

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 THIRD QUARTER ENDED 30 APRIL 2024⁽¹⁾**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.4.2024	30.4.2023	30.4.2024	30.4.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	11,690	9,585	39,694	33,417
Cost of sales	(6,503)	(5,536)	(23,176)	(20,187)
Gross profit	5,187	4,049	16,518	13,230
Other income	329	471	1,178	1,389
Marketing expenses	(237)	(150)	(758)	(536)
Administrative and other expenses	(2,981)	(1,864)	(7,988)	(5,442)
Finance costs	(26)	(46)	(105)	(208)
Profit before tax	2,272	2,460	8,845	8,433
Taxation	(676)	(413)	(2,586)	(1,476)
Profit for the financial period	1,596	2,047	6,259	6,957
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	1,596	2,047	6,259	6,957
Profit attributable to:				
Owners of the parent	1,583	2,035	5,952	6,945
Non-controlling interests	13	12	307	12
	1,596	2,047	6,259	6,957
Earnings per share attributable to owners of the parent ("EPS"):				
Basic and diluted ⁽²⁾ (sen)	0.42	0.54	1.59	1.86

Notes:

- (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 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial period under review.

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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2024⁽¹⁾

	Unaudited as at 30 April 2024 RM'000	Audited as at 31 July 2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,394	24,370
Right-of-use assets	4,711	4,810
Goodwill	287	287
Current assets		
Inventories	14,517	12,514
Trade and other receivables	19,239	12,799
Marketable securities	12,050	11,874
Current tax assets	1,064	525
Derivative assets	-	6
Cash and bank balances	3,436	6,107
TOTAL ASSETS	79,698	73,292
EQUITY AND LIABILITIES		
Equity		
Share capital	44,348	44,348
Reserves	24,599	18,647
Equity attributable to owners of the parent	68,947	62,995
Non-controlling interest	789	482
TOTAL EQUITY	69,736	63,477
Non-current liabilities		
Borrowings	723	2,877
Lease liabilities	7	7
Government grants	2,873	2,873
Deferred tax liabilities	1,053	307
Current liabilities		
Trade and other payables	4,081	2,583
Borrowings	320	711
Lease liabilities	7	44
Government grants	92	370
Current tax liabilities	806	43
TOTAL LIABILITIES	9,962	9,815
TOTAL EQUITY AND LIABILITIES	79,698	73,292

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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2024⁽¹⁾ (cont'd)

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 2023 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 APRIL 2024⁽¹⁾

	Attributable to owners of the Parent						
	Non-distributable		Distributable		Total	Non-controlling interest	Total equity
	Share capital	Reorganisati on debit reserve	Retained earnings				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 August 2023	44,348	(6,851)	25,498	62,995	482	63,477	
Profit for the financial period	-	-	5,952	5,952	307	6,259	
Other comprehensive income, net of tax	-	-	-	-	-	-	
Total comprehensive income	-	-	5,952	5,952	307	6,259	
Balance as at 30 April 2024	44,348	(6,851)	31,450	68,947	789	69,736	

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's Audited Financial Statements for the financial year ended 31 July 2023 and the accompanying explanatory notes attached to this interim financial report.

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**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD QUARTER ENDED
30 APRIL 2024⁽¹⁾**

	9-month ended 30 April 2024 RM'000	9-month ended 30 April 2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,845	8,433
Adjustments for:		
Depreciation of property, plant and equipment	1,755	1,485
Depreciation of right-of-use assets	99	97
Amortisation of government grants	(278)	(277)
Finance costs	105	208
Interest income	(150)	(71)
Distribution income from short-term fund	(276)	(173)
Property, plant and equipment written off	4	2
Realised gain on fair value adjustment on marketable securities	-	(268)
Unrealised (gain)/loss on foreign exchange	(103)	20
Fair value loss on derivative asset	6	-
Operating profit before changes in working capital	10,007	9,456
Increase in inventories	(2,003)	(4,414)
Increase in trade and other receivables	(6,440)	(2,955)
Increase in trade and other payables	1,494	2,414
Cash generated from operations	3,058	4,501
Interest received	150	71
Tax paid	(1,785)	(2,050)
Tax refunded	169	72
Net cash from operating activities	1,592	2,594
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash acquired ⁽²⁾	-	287
Purchase of marketable securities	(5,150)	(25,800)
Purchase of property, plant and equipment	(1,783)	(2,915)
Proceeds from disposal of marketable securities	5,250	28,888
Net cash (used in)/from investing activities	(1,683)	460

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**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED
30 APRIL 2024⁽¹⁾ (Cont'd)**

	9-month ended 30 April 2024 RM'000	9-month ended 30 April 2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution of non-controlling interest	-	300
Drawdown of bankers' acceptance	-	6,100
Repayment of bankers' acceptance	-	(7,550)
Repayment of term loans	(2,545)	(2,732)
Interest paid	(104)	(207)
Payment of lease liabilities	(38)	(35)
Net cash used in financing activities	(2,687)	(4,124)
Net decrease in cash and cash equivalents	(2,778)	(1,070)
Effect of foreign exchange rates changes	107	(20)
Cash and cash equivalents at beginning of financial year	6,107	4,160
Cash and cash equivalents at end of financial period	3,436	3,070

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 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) The recognised amounts of assets acquired and liabilities assumed at the date of acquisition were:

	Pre-acquisition carrying amount RM'000
Property, plant and equipment	99
Right-of-use assets	59
Inventories	361
Trade and other receivables	93
Cash and cash equivalents	887
Deferred tax assets ^(a)	*
Lease liability	(60)
Trade and other payables	(982)
Current tax liabilities	(10)
Total identifiable net assets	447
	RM'000
Purchase consideration settled in cash and cash equivalents	600
Cash and cash equivalents	(887)
Net cash inflow on acquisition	(287)

Note:

- (a) There is deferred tax assets amounting to RM127.

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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 Paragraph/Rule 9.22 of the Main/ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

This interim financial report should be read in conjunction with the Group’s Audited Financial Statements for the financial year ended 31 July 2023 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 2023, 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
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS112

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

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

Title	Effective Date
Amendment to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

A3. Auditors’ Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 July 2023.

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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 financial period under review is as follows:

30 April 2024	Manufacturing	Marketing and distribution	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
Results				
Revenue from external customers	14,093	25,601	-	39,694
Inter-segment revenue	1,012	-	(1,012)	-
Total revenue	15,105	25,601	(1,012)	39,694
Interest income and distribution income from short-term fund	105	321	-	426
Interest expense	(19)	(94)	8	(105)
Net Interest income	86	227	8	321
Segment profit before tax	5,433	3,426	(14)	8,845

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A10. Material Events Subsequent to the end of the Quarter

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 30 April 2024, 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	415
- Approved but not contracted for	6,841
Total	7,256

A14. Significant Related Party Transactions

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

A15. Derivative Financial Instruments

Derivatives

The Group has entered into forward foreign currency contracts with financial institutions due within 1 year to sell at contractual forward rates.

As at 30 April 2024, the Group's outstanding derivatives are as follow:

	Contract amount as at 30 April 2024		Fair value as at 31 July 2023
	USD'000	RM'000 equivalent	RM'000
Forward foreign currency contracts	-	-	810

A16. Fair Value of Financial Liabilities

The Group recorded a loss from fair value changes of the forward foreign currency contracts approximately RM5,625 during the financial period under review.

The fair value of a forward foreign currency contract is the amount that would be receivable upon termination of the outstanding position arising and is determined by reference to the difference between the contracted forward rate quoted by the financial institutions and the observable current market forward exchange rate as at the end of each reporting period.

The difference between the forward rates entered into, and the market rates, is recognised as derivatives asset or liability as applicable with a corresponding amount reported in the profit or loss.

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

B1. Review of Performance

	Individual Quarter 3-months ended		Cumulative Quarter 9-months ended	
	30 April 2024 (RM'000)	30 April 2023 (RM'000)	30 April 2024 (RM'000)	30 April 2023 (RM'000)
Revenue	11,690	9,585	39,694	33,417
Profit before tax ("PBT")	2,272	2,460	8,845	8,433
Profit for the financial period	1,596	2,047	6,259	6,957
Profit attributable to owners of the parent	1,583	2,035	5,952	6,945

The Group's revenue increased by approximately RM2.10 million or 21.96% from approximately RM9.59 million achieved in the corresponding quarter of the previous financial year to approximately RM11.69 million in the current quarter.

The PBT of the Group decreased by approximately RM0.19 million or 7.64% from approximately RM2.46 million in the corresponding quarter of the previous financial year to approximately RM2.27 million in the current quarter.

The increase in revenue in the current quarter as compared to the corresponding quarter was 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 the overseas revenue.

B2. Comparison with Immediate Preceding Quarter

	Individual Quarter 3-months ended			
	30 April 2024 (RM'000)	31 January 2024 (RM'000)	Differences	
			RM'000	%
Revenue	11,690	13,480	(1,790)	(13.28)
PBT	2,272	3,947	(1,675)	(42.44)
Profit for the financial period	1,596	2,568	(972)	(37.85)
Profit attributable to owners of the parent	1,583	2,480	(897)	(36.17)

The Group's revenue decreased by approximately RM1.79 million or 13.28% from approximately RM13.48 million achieved in the immediate preceding quarter to approximately RM11.69 million in the current quarter. The decrease in revenue was mainly due to the decrease orders from marketing and distribution segment.

In view of the decrease in revenue, the Group's PBT also decreased by approximately RM1.68 million or 42.44% from approximately RM3.95 million achieved in the immediate preceding quarter to approximately RM2.27 million in the current quarter.

The Group incurred listing expenses of RM0.45 million for current quarter ended 30 April 2024 as compared to RM0.56 million in the preceding quarter

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B3. Prospects

Given the Malaysian government's unwavering commitment and ongoing pursuit to enhance the nation's healthcare standards, UMC embraces optimism towards its future. This is anchored by several growth catalysts which stem from the growing demand for healthcare facilities upgrades, healthcare tourism as well as the crucial need to address overcrowding of facilities, fortifying the Group's pivotal role in the ever-evolving healthcare landscape.

The medical device industry in Malaysia is poised for growth and development, bolstered by a conducive environment for manufacturing and a mature healthcare system that is globally recognised. The Ministry of Health has received RM41.2 billion under Budget 2024, which is one of the biggest increases in terms of allocation. This 13.5% increase against the previous year's allocation of RM36.3 billion demonstrates the government's stance and resolute emphasis on improving the nation's quality of healthcare. This coincides with the Group's expectations of benefiting in the forthcoming financial periods.

More recently, UMC commenced production at its new factory which is expected to substantially enhance the Group's production capabilities catering for the export markets' growing demand.

Barring unforeseen circumstances, the Group maintains confident of its growth trajectory.

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 30 April 2024 RM'000	3-month ended 30 April 2023 RM'000	9-month ended 30 April 2024 RM'000	9-month ended 30 April 2023 RM'000
Income tax				
Current tax expenses based on profit for the financial period	498	280	1,793	1,227
Under/(over)provision of tax expense in prior year	26	(46)	47	(46)
Deferred tax				
Relating to origination and reversal of temporary differences	152	179	746	295
Under/(over)provision in prior years	-	-	-	-
Overall tax expenses	676	413	2,586	1,476
Effective tax rate (%)	29.75	16.79	29.24	17.50
Statutory tax rate (%)	24.00	24.00	24.00	24.00

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B5. Taxation (Cont'd)

The Group's effective tax rate was at 29.24% for current financial period. The effective tax rate for current financial period was higher than the statutory tax rate of 24.00% mainly due to the expenses not deductible for tax purposes in current period such as professional fees.

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	3,334	95.26	-	-
(ii) Setting up new marketing and distribution offices	Within thirty-six (36) months	6,800	-	-	-	-
		10,300	3,334	32.37	-	-
Repayment of bank borrowings ⁽²⁾	Within six (6) months	9,000	9,000	100.00	-	-
Working capital	Within thirty-six (36) months	8,662	8,662	100.00	-	-
Estimated listing expenses	Within two (2) months	3,150	3,150	100.00	-	-
Total		31,112	24,146			

Notes:

- (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.

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B8. Group Borrowings and Debt Securities

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

	9-month ended 30 April 2024 RM'000	Audited as at 31 July 2023 RM'000
Current liabilities		
Term loan	320	711
	320	711
Non-current liabilities		
Term loan	723	2,877
	723	2,877
Total borrowings	1,043	3,588

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 30 April 2024.

B11. Earnings Per Share

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

	3-month ended 30 April 2024	3-month ended 30 April 2023	9-month ended 30 April 2024	9-month ended 30 April 2023
Profit attributable to the owners of the parent (RM'000)	1,583	2,035	5,952	6,945
Number of ordinary shares (unit) ('000)	373,910	373,910	373,910	373,910
Basic EPS ⁽¹⁾ (sen)	0.42	0.54	1.59	1.86
Diluted EPS ⁽²⁾ (sen)	0.42	0.54	1.59	1.86

Notes:

- (1) 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.
- (2) Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial period under review.

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B.12 Profit Before Tax

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

	9-month ended 30 April 2024	9-month ended 30 April 2023
	RM'000	RM'000
Depreciation of property, plant and equipment	1,755	1,485
Depreciation of right-of-use assets	99	97
Amortisation of government grants	(278)	(277)
Finance costs	105	208
Interest income	(150)	(71)
Distribution income from short-term fund	(276)	(173)
Property, plant and equipment written off	4	2
Realised gain on fair value adjustment on marketable securities	-	(268)
Unrealised (gain)/loss on foreign exchange	(103)	20
Fair value loss on derivative asset	6	-

Notes:

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
10 June 2024