

UMediC Group Berhad
(Company No. 202101015347) (1415647-D)
(Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 OCTOBER 2022⁽¹⁾**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.10.2022	⁽²⁾ 31.10.2021	31.10.2022	⁽²⁾ 31.10.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	11,314	N/A	11,314	N/A
Cost of sales	(7,483)	N/A	(7,483)	N/A
Gross profit	3,831	N/A	3,831	N/A
Other income	522	N/A	522	N/A
Marketing expenses	(232)	N/A	(232)	N/A
Administrative and other expenses	(1,784)	N/A	(1,784)	N/A
Finance costs	(89)	N/A	(89)	N/A
Profit before tax	2,248	N/A	2,248	N/A
Taxation	(247)	N/A	(247)	N/A
Profit for the financial period, attributable to owners of the parent	2,001	N/A	2,001	N/A
Other comprehensive income, net of tax	-	N/A	-	N/A
Items that may be subsequently reclassified to profit or loss	-	N/A	-	N/A
Total comprehensive income, attributable to owners of the parent	2,001	N/A	2,001	N/A
Earnings per share attributable to owners of the parent ("EPS"):				
Basic and diluted ⁽³⁾ (sen)	0.54	N/A	0.54	N/A

Notes:

N/A Not applicable.

- (1) The basis of preparation of the Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 July 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding corresponding period are presented as this is the third interim financial report announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**").
- (3) Based on the number of ordinary shares of 373,910,000 shares pursuant to the completion of the initial public offering ("**IPO**"). Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial period under review.

UMediC Group Berhad
 (Company No. 202101015347) (1415647-D)
 (Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2022⁽¹⁾

	Unaudited as at 31 October 2022 RM'000	Audited as at 31 July 2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	21,238	21,009
Right-of-use assets	4,869	4,900
Deferred tax assets	556	432
Current assets		
Inventories	11,133	9,460
Trade and other receivables	11,768	7,359
Marketable securities	20,136	21,007
Current tax assets	580	562
Cash and bank balances	2,766	4,160
TOTAL ASSETS	73,046	68,889
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital/ Invested equity	44,348	44,348
Reserves	10,332	8,331
TOTAL EQUITY	54,680	52,679
Non-current liabilities		
Borrowings	5,535	5,584
Lease liabilities	15	15
Government grants	3,243	3,243
Deferred tax liabilities	5	4
Current liabilities		
Trade and other payables	8,141	4,052
Borrowings	765	2,412
Lease liabilities	30	40
Government grants	278	370
Current tax liabilities	354	490
TOTAL LIABILITIES	18,366	16,210
TOTAL EQUITY AND LIABILITIES	73,046	68,889

Note:

- (1) The basis of preparation of the Unaudited Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 July 2022 and the accompanying explanatory notes attached to this interim financial report.

UMediC Group Berhad
 (Company No. 202101015347) (1415647-D)
 (Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 OCTOBER 2022⁽¹⁾

	<u>Non-distributable</u>		<u>Distributable</u>	Total equity
	Share capital	Reorganisation debit reserve	Retained earnings	
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 August 2022	44,348	(6,851)	15,182	52,679
Profit for the financial period	-	-	2,001	2,001
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	2,001	2,001
Balance as at 31 October 2022	44,348	(6,851)	17,183	54,680

Note:

- (1) The basis of preparation of the Unaudited Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Group Audited Financial Statements for the financial year ended 31 July 2022 and the accompanying explanatory notes attached to this interim financial report.

(The remaining of this page is intentionally left blank)

UMediC Group Berhad
(Company No. 202101015347) (1415647-D)
(Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED
31 OCTOBER 2022⁽¹⁾**

	3-month ended 31 October 2022 RM'000	3-month ended 31 October 2021⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,248	N/A
Adjustments for:		
Depreciation of property, plant and equipment	471	N/A
Depreciation of right-of-use assets	31	N/A
Amortisation of government grants	(92)	N/A
Finance costs	89	N/A
Interest income	(17)	N/A
Distribution income from short-term fund	(7)	N/A
Property, plant and equipment written off ⁽³⁾	*	N/A
Realised gain on fair value adjustment on marketable securities	(5)	N/A
Unrealised gain on foreign exchange	(5)	N/A
Unrealised gain on fair value adjustment on marketable securities	(117)	N/A
Operating profit before changes in working capital	2,596	N/A
Increase in inventories	(1,673)	N/A
Increase in trade and other receivables	(4,409)	N/A
Increase in trade and other payables	4,089	N/A
Cash generated from operations	603	N/A
Interest received	17	N/A
Tax paid	(524)	N/A
Net cash from operating activities	96	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(700)	N/A
Proceeds from disposal of marketable securities	1,000	N/A
Net cash from investing activities	300	N/A

UMediC Group Berhad
 (Company No. 202101015347) (1415647-D)
 (Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED
 31 OCTOBER 2022⁽¹⁾ (Cont'd)**

	3-month ended 31 October 2022	3-month ended 31 October 2021⁽²⁾
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bankers' acceptance	1,500	N/A
Repayment of bankers' acceptance	(2,950)	N/A
Repayment of term loans	(246)	N/A
Interest paid	(89)	N/A
Payment of lease liabilities	(10)	N/A
Net cash used in financing activities	(1,795)	N/A
Net decrease in cash and cash equivalents	(1,399)	N/A
Effect of foreign exchange rates changes	5	N/A
Cash and cash equivalents at beginning of financial year	4,160	N/A
Cash and cash equivalents at end of financial period	2,766	N/A

Notes:

- (1) The basis of preparation of the Unaudited Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 July 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding corresponding quarter are presented as this is the third interim financial report announced by the Company in compliance with the Listing Requirements.
- (3) There is property, plant and equipment written off amounting to RM564 during the financial period.

(The remaining of this page is intentionally left blank)

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report of UMediC Group Berhad (“**UMC**” or the “**Company**”) and its subsidiaries (collectively, the “**Group**”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“**MFRS**”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“**MASB**”) and Rule 9.22 of the Listing Requirements.

This is the third interim report on the Company’s consolidated results for the first quarter ended 31 October 2022 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s correspondence quarter.

This interim financial report should be read in conjunction with the Group’s Audited Financial Statements for the financial year ended 31 July 2022 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited condensed financial statements are consistent with those adopted in audited financial statements for the financial year ended 31 July 2022, except for the adoption of the following MFRSs and Amendment to MFRSs and Interpretation.

(a) New MFRSs adopted during the financial period

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the MASB during the financial periods:

Title	Effective Date
<i>Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)</i>	1 January 2021
<i>Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)</i>	1 April 2021

(b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contract - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts – Initial Application of MFRS 17 and MFRS 9</i>	1 January 2023
<i>Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)</i>	1 January 2023
<i>Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial periods/years.

A3. Auditors' Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 July 2022.

A4. Seasonal or Cyclical Factors

The business operations of the Group were not affected by any seasonal or cyclical trend during the current quarter and financial period under review.

A5. Material Unusual Items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial period under review.

A6. Material Changes in Estimates

There were no changes in estimates that have a material effect in the current quarter and financial period under review.

A7. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current quarter and financial period under review.

A8. Dividend Paid

No dividend was paid during the current quarter.

A9. Segmental Information

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

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

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

The Group's segmental information for the current quarter and financial period under review is as follows:

31 October 2022	Manufacturing	Marketing and distribution	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
Results				
Revenue from external customers	3,212	8,102	-	11,314
Inter-segment revenue	299	-	(299)	-
Total revenue	<u>3,511</u>	<u>8,102</u>	<u>(299)</u>	<u>11,314</u>
Interest income	4	19	-	23
Interest expense	(10)	(80)	1	(89)
Net Interest income	<u>(6)</u>	<u>(61)</u>	<u>1</u>	<u>(66)</u>
Segment profit before tax	912	1,373	(37)	2,248

A10. Material Events Subsequent to the end of the Quarter

Save as disclosed in Note B6 on the Status of Corporate Proposals, there were no other material events subsequent to the end of the current quarter and financial period under review that have not been reflected in this interim financial report.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial period under review.

A12. Contingent Liabilities and Contingent Assets

There were no material contingent liabilities or contingent assets as at the date of this interim financial report.

A13. Material Capital Commitment

Save as disclosed below, as at 31 October 2022, the Group does not have any other material capital commitment:

	RM'000
Capital expenditure in respect of purchase of property, plant and equipment	
- Approved and contracted for	1,033
- Approved but not contracted for	10,300
Total	11,333

A14. Significant Related Party Transactions

There were no significant related party transactions during the current quarter.

A15. Derivative Financial Instruments

As at 31 October 2022, the Group does not have any derivatives financial instruments.

A16. Fair Value of Financial Liabilities

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current quarter and financial period under review.

(The remaining of this page is intentionally left blank)

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of Performance

The Group achieved a revenue and profit before tax (“PBT”) of RM11.31 million and RM2.25 million respectively for the current quarter ended 31 October 2022. The revenue and PBT were contributed by both the marketing and distribution and manufacturing segments. The increase was mainly due to a higher demand for medical devices and consumables from both public and private hospitals as well as healthcare service providers. In addition, the increase in the Group’s revenue was also contributed by the increase in the sale of its manufactured medical consumables, namely HydroX series prefilled humidifiers and AirdroX series inhaler spacers, with a better foreign exchange rate for overseas revenue.

There are no comparative figures for the preceding corresponding quarter as this is the third interim financial statement announced by the company in compliance with the Listing Requirements.

B2. Comparison with Immediate Preceding Quarter

The Group’s revenue for current quarter under review increased by 52.63% to RM11.31 million from RM7.41 million achieved in the preceding quarter. The increase was mainly due to stronger demand from both public and private hospitals as well as healthcare service providers within the marketing and distribution segment, especially on the medical devices and consumables. In addition, there was also an increase in the sale of HydroX series prefilled humidifiers and AirdroX series inhaler spacers.

The Group’s PBT for current quarter under review increased by 650% to RM2.25 million from RM0.30 million achieved in the preceding quarter.

B3. Prospects

The expectations are that the medical device industry in Malaysia will continue to be driven by the on-going COVID-19 pandemic and the resulting demand for healthcare services, for the near future at the very least. Increasing incidence of non-communicable diseases (NCDs) amongst the Malaysian population, population growth and ageing population will further prop up the demand for medical devices and the need for healthcare services as more people seek medical care.

In addition, Malaysia’s borders have reopened since 1 April 2022 and it is expected that healthcare tourism will return, which will lead to an increase in demand for healthcare services and as such, the need for more medical devices. Further, the healthcare industry remains one of the important sectors in Malaysia with the Government’s latest allocation of RM36.14 billion for Ministry of Health Malaysia, among the highest in Budget 2023. The high allocation demonstrates the Government’s efforts to strengthen the country’s healthcare services. Premised this, the healthcare industry is expected to continue growing under the support from the Government and continued domestic and foreign investments.

The Group will continue to focus on its market expansion activities to further grow its business. With the Group’s established track record and reputation as well as experienced management team, the Group will undertake the following plans and business strategies:

- (i) construction of a new factory building in Batu Kawan in anticipation of a future increase in sales by increasing the inventory level of distribution products from marketing and distribution segment and raw materials and finished goods from the manufacturing segment;
- (ii) strengthening the domestic presence and reach by establishing one (1) new marketing and distribution office each in the central area of Kuala Lumpur and Johor Bahru, Johor. These marketing and distribution offices will also serve as showrooms for all the Group’s products;
- (iii) develop and commercialise several new products under its own brand namely, sterile water for inhalation, prefilled nebulisers, digital oxygen flowmeters and humidifier humidity sensors. The Group had commercialised its AirdroX series inhaler spacers in June 2022; and
- (iv) develop new brand distribution channels by continuing to look out for other suppliers/principals as a means to expand new brand and product offerings.

The Group’s financial performance is expected to further strengthen should the abovementioned plans and business strategies materialise. Barring unforeseen market changes and developments, the Group is confident that its growth prospects are positive.

UMediC Group Berhad
 (Company No. 202101015347) (1415647-D)
 (Incorporated in Malaysia under the Companies Act 2016)

B4. Profit Forecast

The Group did not issue any profit estimate, forecast, projection or internal targets in any public document.

B5. Taxation

The Group's taxation together with the comparison between the effective and statutory tax rates for the current quarter and financial period under review are as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3-month ended 31 October 2022 RM'000	3-month ended 31 October 2021 ⁽¹⁾ RM'000	3-month ended 31 October 2022 RM'000	3-month ended 31 October 2021 ⁽¹⁾ RM'000
Income tax				
Current tax expenses based on profit for the financial period	371	N/A	371	N/A
Deferred tax				
Relating to origination and reversal of temporary differences	(124)	N/A	(124)	N/A
Overall tax expenses	247	N/A	247	N/A
Effective tax rate (%)	10.99	N/A	10.99	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Note:

- (1) No comparative figures for the preceding corresponding quarter period are presented as this is the third interim financial report announced by the Company in compliance with the Listing Requirements.

The Group's effective tax rate was at 10.99% for current financial period. The effective tax rate for current financial period was lower than the statutory tax rate of 24.00% mainly due to the following:

- (i) tax incentive enjoyed by its wholly-owned subsidiary, UWHM Sdn Bhd. UWHM Sdn Bhd is entitled to reinvestment allowance incentives under Schedule 7A, Income Tax Act 1967 for qualifying capital expenditure on the acquisition of machinery and equipment; and
- (ii) amortisation of grants, which was not subject to income tax.

(The remaining of this page is intentionally left blank)

B6. Status of Corporate Proposals

There were no corporate proposals announced and not completed as at the date of this interim financial report.

B7. Utilisation of Proceeds from the IPO

The gross proceeds from the IPO amounting to RM31.11 million is expected to be utilised in the following manner:

Details of the use of proceeds	Estimated timeframe for the use of proceeds upon listing ⁽¹⁾	Proposed Utilisation RM'000	Actual Utilisation RM'000	Percentage utilised %	Deviation	
					RM'000	%
Capital expenditure						
(i) Construction of new factory building	Within thirty (30) months	3,500	-	-	-	-
(ii) Setting up new marketing and distribution offices	Within thirty-six (36) months	6,800	-	-	-	-
		10,300	-	-	-	-
Repayment of bank borrowings ⁽²⁾	Within six (6) months	9,000	9,000	100.00	-	-
Working capital	Within thirty-six (36) months	8,662	3,062	35.35	-	-
Estimated listing expenses	Within two (2) months	3,150	3,150	100.00	-	-
Total		31,112	19,181			

Notes:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities on 26 July 2022.
- (2) Including lease liabilities owing to financial institutions.

(The remaining of this page is intentionally left blank)

UMediC Group Berhad
 (Company No. 202101015347) (1415647-D)
 (Incorporated in Malaysia under the Companies Act 2016)

B8. Group Borrowings and Debt Securities

The details of the Group's borrowings are as follows:

	3-month ended 31 October 2022 RM'000	Audited as at 31 July 2022 RM'000
Current liabilities		
Term loan	765	962
Bankers' acceptance	-	1,450
	765	2,412
Non-current liabilities		
Term loan	5,535	5,584
	5,535	5,584
Total borrowings	6,300	7,996

All the Group's borrowings are denominated in RM, secured and interest-bearing.

B9. Material Litigation

As at the date of this interim financial report, the Group is not engaged in any material litigation or arbitration proceedings, either as plaintiff or defendant, and the Directors are not aware of any proceedings pending or threatened against the Group, which may materially and adversely affect the financial position or business performance of the Group.

B10. Dividend

No dividend has been declared or recommended for the current quarter ended 31 October 2022.

B11. Earnings Per Share

The basic and diluted EPS for the current quarter and financial period are computed as follows:

	3-month ended 31 October 2022	3-month ended 31 October 2021⁽¹⁾
Profit attributable to the owners of the parent (RM'000)	2,001	N/A
Number of ordinary shares (unit) ('000)	373,910	N/A
Basic EPS ⁽ⁱ⁾ (sen)	0.54	N/A
Diluted EPS ⁽ⁱⁱ⁾ (sen)	0.54	N/A

Notes:

- (1) No comparative figures for the preceding corresponding period are presented as this is the third interim financial report announced by the Company in compliance with the Listing Requirements.
- (2) Basic EPS is calculated by dividing the profit attributable to owners of the parent by the number of ordinary shares outstanding during the financial period under review.
- (3) Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial period under review.

UMediC Group Berhad
(Company No. 202101015347) (1415647-D)
(Incorporated in Malaysia under the Companies Act 2016)

B.12 Profit Before Tax

Profit before tax is arrived at after charging/(crediting):

	3-month ended 31 October 2022	3-month ended 31 October 2021⁽¹⁾
	RM'000	RM'000
Depreciation of property, plant and equipment	471	N/A
Depreciation of right-of-use assets	31	N/A
Amortisation of government grants	(92)	N/A
Finance costs	89	N/A
Interest income	(17)	N/A
Distribution income from short-term fund	(7)	N/A
Property, plant and equipment written off ⁽²⁾	*	N/A
Realised gain on fair value adjustment on marketable securities	(5)	N/A
Unrealised gain on foreign exchange	(5)	N/A
Unrealised gain on fair value adjustment on marketable securities	(117)	N/A

Notes:

* Represent less than RM1,000.

(1) No comparative figures for the preceding corresponding quarter are presented as this is the third interim financial report announced by the Company in compliance with the Listing Requirements.

(2) There is property, plant and equipment written off amounting to RM564 during the financial period.

Save as disclosed above, the other disclosure items pursuant to Note 16, of Appendix 9B of the Listing Requirements are not applicable.

BY ORDER OF THE BOARD
2 December 2022