

**UWC BERHAD**  
(Company No. 1274239-A)  
(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 2019<sup>(1)</sup>**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.04.2019	<sup>(2)</sup> 30.04.2018	30.04.2019	<sup>(2)</sup> 30.04.2018
	RM'000	RM'000	RM'000	RM'000
Revenue	38,308	N/A	97,446	N/A
Cost of sales	(23,576)	N/A	(64,752)	N/A
Gross profit	14,732	N/A	32,694	N/A
Other income	454	N/A	11,061	N/A
Administrative and other expenses	(3,043)	N/A	(9,589)	N/A
Finance costs	(598)	N/A	(1,831)	N/A
Profit before tax	11,545	N/A	32,335	N/A
Taxation	(2,723)	N/A	(6,172)	N/A
Profit for the financial period, attributable to owners of the parents	8,822	N/A	26,163	N/A
Other comprehensive income, net of tax:				
Items that may be subsequently reclassified to profit or loss	-	N/A	-	N/A
Total comprehensive income, attributable to owners of the parent	8,822	N/A	26,163	N/A
Earnings per share attributable to the owners of the parent:				
Basic and diluted <sup>(3)</sup> (sen)	2.97	N/A	8.82	N/A

**Notes:**

N/A Not applicable.

- (1) The Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 17 June 2019 and the accompanying explanatory notes attached to the interim financial report.
- (2) No comparative figures for the preceding year and preceding quarter are presented as this is the first interim financial report on the consolidated results for the third quarter ended 30 April 2019 announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (3) Based on weighted average number of ordinary shares outstanding during the period under review.

**UWC BERHAD**  
(Company No. 1274239-A)  
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**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2019<sup>(1)</sup>**

	Unaudited as at 30 April 2019	Audited as at 31 July 2018
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	97,408	92,480
Other investment	-	-
<b>Current assets</b>		
Inventories	41,952	30,831
Trade and other receivables	30,367	38,851
Current tax assets	-	1,179
Cash and bank balances	22,925	13,106
Asset classified as held for sale	-	3,735
<b>TOTAL ASSETS</b>	<u>192,652</u>	<u>180,182</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	59,360	59,360
Reserves	50,976	24,813
<b>TOTAL EQUITY</b>	<u>110,336</u>	<u>84,173</u>
<b>Non-current liabilities</b>		
Borrowings	31,841	34,950
Government grants	5,035	5,918
Deferred tax liabilities	3,728	4,063
<b>Current liabilities</b>		
Trade and other payables	19,779	32,191
Borrowings	18,911	16,389
Government grants	1,178	1,179
Current tax liabilities	1,844	1,319
<b>TOTAL LIABILITIES</b>	<u>82,316</u>	<u>96,009</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>192,652</u>	<u>180,182</u>

**Note:**

- (1) The Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 17 June 2019 and the accompanying explanatory notes attached to the interim financial report.

**UWC BERHAD**  
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**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 APRIL 2019<sup>(1)</sup>**

	<u>Non-distributable</u>		<u>Distributable</u>	<b>Total equity</b>
	<b>Share capital</b>	<b>Reorganisation debit reserve</b>	<b>Retained earnings</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Balance as at 1 August 2018	59,360	(56,226)	81,039	84,173
Profit for the financial period	-	-	26,163	26,163
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	26,163	26,163
Balance as at 30 April 2019	59,360	(56,226)	107,202	110,336

**Note:**

- (1) The Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 17 June 2019 and the accompanying explanatory notes attached to the interim financial report.

**UWC BERHAD**  
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**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 APRIL 2019<sup>(1)</sup>**

	<b>9-month ended 30 April 2019 RM'000</b>	<b>9-month ended 30 April 2018 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	32,335	N/A
Adjustments for:		
Amortisation of government grants	(884)	N/A
Depreciation of property, plant and equipment	6,716	N/A
Finance costs	1,831	N/A
Interest income	(259)	N/A
Property, plant and equipment written off	195	N/A
Gain on disposal of property, plant and equipment	(181)	N/A
Gain on disposal of property classified as held for sale	(8,612)	N/A
Reversal of allowance for impairment loss	(29)	N/A
Operating profit before changes in working capital	<u>31,112</u>	<u>N/A</u>
Increase in inventories	(11,122)	N/A
Decrease in trade and other receivables	8,513	N/A
Decrease in trade and other payables	(12,412)	N/A
Cash generated from operations	<u>16,091</u>	<u>N/A</u>
Interest paid	(1,831)	N/A
Tax paid	(5,286)	N/A
Tax refunded	483	N/A
Net cash from operating activities	<u>9,457</u>	<u>N/A</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	259	N/A
Proceeds from disposal of property, plant and equipment	664	N/A
Proceeds from disposal of asset classified as held for sale	12,347	N/A
Purchase of property, plant and equipment	(12,322)	N/A
Net cash from investing activities	<u>948</u>	<u>N/A</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from bankers' acceptance	24,200	N/A
Proceeds from term loans	810	N/A
Repayment of:		
- Bankers' acceptance	(21,200)	N/A
- Hire purchase payables	(3,175)	N/A
- Term loans	(1,221)	N/A
Net cash used in financing activities	<u>(586)</u>	<u>N/A</u>
Net increase in cash and cash equivalents	9,819	N/A
Cash and cash equivalents at beginning of financial period	<u>13,106</u>	<u>N/A</u>
Cash and cash equivalents at end of financial period	<u>22,925</u>	<u>N/A</u>

**Notes:**

N/A Not applicable.

- (1) The Unaudited Consolidated Statement of Cash Flows Income should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 17 June 2019 and the accompanying explanatory notes attached to the interim financial report.
- (2) No comparative figures for the preceding year and preceding quarter are presented as this is the first interim financial report on the consolidated results for the third quarter ended 30 April 2019 announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

## A. NOTES TO THE INTERIM FINANCIAL REPORT

### A1. Basis of preparation

The interim financial report of UWC Berhad (“**UWC**” 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 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”).

This is the first interim financial report on the Company’s consolidated results for the third quarter ended 30 April 2019 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 17 June 2019 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 Jul 2018, 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 Malaysian Accounting Standards Board (‘MASB’) for annual financial periods beginning on or after 1 January 2018:

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i> IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48

There is no material impact upon the adoption of the above Standards during the financial period.

## A2. Significant Accounting Policies

### (b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2019.

The Standards that are issued but not yet effective up to the date of issuance of financial statements of the Group are disclosed below. The Group intend to adopt these Standards, if applicable, when they become effective.

Title	Effective Date
MFRS 16 <i>Leases</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 ( <i>Plan Amendment, Curtailment or Settlement</i> )	1 January 2019
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
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 is in the process of assessing the impact of implementing these Standards and Amendments, other than MFRS 16, since the effects would only be observable for the future financial years. The Group is currently finalising the adjustments upon adoption of MFRS 16.

## A3. Auditors' Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 July 2018.

## 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 and financial period under review.

**A9. Segmental Information**

The Group is principally involved in investment holding, provision of precision sheet metal fabrication and value-added assembly services, and the fabrication of precision machined components

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) Provision of sheet metal fabrication and value-added assembly services; and
- (b) Provision of precision machined components.

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

<b>30 April 2019</b>	<b>Investment holding RM</b>	<b>Provision of sheet metal fabrication and value-added assembly services RM</b>	<b>Provision of precision machined components RM</b>	<b>Eliminations RM</b>	<b>Consolidated RM</b>
<b><u>Results</u></b>					
Revenue from external customers	-	84,403	13,043	-	97,446
Inter-segment revenue	-	21,106	16,494	(37,600)	-
Total revenue	-	105,509	29,537	(37,600)	97,446
Interest income	-	219	40	-	259
Interest expense	-	(1,227)	(604)	-	(1,831)
Net interest expense	-	(1,008)	(564)	-	(1,572)
Segment profit before tax	(36)	27,284	5,562	(475)	32,335

**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 the 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 2019, the Group does not have any other material capital commitment:

	<b>RM'000</b>
Capital expenditure in respect of purchase of property, plant and equipment	
- Approved and contracted for	3,393
- Approved but not contracted for	29,666
<b>Total</b>	<b>33,059</b>

**A14. Significant Related Party Transactions**

There were no significant related party transactions during the current quarter and financial period under review.

**A15. 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.

**B. EXPLANATORY NOTES PURSUANT TO PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B1. Review of Performance**

The Group achieve revenue and profit before tax (“**PBT**”) of RM38.3 million and RM11.5 million respectively for the quarter and financial period under review. The revenue and PBT are contributed by both the Group’s sheet metal fabrication and assembly as well as machining segments mainly from its semiconductor industry customers. Despite the strong growth in semiconductor industry customers, the Group’s revenue is also contributed by one of its customer in the heavy equipment industry. The revenue contribution from its life science and medical technology industry remains consistent during the current quarter and financial period under review.

There are no comparative figures for the preceding year’s corresponding quarter as these are the first interim financial statements on the consolidated results for the quarter ended 30 April 2019 being announced by the company in compliance with the Listing Requirements.

**B2. Comparison with Immediate Preceding Quarter**

No comparative figures for the preceding quarter and preceding year are presented as this is the first interim financial report on the consolidated results announced by the Company in compliance with the Listing Requirements.

**B3. Prospects for the Current Financial Year**

Despite the slowdown during the first half of financial period due to the soft demand from customers in the semiconductor industry, the Group remains optimistic on the business prospect for the financial year ended 31 July 2019 as reflected in the financial performance for current quarters. Nevertheless, the Group is expecting stronger demand from customers in the semiconductor industry for the quarter to come.

In spite of the weakening of global economy outlook, with the current outstanding order from the Group’s existing customers as well as the short-term rolling forecast provided by its customers, the Board is confident to achieve financial result better than previous financial year. The Group will continue focus in market expansion activities mainly on semiconductor and life science and medical technology industry, customer relation buildings to grow its business further in the financial year to come.

**B4. Profit Forecast**

The Group did not issue any revenue or profit estimate, forecast, projection or internal targets in any announcement or 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:

	9-month ended 30 April 2019 RM'000	<sup>(1)</sup> 9-month ended 30 April 2018 RM'000
Income tax		
• current year provision	5,966	N/A
• (over) provision in prior year	(144)	N/A
Deferred tax		
• reversal of temporary differences	(315)	N/A
• (over) provision in prior year	(20)	N/A
Real property gain tax	685	N/A
<b>Overall tax expenses</b>	<b>6,172</b>	<b>N/A</b>
Effective tax rate (%)	19.09	N/A
Statutory tax rate (%)	24.0	N/A

### Notes:

N/A Not applicable.

- (1) No comparative figures for the preceding year and preceding quarter are presented as this is the first interim financial report on the consolidated results for the third quarter ended 30 April 2019 announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The effective tax rate of the Group for the current financial period is lower than the statutory tax rate of 24% mainly due to the following:

- (i) real property gain tax on the gain on disposal of the manufacturing plant in Bukit Minyak, Penang, which was subject to a lower rate as compared to income tax;
- (ii) amortisation of grants, which was not subject to income tax; and
- (iii) tax incentive enjoyed by its wholly-owned subsidiary, UWC Industrial Sdn Bhd. UWC Industrial 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 for a total relief period of fifteen (15) years from Year of Assessment 2013 to Year of Assessment 2027.

## B6. Status of Corporate Proposals

Save as disclosed below, there were no other corporate proposals announced by the Company but not completed as at the date of this interim financial report:

On 17 June 2019, the Company issued its Prospectus in relation to the initial public offering in conjunction with the listing and quotation of UWC on the Main Market of Bursa Malaysia Securities Berhad comprising public issue of 70,000,000 new ordinary shares in UWC (“**Issue Shares**”) and offer for sale of 33,015,000 existing shares in UWC (“**Offer Shares**”) at an issue/offer price of RM0.82 per Issue Share/Offer Share.

The listing of and quotation for the Company’s entire enlarged issued share capital on the Main Market of Bursa Malaysia Securities Berhad is expected to be on 10 July 2019 (“**Listing**”).

## B7. Utilisation of Proceeds from the Public Issue

The gross proceeds from the Public Issue amounting to RM57.4 million is expected to be utilised in the following manner:

Details	RM'000	%	Estimated time frame for use of proceeds from the date of the Listing
Purchase of new machinery and equipment			
- CNC machines	27,416	47.8	Within 36 months
- Industrial robotic arms and material handling system	4,700	8.2	Within 36 months
Repayment of bank borrowings	18,000	31.3	Within 12 months
Working capital	2,868	5.0	Within 12 months
Estimated listing expenses	(1)4,416	7.7	Within 2 months
<b>Total</b>	<b>57,400</b>	<b>100.0</b>	

### Note:

- (1) The total actual listing expenses incurred up to 30 April 2019 was approximately RM2.05 million. For the 9-month financial period ended 30 April 2019, the actual listing expenses incurred was approximately RM1.38 million.

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 17 June 2019.

**B8. Group Borrowings and Debt Securities**

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

	<b>9-month ended 30 April 2019 (RM'000)</b>	<b>Audited as at 31 July 2018 (RM'000)</b>
<b>Current liabilities</b>		
Hire purchase creditors	3,710	3,945
Term loan	1,601	1,843
Bankers' acceptance	13,600	10,600
	<b>18,911</b>	<b>16,388</b>
<b>Non-current liabilities</b>		
Hire purchase creditors	8,099	11,039
Term loan	23,742	23,911
	<b>31,841</b>	<b>34,950</b>
<b>Total borrowings</b>	<b>50,752</b>	<b>51,338</b>

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**

The Board of Directors of the Company did not recommend any payment of dividend during the current quarter under review.

**B11. Earnings Per Share ("EPS")**

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

	<b>9-month ended 30 April 2019</b>	<b><sup>(1)</sup>9-month ended 30 April 2018</b>
Profit after tax attributable to the owners of the Parent (RM'000)	26,163	N/A
Weighted average number of ordinary shares in issue ('000)	296,800	N/A
Basic EPS <sup>(2)</sup> (sen)	8.82	N/A
Diluted EPS <sup>(3)</sup> (sen)	8.82	N/A

**Notes:**

N/A Not Applicable

(1) No comparative figures for the preceding year and preceding quarter are presented as this is the first interim financial report on the consolidated results announced by the Group in compliance with the Listing Requirements.

- (2) Basic EPS is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period under review.
- (3) Diluted EPS is equivalent to the basic EPS as the Company does not have any convertible securities as at the end of the financial period under review.

**B12. Profit Before Tax**

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

	<b>9-month ended 30 April 2019 RM'000</b>	<b><sup>(1)</sup>9-month ended 30 April 2018 RM'000</b>
Interest income	(259)	N/A
Interest expense	1,831	N/A
Depreciation of property, plant and equipment	6,716	N/A
Amortisation of government grants	(884)	N/A
Property, plant and equipment written off	195	N/A
Gain on disposal of property, plant and equipment	(181)	N/A
Gain on disposal of asset classified as held for sale	(8,612)	N/A
Gain on foreign exchange	(569)	N/A
Scrap income	(469)	N/A
Miscellaneous income	(87)	N/A

**Notes:**

N/A Not Applicable

- (1) No comparative figures for the preceding year and preceding quarter are presented as this is the first interim financial report on the consolidated results announced by the Group in compliance with the Listing Requirements.

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