issued share capital of Actimed comprising 10,000 ordinary shares for a purchase consideration of RM1,498,520 which was satisfied via the issuance of 29,970,400 new Shares at an issue price of RM0.05 per Share. The acquisition was completed on 28 September 2021. Following this, UMC regards Actimed as its wholly-owned subsidiary.
- (iv) UMC acquired the entire issued share capital in Evo Medik comprising 100,000 ordinary Shares for a purchase consideration of RM1,210,470 which was satisfied via the issuance of 24,209,400 new Shares at an issue price of RM0.05 per Share. The acquisition was completed on 28 September 2021. Following this, UMC regards Evo Medik as its wholly-owned subsidiary.
- (v) UMC acquired the entire issued share capital in U Medihealth comprising 2,500 ordinary shares for a purchase consideration of RM160,835 which was satisfied via the issuance of 3,216,700 new Shares at an issue price of RM0.05 per Share. The acquisition was completed on 28 September 2021. Following this, UMC regards U Medihealth as its wholly-owned subsidiary.
- (vi) UMC acquired the entire issued share capital in UMediC comprising 2,400,000 ordinary shares for a purchase consideration of RM6,098,815 which was satisfied via the issuance of 121,976,300 new Shares at an issue price of RM0.05 per Share. The acquisition was completed on 28 September 2021. Following this, UMC regards UMediC as its wholly-owned subsidiary.

---

**12. ACCOUNTANTS' REPORT (CONT'D)**

---

*UMediC Group Berhad  
Accountants' Report*

**9. HISTORICAL FINANCIAL INFORMATION (continued)****9.32 Significant events during the financial period/years (continued)**

- (vii) UMC acquired the entire issued share capital UWHC comprising 50,000 ordinary shares for a purchase consideration of RM46,315 which was satisfied via the issuance of 926,300 new Shares at an issue price of RM0.05 per Share. The acquisition was completed on 28 September 2021. Following this, UMC regards UWHC as its wholly-owned subsidiary.
  
- (viii) UMC acquired the entire issued share capital UWHM comprising 4,420,000 ordinary shares for a purchase consideration of RM4,819,300 which was satisfied via the issuance of 96,386,000 new Shares at an issue price of RM0.05 per Share. The acquisition was completed on 28 September 2021. Following this, UMC regards UWHM as its wholly-owned subsidiary.

---

**13. BY-LAWS OF SHARE GRANT SCHEME**


---

**BY-LAWS OF SHARE GRANT SCHEME OF  
UMEDIC GROUP BERHAD**
**1. DEFINITIONS AND INTERPRETATION**

1.1 In these By-Laws, the following words and expressions shall bear the following meanings, unless the context otherwise requires:

“Act”	means the Companies Act 2016
“Adviser”	means a corporate finance adviser that may act as a principal adviser under the Securities Commission’s Principal Adviser Guidelines
“Affected Employee”	shall have the meaning ascribed to it in By-Law 23.1
“Audit and Risk Management Committee”	shall have the same meaning ascribed to it in By-Law 6.3
“Auditors”	means the auditors of the Company, as appointed from time to time
“Board”	means the board of directors of the Company
“Bursa Depository”	means Bursa Malaysia Depository Sdn Bhd
“Bursa Securities”	means Bursa Malaysia Securities Berhad
“By-Laws”	means, collectively, the rules, terms and conditions governing the Scheme as set forth in these By-Laws as amended, modified and/or supplemented from time to time
“CDS”	means the Central Depository System established, administered and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
“CDS Account”	means the account established by Bursa Depository for a depositor for the recording of deposit and withdrawal of securities and for dealings in such securities by that depositor of securities

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**


---

“Company” or “UMC”	means UMediC Group Berhad (Registration No. 202101015347 (1415647-D)), a public company limited by shares and incorporated in Malaysia and shall, where the context admits, include its successors in title
“Constitution”	means the constitution of the Company as amended from time to time
“Director”	means a natural person who holds a directorship in any company within the Group and shall have the meaning of Section 2(1) of the Capital Markets & Services Act 2007
“Disciplinary Proceedings”	means proceedings instituted by a Group Company against a Grantee employed by that Group Company for any alleged negligence, misbehavior, misconduct, fraud, financial misstatement, reputational damage and/or any other act of the Grantee deemed to be unacceptable by that Group Company in the course of that Grantee’s employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Grantee
“Effective Date”	means the date the Scheme takes effect as provided in By-Law 16
“Eligible Person”	means an Executive Director and Employee who meets the eligibility criteria for participation in the Scheme as set forth in By-Law 3 and “Eligible Persons” means any two or more of them
“Employee”	means any person who is employed by any company within the Group
“Entitlement Date”	means the date as at the close of business on which the name of shareholders must appear in the record of depositors of the Company maintained at Bursa Depository in order to be entitled to any dividends, rights, allotments or other distributions
“Executive Director”	means a natural person who is a director of UMC Group in a full time executive capacity and is involved in the day-to-day management of UMC Group, which for the avoidance of doubt excludes alternate directors
“Ex-Group Company”	shall have the meaning ascribed to it in By-Law 3.4

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**


---

“Grant Commencement Date”	means in relation to each Grant, the date fixed by the SGS Committee as the date on which the Vesting Period commences
“Grant Date”	means in relation to a Grant, the date on which the Grant is made by the SGS Committee
“Grant Termination Date”	means in relation to a Grant, the date on which the Grant terminates, expires, lapses and/or otherwise ceases to be of any force and effect or the date immediately following the day on which the SGS Shares comprised in the Grant are intended to vest in full in accordance with these By-Laws
“Grantee”	means an Eligible Person selected by the SGS Committee to whom a Grant is made pursuant to By-Law 6, and “Grantees” means any two or more of them
“Grant(s)”	means a grant of SGS Shares made in writing by the SGS Committee to an Eligible Person in accordance with By-Law 6
“Group” or “UMC Group”	means, collectively, the Company and its Subsidiaries and in the context of the SGS, shall exclude subsidiaries which are dormant. For the avoidance of doubt, associated companies, joint-venture companies and subsidiaries which have been divested do not fall within this category
“Group Company”	means any one of the Company and the Subsidiaries, and “Group Companies” means any two or more of them
“Listing Requirements”	means the Main or ACE Market Listing Requirements of Bursa Securities (as the case may be)
“Market Day”	means a day on which Bursa Securities is open for trading in securities
“Maximum Allowable Allocation”	shall have the meaning ascribed to it in By-Law 5.1
“Maximum SGS Shares”	shall have the meaning ascribed to it in By-Law 4.1
“Normal Correspondence”	shall have the meaning ascribed to it in By-Law 28.3
“Notice” or “Process”	shall have the meaning ascribed to it in By-Law 28.1



---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**


---

“Notice of Vesting”	shall have the meaning ascribed to it in By-Law 8.2
“Performance Period”	in relation to the Grant, the duration of which is to be determined by the SGS Committee on the Grant Date, during which the Performance Targets and/or Service Objectives are to be met
“Performance Target(s) and/or Service Objective(s)”	means the performance targets and/or service objectives determined by the SGS Committee at its sole discretion, which are to be achieved by the Grantee and/or Group (and/or such business units within the Group as determined by the SGS Committee)
“Persons Connected”	shall have the meaning ascribed to it in Rule 1.01 of the Listing Requirements
“Previous Company”	shall have the meaning ascribed to it in By-Law 3.4
“Right and Distribution”	shall have the meaning ascribed to it in By-Law 12.1
“Rules of Bursa Depository”	means the rules of Bursa Depository, as issued pursuant to SICDA
“Said Selected Grantees”	shall have the meaning ascribed to it in By-Law 16.4
“SC”	means the Securities Commission Malaysia established pursuant to the Securities Commission Act 1993
“Scheme” or “SGS”	means the share grant scheme established by the Company which shall be known as the “UMC Share Grant Scheme” to be administered in accordance with these By-Laws
“Scheme Termination Date”	shall have the meaning ascribed to it in By-Law 16.4
“Senior Management”	means such employees of UMC Group as the SGS Committee may at its absolute discretion determine to be senior management
“SGS Committee”	means a committee established pursuant to By-Law 13.1 to implement and administer the Scheme in accordance with these By-Laws
“SGS Period”	means the duration of the Scheme as set out in By-Law 16.1

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**


---

“SGS Shares”	means the Shares granted to the Grantees pursuant to Grants under the Scheme which will be vested to the Grantee in accordance with By-Law 8
“Shares”	means ordinary shares in the Company
“SICDA”	means the Securities Industry (Central Depositories) Act 1991
“Sponsor”	means such persons who are registered on the register of sponsor maintained by Bursa Securities for the ACE Market specifying all persons who have been approved to act as sponsors by Bursa Securities
“Subsidiary”	means a subsidiary (has the meaning ascribed to it in Section 4 of the Act) of the Company which is not dormant, and include such subsidiaries which are existing as at the Effective Date and those subsequently acquired or incorporated at any time during the SGS Period and “Subsidiaries” shall be construed accordingly
“Trust”	means the trust that may be established to facilitate the implementation and administration of the Scheme
“Trust Deed”	means the trust deed constituting the Trust to be executed between the Trustee and the Company
“Trustee”	means the trustee to be appointed by the Company from time to time to administer the trust for the Scheme in accordance with the Trust Deed
“Unvested SGS Shares”	means SGS Shares which have been granted pursuant to the Grant but which have not been vested in the Grantee at the relevant time stipulated in the Grant
“Vesting Conditions”	means the conditions determined by the SGS Committee and stipulated in the Grant which must be fulfilled for the SGS Shares to be vested in a Grantee
“Vesting Date(s)”	means in relation to a Grant, the date or dates stipulated by the SGS Committee on which all or some of the SGS Shares to which that Grant relates in accordance with By-Law 8.1 are vested pursuant to the Grant

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**


---

“Vesting Period” means in relation to a Grant, the period commencing from the Grant Commencement Date in relation to the Grant and expiring on the Market Day immediately preceding the Grant Termination Date to which the Grant relates (both dates inclusive)

1.2 In these By-Laws, unless the context otherwise requires:

- (a) any reference to a statutory provision or an applicable law shall include a reference to:
- (i) any statute of Malaysia and shall include all subsidiary legislation made from time to time under that provision or law;
  - (ii) any and all Listing Requirements, policies, guidelines, guidance, communication notes, guidance notes and/or directions of Bursa Securities and/or the SC (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed by Bursa Securities and/or the SC);
  - (iii) that provision as from time to time modified or re-enacted, whether before or after the date of these By-Laws, so far as such modification or re-enactment applies or is capable of applying to any Grant made and/or granted within the SGS Period;
  - (iv) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced; and
  - (v) any reference to a By-Law is a reference to a By-Law of these By-Laws;
- (b) the headings to the provisions are for convenience only, and shall not be taken into account in the interpretation of these By-Laws;
- (c) any word importing:
- (i) the singular meaning includes the plural meaning and vice versa; and
  - (ii) the masculine gender includes the feminine gender and vice versa;
- (d) any liberty or power or discretion which may be exercised, and/or any decision or determination which may be made, under these By-Laws:
- (i) by the Board may be exercised at the Board's discretion and the Board shall not be under any obligation to give any reasons thereof; and

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**


---

- (ii) by the SGS Committee may be exercised at the SGS Committee's discretion and the SGS Committee shall not be under any obligation to give any reasons thereof, but subject always to the Board's power to overrule any decision of the SGS Committee;
- (e) if any event is to occur on a stipulated day which is not a Market Day, then the stipulated day shall be taken to be the first Market Day after that day; and if an event is to occur on a stipulated day which falls after the expiry of the SGS Period then the stipulated day shall be taken to be the last Market Day of the SGS Period; and
- (f) in the event of any change in the name of the Company from its present name, all references to "UMediC Group Berhad" in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.

**2. NAME AND OBJECTIVE OF THE SCHEME**

- 2.1 The Scheme shall be known as "UMC Share Grant Scheme", the objective of which is primarily to serve as a long-term incentive plan to reward the Eligible Persons and to align their interest with the corporate goals and objectives of UMC Group. In addition, the Scheme is intended to:
- (a) to continue recognising the contribution of Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;
  - (b) to motivate Eligible Persons to work towards better performance through greater productivity and loyalty;
  - (c) to stimulate a greater sense of belonging and dedication since Eligible Persons are given the opportunity to participate directly in the equity of the Company;
  - (d) to encourage Eligible Persons to remain with the Group thus ensuring that any loss of key personnel is kept to a minimum;
  - (e) to reward Eligible Persons by allowing them to participate in the Company's growth and profitability and eventually realise potential capital gains arising from any appreciation in the value of the Shares; and
  - (f) to make the Group's remuneration scheme more attractive to attract more skilled and experienced individuals to join the Group and contribute to its continued growth.

**3. ELIGIBILITY**

- 3.1 Subject to By-Law 3.2, Executive Directors and Employees may be considered as eligible from time to time and at any time for the purposes of the Scheme by the SGS Committee.
- 3.2 Eligible Persons of UMC Group who fulfill the following criteria as at the Grant Date shall be eligible for consideration by the SGS Committee to participate in the Scheme:

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**


---

- (a) has attained the age of eighteen (18) years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (b)
  - (i) has been employed by UMC Group on a full-time basis or serving in a specific designation under an employment contract with UMC Group for a fixed duration (or any other contract as may be determined by the SGS Committee) and is on the payroll of any corporation within UMC Group for a continuous period of at least four (4) months in the Group and has not served a notice of resignation or received a notice of termination prior to and up to the Grant Date; or
  - (ii) is employed by a corporation which is acquired by the Group during the SGS Period and becomes a subsidiary of the Group upon such acquisition, he/she must have completed a continuous employment service for a period of at least four (4) months in the Group following the date that such company becomes or is deemed to be a subsidiary of the Group and has not served a notice to resign or received a notice of termination prior to and up to the Grant Date;
- (c) has been confirmed in writing and is not under any probation;
- (d) if he/she is an executive director of the Company, the Grant awarded by the Company to him/her in his/her capacity as an executive director of the Company under the Scheme has been approved by the shareholders of the Company at a general meeting of the Company; and
- (e) fulfills any other criteria and/or falls within such category as may be set by the SGS Committee from time to time.

The selection of any Eligible Person for participation in the Scheme shall be determined at the sole discretion of the SGS Committee whose decision shall be final and binding.

For the avoidance of doubt, the SGS Committee may determine any other eligibility criteria and/or waive any of the eligibility criteria as set out in this By-Law 3.2, for purposes of selecting an Eligible Person from time to time, at the SGS Committee's discretion.

- 3.3 Notwithstanding anything set out in these By-Laws and subject to the Listing Requirements, no Grant may be granted to any person who is a director, a major shareholder, chief executive of the Company, or a Person Connected with a director, major shareholder or chief executive of the Company, unless the specific Grant, and/or the related transfer of SGS Shares pursuant to that Grant, to that person shall have previously been approved by the shareholders of the Company in a general meeting.
- 3.4 The SGS Committee shall have the discretion to extend (or not) the benefit of the Scheme to any employee in any of the following circumstances:

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

- (a) an employee who is in the employment of a corporation which is not a Group Company but which subsequently becomes a Group Company as a result of a restructuring, an acquisition, a merger, a divestment from that corporation which is not a Group Company or other exercise involving the Company and/or any Group Company ("**Previous Company**");
  - (b) an employee who was employed in a Previous Company and is subsequently transferred from that Previous Company to a Group Company; or
  - (c) where:
    - (i) a corporation that was a Group Company ceases to be a Group Company ("**Ex-Group Company**"); and
    - (ii) an employee of that Ex-Group Company is re-employed by another Group Company.
- 3.5 Eligibility for consideration under the Scheme does not confer an Eligible Person a claim or right to participate in or any right whatsoever under the Scheme and an Eligible Person does not acquire or has any rights over or in connection with the Grants or the SGS Shares comprised in the Grants unless the Grants have been made in writing by the SGS Committee to the Eligible Person and the Eligible Person has accepted the Grants in accordance with the terms of the Grants and the By-Laws.
- 3.6 Without prejudice to the generality of the foregoing and subject to the SGS Committee's discretion otherwise, any Grant made by the SGS Committee shall become void, of no effect and cease to be capable of vesting upon any of the following events occurring:
- (a) the Grantee's death subject to By-Law 9.4 below;
  - (b) the Grantee having received a letter of termination or ceasing to be an Employee, for any reason whatsoever;
  - (c) the Grantee giving notice of his resignation from service or employment;
  - (d) the corporation which employs the Grantee ceases to be a Group Company subject to By-Law 3.4 above;
  - (e) the Grantee is subject to Disciplinary Proceedings; or
  - (f) the Grantee is adjudicated a bankrupt.
- 3.7 The SGS Committee may at its discretion revoke or suspend the nomination of any Grantee of any Group Company from time to time, whereupon such Grantee of such corporation shall henceforth cease to be eligible for any Grant under the Scheme.

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

**4. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME**

- 4.1 The maximum number of Shares which may be made available under the Scheme shall not in aggregate exceed 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 ("**Maximum SGS Shares**").
- 4.2 Notwithstanding By-Law 4.1, in the event the aggregate number of Shares granted under the Scheme exceeds the Maximum SGS Shares at any point of time as a result of the Company purchasing or cancelling Shares in accordance with the provisions of the Act and/or undertaking any corporate proposal resulting in the reduction of the Company's issued share capital, then such Grants granted prior to the adjustment of the issued share capital of the Company (excluding treasury shares, if any) shall remain valid and exercisable in accordance with these By-Laws. However, in such situation, the SGS Committee shall not make any further Grants until such aggregate number of Shares granted falls below the Maximum SGS Shares.

**5. BASIS ALLOCATION AND MAXIMUM ALLOWABLE ALLOTMENT**

- 5.1 The aggregate maximum number of SGS Shares that may be allocated to any one (1) category/designation of the Eligible Persons shall be determined by the SGS Committee provided that the allocation to any individual Eligible Person who, either singly or collectively through Persons Connected with the Eligible Person (as defined in the Listing Requirements), holds twenty percent (20%) or more of the total number of issued shares of the Company (excluding treasury shares, if any), shall not exceed ten percent (10%) of the Maximum SGS Shares ("**Maximum Allowable Allocation**").
- 5.2 The aggregate maximum number of SGS Shares that may be allocated to the Executive Directors and Senior Management of UMC Group who are Eligible Persons shall not be more than seventy percent (70%) of the Maximum SGS Shares.
- 5.3 Subject to By-Law 5.1 and any adjustment which may be made under By-Law 10, the actual number of SGS Shares to be allocated to the Eligible Persons shall be determined by the SGS Committee at its sole discretion after taking into consideration factors which may include the Eligible Persons' position, job performance, seniority, duration of service, potential for future development and contribution to the success and development of UMC Group.
- 5.4 No Eligible Person shall participate in any deliberation or discussion on their respective Grant and/or any Grant to Persons Connected with the Eligible Person, if any, under the Scheme.

**6. GRANTS**

- 6.1 The SGS Committee may, after taking into consideration such criteria as the SGS Committee deems fit, including but not limited to the Grantee's position, job performance, seniority, duration of service, potential for future development and contribution to the success and development of UMC Group and such other criteria as the SGS Committee may deem relevant from time to time, make one or more Grants to any Grantee as the SGS Committee may at its discretion select during the SGS Period. In addition, the SGS Committee may from time to time and at its discretion decide on the Performance Targets and/or Service Objectives to be achieved by the

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

Grantee before the SGS Shares granted can be vested. Each Grant made to any Grantee by the SGS Committee shall be separate and independent from any previous or later Grant made by the SGS Committee to that Grantee.

- 6.2 The SGS Committee may award to the Grantees one (1) or more Grants to incentivise the Employees and Executive Directors of UMC Group and to motivate, reward and retain the Employees and Executive Directors who are instrumental to the continued success of the Group.
- 6.3 Subject always to these By-Laws:
- (a) nothing shall prevent the SGS Committee from making more than one (1) Grant to any Grantee provided always that the aggregate number of SGS Shares in respect of the Grants granted to any Grantee shall not exceed the Maximum Allowable Allocation; and
  - (b) the number of SGS Shares which a Grantee may be entitled pursuant to a Grant shall be at the discretion of the SGS Committee and, subject to any adjustment that may be made under these By-Laws, shall not be less than hundred (100) Shares and shall always be in multiples of hundred (100) Shares.

The number of SGS Shares granted for vesting pursuant to the Grant shall be disclosed in the Company's annual report as long as the Scheme is in operation as required by the Listing Requirements. The audit and risk management committee of the Company ("**Audit and Risk Management Committee**") shall verify the allocation of SGS Shares pursuant to the Scheme is in compliance with the criteria for allocation disclosed by the Company to the Grantee at the end of each financial year.

- 6.4 A Grant shall be made in writing and may be made upon such terms and conditions as the SGS Committee may decide from time to time. Nothing herein shall require any Grant made to be the same as or similar to other Grants previously or subsequently made whether to the same or a different Grantee.
- 6.5 The SGS Committee may in a letter of Grant ("**Grant Letter**") to a Grantee state, amongst others:
- (a) the number of SGS Shares which the Grantee shall be entitled to upon satisfying the conditions of the Grant;
  - (b) the Grant Date;
  - (c) the Vesting Conditions including the Vesting Period;
  - (d) the Performance Targets and/or Service Objectives, the Performance Period, and/or the extent to which the Shares which are subject of the Grant shall be released upon the Performance Targets and/or Service Objectives being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
  - (e) the Vesting Date(s); and



### 13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)

- (f) any other condition which the SGS Committee may determine from time to time in relation to the Grant.

6.6 The Grant shall be accepted by the Grantee in such form and manner and by providing such information as may be prescribed by the SGS Committee from time to time. For the avoidance of doubt, no monetary consideration is required to be paid by the Grantees for the acceptance of the Grants and the subsequent vesting of the SGS Shares comprised in the Grants. The reference price of the SGS Shares to be granted will be determined based on the fair value of the SGS Shares, which will take into account, among others, the market price of the Shares as at or prior to the Grant Date.

6.7 Any Eligible Person who holds more than one (1) position within UMC Group shall only be entitled to the Maximum Allowable Allocation of any one (1) category/designation. Each Executive Director shall only be entitled to the Maximum Allowable Allocation irrespective of his/her sitting on more than one (1) board of directors within UMC Group. The SGS Committee shall be entitled at its discretion to determine the applicable category/designation.

Subject to By-Law 13, in the event the Grant Letter contains an error on the part of the Company in stating any of the particulars referred to in By-Law 6.5 above, the Company shall issue a revised Grant Letter, stating the correct particulars of the Grant within thirty (30) days of discovering such error and the revised particulars of the Grant shall take effect on the date of the revised Grant Letter except for SGS Shares which have already been vested as at the date of the revised Grant Letter.

### 7. NON-TRANSFERABILITY OF THE GRANT

7.1 Subject to By-Laws 8.5, 9.4 and 24.1, a Grant is personal to the Grantee thereof, and cannot be assigned, encumbered, transferred or otherwise disposed of in any manner whatsoever.

### 8. VESTING CONDITIONS AND VESTING OF SGS SHARES

8.1 The SGS Shares comprised in a Grant shall be vested to the Grantee on the Vesting Date(s) after fulfilling the Vesting Conditions in accordance with these By-Laws. For the avoidance of doubt, the vesting of each Grant may be staggered in several tranches at such times and on such terms as determined by the SGS Committee. The SGS Shares comprised in a Grant shall vest in multiples of and no less than hundred (100) Shares.

8.2 Where the SGS Committee has determined that the Vesting Conditions have been fully and duly satisfied, the SGS Committee shall notify the Grantees of the number of SGS Shares vested or which will be vested in him on the Vesting Date(s) ("**Notice of Vesting**"). Within eight (8) Market Days or such other period as may be prescribed or allowed by Bursa Securities from the Vesting Date(s) stipulated in the Notice of Vesting, the Company shall subject to the provisions of the Constitution, Listing Requirements, SICDA and Rules of Bursa Depository:

- (a) issue or procure the transfer of the relevant number of Shares;
- (b) procure the despatch of notices of allotment of such Shares to the Grantee accordingly;  
and

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

(c) make an application for the listing of and quotation for such relevant number of new Shares (if required).

8.3 All Shares issued or transferred pursuant to the vesting of any Grant under the Scheme shall be credited directly into the CDS Account of the Grantee, and no physical share certificates will be issued and delivered to the Grantee. The Grantee shall provide the SGS Committee with his CDS Account number within the time period as determined by the SGS Committee to facilitate the issuance or transfer of the Shares to the Grantee. It is the obligation and responsibility of the Grantee to notify the Company of any change in his CDS Account number and any other relevant details.

8.4 To the extent the SGS Shares under a Grant has not vested upon expiry of the SGS Period for that Grant or vest at all under the Scheme for any reason whatsoever (including, without limitation, by reason of the SGS Committee determining that a Grant shall not vest at all pursuant to By-Law 8.6), the Grant shall lapse and become null and void unless extended from time to time by the SGS Committee at its discretion.

8.5 Notwithstanding anything to the contrary, in the event of any take-over offer being made for the issued share capital of the Company or any other corporate proposal (including but not limited to a selective capital reduction exercise), being undertaken whereby all the issued share capital of the Company is to be acquired (or all of the issued share capital of the Company ends up in the hands of one or more sponsor of such proposal), whether by way of a general offer or otherwise, the SGS Committee may at its discretion, to the extent permitted by law, decide:

- (a) to alter any Vesting Period applicable in respect of any Grant, whether by shortening or lengthening the same;
- (b) to alter any Grant Commencement Date and/or Grant Termination Date in respect of any Grant;
- (c) to fix any Grant Commencement Date and/or Grant Termination Date in respect of any Grant; and/or
- (d) to alter the terms of any Grant;

but in the absence of any such decision by the SGS Committee, upon any such take-over offer or corporate proposal becoming or being declared unconditional, the SGS Committee may by notice in writing to the Grantees (including the Grantee's legal and personal representatives) allow, within one (1) month from the date on which such take-over offer or corporate proposal becomes or is declared unconditional (or such shorter period expiring on the day immediately prior to the date on which the Grant or proposal is to expire or to complete, if such period is shorter than the said one-month period), for such number of SGS Shares comprised in any Grants to vest fully (including those SGS Shares comprised in Grants that have not yet vested in accordance with By-Law 8.6), provided that if during such period a party becomes entitled or bound to exercise the rights of compulsory acquisition under the provisions of any applicable law, and gives notice to the Company and/or any member of the Company that it intends to exercise such rights on a specified date. The SGS Shares under the Grant shall vest to the Grantee until the day immediately prior to that specified date, but no later.

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**


---

- 8.6 The SGS Committee shall, as and when it deems practicable and necessary, review the Vesting Conditions specified in respect of a Grant and determine at its discretion:
- (a) whether a Vesting Condition has been satisfied and if so, the extent to which it has been satisfied;
  - (b) whether any other condition applicable to such Grant has been satisfied; and
  - (c) the number of SGS Shares (if any) comprised in such Grant to be vested to the relevant Grantee.

Notwithstanding anything to the contrary, all SGS Shares comprised in a Grant under the Scheme shall vest when the SGS Committee determines at its full discretion that such Grantee has achieved the stipulated conditions as stated in the Grant made to him and if all other conditions stipulated in the Grant have also been met (whether fully or partially). In making any such determination, the SGS Committee shall have the right to make reference to (amongst others) the audited results of the Company or the Group (as the case may be) to take into account such factors as the SGS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend any Vesting Conditions if the SGS Committee decides that a changed Performance Target and/or Service Objective would be a fairer measure of performance. If the SGS Committee determines, at its sole discretion, that the conduct and the performance of such Grantee during the Vesting Period for that Grant does not meet the criteria for such vesting imposed by the SGS Committee as it thinks fit and/or if any other conditions stipulated in the Grant has not been met and/or (subject to By-Law 9) the relevant Grantee is no longer an Employee as at the Grant Date, the SGS Committee has the discretion to either:

- (a) vary the number of SGS Shares to be vested or to extend the relevant SGS Period and to impose additional conditions, including but not limited to, any Vesting Conditions or Performance Targets and/or Service Objectives or such other conditions precedent as the SGS Committee thinks fit in respect of the vesting of the SGS Shares to such Grantee; or
  - (b) determine that the Grant or any part thereof not vested will lapse and be of no value.
- 8.7 No Grantee shall have any right to or interest in the SGS Shares granted to him unless and until the SGS Shares are vested in him on and with effect from the date such Shares are credited into his CDS Accounts.

**9. TERMINATION OF GRANTS AND UNVESTED SGS SHARES**

- 9.1 Subject to By-Law 9.2, in the event of the cessation of employment of a Grantee with a Group Company for whatever reason, including but not limited to the receipt of a letter of termination, serving of a notice of resignation by the Grantee or bankruptcy of the Grantee, prior to the vesting of SGS Shares comprised in a Grant, such Grant or any part thereof that remain unvested, as the case may be, shall forthwith cease or be deemed to cease to be valid without any claim against the Group Company.

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

9.2 In the event of the cessation of employment of a Grantee with a Group Company in any of the following circumstances:

- (a) retirement on attaining the normal retirement age under the Group Company's retirement policy;
- (b) retirement before the normal retirement age with the consent of his employer being a company within the Group;
- (c) expiration of the employment contract of the Grantee;
- (d) resignation or termination of the employment of the Grantee by reason of ill-health, injury, physical or mental disability;
- (e) redundancy or retrenchment, pursuant to the acceptance by that Grantee of a voluntary separation scheme offered by the relevant Group Company;
- (f) non-renewal of fixed term contract, not due to a breach of contract on the part of the Grantee; or
- (g) any other circumstance which is acceptable to the SGS Committee at its discretion,

the SGS Committee may at its discretion determine that all or any part of the Unvested SGS Shares comprised in a Grant, can vest in accordance with the provisions of these By-Laws, and the times or periods at or within which such SGS Shares may vest provided that no SGS Shares shall vest after the expiry of the Vesting Period for that Grant. Unless the SGS Committee at its discretion permits such vesting in accordance with this By-Law 9.2, any Unvested SGS Shares shall cease or be deemed to cease to be capable of vesting to the Grantee without any liability or right to claim against the Company and/or the SGS Committee and/or the Board.

9.3 Subject to By-Law 9.2, upon the resignation of the Grantee from his employment with the relevant Group Company, as the case may be, such Grant shall lapse and cease or be deemed to cease to be valid forthwith on the date the Grantee tenders his resignation.

9.4 Where a Grantee dies before the expiry of the Vesting Period for a Grant(s), the SGS Committee may at its discretion determine that all or any part of the Unvested SGS Shares under the Grant(s) to be held by the Grantee, be vested to the executor or administrator of that deceased Grantee, and the times or periods at or within which such SGS Shares comprised in the Grant(s) may vest, provided always that no SGS Shares comprised in the Grant(s) may vest after the expiry of the Vesting Period for a Grant(s). In this regard, the SGS Committee may require the executor or administrator of that deceased Grantee to provide evidence satisfactory to the SGS Committee of his status as such executor or administrator, as the case may be.

9.5 In the event a bankruptcy proceeding has commenced against a Grantee, the Grant, to the extent of the Unvested SGS Shares, shall be suspended pending the outcome of the bankruptcy proceedings. If the bankruptcy proceeding is withdrawn, the suspension shall be lifted and the Unvested SGS Shares in respect of any Grant shall be capable to be vested to the said Grantee. However, if the said Grantee is adjudicated by the court to be a bankrupt, all the Unvested SGS Shares shall immediately become null and void.

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

- 9.6 Any Unvested SGS Shares shall forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting, as the case may be, without any claim against the Company and/or any corporation of the Group and/or any member of the SGS Committee upon the occurrence of one or more of the following events:
- (a) winding-up or liquidation of the Company pursuant to By-Law 15.1; or
  - (b) termination of the Scheme pursuant to By-Law 16.4.

**10. ALTERATION IN SHARE CAPITAL AND ADJUSTMENT**

- 10.1 If the SGS Committee so decides (but not otherwise), in the event of any alteration in the capital structure of the Company during the SGS Period, whether by way of a rights issue, bonus issue or other capitalisation issue, subdivision or consolidation of Shares or reduction of capital or any other variations of capital or otherwise howsoever taking place, the SGS Committee shall have the discretion and accordingly assess the practicality of complying with the requirement to cause such corresponding alterations (if any) to be made to the Scheme. Unless the SGS Committee decides otherwise in consultation with the external auditor or the Adviser or the Sponsor (as the case may be) of the Company, any alterations made shall be calculated in accordance with the formula set out in Schedule 1.
- 10.2 The alterations as set out in By-Law 10.1, may be made to:
- (a) the number of Unvested SGS Shares comprised in a Grant; and/or
  - (b) the method and/or manner in the vesting of the SGS Shares comprised in a Grant.
- 10.3 The alterations as set out in By-Law 10.1 shall be in such a manner as to give the Grantee a fair and reasonable Grant entitlement as certified in writing (other than for adjustments made pursuant to a bonus issue, subdivision or consolidation of shares) by the external auditor, Sponsor or Adviser of the Company (acting as an expert and not as an arbitrator) as being in its opinion fair and reasonable and such certification shall be final and binding in all respects, provided that:
- (a) upon any adjustment being made pursuant to By-Law 10.1 the SGS Committee shall notify the Grantee (or his executor or administrator, where applicable) in writing of the adjusted number of SGS Shares comprised in the Grant, and/or the revised maximum number of SGS Shares and/or percentage of the total SGS Shares comprised in the Grant, that may vest at any time or in any period which supersedes the earlier Grant(s); and
  - (b) in the event that a fraction of a Share arising from the adjustments referred to in By-Law 10.1 would otherwise be required to be transferred to the Grantee upon the vesting of SGS Shares comprised in a Grant, the Grantee's entitlement shall be rounded down to the nearest whole number.

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

An adjustment pursuant to By-Law 10.1 shall be made according to the following terms:

- (a) in the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
- (b) in the case of a subdivision or consolidation of Shares or reduction of capital, on the next Market Day immediately following the date on which the subdivision or consolidation or reduction becomes effective or such other period as may be prescribed by Bursa Securities.

10.4 The provisions of this By-Law 10 shall not apply where the alteration in the capital structure of the Company arises from:

- (a) the issue of securities as consideration or part consideration for an acquisition;
- (b) a special issue of new Shares or securities to Bumiputera investors nominated by the Malaysian Government and/or any other relevant authority of the Malaysian Government to comply with the Malaysian Government's policy on Bumiputera capital participation;
- (c) a special issue, private placement or restricted issued of new Shares by the Company;
- (d) a share buy-back arrangement by the Company and the cancellation of all or a portion of the Shares pursuant to Section 127 of the Act;
- (e) an issue of new Shares arising from the exercise of any conversion rights attached to securities convertible to new Shares or upon exercise of any other rights including warrants (if any) issued by the Company;
- (f) an issue of new Shares upon the vesting of Grant pursuant to the Scheme;
- (g) an issue by the Company of Shares or of securities convertible into Shares or securities with rights to acquire or subscribe for Shares to its officers, including directors, or employees of the Company or any of its subsidiaries pursuant to purchase or grant schemes approved by the shareholders in general meeting; and
- (h) any issue of Shares by the Company (other than bonus and rights issue) for any purpose whatsoever where the aggregate issues of which in any twelve (12) months do not exceed ten percent (10%) of the outstanding number of issued shares of the Company pursuant to the provision of Section 76 of the Act.

10.5 Notwithstanding the provisions of this By-Law 10, the SGS Committee may exercise its discretion to determine whether any adjustments to the number of SGS Shares be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the number of SGS Shares notwithstanding that no such adjustment formula has been explicitly set out in this By-Law.

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

**11. DISCIPLINARY PROCEEDINGS**

11.1 In the event that a Grantee is subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings will give rise to a dismissal or termination of the contract of service), the SGS Committee may at its discretion suspend any one or more of the Grantee's rights in respect of any Grant then held by him, pending the outcome of such Disciplinary Proceedings, provided always that:

- (a) in the event that such Grantee shall subsequently be found to be not guilty of all the charges which gave rise to such Disciplinary Proceedings, the Grantee's rights in respect of any Grant then held by him shall remain unaffected (and where that Grant had been suspended, the suspension shall be lifted);
- (b) in the event the Disciplinary Proceedings result in a dismissal or termination of the contract of service of such Grantee, the Grant held by that Grantee shall immediately lapse and be null and void and of no further force and effect upon the date of the notice of the dismissal or termination of the contract of service of such Grantee, notwithstanding that such dismissal or termination of the contract of service may be subsequently challenged by the Grantee in any other forum; and
- (c) in the event that the Disciplinary Proceedings result in a demotion of the Grantee to a lower category of employment, the numbers of SGS Shares comprised in the Grant held by that Grantee which are unvested (as the case may be) at that time may be reduced or revoked by the SGS Committee at its discretion;

but in any case and notwithstanding anything to the contrary, in the event such Grantee is found guilty of some or all of the charges but no dismissal or termination of the contract of service is recommended, the SGS Committee shall have the right to determine, at its discretion, whether or not the SGS Shares comprised in the Grant may continue to vest and, if so, to impose such limits, terms and conditions or make such downward adjustment to the number of SGS Shares as it deems appropriate, in respect of such vesting (regardless of anything previously determined in respect of his Grant). Nothing herein shall prevent the SGS Committee (but the SGS Committee shall not be obliged to do so) from making a fresh Grant and/or reinstating the right of the Grantee to have vested any Unvested SGS Share in the event that such disciplinary actions are not decided against him or if such disciplinary actions are withdrawn.

11.2 In the event a Grantee is subjected to Disciplinary Proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of the contract of service), after a Grant is made but before the acceptance thereof by the Grantee, the Grant is deemed revoked and/or withdrawn and no longer capable of acceptance, unless otherwise decided by the SGS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the disciplinary actions made or brought against the Grantee. Nothing herein shall prevent the SGS Committee (but the SGS Committee shall not be obliged to do so) from making a fresh Grant to such Grantee in the event that such disciplinary actions are not found against him or if such disciplinary actions are withdrawn. In the event the Grantee is dismissed or the Grantee's service is terminated after the Grant is made but before the acceptance thereof by the Grantee, the Grant is deemed revoked and/or withdrawn and no longer capable of acceptance.

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

**12. RANKING OF THE SHARES PURSUANT TO THE SCHEME**

- 12.1 The Shares to be issued and/or transferred to the Grantees pursuant to the Scheme will, rank equally 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 ("**Right and Distribution**") which may be declared, made or paid, where the Entitlement Date is before the date of issuance and/or transfer of the abovementioned Shares.
- 12.2 Notwithstanding By-Law 12.1, in respect of any Shares transferred to the Grantees pursuant to the Scheme (whether issued and/or transferred, or acquired), the Grantees shall not be entitled to any Right and Distribution attached to the Shares until such Shares have been credited into the CDS Accounts of the respective Grantees, upon vesting of such SGS Shares in the Grant under the Scheme.
- 12.3 For the avoidance of doubt, any Right and Distribution which are attributable to Shares held by the Trustee (whether issued or acquired) but which are not transferred, vested or given to any Grantee shall accrue to the Trustee and be dealt with in accordance with the Trust Deed.
- 12.4 The Grants shall not carry any rights to vote at any general meeting of the Company.

**13. ADMINISTRATION**

- 13.1 The Scheme shall, subject to these By-Laws, be implemented and administered by the SGS Committee in such manner as it shall, at its absolute discretion, think fit, in the best interest of the Company, provided that no member of the SGS Committee and no Eligible Person shall participate in any deliberation or decision in respect of Grants granted or to be granted to himself or any Person Connected to such Eligible Person. The SGS Committee shall comprise any such persons appointed by the Board from time to time and shall be vested with such powers and duties as are conferred upon it by the Board and the Board may determine all matters pertaining to the SGS Committee, including its duties, powers and limitations.
- 13.2 Without limiting the generality of By-Law 13.1, the SGS Committee may for the purpose of administering the Scheme, do all such acts and things and enter into and/or cause the Company to enter into any transaction, agreement, deed and document, arrangement or undertaking, construe and interpret the Scheme and Grants granted under it, and make such guidelines, rules and/or regulations, or impose or waive any terms and conditions for the implementation and administration of the Scheme, or delegate any of its powers relating to the administration of the Scheme and to give effect to the provisions of the Scheme and/or to enhance the benefit of the Grants to the Grantees as the SGS Committee at its discretion deems fit, necessary and/or expedient for the implementation and administration of the Scheme. The SGS Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for a Grant in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective and to determine all questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company.



---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

- 13.3 The Board shall have power at any time and from time to time:
- (a) approve, rescind and/or revoke the appointment of any member of the SGS Committee and appoint replacement members to the SGS Committee;
  - (b) assume and/or exercise or execute any of the powers and authorities conferred upon the SGS Committee pursuant to these By-Laws; and
  - (c) amend, modify or vary the terms of reference of the SGS Committee.
- 13.4 Neither the Scheme nor Grants granted under the Scheme shall impose on the Company, the Board, or the SGS Committee or any of its members any liability whatsoever in connection with:
- (a) the lapse of any Grants pursuant to any provision of the Scheme;
  - (b) the failure or refusal by the SGS Committee to exercise, or the exercise by the SGS Committee of, any discretion under the Scheme; and/or
  - (c) any decision or determination of the SGS Committee made pursuant to any provision of the Scheme.
- 13.5 Any decision or determination of the SGS Committee made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to dispute as to the interpretation of the Scheme or any rule, regulation or procedure hereunder or as to any rights under the Scheme). The SGS Committee shall not be required to furnish any reasons for any decision or determination made by it except as may be required by the relevant authorities.

**14. MODIFICATION, VARIATION AND/OR AMENDMENT OF THESE BY-LAWS**

- 14.1 Subject to the By-Laws and compliance with the Listing Requirements and the approvals of any other authorities (if required), the SGS Committee may at any time and from time to time recommend to the Board any modification, variation and/or amendment of the By-Laws as it shall at its discretion think fit and the Board shall have the power at any time and from time to time by resolution to make any modification, variation and/or amendment of the By-Laws upon such recommendation and subject to the Company submitting the amended By-Laws and a letter of compliance to Bursa Securities (within five (5) market days after the effective date of the modification, variation and/or amendment of the By-Laws or such other period as may be prescribed by Bursa Securities or any other relevant authorities) each time any modification, variation and/or amendment is made, stating that the said modification, variation and/or amendment is in compliance with the provisions of the Listing Requirements pertaining to share issuance schemes and the Rules of Bursa Depository.
- 14.2 The approval of the shareholders of the Company in general meeting shall not be required in respect of the modification, variation and/or amendment of the By-Laws provided that no modification, variation and/or amendment made to the By-Laws which would:
- (a) prejudice any rights which would have accrued to any Grantee without the prior consent or sanction of that Grantee;

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**


---

- (b) increase the number of Shares available under the Scheme beyond the maximum amount set out in By-Law 4;
  - (c) prejudice any rights of the shareholders of the Company; or
  - (d) alter to the advantage of an Eligible Person and/or Grantee(s) in respect of any matters which are required to be contained in the By-Laws pursuant to the Listing Requirements.
- 14.3 No modification, amendment, alteration and/or deletion of the Scheme shall be made in relation to By-Laws 3.1, 3.2, 4.1, 5.1, 5.2, 6.6, 7.1, 10, 12, 15, 16.1, 17 and Schedule 1 of this By-Laws to the advantage of the Grantees without prior approval of the Company's shareholders in a general meeting and subject to any applicable laws.

**15. LIQUIDATION OF COMPANY**

- 15.1 Upon the passing of a resolution or receipt of a court order of the winding-up of the Company, all Grants shall be deemed revoked and be null and void and all Unvested SGS Shares comprised in a Grant shall lapse and be null and void and of no further force and effect, and the Scheme shall terminate.
- 15.2 In the event where a petition is presented in court for the winding-up of the Company, all rights to exercise and/or vest the Grants shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the suspension of the right to vest the Grants shall accordingly be lifted.

**16. DURATION OF THE SCHEME**

- 16.1 The Scheme shall take effect on the date on which the last of the following approvals and/or conditions shall have been obtained and/or complied with and shall continue to be in force for a period of ten (10) years from the Effective Date ("**Date of Expiry**"):
- (a) submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance pursuant to Rule 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
  - (b) receipt of approval-in-principle from Bursa Securities for the listing of and quotation for the new Shares to be issued under the Scheme;
  - (c) receipt of approval of any other relevant regulatory authorities whose approvals are necessary in respect of the Scheme; and
  - (d) fulfilment or waiver (as the case may be) of all conditions attached to any of the abovementioned approvals (if any).
- 16.2 All Unvested SGS Shares comprised in any Grant (whether fully or partially unvested) shall cease to be capable of vesting upon expiration of the SGS Period.

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

- 16.3 Within five (5) Market Days after the Effective Date, the Adviser or the Sponsor of the Company (as the case may be) shall, where required under the Listing Requirements, submit a confirmation to Bursa Securities of full compliance with approvals and/or conditions set out in By-Law 16.1, stating the Effective Date.
- 16.4 Subject to compliance with the requirements of Bursa Securities and any other relevant authorities, the Scheme may be terminated by the Company at any time before the Date of Expiry without obtaining the approvals or consents from the Grantees or the Company's shareholders provided that the Company makes an announcement immediately to Bursa Securities on the following:
- (i) the effective date of termination of the Scheme;
  - (ii) the number of Grants or Shares vested; and
  - (iii) the reasons and justification for termination of the Scheme.

Notwithstanding anything to the contrary, all Unvested SGS Shares comprised in any Grant (whether fully or partially unvested) shall cease to be capable of vesting on the Date of Expiry or the date of the resolution of the termination of the Scheme.

**17. RETENTION PERIOD AND TRANSFER RESTRICTIONS**

- 17.1 The Shares to be issued and/or transferred pursuant to the vesting of SGS Shares comprised in any Grant to the Grantees under the Scheme may be subject to such retention period or restriction on transfer (if any) which the SGS Committee, shall, from time to time and at its own discretion, be entitled to prescribe or impose as it sees fit.
- 17.2 The expression "retention period" referred to in By-Law 17.1 shall mean the period in which the Shares are issued or transferred to the CDS Account of the Grantees pursuant to the Scheme must not be sold, transferred, assigned or otherwise disposed of by the Grantees.

**18. COSTS AND EXPENSES OF THE SCHEME**

- 18.1 All administrative costs and expenses incurred by the Company in relation to the Scheme, including but not limited to the costs and expenses relating to the issuance or transfer of the Shares and/or acquisition of existing Shares for the vesting of SGS Shares comprised in any Grant, shall be borne by the Company.
- 18.2 For the avoidance of doubt, all other costs, fees, levies, charges, and/or taxes (including without limitation, income taxes) that are incurred by a Grantee, pursuant or relating to the grant of the Grants and vesting of SGS Shares comprised in a Grant, and any holding or dealing of such Shares (such as (but not limited to) brokerage commissions and stamp duty) shall be borne by that Grantee for his own account, and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

**19. NO COMPENSATION**

- 19.1 All Employees (including but not limited to Eligible Person or Grantee) who cease to hold office or employment or their executors or administrators, shall not be entitled to any compensation for the loss of any right or benefit, or prospective right or benefit, under the Scheme which they might otherwise have enjoyed, whether such compensation is claimed by way of damages for wrongful dismissal, other breach of contract or by way of compensation for loss of office.
- 19.2 All Employees (including but not limited to Eligible Person or Grantee) or their executors or administrators, shall not be entitled to bring any claim, action or proceeding against the Company, the Board, the SGS Committee or any other party for any compensation, loss or damages whatsoever and howsoever arising including but not limited to the suspension of the vesting of SGS Shares comprised in a Grant, their SGS Shares comprised in a Grant not vesting for any reason whatsoever, and/or their Grant ceasing to be valid pursuant to the provisions of these By-Laws.

**20. DISPUTES**

- 20.1 In the event of a dispute between the Board and/or the SGS Committee, and an Employee of any Group Company as to any matter or thing of any nature arising hereunder, the Board or the SGS Committee shall determine such dispute or difference by a written decision (other than a matter to be certified by the Auditors or the Advisers) given to the Employee of any Group Company. The said decision of the Board or the SGS Committee (as the case may be) shall be final and binding on the parties. The Board and the SGS Committee shall not be required to furnish any reasons for any decision or determination made by it except as may be required by the relevant authorities. Under no circumstances shall a dispute or difference be brought to a court of law. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the SGS Committee shall be borne by such party.

**21. INSPECTION OF AUDITED FINANCIAL STATEMENTS**

- 21.1 To the extent permitted by the Listing Requirements and prevailing laws and guidelines issued by the relevant authorities, all Grantees shall be entitled to inspect a copy of the latest audited financial statements of the Company, which shall be made available at Bursa Securities' website and the Company website.

**22. DIVESTMENT OF SUBSIDIARIES**

- 22.1 Subject to By-Law 3.4, if a Grantee is in the employment of a company which ceases to be a Group Company due to a subsequent disposal or divestment (in whole or in part) from the Group, such Grantee shall not be eligible for any future Grants under the Scheme. Unless otherwise determined by the SGS Committee, any Unvested SGS Shares in respect of the Grantee shall cease to be capable of vesting.

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

**23. ACQUISITIONS OF SUBSIDIARIES**

- 23.1 Notwithstanding anything to the contrary, but subject to By-Law 3.4, in the case of an employee of a Previous Company, such an employee ("**Affected Employee**") may (subject to the approval of the SGS Committee) be eligible to participate in the Scheme only for the remaining SGS Period provided that, notwithstanding anything to the contrary, the number of SGS Shares that may be offered to such an Affected Employee under this By-Law 23.1 will always be subject to the discretion of the SGS Committee.

**24. SCHEMES OF ARRANGEMENT, AMALGAMATION AND RECONSTRUCTION**

- 24.1 Notwithstanding By-Law 8, in the event of any application being made to the court for sanction of a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and/or reconstruction of the Company under section 366 of the Act, or its amalgamation with any other company or companies under section 370 of the Act, the SGS Committee may, by notice in writing to the Grantee, at its discretion determine that a Grantee (including its legal and personal representatives) may be entitled to receive all or any part of the SGS Shares comprised in a Grant that remain unvested commencing from the date upon which the application is so made to the court and ending on the date immediately prior to the date on which the scheme of arrangement and/or arrangement and reconstruction of the Company or amalgamation is approved (or on any other date specified by the SGS Committee at its discretion notwithstanding that:

- (a) the Vesting Date(s) is not due or has not occurred; and/or
- (b) other terms and conditions set out in the Grant have not been fulfilled or satisfied;

after which all Grants shall be null and void and (whether or not comprising SGS Shares vested thereunder), shall cease to be capable of vesting.

**25. THE CONSTITUTION OF THE COMPANY**

- 25.1 Notwithstanding the terms and conditions contained in these By-Laws, if a situation of conflict should arise between these By-Laws and the Constitution, the provisions of the Constitution shall prevail at all times save and except where such provisions of the By-Laws are included pursuant to the Listing Requirements.

**26. SCHEME NOT A TERM OF EMPLOYMENT**

- 26.1 The Scheme shall not form part of, constitute or in any way be construed as any term or condition of employment of any Employee. The Scheme shall not confer or be construed to confer on any Employee any special right or privilege over and above the Employee's terms and conditions of employment under which the Employee is employed nor any rights in addition to compensation or damages that the Employee may be normally entitled to arising from the cessation of such employment for any reason whatsoever.

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

**27. DISCLAIMER OF LIABILITY**

27.1 Notwithstanding anything to the contrary and subject to the Act, the Board, the SGS Committee and/or the Company including any Group Company and its directors, officers, employees, agents, affiliates and representatives, shall not, under any circumstance, be held liable for any damages, cost, loss and expense whatsoever and howsoever arising or incurred or suffered in any event in respect of the Scheme, including but not limited to the Company's delay in issuing and allotting the Shares or in applying for or procuring the listing of the Shares on Bursa Securities and/or acquiring of the existing Shares and/or transferring the Shares in accordance with these By-Laws for any reason whatsoever.

**28. NOTICE**

28.1 Any legal notice or process (other than Grants) under the Scheme ("**Notice**" or "**Process**") required to be given to or served upon an Eligible Person or Grantee shall be deemed to be sufficiently given, served or made if it is given, served or made by hand, by facsimile transmission and/or by letter sent via ordinary post addressed to the Eligible Person or Grantee at his place of employment, at his last facsimile transmission number known to the Company, or to his last known address. Any Notice or Process served by hand, by facsimile, by post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged, (if by facsimile transmission) is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages, and (if by post) on the day the letter containing the same is posted and in proving such service by post, it shall be sufficient to prove that the letter containing the notice or documents was properly addressed, stamped and posted.

28.2 Any Notice or Process required to be given to or served upon the Board or the SGS Committee by an Eligible Person or Grantee shall be given, served or made in writing and delivered by hand or by registered post to the registered office of the Company (or such other office or place which the SGS Committee may have stipulated for this purpose). Any Notice or Process served by hand, or post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged and (if by post) five (5) Market Days after postage.

28.3 Any Grant to be made and normal correspondence (other than Notice or Process) under the Scheme ("**Normal Correspondence**") to be given to or served upon the Board or the SGS Committee, Eligible Person or Grantee, as the case may be, shall be given, served or made in writing and delivered by electronic mail to the address of the registered office of the Company and such electronic mail address specified by the Company (if to be given to or served upon the Board or the SGS Committee) or to such last known mailing address provided by the Employee to the Company and electronic mail address of the Employee provided by the Company (if to be given to or served upon the Eligible Person or Grantee) or such communication by other digital means as may be prescribed by the Board and/or the SGS Committee, and shall be deemed to have been received by the recipient (in the case of electronic mail) on the Market Day immediate following the day on which the electronic mail is dispatched or (in the case of post), the day on the third (3<sup>rd</sup>) Market Day after the date of posting or (in the case of communication by other digital means) on the Market Day immediate following the day on which such communication is effected.

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

28.4 Notwithstanding By-Law 28.3, where any Normal Correspondence is required to be given by the Company or the SGS Committee under these By-Laws in relation to matters which may affect any or all of the Eligible Persons or Grantees, as the case may be, the Company or the SGS Committee may give the Normal Correspondence through an announcement to all Employees to be made in such manner deemed appropriate by the SGS Committee. Upon the making of such an announcement, the Normal Correspondence to be made under By-Law 28.3 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Grantees, as the case may be.

**29. MULTIPLE JURISDICTIONS**

29.1 In order to facilitate the making of any Grant (and/or the benefit thereof) under the Scheme, the SGS Committee may provide for such special terms to apply to Grants to Grantees who are employed by a Group Company in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the SGS Committee may consider necessary or appropriate to accommodate differences in applicable law, tax policy or custom. The SGS Committee may approve such supplements to or amendments, restatements or alternative versions of, the Scheme as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of the Scheme as they are in effect for any other purpose, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatement, however, shall include any provision that is inconsistent with the terms of the Scheme and these By-Laws as then in effect unless the Scheme and these By-Laws have been amended to eliminate such inconsistency. Notwithstanding the above, any Grant offered to such Grantee pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the SGS Committee in the Grant.

29.2 No action has been or will be taken by the Company to make the Grant valid in any country or jurisdiction other than Malaysia or to ensure compliance of the Grant with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken also by the Company to ensure compliance by the Grantee to whom the Grant is offered, with all applicable laws and regulations in such other country or jurisdiction in which the Grantee will be vested the SGS Shares under the Grant.

29.3 It is the responsibility of any Grantee to whom the Grant is offered to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which the SGS Shares are vested in them under the Grant. Grantees who are employed by a Group Company in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, should consult their legal advisers as to whether the Grant would result in the contravention of any laws of such countries or jurisdictions, and in the event that the Grant would result in the contravention of any laws of such countries or jurisdictions, the Grantees will have no rights or claims whatsoever against the Company in respect of their Grant. By participating in the Scheme, each Grantee has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which the SGS Shares will be vested in them under Grant.

---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

- 29.4 The Company shall not accept any responsibility and liability in the event that any Grant to the Grantee is or becomes illegal, unenforceable, voidable or void or shall contravene the laws in any jurisdictions outside Malaysia.

**30. SEVERABILITY**

- 30.1 Any term, condition, stipulation, and/or provision in these By-Laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability, but the same shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation and/or provision contained in these By-Laws.

**31. ERRORS AND OMISSIONS**

- 31.1 If as a result of an error or omission, the SGS Committee discovers or determines that:
- (a) an Eligible Person who was selected as a Grantee has not been given the opportunity to participate in the Scheme on any occasion;
  - (b) an Eligible Person was erroneously selected as a Grantee; or
  - (c) the number of Shares issued or transferred to any Grantee on any occasion is found to be incorrect;

and such error or omission cannot be corrected within the relevant period specified in the Scheme, the SGS Committee may do all such acts and things to rectify such error or omission including, but not limited to, all acts and things to ensure that the Eligible Person is given the opportunity to participate in the Scheme and/or to withdraw the Grant given to the Employee who was erroneously selected as a Grantee and/or to ensure that the Grantee is credited with the correct number of Shares to which he is entitled to.

**32. GOVERNING LAW**

- 32.1 The Scheme, these By-Laws, and all Grants made and granted and actions taken under the Scheme shall be governed by and construed in accordance with Malaysian law and the Grantee, by participating in the Scheme in accordance with these By-Laws and terms of the Scheme and the Constitution of the Company, irrevocably submits to the exclusive jurisdiction of the courts in Malaysia.

**33. DECISION OF THE BOARD AND/OR THE SGS COMMITTEE**

- 33.1 Any decision and/or determination made by the Board and/or the SGS Committee under these By-Laws shall be final and binding on all parties.



---

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

**34. DELAY IN PERFORMANCE**

- 34.1 The performance of any obligations provided herein may be delayed, prohibited or become impossible by reason of events beyond reasonable control of the Company or the SGS Committee.

**35. IMPLEMENTATION OF THE SCHEME**

- 35.1 In implementing the Scheme, the SGS Committee may at its sole and absolute discretion decide that the vesting of any SGS Share comprised in a Grant be satisfied by any of the following methods:

- (a) issuance of new Shares by the Company;
- (b) acquisition of existing Shares from the Main or ACE Market of Bursa Securities (as the case may be);
- (c) transfer of the Company's treasury shares (if any) or any other method as may be permitted by the Act; or
- (d) a combination of any methods as stated in By-Laws 35.1(a), (b) and (c) above.

In considering the settlement mode of the Grants as detailed in By-Laws 35.1(a) to (d) above, the SGS Committee will take into consideration, amongst others, factors such as the potential cost arising from the granting of the SGS Shares, the dilutive effects of such issuance on the Company's capital base as well as applicable laws and/or regulatory requirements. The method of settlement to be made by UMC to the Grantee shall be at the discretion of the SGS Committee.

- 35.2 For the purpose of facilitating the implementation of the Scheme, the Company and/or the SGS Committee may (but shall not be obliged to) establish a Trust to be administered by the Trustee to be appointed by the Company from time to time in accordance with the Trust Deed. The Trustee shall, at such times as the SGS Committee shall direct, subscribe for and/or purchase the necessary number of Shares to accommodate any transfer of SGS Shares to the CDS Accounts of the Grantees. For this purpose, the Trustee will be entitled from time to time to the extent permitted by law and as set out under these By-Laws to accept funding and/or assistance, financial or otherwise from the Company and/or any Group Companies. The SGS Committee shall have the discretion to instruct the Trustee to subscribe for new Shares and/or acquire existing Shares at any time and from time to time and also to revoke or suspend any such instruction that has earlier been given to the Trustee.
- 35.3 For the purpose of administering the Trust, if and when the Trust is established, the Trustee shall do all such acts and things and enter into any transaction, agreement, deed, document or arrangement and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the SGS Committee may direct for the implementation and administration of the Trust which are expedient for the purpose of giving effect to and carrying out the powers and duties conferred on the Trustee by the Trust Deed.

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

---

- 35.4 The SGS Committee shall have power from time to time, at any time, to appoint, rescind or terminate the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The SGS Committee shall not be under any obligation to give any reasons for such appointment, rescission or termination. The SGS Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.

**36. MULTIPLE SCHEMES**

The Company may implement more than one (1) share issuance scheme, provided that the aggregate number of Shares available under all the share issuance schemes do not exceed the maximum number of Shares stipulated in the Listing Requirements or by any other relevant authorities.

(The rest of this page has been intentionally left blank)

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

**SCHEDULE 1  
Adjustment**

**(a) Consolidation / subdivision**

If and whenever a Share is consolidated or subdivided, the additional number of new Shares relating to the Grant to be issued shall be calculated in accordance with the following formula:

$$\text{Additional number of Shares} = T \times \left[ \frac{B}{A} \right] - T$$

where:

A = the aggregate number of issued Shares immediately before such consolidation or subdivision;

B = the aggregate number of issued Shares immediately after such consolidation or subdivision; and

T = existing number of Shares to be vested.

Each such adjustment will be effective from the close of business on the Market Day immediately following the date on which the consolidation or subdivision becomes effective or such other date as may be prescribed by Bursa Securities.

**(b) Capitalisation of profits/reserves**

If and whenever the Company shall make any issue of new Shares to ordinary shareholders, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature), the additional number of new Shares relating to the Grant to be issued shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \left[ \frac{A + B}{A} \right] - T$$

where:

A = the aggregate number of issued Shares on the Entitlement Date immediately before such bonus issue or capitalisation issue;

B = the aggregate number of new Shares to be issued pursuant to any allotment to ordinary shareholders by way of capitalisation of profits or reserves (whether of a capital or income nature); and

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

T = as T above.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(c) If and whenever the Company shall make:

- (i) **Capital Distribution**  
a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets);
- (ii) **Rights Issue of Shares**  
any offer or invitation to its ordinary shareholders by way of rights pursuant to which they may acquire or subscribe for Shares; or
- (iii) **Rights issue of convertible shares**  
any offer or invitation to ordinary shareholders by way of rights pursuant to which they may acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares,

and in respect of the case referred to in Section (c)(ii) of this Schedule 1, the number of additional new Shares comprised in the Grant to be issued shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \left[ \frac{C}{C - D^*} \right] - T$$

where:

C = the current market price of each Share on the Market Day immediately preceding the date on which the Capital Distribution (as defined below) or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing such announcement) immediately preceding the date of the announcement of the Entitlement Date of the Capital Distribution (as defined below) or, as the case may be, of the offer or invitation or (where appropriate), any relevant date as may be determined by the Company in consultation with the Adviser and the Auditors; and

D\* = the value of rights attributable to one (1) Share (as defined below).

For the purpose of definition D\* above, the “value of rights attributable to one (1) Share” shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

where:

C = as C above;

E\* = the subscription price for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares;

F\* = the number of Shares which it is necessary for a shareholder of the Company to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share; and

T = as T above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions.

For the purpose of this Section (c) of this Schedule 1, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new Shares (other than an issue falling under Section (b) of this Schedule 1) or other securities by way of capitalisation of profits or reserves (whether of a capital or income nature).

Any distribution out of profits or reserves (including any capital redemption reserve fund) made (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated statements of comprehensive income of the Company.

**(d) Capitalisation of profits/reserves and rights issue of Shares/convertible securities**

If and whenever the Company makes an allotment to its ordinary shareholders as provided in Section (b) of this Schedule 1 and also makes an offer or invitation to its ordinary shareholders as provided in Section (c)(ii) or (c)(iii) in this Schedule 1 and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional new Shares relating to the Grant to be issued shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \left[ \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where:

B = as B above;

C = as C above;

G = the aggregate number of issued Shares on the Entitlement Date;

H\* = the aggregate number of new Shares to be issued pursuant to an offer or invitation to acquire or subscribe for Shares by way of rights;

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

I\* = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares; and

T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

**(e) Rights issue of Shares and rights issue of convertible securities**

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided under Section (c)(ii) of this Schedule 1 together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for Shares as provided in Section (c)(iii) of this Schedule 1, the number of additional Shares comprised in the Grant to be issued shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \left[ \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where:

C = as C above;

G = as G above;

H\* = as H\* above;

I\* = as I\* above; and

T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

**(f) Capitalisation of profits/reserves, rights issue of Shares and rights issue of convertible securities**

If and whenever the Company makes an allotment to its ordinary shareholders as provided under Section (b) of this Schedule 1 and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided under Section (c)(ii) of this Schedule 1, together with rights to acquire or subscribe for securities convertible into Shares or with rights to acquire or subscribe for Shares as provided under Section (c)(iii) of this Schedule 1, and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of offer or invitation, the number of additional Shares relating to the Grant to be issued shall be calculated as follows:

**13. BY-LAWS OF SHARE GRANT SCHEME (CONT'D)**

$$\text{Additional number of Shares} = T \times \left[ \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where:

B = as B above;

C = as C above;

G = as G above;

H\* = as H\* above;

I\* = as I\* above; and

T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(The rest of this page has been intentionally left blank)

## 14. ADDITIONAL INFORMATION

### 14.1 EXTRACT OF OUR CONSTITUTION

The following provisions are extracted from our Constitution and are qualified in its entirety by the provisions of our Constitution and by applicable laws. The words and expressions appearing in the following provisions shall have the same meaning used in our Constitution unless they are otherwise defined herein or the context otherwise requires.

<b>Words</b>	<b>Meanings</b>
ACE Market	ACE Market of Bursa Securities or any other market of Bursa Securities on which the Company is listed at the relevant time
appointing director	A director who appoints an alternate director under Clause 168
Auditor	The Company's auditor. That person must be an approved company auditor. Where two or more are appointed, any of them
benefits	This term, when used in relation to benefits payable or to be given to directors, means any benefits referred to in Section 230(1) of CA
Bursa Securities	Bursa Malaysia Securities Berhad
Board	The Company's Board
Business Day	A day which is not a public holiday in the state or territory where the registered office of the Company is located
CA	Companies Act 2016
CMSA	Capital Markets and Services Act 2007
Company	UMediC Group Berhad (Registration No. 202101015347 (1415647-D))
Constitution	This constitution of the Company, including, any changes made to it
convertible securities	This term is used in Paragraph 1.01 of LR. It means securities which may convert or be exercised (by their terms of issue), into shares
corporation	A corporate body, established anywhere
Deposited Security	This term means a security, as used in Section 2 of SICDA, of the Company, as stands to the credit of a securities account of a Depositor. It covers a security which is in suspense



---

**14. ADDITIONAL INFORMATION (CONT'D)**


---

<b>Words</b>	<b>Meanings</b>
Deposited Share or Depository Shares	A share which is a Deposited Security
Depositor	A holder of a securities account
Depository	This term means Bursa Malaysia Depository Sdn. Bhd. (Registration No. 198701006854 (165570-W)), the depository of the Company's shares prescribed under Section 14 of SICDA. This term can also mean another depository acting as such a depository, approved to be a central depository under SICDA. Successors-in-title and permitted assigns are also included in this term
director	Director of the Company (inclusive of alternate or nominee directors)
DR	Rules of the Depository. It covers the Procedural Manuals (as meant in those rules)
eDividend service	The eDividend service (electronic dividend payment) through which companies listed on Bursa Securities are required to pay dividends
electronic form	This term covers documents or information sent or supplied by electronic means or by any other means while in electronic form (such as by e-mail, text message, fax or sending a compact disc by post). It also covers any electronic form referred to in Section 612(1) of CA
electronic means	A document or information is sent or supplied by electronic means if it is sent initially, and received at its destination by means of electronic equipment for the processing (which expression includes digital compression) or storage of data, and entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means
exempt authorised nominee	This term means an authorised nominee as meant by SICDA, which is exempted from compliance with Section 25A(1) of SICDA
existing shares	Shares in issue at the relevant time
General Meeting	A meeting of shareholders held in accordance with the Constitution. This includes any General Meeting held as the Company's Annual General Meeting
hard copy	This term covers documents or information sent or supplied in paper copy or similar form which can be read. It also covers, anyhow, any hard copy referred to in Section 612(1) of CA

---

**14. ADDITIONAL INFORMATION (CONT'D)**


---

<b>Words</b>	<b>Meanings</b>
Insolvency Laws	Insolvency Act 1967 (Act 360) as amended or substituted from time to time
Laws	CA, SICDA, and all regulations, DR, practice notes, practice directives and guidelines made under them
listed security or listed securities	A security or securities of the Company admitted to the Official List
LR	Listing Requirements of the ACE Market. For the purpose of this Constitution, it also covers any guidance notes or directives issued by Bursa Securities and any amendment that may be made from time to time in relation to these Listing Requirements
Malaysia	Federation of Malaysia
market day	Any day between Mondays and Fridays (inclusive) which is not a public holiday and on which Bursa Securities is open for trading in securities
Minister	This term is as meant by Section 3 of the Interpretation Acts 1948 and 1967 (Act 388), when used in CA
month	Calendar month
Non-Depository Shares	This term is used to mean shares which are not Deposited Shares
officer	Includes, a director, manager and secretary of the entity but does not include, an auditor
Official List	A list specifying all securities listed on ACE Market or any other market of Bursa Securities
ordinary business	All the following business (if it takes place at an Annual General Meeting): <ul style="list-style-type: none"> <li>• laying of audited financial statements and the reports of the directors and the Auditor;</li> <li>• the election of directors in place of those retiring;</li> <li>• the appointment and the fixing of the fees and benefits of directors;</li> <li>• the appointment of the Auditor; and/or</li> <li>• declaring and approving dividends</li> </ul>
Ordinary Shareholders	Shareholders of ordinary shares of the Company

---

**14. ADDITIONAL INFORMATION (CONT'D)**


---

<b>Words</b>	<b>Meanings</b>
pay	This term, when used in relation to the payment of commission, means a payment of commission in Section 80 of CA. For other times, when used elsewhere, this term can cover any kind of reward or payment for services
person or people	These terms cover corporate bodies and unincorporated bodies, established anywhere. They do not, however, cover unincorporated bodies, when used in relation to transfers or registration of shareholders which involve Deposited Shares and these bodies are not allowed or recognised by SICDA or DR
public holiday	The meaning of this term is as meant by Section 3 of the Interpretation Acts 1948 and 1967 (Act 388). It means a public holiday established by law in Malaysia or any part of Malaysia
Registered Office	The Company's registered office
Registrar	The Company's registrar
related corporations	The meaning of this term is as used in Section 7 of CA
representative	A person or persons authorised to act as representative of a corporation which is a shareholder, under Section 333 of CA
rights	This term, when used in relation to the rights of a share means, the rights attached to the share, when issued, or afterwards
RM	The lawful currency of Malaysia
ROC	This term means "Registrar", as used in Section 2 of CA. It means the Registrar designated under Subsection 20A(1) of the Companies Commission of Malaysia Act 2001 (Act 614)
ROD	A record of depositors of holders of securities of the Company kept by the Depository under SICDA and DR
ROM	Register of members of the Company kept under CA
Seal	The Company's common seal or Securities Seal. This is where the Company chooses to keep such a seal

**14. ADDITIONAL INFORMATION (CONT'D)**

<b>Words</b>	<b>Meanings</b>
Secretary	A person appointed by the Board to do work as the company secretary. This includes an assistant, deputy or temporary company secretary. Where two or more are appointed to act jointly, it includes any one of them
securities	The meaning of this term is as meant by Section 2 of CMSA
securities account	This is an account which the Depository establishes for the Depositor under SICDA and DR. It is to record the deposit, withdrawal and dealing of securities
Securities Seal	An official seal kept by the Company under Section 63 of CA
Share Scheme	A scheme which involves a new issue of the Company's shares or grant of the Company's existing or new shares to eligible directors and employees of the Company or its subsidiaries
shareholders	Holders of the Company's shares. Where those shares are deposited with the Depository under SICDA and DR, it must be a person whose name appears on the ROD as the holder of such shares and treated as a member of the Company under Section 35 of SICDA. This is subject to SICDFOR and the Constitution. This term does not also include, the Depository in its capacity as a bare trustee or nominee company. Where those shares are not deposited and do not need to be deposited under SICDA, it must be a person whose name appears in the ROM
SICDA	Securities Industry (Central Depositories) Act 1991 (Act 453)
SICDFOR	Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996
special business	All business at General Meetings except for ordinary business
UCA	Unclaimed Monies Act, 1965 (Act 370)
written or in writing	In writing or in any way representing or copying words legibly so that they are permanent. It includes, anything in electronic form. It may also be partly in one form and partly in another. Where used in relation to notices of meeting, it must be in hard copy or electronic form in the way allowed by Sections 319 and 320 of CA, subject to LR. Where used in another context, it must be in a form allowed or not prohibited by CA or LR

---

**14. ADDITIONAL INFORMATION (CONT'D)**

---

**14.1.1 Remuneration of our Directors**Clause 175

The fees and benefits payable to the directors shall annually be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree provided always that:

- (a) salaries payable to executive directors may not include a commission on or percentage or turnover;
- (b) fees payable to non-executive directors shall be a fixed sum and not by a commission on or percentage of profits or turnover;
- (c) any fee paid to an alternate director shall be such as shall be agreed between himself and the director nominating him and shall be paid out of the remuneration of the later; and
- (d) fees and benefits payable to directors shall not be increased except pursuant to an ordinary resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

Clause 176

The Board can also repay to a director all expenses properly incurred in:

- 176.1 attending and returning from shareholders' meetings, Board meetings or Board committee meetings; or
- 176.2 any other way in connection with the Company's business.

Clause 177

The Board can award extra fees to a director who:

- 177.1 holds an executive position;
- 177.2 acts as chairman or deputy chairman; or
- 177.3 serves on a Board committee or board at the request of the Board.

Clause 178

If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special efforts in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing a special remuneration in addition to his Directors' Fees and such special remuneration may be by way of a fixed sum or otherwise as may be arranged.

---

**14. ADDITIONAL INFORMATION (CONT'D)**

---

Clause 179

Subject to LR, the Board can decide whether to provide:

- 179.1 pensions;
- 179.2 annual payments; or
- 179.3 other allowance or benefits,

to any people including people who are or who were directors of the Company. The Board can decide to extend these arrangements to relations or dependants of, or people connected to, these people. The Board can also decide to contribute to a scheme or fund or to pay premiums to a third party for these purposes.

Clause 180

The Company can only provide pensions and other similar benefits to:

- (a) people who are or were directors; and
- (b) relations or dependants of, or people connected to, those directors or former directors,

The receipt of a benefit of any kind given in accordance with this Clause does not prevent a person from being or becoming a director of the Company.

Clause 181

Shareholders must approve the matters in Clauses 175 to 179 as far as the Laws require in relation to directors' fees and benefits.

**14.1.2 Voting and borrowing powers of our Directors**Clause 197

A director cannot vote (and if the director does vote, such vote will not be counted) on a resolution in regard to a contract in which the director (or a person connected with the director) is directly or indirectly interested.

Clause 198

A director is counted in the quorum for a Board meeting in relation to a resolution although the director is not entitled to vote.

Clause 199

A director is not interested in a contract where Sections 221(2) or (3) of CA say that they are not. This Clause does not affect any equitable principle or rule of law relating to directors not being treated as interested. This Clause is subject to LR.

---

**14. ADDITIONAL INFORMATION (CONT'D)**

---

Clause 200

This Clause applies if the Board are considering proposals to appoint two or more directors to positions with the Company or any company in which the Company has an interest. It also applies if the Board are considering fixing or varying the terms of the appointment. These proposals can be split up to deal with each proposed director separately. If this is done, each proposed director can vote (unless the proposed director is prevented from voting under Clause 197) and be counted in the quorum for each resolution.

Clause 201

If a question comes up at a meeting about whether a director (other than the chairman of the meeting) has all interest or whether the director can vote or be counted in the quorum, and the director does not agree to abstain from voting on the question or not be counted in the quorum, the question must be referred to the chairman of the meeting. The chairman's ruling about the director is conclusive, unless the nature or extent of the director's interests has not been fairly disclosed to the Board. If the question comes up about the chairman of the meeting, the question will be decided by a resolution of the Board. The chairman cannot vote on the question but can be counted in the quorum. The Board's resolution about the chairman is conclusive, unless the nature or extent of the chairman's interests has not been disclosed to the Board.

Clause 223

To the extent that CA, LR and the Constitution allow, the Board can exercise all the powers of the Company to:

- (a) borrow money;
- (b) mortgage or charge all or any part of the Company's business, property and assets (present and future);
- (c) issue debentures and other securities; and
- (d) give security (including (without limitation), guarantees, indemnities and mortgages and charges) either outright or as collateral security, for a debt, liability or obligation of the Company or another person.

**14.1.3 Changes in capital and rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights**Clause 21

The Company can issue new shares and attach any rights and restrictions to them, as long as this is not restricted by special rights previously given to holders of any existing shares. Subject to this, the rights of new shares can take priority over the rights of existing shares, or existing shares can take priority over them, or the new shares and the existing shares can rank equally. These rights and restrictions can apply to sharing in the Company's profits or assets. Other rights and restrictions can also apply, for example, those relating to the right to vote.

---

**14. ADDITIONAL INFORMATION (CONT'D)**

---

Clause 24

If the Company's share capital is split into different classes of share, the special rights attached to any of these classes can be varied or withdrawn if the shareholders approve this by passing a special resolution. This must be passed at a separate meeting of the holders of that class of shares. This is called a class meeting. Alternatively, the holders of at least 75% of the existing shares of the class (by voting rights) can give their written consent.

Clause 25

The parts of the Constitution which relate to General Meeting apply, with any necessary changes, to a class meeting, but with these adjustments:

- 25.1 a shareholder who is present in person or by proxy can demand a poll;
- 25.2 on a poll, the holders of shares will have one vote for every share of the class which they hold;
- 25.3 the vote will, anyhow, be by poll if LR requires this.

This is subject to any special rights or restrictions which are attached to a class of shares by the Constitution, or any rights attached to shares in some other way under the Constitution.

A special resolution of shareholders of the preference capital affected is required where preference capital is to be repaid (other than redeemable preference capital or any other alteration to preference shareholders' rights). However, where the majority for the special resolution is not obtained at a meeting, written consent given by holders of at least 75% of that preference capital within two (2) months of that meeting shall be as valid and effective as a special resolution passed at a meeting.

Clause 26

Clauses 24 and 25 also apply if:

- 26.1 special rights of shares forming part of a class are varied or withdrawn. Each part of the class which is being treated differently is viewed as a separate class in applying this Clause;
- 26.2 preference shares are issued which rank equally with existing preference shares. However, these Clauses do not apply if the terms of issue of existing preference shares or the Constitution allows those preference shares to be issued.

Clause 37

The shareholders can pass a special resolution to reduce in any way the Company's share capital in accordance with Subdivision 4 of Division 1 of Part III of CA, whether with the confirmation of the Court or a solvency statement.

Clause 38

The shareholders can pass special resolutions to alter the Company's share capital in accordance with Section 84 of CA.



---

**14. ADDITIONAL INFORMATION (CONT'D)**

---

Clause 39

If any shares are consolidated or divided, the Board may deal with any fractions of shares which result or any other problem that arises. If the Board decide to sell any shares which represent fractions, they must sell for the best price they can reasonably obtain and distribute the net proceeds of sale among shareholders in proportion to their fractional entitlements or shall be disregarded and will be dealt with by the Board in such a manner as they deem fit at their absolute discretion and in the best interest of the Company. The Board can sell to a person (including the Company, if CA and LR allow) and can authorise a person to transfer those shares to the buyer or in accordance with the buyer's instructions. The buyer does not need to take any action to check how any money paid is used. The buyer's ownership will not be affected if the sale was irregular or invalid in any way.

Clause 40

The shareholders can also pass ordinary resolutions to convert any paid-up shares into stock and reconvert any stock into paid-up shares in accordance with Section 86 of CA.

**14.1.4 Transfer of securities**Clause 50

Transfers of any listed security or class of listed security shall be by way of book entry by the Depository in accordance with DR. The Company shall not register or effect any transfer of listed securities although Sections 105, 106 and 110 of CA may say something else. It shall not do so despite Sections 103(1), 106 and 110 of CA. This does not, however, apply to a transfer of securities to the Depository or its nominee or from the Depository or its nominee to Depositors under Section 148(2) of CA or any transfer of securities under any exemption given from compliance with Section 148(1) of CA.

Clause 51

Where:

- 51.1 the securities of the Company are listed on another stock exchange; and
- 51.2 the Company is exempt from complying with Section 14 of SICDA or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as applicable, under DR in respect of such securities,

the Company shall, on request of a securities holder, allow securities held by that holder to be transmitted from the register of holders kept by the Registrar in the other stock exchange's jurisdiction, to the register of holders kept by the Registrar in Malaysia and the other way around. However, there must be no change in the ownership of such securities.

Clause 52

Transfers of Non-Depository Shares must be in any form which CA requires. If CA does not require a specific form, the transfer must be in the usual standard form, or another form approved by the Board. A transfer must be signed, or made effective in some other way, by or on behalf of the persons making and receiving the transfer.

---

**14. ADDITIONAL INFORMATION (CONT'D)**

---

Clause 53

The Depository may refuse to transfer any Deposited Shares which does not comply with SICDA and DR. A shareholder can transfer some or all of his Non-Depository Shares unless the Constitution says something else.

Clause 54

The transfer for Non-Depository Shares must be delivered to the Registered Office or some other place which the Board decide. The transfer must have with it:

- 54.1 the share certificate for shares to be transferred;
- 54.2 any other evidence which the Board ask for to prove that the person wanting to make or receive the transfer is entitled to do this; and
- 54.3 if the transfer is executed by another person on behalf of the person making or receiving the transfer, evidence of the authority of that person to do so.

Clause 55

A transfer delivered under Clause 54:

- 55.1 cannot be in favour of more than 4 joint holders;
- 55.2 must be properly stamped to show payment of any applicable stamp duty.

Clause 56

The Board can refuse to register such a transfer delivered:

- 56.1 where the transfer breaches any law or regulation or licensing or requirement (of any jurisdiction) which applies to the Company or any of its subsidiaries or any entity in which any of them have an interest;
- 56.2 where the transfer is unlawful under Malaysian law; or
- 56.3 the transfer relates to partly paid shares where a call has been made and is unpaid.

Clause 57

If the Board decide not to register a transfer of a share delivered under Clause 54, it must comply with Section 106 of CA.

Clause 58

If the Company registers a transfer delivered under Clause 54, it can keep the transfer. A transfer cannot be used to transfer more than one (1) class of shares. Each class needs a separate transfer. No fee is payable to the Company for transferring Non-Depository Shares or registering changes relating to the ownership of any such shares.

Clause 59

The person making a transfer of Non-Depository Shares will be treated as continuing to be the shareholder until the name of the person to whom a share is being transferred is entered on the ROM for that share.

---

**14. ADDITIONAL INFORMATION (CONT'D)**

---

**14.2 LIMITATION ON THE RIGHT TO OWN SECURITIES AND/OR EXERCISE VOTING RIGHTS**

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his/her/its Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his/her/its Shares to the MOF and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository (“**Depositor**”) by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares will be deemed to be our shareholder and will be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

Subject to the above, there is no limitation on the right to own our Shares, including limitations on non-resident or foreign shareholders’ right to hold or exercise voting rights on our Shares imposed by Malaysian law or by our Constitution.

**14.3 SHARE CAPITAL**

- (i) As at the date of this Prospectus, we have only one (1) class of shares, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (ii) The details of the share capital of our Company and our subsidiaries together with their respective changes for the past three (3) FYEs 31 July 2019 to 2021 and up to the LPD are disclosed in Sections 5.1.2 and 5.2 of this Prospectus respectively.
- (iii) Save as disclosed in Section 5 of this Prospectus, there is no more than 10% of share capital of our Company or our subsidiaries has been paid for with assets other than cash, within the past three (3) years from the LPD.
- (iv) As at the date of this Prospectus, none of our Group’s capital is under option, or agreed conditionally or unconditionally to be put under option.
- (v) As at the date of this Prospectus, neither our Company nor our subsidiaries have any outstanding warrant, option, convertible security or uncalled capital in respect of our Shares.
- (vi) Save for the Pink Form Allocations and SGS as disclosed in Sections 3.3.1(ii) and 3.3.4 of this Prospectus, there is no other scheme involving our Directors and employees in the capital of our Group.
- (vii) No Shares will be allotted, issued or offered on the basis of this Prospectus later than six (6) months after the date of this Prospectus.

(The rest of this page has been intentionally left blank)

---

## 14. ADDITIONAL INFORMATION (CONT'D)

---

### 14.4 EXCHANGE CONTROLS

As at the date of this Prospectus, we do not have any foreign subsidiary or associated company which requires repatriation of capital and remittance of profits by or to our Group.

### 14.5 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contract (not being contract in the ordinary course of business) during the past three (3) FYEs 31 July 2019 to 2021 and up to the date of this Prospectus:

- (i) UMediC had on 27 August 2018, entered into a sale and purchase agreement with Penang Development Corporation (“PDC”) to purchase all that piece of land situated in Daerah Seberang Perai Selatan and forming part of Mukim 13, the site whereof is marked Plot 320 Batu Kawan Industrial Park contained an area of 2.912 acres for a cash consideration of RM5,115,848.80. The acquisition was completed on 17 May 2019; and
- (ii) our Company had on 3 June 2022, entered into the Underwriting Agreement with our Sole Underwriter for the underwriting of 31,782,300 IPO Shares under Sections 3.3.1(i) and 3.3.1(ii) of this Prospectus, in accordance with the terms and conditions as set out in the Underwriting Agreement. Further details of the Underwriting Agreement are set out in Section 3.9 of this Prospectus.

### 14.6 PUBLIC TAKE-OVER

None of the following has occurred during the last financial year up to the LPD:

- (i) public take-over offers by third parties in respect of our Shares; and
- (ii) public take-over offers by us in respect of other company’s shares.

### 14.7 CONSENTS

- (i) Our Principal Adviser, Sponsor, Sole Placement Agent, Sole Underwriter, Company Secretary, Solicitors, Share Registrar and Issuing House have given their respective written consents for the inclusion in this Prospectus of their names and all references in the form and context in which such names appear before the issue of this Prospectus, and such consents have not subsequently been withdrawn.
- (ii) Our Auditors and Reporting Accountants have given their written consent for the inclusion in this Prospectus of their name, Accountants’ Report, Reporting Accountants’ Report on the Compilation of Pro Forma Consolidated Statements of Financial Position as at 31 January 2022 and all references thereto in the form and context in which they are contained in this Prospectus before the issue of this Prospectus, and such consent has not subsequently been withdrawn.
- (iii) Our IMR has given their written consent for the inclusion in this Prospectus of their name, IMR Report and all references thereto in the form and context in which they are contained in this Prospectus before the issue of this Prospectus, and such consent has not subsequently been withdrawn.

---

**14. ADDITIONAL INFORMATION (CONT'D)**

---

**14.8 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at our registered office at No. 39, Irving Road, 10400 George Town, Pulau Pinang a during normal office hours for a period of six (6) months from the date of this Prospectus:

- (i) our Constitution;
- (ii) the audited financial statements of UMC for the period from our incorporation up to 31 January 2022;
- (iii) the audited financial statements of each of our subsidiaries for FYEs 31 July 2019, 2020 and 2021;
- (iv) the IMR Report as included in Section 7 of this Prospectus;
- (v) the Reporting Accountants' Report on the Compilation of Pro Forma Consolidated Statements of Financial Position as at 31 January 2022 as included in Section 11.9 of this Prospectus;
- (vi) the Accountants' Report as included in Section 12 of this Prospectus;
- (vii) the By-Laws as included in Section 13 of this Prospectus;
- (viii) the material contracts referred to in Section 14.5 of this Prospectus; and
- (ix) the letters of consent referred to in Section 14.7 of this Prospectus.

**14.9 RESPONSIBILITY STATEMENTS**

Our Directors and Promoters have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Affin Hwang IB, being our Principal Adviser, Sponsor, Sole Placement Agent and Sole Underwriter, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

(The rest of this page has been intentionally left blank)

## 15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

### 15.1 OPENING AND CLOSING OF APPLICATION

Applications for our IPO Shares will be accepted and closed at the time and date stated as below:

OPENING OF THE APPLICATION: 10.00 A.M., 6 July 2022

CLOSING OF THE APPLICATION: 5.00 P.M., 13 July 2022

If there is any change to the time or date for the closing of the applications for our IPO Shares, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia. The dates for the ballot of the applications for our IPO Shares, the allotment of our IPO Shares and our Listing would then be extended accordingly.

**Late Applications will not be accepted.**

### 15.2 METHODS OF APPLICATION

Applications must accord with the terms of our Prospectus and our Constitution. You agree to be bound by our Constitution.

#### 15.2.1 Application for our IPO Shares by the Malaysian Public and the Eligible Persons

<b>Types of Application and category of investors</b>	<b>Application method</b>
Applications by the Malaysian Public:	
(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Non-Individuals	White Application Form only
Applications by the Eligible Persons	Pink Application Form only

The submission of an Application Form does not mean that your Application will succeed.

(The rest of this page has been intentionally left blank)

## 15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

### 15.2.2 Application for our IPO Shares by the Selected Investors via private placement

<u>Types of Application</u>	<u>Application method</u>
Applications by: Selected Investors	Our Sole Placement Agent will contact the Selected Investors directly. They should follow the Sole Placement Agent's instructions

## 15.3 ELIGIBILITY

### 15.3.1 General

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of this Prospectus on the website of Bursa Securities. The CDS Account must be in your own name. Invalid, nominee or third party CDS Accounts will not be accepted for the Applications.

Only **ONE (1)** Application Form for **each category** from each applicant will be considered and **APPLICATION MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

**MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.**

**AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.**

### 15.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (i) You must be one of the following:
  - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares;
  - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
  - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia;
- (ii) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

## 15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

- (iii) You must submit the Application by using only one (1) of the following methods:
- (a) White Application Form;
  - (b) Electronic Share Application; or
  - (c) Internet Share Application.

### 15.3.3 Application by the Eligible Persons

Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation.

The Eligible Persons who have made applications using the Pink Application Form may still apply for our IPO Shares allocated to the Malaysian Public using the White Application Form or through the Electronic Share Application or the Internet Share Application.

## 15.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions printed therein or which are illegible will not be accepted.

The FULL amount payable is RM0.32 for each IPO Share.

Payment must be made out in favour of “**MIH SHARE ISSUE ACCOUNT NO. 613**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Each completed Application Form accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

**Malaysian Issuing House Sdn Bhd**  
 (Registration No. 199301003608 (258345-X))  
 11<sup>th</sup> Floor, Menara Symphony  
 No.5, Jalan Prof. Khoo Kay Kim  
 Seksyen 13  
 46200 Petaling Jaya  
 Selangor Darul Ehsan

or

P.O. Box 00010  
 Pejabat Pos Jalan Sultan  
 46700 Petaling Jaya  
 Selangor Darul Ehsan

- (ii) or **DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at the front portion of Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan,



---

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)**

---

so as to arrive not later than 5.00 p.m. on 13 July 2022 or by such other time and date specified in any change to the time or date for the closing of the applications for our IPO Shares.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Form or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

**15.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS**

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Applications.

Electronic Share Applications may be made through the ATMs of these Participating Financial Institutions and their branches namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

**15.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS**

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an Internet financial services website of these Internet Participating Financial Institutions namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS-CIMB Securities Sdn Bhd, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the Internet financial services website of the respective Internet Participating Financial Institutions.

**15.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE**

The Issuing House, on the authority of our Board, reserves the right to:

- (i) reject Applications which:
  - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
  - (b) are illegible, incomplete or inaccurate; or
  - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 15.9 below.

---

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)**

---

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

**15.8 OVER/UNDER-SUBSCRIPTION**

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House's website at [www.mih.com.my](http://www.mih.com.my) within one (1) Market Day after the balloting date.

Pursuant to the Listing Requirements, we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in Section 3.3.3 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by our Sole Underwriter based on the terms of the Underwriting Agreement.

**15.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS**

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

**15.9.1 For applications by way of Application Forms**

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your registered or correspondence address last maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the National registration identity card ("NRIC") or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

---

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)**


---

- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by the issuance of banker's draft sent by ordinary/registered post to your registered or correspondence address last maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

**15.9.2 For applications by way of Electronic Share Application and Internet Share Application**

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within two (2) Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the 5<sup>th</sup> Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot.
- (iv) For Applications that are held in reserve and subsequently unsuccessful or partially successful, the relevant Participating Financial Institution or Internet Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within two (2) Market Days after the final balloting date. The Participating Financial Institution or Internet Participating Financial Institution will credit the Application monies or any part thereof (without interest) within two (2) Market Days after the receipt of confirmation from the Issuing House.

**15.10 SUCCESSFUL APPLICANTS**

If you are successful in your Application:

- (i) Our IPO Shares allotted to you will be credited into your CDS Account.
- (ii) A notice of allotment will be despatched to you at your registered or correspondence address last maintained with Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)**

- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. Consequently, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealing in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
  
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No share certificates will be issued to you and you shall not be entitled to withdraw any deposited security held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

**15.11 ENQUIRIES**

Enquiries in respect of the Applications may be directed as follows:

<b>Mode of application</b>	<b>Parties to direct the enquiries</b>
Application Form	Issuing House Enquiry Services Telephone at telephone no. +603-7890 4700
Electronic Share Application	The relevant Participating Financial Institution
Internet Share Application	The relevant Internet Participating Financial Institution and Authorised Financial Institution

You may also check the status of your Application by calling your respective ADA at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of this Prospectus on the website of Bursa Securities or the Issuing House at the telephone no. +603-7890 4700 between five (5) to 10 Market Days (during office hours only) after the final ballot day.

(The rest of this page has been intentionally left blank)

## ANNEXURE A: OUR MATERIAL PROPERTIES

### A.1 MATERIAL PROPERTY OWNED BY OUR GROUP

As at the LPD, the details of the material property owned by our Group, which UMediC is the registered owner, are as follows:

No.	Title identification / Postal address or locality / Tenure	Description of property / Existing or proposed use / Category of land use	Date of issuance of CCC	Land area / Built-up area (sq ft)	Major restriction in interest / condition / encumbrances	Audited NBV as at 31 January 2022 (RM'000)
1.	<p><b>Title identification:</b> PT 6031 held under HSD 50873 in Mukim 13, Daerah Seberang Perai Selatan, Negeri Pulau Pinang</p> <p><b>Postal address:</b> PMT 790, Jalan Cassia Selatan 5/2, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang</p> <p><b>Tenure:</b> 60 years' lease expiring on 20 September 2079</p>	<p><b>Description:</b> A double-storey office building annexed with a single-storey factory building</p> <p><b>Existing use:</b> Manufacturing plant and office</p> <p><b>Category of land use:</b> Industrial</p>	3 March 2021	126,852.68/ 48,487.40	<p><b>Major restriction in interest:</b> This land shall not be transferred, charged, leased or sub-leased, rented or whatsoever transaction without the written consent from the state authority</p> <p><b>Major express condition:</b> This land shall be used for "manufacturing of medical devices, i.e. Air splint/fixin splint, bed parts/accessories" only</p> <p><b>Major encumbrances:</b> This property is charged to Hong Leong Bank Berhad</p>	11,485

The above property is not in breach of any land use condition or current regulatory requirements, land rules, building regulations or environment issues which may materially affect our operations and the utilisation of the said property.

**ANNEXURE A: OUR MATERIAL PROPERTIES (CONT'D)**

---

**A.2 MATERIAL PROPERTIES RENTED BY OUR GROUP**

As at the LPD, we do not have any material properties rented by our Group.

(The rest of this page has been intentionally left blank)

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS**

As at the LPD, the details of our major licences, permits and approvals for our operations, together with the main conditions imposed and the corresponding status of compliance, are as follows:

No.	Licensee	Approving Authority / Issuer	Description of Licence / Permit / Approval	Licence No. / Reference No. / Registration No.	Effective Date / Date of Expiry	Major Conditions Imposed	Status of Compliance
1.	Actimed	Majlis Bandaraya Seberang Perai ("MBSP")	Business licence for retail, distribution and wholesale of medical devices located at PMT 790, Jalan Cassia Selatan 5/2, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang	36/12038B/70744	11 October 2021/ 31 December 2022	Nil	N/A
2.	Evo Medik	MBSP	Business licence for retail, distribution and wholesale of medical devices located at PMT 790, Jalan Cassia Selatan 5/2, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang	36/12038B/70745	11 October 2021/ 31 December 2022	Nil	N/A

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (CONT'D)**

No.	Licensee	Approving Authority / Issuer	Description of Licence / Permit / Approval	Licence No. / Reference No. / Registration No.	Effective Date / Date of Expiry	Major Conditions Imposed	Status of Compliance
3.	U Medihealth	MBSP	Business licence for retail, distribution and wholesale of medical devices and office located at PMT 790, Jalan Cassia Selatan 5/2, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang	36/12038B/70746	11 October 2021/ 31 December 2022	Nil	N/A
4.	UMediC	MBSP	Business licence for manufacture medical devices and office, wholesale, distribution and retail of medical devices and advertising signboard located at PMT 790, Jalan Cassia Selatan 5/2, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang	36/13038A/69490	14 September 2021/ 31 December 2022	Nil	N/A



**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (CONT'D)**

No.	Licensee	Approving Authority / Issuer	Description of Licence / Permit / Approval	Licence No. / Reference No. / Registration No.	Effective Date / Date of Expiry	Major Conditions Imposed	Status of Compliance
5.	UWHC	MBSP	Business licence for manufacture medical devices and office located at PMT 790, Jalan Cassia Selatan 5/2, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang	36/12038A/70747	8 October 2021/ 31 December 2022	Nil	N/A
6.	UWHM	MBSP	Business licence for manufacture devices and office located at PMT 790, Jalan Cassia Selatan 5/2, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang	36/13038A/69491	14 September 2021/ 31 December 2022	Nil	N/A

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (CONT'D)**

No.	Licensee	Approving Authority / Issuer	Description of Licence / Permit / Approval	Licence No. / Reference No. / Registration No.	Effective Date / Date of Expiry	Major Conditions Imposed	Status of Compliance
7.	UMediC	Dewan Bandaraya Kuala Lumpur	Business licence for business office located at No. 16-23A, Wisma Zelan, Jalan Tasik Permaisuri 2, Bandar Tun Razak, 56000 Cheras, Kuala Lumpur	DBKL.JPPP/PR01/0977/08/2017	24 October 2021/ 23 October 2022	Workers at the premises shall have 50% Malaysians and for the 50% non-Malaysians shall have valid working permit.	Complied. All workers are Malaysians.
8.	UMediC	Majlis Bandaraya Iskandar Puteri	Business licence for the sale of medical devices located at C1-0506, Jalan Indah 15, Taman Bukit Indah, 79100 Iskandar Puteri, Johor	MBIP(L)03/09/06/01/15/C1-0506	1 January 2022/ 31 December 2022	Nil	N/A
9.	UMediC	MDA Malaysia	Establishment licence under Section 15(1) of Medical Device Act 2012 ("EL") for a manufacturer	MDA-0441-K44119  (Serial No. 007914)	31 July 2019/ 30 July 2022	(i) Establishment licence issued by the MDA shall not be transferred.	Noted

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (CONT'D)**

No.	Licensee	Approving Authority / Issuer	Description of Licence / Permit / Approval	Licence No. / Reference No. / Registration No.	Effective Date / Date of Expiry	Major Conditions Imposed	Status of Compliance
10.	UMediC	MDA Malaysia	EL for an authorized representative, distributor and importer	MDA-2124-WDP121  (Serial No. 007116)	19 September 2021/ 18 September 2024	(ii) Licensee may apply for renewal of establishment licence not later than one (1) year prior to expiry of licence.	Complied
11.	UWHM	MDA Malaysia	EL for a manufacturer	MDA-2126-K121  (Serial no. 007119)	14 April 2021/ 13 April 2024	(iii) The licensee shall not import, export and place in market an unauthorised medical device from the manufacturer or authorised representative.  (iv) Any changes or amendments to the information concerning licence shall be notified to the authority.  (v) The validity period of the licence certificate is subject to the validity period and conditions of the Quality Management System certificate issued by the Conformity Assessment Body (CAB).	Complied  Noted  Noted

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (CONT'D)**

No.	Licensee	Approving Authority / Issuer	Description of Licence / Permit / Approval	Licence No. / Reference No. / Registration No.	Effective Date / Date of Expiry	Major Conditions Imposed	Status of Compliance
12.	UMediC	MDA Malaysia	Medical device registration certificate (“MDC”) for “hospital hydraulic stretchers with weighing scale”	GA6564620-45191  (Serial No. 036021)	28 July 2020/ 27 July 2025	(i) Medical Device Registration Certificate issued by MDA shall not be transferable or assignable.	Noted
13.	UMediC	MDA Malaysia	MDC for “perflow flowmeter”	GB7869020-42740  (Serial No. 034899)	8 April 2020/ 7 April 2025	(ii) The validity of the Medical Registration Certificate is five (5) years from the date of registration unless the registration is cancelled by MDA before its expiry.	Noted
14.	UMediC	MDA Malaysia	MDC for “electrical hospital bed”	GA4926660416  (Serial No. 042838)	14 September 2021/ 13 September 2026	(iii) Advertising of medical device shall not contain any statement, whether directly or indirectly that the use of that medical device is suggested, promoted or endorsed by MDA or another related party.	Complied

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (CONT'D)**

No.	Licensee	Approving Authority / Issuer	Description of Licence / Permit / Approval	Licence No. / Reference No. / Registration No.	Effective Date / Date of Expiry	Major Conditions Imposed	Status of Compliance
15.	UMediC	MDA Malaysia	MDC for "electrical hospital bed with weighing scale"	GA17774571818  (Serial No. 033330)	11 January 2018/ 10 January 2023	(iv) Intended purpose of medical device shall be clearly stated in the advertisement of products, including brochures, pamphlets, and etc., and shall not refer to any 20 types of diseases that cannot be advertised as prescribed in Section 3(1) of the Medicines (Advertisement and Sale) Act 1956.	Complied
16.	UMediC	MDA Malaysia	MDC for "fetal and vascular dopplers including probes – LifeDop 150 series"	GB6324220-38819  (Serial No. 033169)	24 December 2019/ 23 December 2024	(v) Medical device intended for professional use may only be supplied for use by medical professionals only and shall not be placed in the market for general public.	Complied
17.	UMediC	MDA Malaysia	MDC for "fetal and vascular dopplers including probes – LifeDop 250 series"	GB6576220-38818  (Serial No. 033170)	18 December 2019/ 17 December 2024	(vi) Any amendments to the information concerning registered medical device shall be notified to MDA in accordance to the guidelines set by MDA. MDA reserves the right to grant approval or reject the application for such amendments.	Complied

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (CONT'D)**

No.	Licensee	Approving Authority / Issuer	Description of Licence / Permit / Approval	Licence No. / Reference No. / Registration No.	Effective Date / Date of Expiry	Major Conditions Imposed	Status of Compliance
18.	UMediC	MDA Malaysia	MDC for "limb plethysmography"	GB6787619-37528 (Serial No. 032585)	5 December 2019/ 4 December 2024	↓	↓
19.	UMediC	MDA Malaysia	MDC for "Oxyl flowmeter"	GB7284720-42737 (Serial No. 034898)	20 March 2020/ 19 March 2025		
20.	UMediC	MDA Malaysia	MDC for "vacusill"	GB9511520-42738 (Serial No. 034900)	20 March 2020/ 19 March 2025		
21.	UMediC	MDA Malaysia	MDC for "P-300 pressure regulators"	GC3885620-42739 (Serial No. 034901)	13 March 2020/ 12 March 2025		
22.	UMediC	MDA Malaysia	MDC for "hydraulic hospital bed"	GMD1279984971 8A (Serial No. 033332)	30 October 2018/ 29 October 2023		
23.	UMediC	MDA Malaysia	MDC for "lower limb immobilizer"	GMD2765686541 8A (Serial No. 033334)	14 November 2018/ 13 November 2023		

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (CONT'D)**

No.	Licensee	Approving Authority / Issuer	Description of Licence / Permit / Approval	Licence No. / Reference No. / Registration No.	Effective Date / Date of Expiry	Major Conditions Imposed	Status of Compliance
24.	UMediC	MDA Malaysia	MDC for "hospital manual bed"	GMD6435184981 8A  (Serial No. 033331)	30 October 2018/ 29 October 2023	↓	↓
25.	UMediC	MDA Malaysia	MDC for "upper limb immobilizer"	GMD9166184641 8A  (Serial No. 033335)	27 October 2018/ 26 October 2023		
26.	UMediC	MDA Malaysia	MDC for "hydraulic stretcher"	GMD9654084991 8A  (Serial No. 033333)	30 October 2018/ 29 October 2023		
27.	UWHM	MDA Malaysia	MDC for "prefilled humidifier with adaptor"	GB37757176017  (Serial No. 045659)	27 February 2022/ 26 February 2027		
28.	UWHM	MDA Malaysia	MDC for "inhaler spacer"	GA3611220-42763  (Serial No. 044634)	14 May 2020/ 13 May 2025		

## ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (CONT'D)

No.	Licensee	Approving Authority / Issuer	Description of Licence / Permit / Approval	Licence No. / Reference No. / Registration No.	Effective Date / Date of Expiry	Major Conditions Imposed	Status of Compliance
29.	UMediC	MOF	Certificate of company registration	K6343466676316 5521/357-02151336	7 March 2022/ 22 April 2025	(i) Any changes to the information furnished by the company shall be updated online at <i>Modul Kemaskini Profil</i> through <a href="http://www.eperolehan.gov.my">www.eperolehan.gov.my</a> within 21 days from the said change. MOF will have the right to do site visit or audit at any time without any prior notification. Non-compliance with registration conditions could result the field code and/or company registration be revoked or terminated and company, owner and board of directors could also be facing disciplinary action including being blacklisted without any notice if information furnished by the company is found to be not correct.	Noted



**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (CONT'D)**

No.	Licensee	Approving Authority / Issuer	Description of Licence / Permit / Approval	Licence No. / Reference No. / Registration No.	Effective Date / Date of Expiry	Major Conditions Imposed	Status of Compliance
						(ii) The company shall ensure the approved fields shall not be overlapped with other company with the same owner or board of director, management and employees or operate at the same premises.  (iii) The newly registered company is not allowed to have changes to the owners or board of directors within six (6) months from the date of registration.	Complied  Complied
30.	UWHM	MITI/MIDA	Manufacturing licence for "Medical equipment, devices and instrument"	A 024153  (Serial No. A 040226)	15 October 2021/valid until and unless revoked or surrendered	(i) The manufacturing site shall be located at PMT 790, Jalan Cassia Selatan 5/2, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang (subject to the approval from the relevant State Government).  (ii) MITI and MIDA must be notified on any disposal of shares in UWHM.	Complied  Noted

**ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS (CONT'D)**

No.	Licensee	Approving Authority / Issuer	Description of Licence / Permit / Approval	Licence No. / Reference No. / Registration No.	Effective Date / Date of Expiry	Major Conditions Imposed	Status of Compliance
						(iii) The company shall train Malaysians so that the technology and skills can be transferred to all position levels.	Noted
						(iv) The company must meet the condition of the capital investment per employee (CIPE) for at least RM140,000.00.	Complied
						(v) Total full-time permanent workforce shall comprise at least 80% Malaysians. In addition, employment of foreign workers including outsourced workers shall be subject to current policies.	Complied

(The rest of this page has been intentionally left blank)