

# Striving Towards a Greater Tomorrow

UWC BERHAD (201801012223) (1274239-A)





To be the preferred integrated OEM partner providing complete solutions with leading edge technology

To provide comprehensive solutions for High-Tech Strategic Partners, to delight the customers, to develop supplier partnerships and to be the workplace of choice

**U** – Unity

**W** – Willpower

C - Commitment

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#### **ABOUT THE COVER**

#### STRIVING TOWARDS A GREATER TOMORROW

Amidst mountainous terrain, a sports automobile blazes a trail with gleaming headlights, while an aeroplane soars ahead high in the skies. Both brightly lit, these transport modes symbolizes UWC Berhad's innovative streak in integrated engineering as well as its leading-edge capabilities among competitors. An illuminated 5G visualisation also symbolizes the company's foray into 5G test equipment, an emerging trend on the technological front that further expands its diverse spectrum of services.

Committed to venturing out of its comfort zone to become the choice onestop manufacturing service provider for customers across industries, UWC Berhad is truly stepping up to excellence and 'Striving towards a greater tomorrow'.

## CORPORATE INFORMATION

## **BOARD OF DIRECTORS**

Dato' Wan Hashim Bin Wan Jusoh

Independent Non-Executive Chairman

**Dato' Ng Chai Eng** 

Executive Director/Group CEO

**Lau Chee Kheong** 

Executive Director/Group COO

F'ng Meow Cheng

Independent Non-Executive Director

**Dato' Lio Chee Yeong** 

Independent Non-Executive Director

**Ng Chin Liang** 

Alternate Director to Dato' Ng Chai Eng/Deputy Group CEO

#### **AUDIT COMMITTEE**

Chairman

F'ng Meow Cheng

Member

Dato' Wan Hashim Bin Wan Jusoh Dato' Lio Chee Yeong

#### **RISK MANAGEMENT COMMITTEE**

Chairman

F'ng Meow Cheng

Member

Dato' Wan Hashim Bin Wan Jusoh Dato' Lio Chee Yeong

#### **REGISTERED OFFICE**

170-09-01, Livingston Tower Jalan Argyll 10050 George Town

Pulau Pinang

: (604) 229 4390 Tel : (604) 226 5860 Fax

#### **PRINCIPAL BANKER**

Hong Leong Bank Berhad No.1823-G1, Jalan Perusahaan Auto-City North-South Highway Juru Interchange 13600 Prai, Pulau Pinang

: (604) 502 1488 Tel Fax : (604) 507 9488

#### **REMUNERATION COMMITTEE**

Chairman

Dato' Lio Chee Yeong

Member

Dato' Wan Hashim Bin Wan Jusoh

F'ng Meow Cheng

#### **COMPANY SECRETARY**

Ong Tze-En

SSM PC no.: 202008003397 MAICSA no.: 7026537

Woon Mei Ling

SSM PC no.: 202008003528 MAICSA no.: 7047736

#### **HEAD OFFICE/** PRINCIPAL PLACE OF BUSINESS

PMT 744-745, Jalan Cassia Selatan 5/1 Taman Perindustrian Batu Kawan

14110 Bandar Cassia

Pulau Pinang

Tel : (604) 555 6937 Fax : (604) 589 9509

Website : www.uwcberhad.com.my E-mail : uwc@uwcberhad.com.my

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

Securities Berhad Stock Name: UWC Stock Code : 5292 : Technology Sector Sub-sector: Semiconductor

#### **NOMINATION COMMITTEE**

Chairman

Dato' Lio Chee Yeong

Member

Dato' Wan Hashim Bin Wan Jusoh

F'ng Meow Cheng

#### **AUDITORS**

BDO PLT (LLP0018825-LCA & AF 0206)

**Chartered Accountants** 51-21-F, Menara BHL Jalan Sultan Ahmad Shah 10050 Pulau Pinang

: (604) 222 0288 Tel Fax : (604) 222 0299

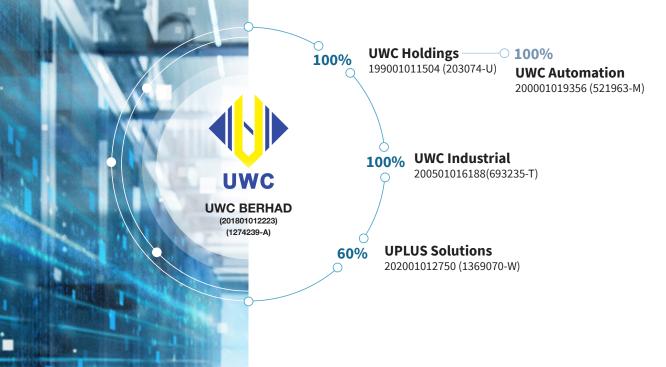
#### **SHARE REGISTRAR**

Tricor Investor & Issuing House Services Sdn. Bhd. Unit 32-01, Level 32, Tower A Vertical Business Suite Avenue 3, Bangsar South No.8, Jalan Kerinchi

Tel : (603) 2783 9299 Fax : (603) 2783 9222

59200 Kuala Lumpur

# **CORPORATE STRUCTURE**



Company	Date of Incorporation	Ownership Interest	Principal Activities
UWC Berhad	29 March 2018		Investment holding
UWC Holdings Sdn. Bhd.	22 August 1990	100%	Provision of precision sheet metal fabrication and value-added assembly services
UWC Industrial Sdn. Bhd.	31 May 2005	100%	Provision of precision sheet metal fabrication and value-added assembly services, contract manufacturing of automated test equipment
UWC Automation Sdn. Bhd.	28 July 2000	100%	Provision of precision machined components
UPLUS Solutions Sdn. Bhd.	01 June 2020	60%	To provide engineering, designing, manufacturing and assembling for automation solutions



## **MEDIA HIGHLIGHTS**

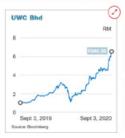
#### < > https://www.uwcberhad.com.my/news/

#### UWC sees 85% jump in 4Q profit on strong demand from semiconductor, life sciences industries

**60000** 

KUALA LUMPUR (Sept 3): UWC Blid's net profit for the fourth quarier ended July 31, 2020 (4QFY20) jumped 85.5% year-on-year (y-o-), as it recorded higher revenue under its sheet metal fatheration and value-odded assembly services segment, which contributed to 93.1% of the group's top line during the quarier.

me as the integrated engineering supporting services provider, which ade its Main Market debut in June last year, enjoyed stronger global demand from customs the semiconductor and life sciences industries. UWC said in a stock exchange filing today.



EM18.65 million from RM10.07 million, as revenue grew 30.8% y-o-y to RM6L41 million from RM46.91 million.

2.75 sen previously. The group declared an interim dividend of two son per share, a total of RMII million, to be paid on Oct 8.

the group's improved performance came about from increased manufacturing efficiencies and delivering higher valued products to clients. The lower administrative and other expenses in the current quarter, which were mainly due to the absence of the professional fees for IPO (initial public

year, also contributed to the improved performance," it said.

On a quarter-on-quarter basis, UWC's 4QFY20 profit was up 27.8% from 3QFY20 ended April 30, 2020, when it recorded a net profit of RMH-59 million, as revenue rose 10.1% from RMS5.8 million, driven by higher demand from the medical technology and healthcare equipment sector. The group also obtained approval to operate at full capacity during the Conditional Movement Control Order and the subsequent Recovery Movement Control Order.

eing involved in the supply chain of Covid-19-related equipment, the group has grown rapidly with our life sciences equipment customers, which we have supported," it said.

For the full year, the group's net profit expanded 59.4% y-o-y to RM57.76 million from RM38.24 million — with EPS rising to 10.50 sen from 9.88 sen — as revenue climbed 51.7% to RM219.05 million from RM144.35 million.

In a separate statement, UWC chief executive officer Datuk Ng Chai Eng said UWC's "outstanding results" have proven that the group's strategic execution of supply chain man shortages due to the Movement Control Order was perfectly implemented.

Moving forward, he said UWC maintains an optimistic outlook on the back of increased enquiries from existing and potential customers for both the semiconductor and life sciences industries.

"We will gradually move into the front-end semiconductor supply chain for better margins and the deployment of 5G is catalyst for growth. A new breakthrough in the life sciences industry is our involvement in the supply chain for Covid-18-related equipment. Our equipment are still contributing to the front-line analysis in the fight against Covid-18," he said.

UWC shares settled at RM6.56 today, down 2.09% or 14 sen, for a market capitalisation of RM3.61 billion after 4.05 million shares were done. The stock is now trading at eight times its IPO price of 82 sen. Year to date, the stock is up over 206%

WEDNESDAY MARCH 3, 2021 1 THERDGE CEO MORNING BRIEF

UWC's 2Q net profit more than doubles on strong demand for demand for semiconductors

WEDNESDAY APRIL 14, 2021 3 THEEDGE CEO MORNING BRIEF

LALLIMPUR (April 1)) Engineerupper service product (VEL Discourage)

UWC engaged by

key customer to 
develop tester

tested a 90 gredact from a key

Late of the inclusion of the develop description and group COD head

to be the control of the for 5G product

BND 19カ〒 2020年12月02日 218939分 - 最信要新 10个月前

#### 业绩亮眼带动股价 UWC订单前景看俏

(吉隆坡2日讯) UWC公司 (UWC, 5292, 主版科技版) 录得创记录的亮酸表现,激励股价走 高;分析员指出,除现有客户外,该公司还定期收到潜在本地和全球客户的启询,订单前景保持乐 观.

UWO公司2021財政年首季 (截至10月31日止) 净利胺年氨剂93.56%,至2171万令吉; 营业裁划 按年扬升52.42%,至7150万令吉。

UWC公司今日一度上涨56仙成7.58%,至7.96令吉的全天最高水平,最终以7.94令吉排散,大涨 55仙或7.44%,位居上升股第2名,并写下历史斯高;该股全天共有805万股易手。

丰辉投行分析员表示,UWC公司2021财政年首季核心争利按季和按年分别大涨27%及逾100%,至 2300万令吉、符合该银行和市场预测。

同时,生命科学业务需求推动营业颁成长,效率也有所改善。订单按季上涨43%,至1亿令吉。

展望未来,UWC公司对其业务前景保持乐观,该公司定期收到著在本地和全球客户的咨询;这将 拓宽客户基础,多元其分支业务,进而提高订单量。

管理层顶计,随著半导体市场的成长,对最片测式仪的需求也将随之走离。

该公司与客户合作开发新产品及进行项目转让,目前客户是潜在的高端客户。同时,该公司也承接 前读半导体和5G设备的用品。

此外,该公司正在建造一个1万级到的无定室(cleanroom),预计在调年初先成。以迎合前编半 导体组装; 及扩大设备区产能。

自动驾驶汽车最片测试仪则预计于2021财政年上半年开始批量生产。生命科学和医学业务,也预 计在疫情和健康意识及生活衰活改善的背景下,持续大幅增长。

因此,丰隆投行分析员给予"买进"投资评级,目标价为8.88令吉、并认为,贸易局势改变,更多公 司寻找替代方案来避开进口关税,可提供一钻式解决方案的UWC公司,科将从这个趋势中受患。

#### UWC bags world's highest frequency 5G tester job

0000000 A

Wednesday, 14 Apr 2021



The engineering support services provider told the stock exchange that the SG tester would pro-a measurement environment for characterising wireless and antenna system performance of de at millimetre-wave frequencies.

"It will provide performance, functional and protocol testing of networks," UWC said in a state

While UWC did not name the outtomer, it said the customer's "solutions optimise networks and bring electronic products to market faster and at a lower cost with offerings from design simulation to prototype validation, manufacturing test, optimisation in networks and cloud environments".

It is noteworthy that UWC's listing prospectus stated that Agilent contributed 26% of its total revenue in the financial year ended July 31,2018.

"All capital expenditure earmarked for this product will be financed internally by UWC. The group has been enhancing its manufacturing plant to increase efficiency in floor space utilisation to ensu that the group will have sufficient capacities to roll out more high valued projects," it added.

According to UWC executive director and group CEO Datuk Ng Chai Eng. (pic) the group takes year to develop a product with its clients, starting from the product development stage where UMC provides value-added engineering solutions that will translate into a smooth manufacturing process during mass production.

our ability in keeping up with the trend in the development and manufacturing of new products for this fast paced technology sector, "Ng said.

## MEDIA HIGHLIGHTS (CONT'D)



#### **UWC** rides on semiconductor and medical technology boom



It has identified new factories to be leased and would be adding more machinery.



UWC 3Q profit rise 58% y-o-y, propped up by higher earnings from semiconductor and life science segments

ntly, the group bagged a contract to manufacture the world's highest freque test chamber for one of its major customers.

assee on a creek online, the promie description appears to match with keysight technologies in: New York Stock Exhange-listed electronic measurement company with a USA-2011 [RM17210] revenue in 2020. In 2014, Keysight was spun off from Agilent Technologies. It is noteworthy that UWCV. Sitting propertus stated that Agilent contributed 26% of its total revenue in the financial year ended July 31,2018 [FY18].

mentioned above, the development stage takes time, therefore we will only announce once the products have been qualified, "says Ng.

The group has been delivering virus extraction machines to its clients, categod for utilisation in la In addition to that, it is also involved in developing an equipment to test on the mutated Covid-19

Currently, UWC's order book stands at RM100mil, with an earnings visibility of thr "The lifecycle of the equipment that we build is usually for three years or longer.

The semiconductor industry is the biggest contributor to UWC's revenue, with a share of 73% in FY20.

The life science and medical technology segment, on the other hand, contributed 18%

In the first half ended Jan 31, UWC's net profit almost doubled year-on-year (y-o-y) to RM48.95mil, with a net profit margin of 32.8%.

#### penang

Local Solutions in Integrated Engineering Generate Huge Possibilities



#### UWC wraps up FY21 with 5% rise in 4Q profit, 58% jump in annual earnings



KUALA LUMPUR (Sept 7): UWC Bhd wrups up its financial year ended July 31, 2021 (FY21) with a 4,83% increase in quarterly net profit to RA119,55 million from RM18,65 million in the same quarter a year ago, with full year net profit up 58.47% to DN415.85 million

The group's revenue for the three months ended July 31, 2021 (4QFY21) rose 4.12% to RM63.94 million from RM61.41 million 4QFY20. Earnings per share (EPS) rose to 1.78 sen from 1.69 sen previously.

The group declared an interim dividend of 1.67 sen, which amounts to RM18.3 million, to be paid on Oct 8.

#### UWC buys land for business growth in Batu Kawan Industrial Park for RM29m

Shares in UWC closed 2.46% or 13 sec. of RMS-42, valuing it of RMS-97 follows.



UWC said the exercise is a strategic more for the group and its subsidiaries, as the land is located within the Buta Kowan Industrial Park, where the UWC group is situated. "This would case accessibility and management oversight of the expansion of the group's business and operational

This view of the anticipated growth, strategically located space is vital for efficient monifications services in president to be even when the control of the department of the control o

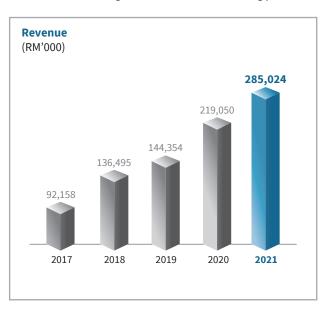


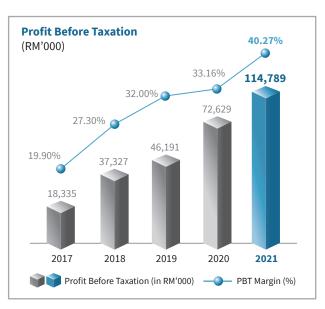
## **FINANCIAL HIGHLIGHTS**

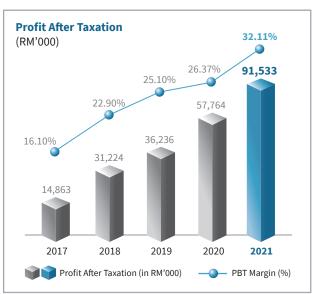
	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Revenue (in RM'000)	92,158	136,495	144,354	219,050	285,024
Profit Before Taxation (in RM'000)	18,335	37,327	46,191	72,629	114,789
Profit After Taxation (in RM'000)	14,863	31,224	36,236	57,764	91,533
EBITDA (in RM'000)	23,134	45,391	55,950	81,266	125,840
Basic EPS (sen)	4.1	8.5	7.6(1)	5.3 <sup>(1)</sup>	8.3
Diluted EPS (sen)	4.1	8.5	7.6(1)	5.2(1)	8.3
Shareholders' Equity (in RM'000)	74,431	84,173	176,517	223,277	304,782
Return on Equity	20%	37%	21%	26%	30%
Current ratio (times)	1.7	1.7	3.9	3.9	5.8
Gearing ratio	0.3	0.6	0.1	0.0	0.0

#### Notes:

Based on weighted average number of ordinary shares outstanding which have been restated to reflect the increase number of shares arising from the bonus issue during year 2020 and 2021.











## CHAIRMAN'S STATEMENT

"UWC Berhad ("UWC" or the "Group") continues to buck the semiconductor and life science businesses' trend, delivering impressive results for FYE2021. Orders and enquiries continue to flow in from existing and new customers with zero cancellations of orders despite the ongoing pandemic."

Dear valued shareholders,

On behalf of the Board of Directors, I am honoured to present to you UWC's third annual report and audited financial statements for the financial year ended 31 July 2021 ("FYE2021").

As everyone is aware, even in FYE2021 the coronavirus disease ("COVID-19") remains as a widely discussed topic amongst the global business community. As this ongoing battle continues, we are also faced with challenges even within our industry. Continuous disruptions due to the full movement control order ("FMCO") affected the second half of FYE2021. This caused delays in production as well as procurement for machineries.

On the brighter side, with our dedication in our line of business, UWC managed to pull through despite the struggles and thankfully our hard work for the year is well reflected in our financials which I will discuss upon later in my statement. Special appreciations and heartfelt thanks must be given to all our stakeholders as UWC did not meet any cancellation of orders. The Group continues to build trust and form good rapport within the semiconductor and life science industries allowing us to further propel our growth expanding our market reach making new headway for our future endeavours.

#### **FINANCIAL PERFORMANCE**

UWC has achieved new heights despite all odds as we have once again surpassed ourselves in terms of revenue and profit with yet again another commendable surge, achieving a 30.1% and 58.3% growth in revenue and profit to RM285.0 million and RM91.5 million respectively. The semiconductor and life science industry contributed 66.0% and 26.0% of the total revenue respectively. The continued global demand for semiconductor related products paired with higher involvement of the life science technology industry was the main cause of the surge in financial performances.

Growth in profit for FYE2021 has once again surpassed our revenue which was attributed to technological advancements towards industry 4.0 and moving up the value chain in our respective businesses which enabled us to achieve better margins. In addition, steady growth in front-end semiconductor equipment orders was another reason for the higher margins. Moreover, there was maiden profit contribution from an associate company which had commenced operations in April 2021. To continue the growth trajectory of the Group, our newly leased factory in Taiping has commenced operations which is in line with our goals for expansion.

UWC's balance sheet remains healthy even as we transition into FYE 2022. The net cash position improved to RM65.4 million and marketable securities of RM19.7 million as at 31 July 2021 in contrast to RM50.3 million in prior year. The current ratio has jumped to a whopping 5.77 times as compared to 3.94 times.

## **CHAIRMAN'S STATEMENT (CONT'D)**

#### **DIVIDEND**

As our token of appreciation to our shareholders for their undivided support, the board is committed to continue rewarding the shareholders. UWC has proposed an interim single-tier dividend of 0.0167 sen per share for FYE2021. The total dividend pay-out will amount to RM18.4 million.

#### **ECONOMIC OUTLOOK AND INDUSTRY PROSPECTS**

Malaysia's economic outlook remains bright as Bank Negara Malaysia ("BNM") revealed that the local economy jumped by 16.1% in the second quarter of 2021 ("Q2 2021"). This was aided by the domestic demand where all sectors registered improvement with the manufacturing sector by far the most impressive.

With the pandemic tapering off, Malaysia is enroute on its recovery for the remaining of 2021 as government policy measures are in place to lessen the impact from COVID-19. BNM expects the economy to grow between 3% to 4% for year 2021, following Q2 2021's 16.1% growth. This is favourable to UWC as the reopening of the economy will further smoothen UWC's operations.

As we look forward to the economic recovery, based on the Q2 2021 semiconductor market figures published by the World Semiconductor Trade Statistic ("WSTS"), they projected the semiconductor market to skyrocket by 25.1% in 2021 with a further growth of 10.1% in 2022. With all that said, this should benefit UWC greatly.

The Malaysian ringgit, against the US dollar, is expected to average between RM3.80 to RM4.50 in 2022.

The global adoption of 5G is increasing exponentially year on year. Reports by Ericsson suggest that 5G is on an uptrend and by 2022 5G adoption will surpass one billion as compared to 4G at the time of its launch taking the lead by 2 years.

The economic outlook based on the above statements by BNM and WSTS will serve as a good indicator of what is to come in the near future and what can be expected for UWC.

#### **MOVING FORWARD**

While this global pandemic has managed to re-emerge and cases have since been on the rise once again, despite all of this, there have been many positive takeaways. As the Malaysian economy looks to be amidst the recovery stages, this will be beneficial to UWC which is mainly involved in the semiconductor and life science industries. Strong increasing order books paired with no cancellation in existing orders are good indicators for UWC that we are well positioned for growth and ready for the economy's recovery where we can expect to see the global semiconductor industry growing based on the statistics by WSTS.

UWC has begun operations at its new factory in Taiping since August 2021. This aligns with our future business plans as the demand for semiconductors is expected to surge in 2022. UWC will aim to increase production capacity to cater to the existing

and new customers. The Group does not exclude possibility of acquiring more factories in the coming future. UWC currently focuses on three categories as the key growth drivers namely front-end semiconductor, 5G and life science.

As part of UWC's commitment to move into front-end semiconductor, the Group has since completed a 10k cleanroom which will be fully utilised to fulfil orders for the front-end semiconductor segment. This will allow the Group to accept additional orders. 5G is currently expanding rapidly in terms of user base followed by worldwide adoption based on statistics. UWC also plans to develop more 5G equipment to capture the entire 5G related product family. UWC is looking to set up a 5G, OTA chamber assembly room.

The life science division this year saw a strong demand for COVID-19 related equipment. Given the resurgence of the pandemic, we expect the growth for COVID-19 related equipment to remain healthy as the equipment will be able to cater to other virus strains. UWC is also in development of a few new products which include a DNA analyser which is still in the research and developmental stage.

UWC continues to remain optimistic on the future endeavours of the company, supported by the increasing enquiries from both existing and new customers for the semiconductor and life science industries. The adoption of 5G paired with artificial intelligence will prove to be the stimulant for UWC's future growth as well as drivers of shareholders value.

#### **BUILDING A SUSTAINABLE FUTURE**

As part of the Group's unwavering determination to foster a sustainable business and future, we recognise the importance of sustainability and are committed to better our fundamentals on the environmental, social and governance ("ESG") related frameworks to bring forth long term value to our stakeholders. In line with the global focus on ESG issues, UWC is further committed to make strides in improving its sustainability year on year. On top of this report, you can familiarise yourself with the latest developments in our sustainability statement.

#### **APPRECIATION**

Before I sign off, on behalf of the Board of Directors, please permit me to express my sincere appreciation to the management and staff of UWC for their dedication and commitment to the Group.

I would also like to extend our deepest appreciation to our clients across the globe, business partners, associates, bankers and the respective regulatory authorities for their support and contribution. Lastly to you, UWC's valued shareholders, thank you for your continuous firm support and trust in UWC.

Yours faithfully,

#### **DATO' WAN HASHIM BIN WAN JUSOH**

Independent Non-Executive Chairman

## MANAGEMENT DISCUSSION & ANALYSIS

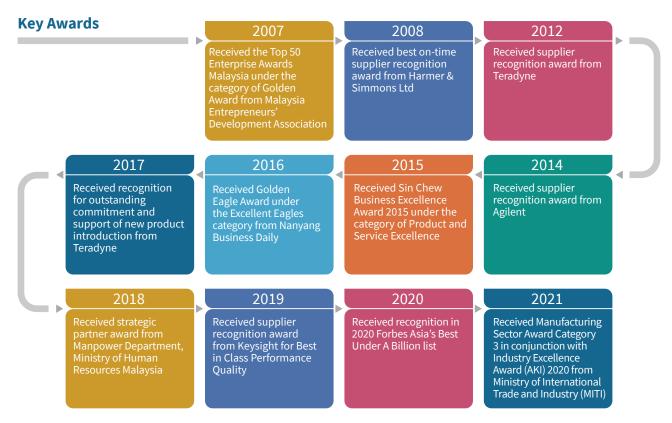
#### Review of 2021

2021 has been another exciting year for UWC, as we continue to expand and diversify our core business with excellent performance during the year despite the headwinds caused by the global pandemic amid a renewed surged in COVID-19 infections. Since being listed on the Main Market for slightly over two years, UWC has received the title of the Best Initial Public Offering in year 2019 and recognized in Forbes Asia's Best Under A Billion 2020 list the following year.

In 2021, UWC is honoured to receive Manufacturing Sector Award Category 3 in conjunction with Industry Excellence Award (AKI) 2020, which was organized by Ministry of International Trade and Industry (MITI). We are proud to be recognised as one of the prestigious industry players in the country for excellence in the implementation of governance that ensures employees' wellbeing, application of the latest technology in operations and implementation of effective business strategies to ensure the best delivery of company products or services. Special thank you to the UWC team for making this happen and showing commitment to continue growing the company, aligned with our business expansion strategy.

In UWC, every single step of ours is guided by our core value, Unity, Willpower and Commitment. We constantly push beyond our limits to deliver every single value to all our stakeholders in a sustainable way. With over 21 years of continuous experiences, we strive to be the best in our industry and be our customers' preferred strategic technology partner and together be the forefront of technology through our exceptional commitment to innovation and creativity that are embedded in our DNA. We have achieved many key milestones over the years and accomplished the great leap where we gotten listed on the stock exchange in year 2019. However, we will not slow down as we believe we are just getting started.





#### **BUSINESS OVERVIEW**

UWC is an integrated engineering services provider which provides one-stop solutions to multinationals from piece part to full turnkey assembly to our customers specializing in automated test equipment spanning across the semiconductor and life science industry.

Our manufacturing activities comprise of provision of fabrication services to produce metal piece-parts and precision machined components. The 4 main fabrication services are namely cutting, forming, joining and other associated processes to produce intermediate metal products, ranging from metal piece-parts to precision machined components. We then assemble these metal products into finished products. We provide value-added assembly services, where we either sub-assemble self-manufactured metal piece-parts or fully assemble intermediate metal products produced by us into finished products.

The full turnkey products manufactured by the group are processer chips testers, flash memory tester, networking server tester, signal tester as well as precision diffusion pump. The business with our customers usually starts off from the piece part stage, then module assembly and ultimately full-turnkey assembly.

Through the listing exercise of the company, the funds raised have accelerated the company's expansion plan and aligned with its strategy of moving up the higher value supply chain into front-end semiconductor and 5G test equipment which we believe these industries will be our catalyst for the next few years.

Following the technology revolution, we also ventured into automated test equipment and autonomous vehicle reliability chip testers, where rapid evolution of the autonomous species are expected to transform luxury cars into electrification and autonomy with artificial intelligence in the future. Hence, we believe through our business expansion and risk diversification strategies by tapping into 5G segment and autonomous vehicles, UWC will continue to grow its business and achieve long-term sustainable development in this dynamic environment.

#### **FINANCIAL REVIEW**

Notwithstanding the disruptions caused by the implementation of various movement control orders due to the COVID-19 pandemic, we were able to maintain the momentum and achieved the highest record from our third set of financial results as a public listed company. For the financial year ended 31 July 2021 (FYE 2021), UWC managed to report its highest revenue, to date, of RM285.0 million, which translated to a double-digit growth of 30% over FYE 2020's RM219.1 million. The profit after tax ("PAT") was equally impressive, where UWC also achieved its highest net profit of RM91.5 million in FYE 2021, representing a surge of 58% as compared to RM57.8 million in the previous financial year.

Growth catalyst was the stronger demand from the Group's global customers in the semiconductor industry, as well as the higher degree of involvement in the life science and medical industry. Based on the FYE 2021 result, the Group's semiconductor industry and life science industry accounted for 66% and 26% of the total revenue respectively. In addition, the order pipeline for COVID-19 related virus test equipment for medical technology and healthcare equipment sector remains robust following the increase in sporadic cases and presence of several highly contagious variants of the virus.

#### FINANCIAL REVIEW (Cont'd)

Profit before tax in FYE 2021 was RM114.8 million, 58% higher against the preceding financial year. This was mainly due to the higher revenue and lower finance costs incurred during the year. The improved bottom line was also attributed to the Group's priority in quality and productivity enhancements, increased production utilisation, effective operation and cost management achieved by the Group as well as delivering higher valued products to clients.

In FYE 2021, we completed a 1-for-1 bonus issue which increased the number of shares in issue by 550 million shares. As at the end of the year, there were 1,101 million shares. The strong earnings growth, further boosted by the marginally lower effective tax rate of 20.3% in FYE 2021 from 20.5% in FYE 2020, led to an increase in our basic earnings per share (EPS) to 8.32 sen from 5.25 sen in FYE 2020, and diluted EPS to 8.30 sen from 5.24 sen in FYE 2020 based on the weighted average number of shares in issue throughout the year. The comparative figures for the weighted average number of ordinary shares used in the calculation of basic and diluted EPS for FYE 2020 have been restated to reflect the increased number of shares arising from the bonus issue during the year.

As at 31 July 2021, our financial position remained healthy with cash and cash equivalent of RM71.7 million, marketable securities of RM19.7 million and a low gearing of 0.01 times. The return on equity for FYE 2021 was 30%. The net tangible asset of RM304.8 million gave a NTA per share of 28 sen.

#### **REVIEW OF OPERATING ACTIVITIES**

#### **Technology**

Being a technology company, the ability to embrace the latest technologies is vital for us in order to compete globally. We work closely with our customers and suppliers to strengthen technical know-how and collaborate on New Product Introduction projects as well as process improvements, to provide innovative solutions at a competitive price.

In order to adopt the latest manufacturing technologies, our Process Engineering team, which comprises of 25 personnel, constantly engages with suppliers and consultants to master latest available technologies and implement them on the shop floor. As mentioned in our prospectus dated 17 June 2019, we planned to utilize the funds raised from our IPO to purchase new machinery and equipment for manufacturing efficiencies. During the year, we had utilized the IPO fund raised to heavily invest in robotic arm and automated material handler integration in our current production floor as well as Computer Numeric Control machines. As at end FYE 2021, we have managed to fully utilize the gross proceeds from IPO in accordance with the planned activities and completed the fund use within the time frame that stated in our prospectus from the date of the listing. Through this initiative, we are one step closer towards the primary goal of achieving Industry 4.0 progression

as a one-stop solution centre and reduce human dependency in the operations, which at the same time optimises production efficiency.

Furthermore, our process engineering team has been consistently conducting periodic training for our production staff towards adopting Industry 4.0. We have implemented shop floor software to integrate with our ERP system and business intelligence system to track every single activity in UWC and monitor the productivity of UWC. With a single touch on our smart devices, we are able to track and monitor our performances. There is also digitization of work processes in our Product Design and Development to streamline the process and improve work efficiency.

Apart from that, our Product Design and Development department and other internal teams work towards developing the article on prototype with our customers. During the year, we have been working with new customers to develop their maiden article as well as potential New Product Introduction project especially for new high density tester for high performing chips that are expected to be used in the autonomous vehicle, 5G tester, and front-end semiconductor layering equipment.

In April 2021, we were contracted by a key customer to develop and manufacture the world's highest frequency 5G millimetre-wave Over-the-air ("OTA") test chamber. UWC has been our customer's strategic partner in supporting the manufacturing of its test equipment which is en-route for mass production roll-out. Our Product Design and Development team engaged with the key customer on the design and development of the new product OTA Chamber and Automotive sensor test chamber.

In addition, we have completed the construction of a class 10,000 cleanroom in April 2021 and is fully prepared to handle orders from front-end customers. This is in line with our corporate expansion plans, along with our long term strategy where we will be focusing on producing more front-end semiconductor equipment, especially wafer fabrication equipment and 5G equipment, which helps to garner higher margins and contribute to higher profits.

In the midst of expansion, the number of engineers under the Product Design and Development and Process Engineering and Quality Assurance departments has also increased during the year. The team resources have been expanded by 30% in order to cater for the new sales orders and new incoming projects from semiconductor, 5G and life science.

As part of our business expansion plan, UWC has leased a new factory in Taiping since August 2021 in order to increase production capacity and ensure that the Group will have sufficient capacities to roll out more high valued projects. The new plant also provides the Group with needed space to accommodate its future growth.

#### **REVIEW OF OPERATING ACTIVITIES** (Cont'd)

#### **COVID-19 Measures**

The global COVID-19 pandemic since early 2020 and enforcement of several phases of the Movement Control Order ("MCO") in Malaysia, as the country grappled with the rising COVID-19 cases during the year, disrupted supply chain and impacted most of the economy activities in terms of inability to operate. During the MCO periods imposed by the Malaysian government, as our business activities were categorised as essential services, we were granted approval by Ministry of International Trade and Industry ("MITI") to conduct operations at a predetermined capacity level while strictly adhering to Standard Operating Procedures ("SOP") mandated by the Malaysian Government.

During the financial year, to safeguard our employees and lower the impact in the workplaces, we segregated our employees into different working teams to prevent contact across different shifts and departments and made the wearing of face mask compulsory at all workplaces. We further implemented Work-From-Home ("WFH") procedures for our non-production employees to reduce the risk of exposure to COVID-19. As such, the Group can only maintain 70% capacity during MCO 2.0 from 13 January to 11 May 2021. During MCO 3.0, the Group operated at 60% capacity from May 12 until 6 July 2021 as permitted by the local authorities. MCO 3.0 was further extended where the Group was allowed to operate at 80% capacity from 7 July 2021 to 19 August 2021. As a result, the pandemic temporarily slowed the normal ramp up of production and there were logistical challenges for certain semiconductor equipment in second half of the FYE 2021, which was impacted by different lockdown implementations. Upon completion of the PIKAS Programme in August 2021, more than 90% of our workforce has completed their two (2) doses of vaccination. Hence, the Group was allowed to operate at full capacity effective 20 August 2021 following the recent updates from the National Recovery Plan.

The Group has taken the necessary measures to minimize the impact caused by COVID-19. Since 2020, the Group has assessed the risks associated with the COVID-19 pandemic and implemented a wide range of mitigation measures to meet health, safety and regulatory requirements set by the government, as highlighted in the Statement on Risk Management and Internal Control ("SORMIC") Sustainability Report in this Annual Report. Along with the preventive measures undertaken by the Group, we enforced strict safety procedures throughout our plants. Apart from full compliance with SOPs initiated by the government which include body temperature checks and screening, regular workplace sanitisation and social distancing, we also closed our plants to visitors, customers, suppliers and only allow exceptions under strict health screening protocols during the MCO period.

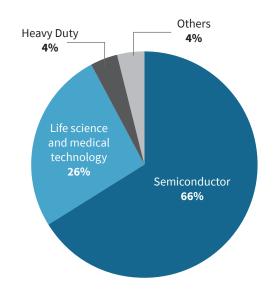
As we have committed to support and care for the safety and health of our employees, as well as to sustain business and operation continuity in response to the surging of COVID-19 cases in Malaysia, we engaged our internal auditor, KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG") to independently assess the adequacy and effectiveness of the Group's risk management and internal control systems towards COVID-19 pandemic related impact. The assessment was in line with one of the key scopes of internal audit during the financial year being "Business Continuity Management - Focusing on Pandemic Related Impact".

The internal audit findings were reported in June 2021. As such, our COVID-19 Prevention Committee has taken immediate responses to the action plans agreed based on the recommendations suggested by KPMG.

Moreover, we carried out COVID-19 vaccination programmes for our employees by participating in the Public-Private Partnership COVID-19 Industry Immunisation Programme ("PIKAS") launched by MITI where the Malaysian Government aims to intensify the immunisation efforts in the industrial and factory sectors. Further details of the PIKAS vaccination programme are presented under the Sustainability Report in this Annual Report.

#### **Sales and Marketing**

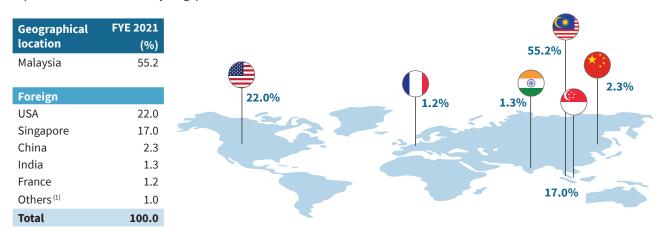
We broke new heights with total sales of RM285.0 million in FYE 2021, which was a jump of 30% from RM219.1 million in FYE 2020. We grew our business development department team from 34 personnel to 42 personnel as at 31 July 2021 to support and deal with our customers globally and locally. During FYE 2021, majority of our sales were contributed by the semiconductor industry followed by the life science and medical technology industry. The pie chart below shows the sales composition by industry.



#### **REVIEW OF OPERATING ACTIVITIES (Cont'd)**

#### Sales and Marketing (Cont'd)

In terms of foreign currencies, 56.7% of our sales were in the US dollar, 42.8% were in Ringgit Malaysia and 0.5% in Euro. Our top 5 major customers contributed approximately 72% of our revenue. Geographically, United States of America ("USA") is our top export destination followed by Singapore and China.



(1) Others include Australia, Canada, Germany, Hong Kong, Japan, Netherlands, United Kingdom, Spain, Switzerland, Thailand and Vietnam.

In recent years, many multinational corporations relocated their factories to Penang. Being strong in the supply chain and as a one-stop solution delivering high-end expertise across diverse industries, our team received referrals from governmentrelated organizations, such as MIDA and InvestPenang, on top of enquiries from potential customers. Despite headwinds from supply shortages amid a renewed surge in COVID-19 infections, enquiries kept flowing in from existing and potential customers directly from their global headquarters. Under the complete blockade during MCO 3.0, the Group can only maintain 60% of its production capacity. However, it did not lead to cancellation of orders. Instead, we continue to receive orders from semiconductor and life science, as well as new orders for 5G test equipment are in the pipeline.

During the year, our team has been working closely with our customers in new product development as well as project transfer. Moreover, we considered the ongoing trade tension between US and China as an advantage as it might open up a window of business opportunities for the Group to penetrate into new markets with the shifting of global supply chain. It will continue to benefit UWC, which provides one-stop solutions delivering high-end expertise across diverse industries. We continuously coordinate with our customers in relocating more product lines and transferring manufacturing activities to our Group.

Our team will continue to maintain close ties with our major customers through strong collaborations and conducting periodic meetings to ensure customer satisfaction and drive repeat business. We will also develop more New Product Introduction projects and submit requests for product and service qualifications, as well as visit potential customers or conduct virtual meetings via videoconferencing and teleconferencing facility during the MCO period to promote our service capabilities.

Moving forward, we will continue to leverage on our solid track record in delivering quality products, our relationships with our customers as well as government-related organizations to procure new business opportunities. Apart from targeting opportunities in growing markets, generating more repetitive business is crucial to sustain our growth. Many of our key customers are multinational companies in Malaysia and overseas where they demand high quality products and service support. To ensure that the Group remains competitive, we continuously develop our team's expertise through intensive training courses and workshops to have better understanding of the latest market requirements and meet our customers' needs. Their needs are always our top priority and hence our team is doing its very best to meet our customers' needs with the best products and services at all times.

#### **CHALLENGES AND STRATEGY**

#### Constantly identify and deploy latest technologies

The industries that we are operating in, especially semiconductor, life science and medical technology adhere to technological changes and advancements in manufacturing technologies. On top of that, COVID-19 pandemic has accelerated the development and massive growth in technologies, in which both semiconductor industry and medical technologies sector have benefited from the pandemic. As our customers continuously introduce and upgrade their technologies, we too have to enhance our capabilities by deploying latest technological equipment in meeting their requirements. To satisfy the increasing sophisticated needs of our customers, we need to enhance our ability to offer product and service capabilities that meet changing market requirements, including conformity with the applicable industry standards.

As for life science and medical technology segment, the demand for COVID-19 related virus test equipment will continue to be robust amid the global effort to restrain the pandemic. During the year, we worked closely with our customers to develop COVID-19 related test equipment as well as a few other medical equipment to test the mutated COVID-19 strains. With the venture into the life science business, we attempt to manufacture more complicated life science equipment, where UWC was involved in medical testing and diagnostic testing. One of the technology test equipment we are working on is the automated instrument with high-throughput extraction of DNA, RNA, Protein and cells with extensive selection of validated application protocols. This instrument is for disease research such as COVID-19 analysis, cancer and research for potential vaccine.

The Group expects the life science and medical technology sector to experience sustainable substantial growth in the coming years. Thus, our relentless efforts in pursuing latest technological advancement and practicing latest industry standards involve exhibition visits or attend intensive training and workshops, and continuous staff development to ensure our team's skill and knowledge step up to the latest trends in technology, as well as automation breakthroughs in semiconductor, life science and medical technology.

To achieve this, we are required to constantly anticipate technological changes, invest in new technologies and upgrade our machineries and equipment in a timely manner as part of our business operations to fulfil market demand. We are also aggressively driving improvement to optimise the performance of our machines to achieve manufacturing efficiency and deliver our products and services to customers in a timely manner within lead time. Hence during the financial year, we invested in new machineries and industrial robotic arms to digitalise our work process and improve efficiencies. Furthermore, the continuous efforts and concentration in R&D function and product design are made for the development of new products.

#### Impact on customer performance

The nature of our business is dependent on the performance of the end-user markets of our major customers. The prospects of the customer will impact the demand and order received by us, and this is influenced by factors including global demand, economic conditions as well as the individual customer's technological advancement. A decrease in our customer's product demand will adversely impact our business performance.

Other than demand from end-user market, life science, medical technology and semiconductor industries are also subject to technological changes and rapid advancement in industry standards. These factors typically contribute to frequent changes in our customers' product design or specification. Hence, our customers typically do not enter into long-term purchase commitments with us. However, they will provide us with short-term rolling forecast of their potential demand for the next 6 to 12 months. Our sales are secured through purchase orders from our customers from time to time, which may vary from their forecasted volume.

In order to achieve our business expansion and risk diversification strategy, we are consistently acquiring more customers to broaden our customer base and diversify the business segments which we are involved in. For instance, there are various segments within the semiconductor industry, such as front end and back end. During the financial year, we slowly encroached into the front-end semiconductor supply chain as well as targeting potential high-end customers to grow our business and diversify our customer base, especially into frontend semiconductor equipment, automated test equipment and 5G test equipment. In addition, the Group's strategy is to gradually exit from heavy-duty business in order to dedicate capacity to more profitable and higher margin segments.

Apart from the semiconductor industry, we are expeditiously expanding our life science and medical industry following the increase in sporadic cases and presence of several highly contagious variants of the virus. As the Group is involved in the manufacturing of COVID-19 related equipment, we have grown rapidly with our life science equipment customers, as the equipment demand continues to be robust and expect to contribute positively to our sales. Aligned with UWC's growth plan, our life science and medical technology sales almost doubled for the financial year ended 31 July 2021 as compared to the preceding year. We are in the midst of developing more medical equipment with our customers, as well as continue to explore and enlarge the life science customer base.

Our associate company, WEPLUS Greentech Sdn. Bhd. ("WEPLUS") had commenced its operation since April 2021, which will focus on designing, manufacturing and engineering the related components for green technology. The incorporation of WEPLUS supports and facilitates the Group's business expansion plans and in line with our diversification strategies. On top of that, we are still actively looking for potential business opportunities and engage ourselves in various industries to achieve a diversified portfolio as part of our risk management strategy.

#### **CHALLENGES AND STRATEGY (Cont'd)**

#### **Human capital**

We acknowledge the fact that the Group's continuous growth rely significantly on the talent, technical expertise and value created by the team. The risk of dependency on talent and technical expert is the possibility of losing key management including technical experts. Hence, adequate succession plan is essential. Succession planning has become key when evaluating and appraising all personnel holding leadership positions in our Group.

In order to strive for long-term sustainable performance of the Group, we have valued our employees as they are the driving force behind our success. Hence, we continue to provide professional development to existing staff, improve our remuneration packages and introduce more attractive retention packages to our existing talent.

During the year, we offered the employees' Share Grant Scheme to eligible employees to ensure that our employees participate in the success of our performance. This will serve as a long-term incentive plan to reward the contribution of our employees as well as motivate them towards achieving better performance through greater productivity and loyalty. It will also align our employees' interest with the corporate goals and objectives to aim for expansion and continuous growth.

Following Malaysia's Short-Term Economic Recovery Plan ("PENJANA"), we have been working closely with Northern Corridor Implementation Authority ("NCIA") to participate in the JomKerja@NCER programme which was rolled out in the Northern Corridor Economic Region ("NCER") through providing employment opportunities to the unemployed graduates and retrenched workers. The approved headcount based on letter of approval received from NCIA Malaysia is 100 participants of various positions, such as engineer, executive, machinist and operator. Hiring was completed during the year, where we employed human resources which complement our business expansion plan. Besides that, we participated in the hiring programme under PENJANA 2.0 effective from 21 December 2020 to 30 June 2021 for the target group such as long-term unemployed individuals, local talents who will be replacing foreign workers and people with disabilities. Amidst our labour pool expansion, we managed to create job opportunities where 605 employees were employed by the Group in the current year. We have set-up a UWC education centre at the Seberang Perai Polytechnic and provided scholarship to students at the Penang Skills and Development Centre to attract skilled and experienced individuals to join and contribute towards our company along with building a sustainable talent pipeline for the Group. Please refer to our Sustainability Statement for further details.

#### DIVIDEND

UWC maintains its dividend policy of at least 20% of the annual audited consolidated PAT attributable to the shareholders.

#### FORWARD-LOOKING STATEMENT

At the moment, we are experiencing unprecedented global challenges arising from the COVID-19 pandemic. We strive for every possible way to stay ahead of the curve during these uncertain times while under multiple restrictions. The recordbreaking revenue and profit in FY2021 with its solid financial and operational performance continue to exhibit the Group's resilience and growth during the challenging time. We are optimistic of our prospects and business momentum for the next financial year.

The COVID-19 pandemic and new norms of 'Work From Home' environment have accelerated digital adoption and transformation throughout the world. The COVID-19 pandemic rapidly changed the global industries and consumers towards online channels to become more mobile by utilizing technologies to collaborate and build lasting relationships over long distances. As a result, digital adoption and technology evolution will continue to rapidly accelerate in near future.

We will continue our progression to implement Industry 4.0 throughout the Group in future. With the aim of promoting automation in our production processes, we have invested in new CNC machines such as robotic arm and cobot for quality enhancement and improving work efficiency. There are establishment of Failure Analysis Lab by our Product Design and Development for problem analysis and process yield improvement study in order to ensure our production remains relevant and competitive. We will not relax our efforts to explore processes to ramp up our capacity and cater the strong order book to achieve growth in following years.

Furthermore, the booming technology sector consistently increases usages of smart devices, cloud storage for the data centre, artificial intelligence and autonomous vehicle, in which they require the application of processor chips in order to operate. As the chips evolved, high powered testers are required to assess the new functionalities of the testers, hence, different testers are required. The demand momentum for these testers will continue to grow next financial year.

Going forward, technology and semiconductor growth will mainly be driven by the adoption of new applications for 5G, automotive, smart devices, cloud computing, artificial intelligence and IoT. The introduction of 5G has created better prospects for the testers market as 5G compatible devices require high-speed chipset. In addition, data centres and 5G infrastructure require testers to gauge the speed of data transfer. As UWC is engaged in the semiconductor supply chain, we are tapping into the upcoming trends in 5G and Artificial Intelligence. We are shifting the production capacity to emphasise on manufacturing of front-end semiconductor equipment, automated test equipment and 5G test equipment where we believe these industries will be our catalyst for the next few years.

#### **FORWARD-LOOKING STATEMENT (Cont'd)**

We have completed the newly set up 5G OTA Chamber assembly room where operations commenced in August 2021. With the orders received for related 5G testers, we expect to have more new products in the foreseeable future. We have managed to secure front-end semiconductor equipment customers and by moving into the front-end semiconductor supply chain, we have completed the construction of class 10,000 cleanroom in April 2021. It is fully prepared to handle orders from frontend customers in coming future. Besides, UWC has leased a new factory in Taiping since August 2021 in order to increase production capacity and ensure that the Group will have sufficient capacities to roll out more high valued projects in quarters to come.

Another key long-term strategy for UWC is venturing into automotive chip testers for autonomous car in coming years where the adoption and implementation cycle of these technologies will be lengthy. For the autonomous vehicle reliability chip testers, the Group expects to ramp production by end 2021. With the emergence of smart vehicle electronic devices, the Group anticipates the proliferation of EV and autonomous driving will continue to provide impetus to the Group's exposure in the automotive industry.

Being one of our diversified core businesses, life science and medical technology segment is expected to have sustainable substantial growth in the coming years. Given our involvement in the manufacturing of COVID-19 related test equipment, we foresee the equipment demand will continue to be robust amid the global effort to restrain the pandemic outbreak. We are in the midst of developing other medical equipment to test the mutated COVID-19 strains with our customers. Besides, a few new products including DNA analyser are in the pipeline.

Research by Nomura shows that Malaysia is the third largest beneficiary of trade diversion from the ongoing China-USA trade war. According to MIDA, Penang has been placed third highest in the list of national approved manufacturing FDI in year 2020. In view of the growing approved manufacturing FDI recorded by Penang in recent years, we are optimistic that these FDI will further enhance the state's supply chain ecosystem. From its end, we are keen to capture opportunities in the local supply chain as well as from overseas businesses.

#### CONCLUSION

While 2021 continue to be dominated by uncertainties in market conditions and adverse global economic situation due to the rising COVID-19 cases, UWC managed to achieve tremendous growth with a healthy financial position in the current year. We remain optimistic that we will deliver good performance in 2022. We are confident that as long as we continue to work as a team through dedication and commitment to the Group, we will continue to move UWC higher with plentiful business opportunities as well to further improve our positioning in this dynamic yet challenging market to achieve sustainable competitive advantage.

We would like to take this opportunity to express our sincere appreciation to our customers, suppliers, partners and shareholders for their continuous support, as well as my Board for their dedication, invaluable advice and support over the past year. Not to mention our gratitude to the Malaysian government for the various Economic Stimulus Packages, tax incentives and government reliefs in response to the COVID-19 pandemic, along with the healthcare services who put the nation first and risk their lives at the front line to contain the pandemic for us. Last but not least, we want to thank our pillars, being our employees, for their Unity, Willpower and Commitment towards the company's growth. All these are possible because we have a good team of management and employees. We will continue to drive UWC to even greater heights.

#### Dato' Ng Chai Eng

**Executive Director/Group CEO** 

## **BOARD OF DIRECTORS**



From left to right (front):

1. DATO' NG CHAI ENG Executive Director / Group CEO

2. DATO' WAN HASHIM BIN WAN JUSOH Independent Non-Executive Chairman

3. LAU CHEE KHEONG Executive Director / Group COO From left to right (back):

#### 4. NG CHIN LIANG

Alternate Director to Dato' Ng Chai Eng / Deputy Group CEO

#### 5. F'NG MEOW CHENG

Independent Non-Executive Director

### 6. DATO' LIO CHEE YEONG

Independent Non-Executive Director

## PROFILE OF DIRECTORS



DATO' WAN HASHIM BIN WAN JUSOH Independent Non-Executive Chairman

**AGE** | 64 **GENDER** | Male **NATIONALITY** | Malaysian

#### Qualification

1. Bachelor of Science in Resource Economics, Universiti Pertanian Malaysia (now known as Universiti Putra

#### Date first appointed to the Board

7 November 2018

#### **Membership of Board Committee**

- 1. Audit Committee (Member)
- 2. Risk Management Committee (Member)
- 3. Nomination Committee (Member)
- 4. Remuneration Committee (Member)

#### **Working Experience and Occupation**

- 1. Assistant Director, MIDA Kuala Lumpur (1981 1991)
- 2. Deputy Director, MIDA Los Angeles, USA (1991 1995)
- 3. Director, MIDA Kuala Lumpur (1996 2003)
- 4. Director, MIDA Boston, USA (2003 2006)
- 5. Director, MIDA New York, USA (2007 2008)
- 6. Director of Foreign Direct Investment Promotion, MIDA Kuala Lumpur (2009 - 2011)
- 7. Senior Director, MIDA Kuala Lumpur (2011 2012)
- 8. Executive Director, MIDA Kuala Lumpur (2012 2014)
- 9. Senior Executive Director, MIDA Kuala Lumpur (2014 -2017)

#### **Present Appointment**

- 1. Independent Non-Executive Director of Integrated Logistic Berhad
- 2. Independent Non-Executive Director of AYS Ventures Berhad

Any family relationship with any director and/or major shareholder of UWC

None

Any conflict of interests that the person has with UWC

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year None



**DATO' NG CHAI ENG** 

Executive Director / Group Chief Executive Officer

**AGE** | 58 **GENDER** | Male **NATIONALITY** | Malaysian

#### Qualification

- 1. Malaysian Skills Certificate Level 1 (formerly known as Sijil Kecekapan Ketukangan Peringkat Asas)
- 2. Malaysian Skills Certificate Level 2 (formerly known as Sijil Kecekapan Ketukangan Peringkat Pertengahan)

#### Date first appointed to the Board

29 March 2018

#### **Membership of Board Committee**

None

#### **Working Experience and Occupation**

- 1. Apprentice electrician, Mattel (Malaysia) Sdn. Bhd. (1982 -1983)
- 2. Senior Technician, Leader Electrical Appliances Manufacturing Sdn. Bhd. (now known as GUH Electrical Appliances Sdn. Bhd.) (1985 - 1990)
- 3. Plant Manager, Leader Electrical Appliances Manufacturing Sdn. Bhd. (now known as GUH Electrical Appliances Sdn. Bhd.) (1990)

#### **Present Appointment**

- 1. Chairman in SJK(C) Beng Teik (Pusat)
- 2. Advisor of the Federation of Malaysian Foundries and Engineering Industries Associations (FOMFEIA)
- 3. Member of Machinery and Equipment Investment Advisory Panel of MIDA
- 4. Director of public company
- 5. Director of all subsidiaries of UWC
- 6. Director of several private limited companies

#### Any family relationship with any director and/or major shareholder of UWC

He is the father of Ng Chin Liang, his Alternate Director

Any conflict of interests that the person has with UWC None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year None



**LAU CHEE KHEONG** Executive Director / Group Chief Operations Officer

**AGE** | 58 **GENDER** | Male **NATIONALITY** | Malaysian

#### Qualification

1. Sekolah Menengah Jenis Kebangsaan Hua Lian Taiping,

#### Date first appointed to the Board

29 March 2018

#### **Membership of Board Committee**

None

#### **Working Experience and Occupation**

- 1. Technical Supervisor, Tekskill Component Sdn. Bhd. (1980
- 2. Supervisor, Toriki Metal Engineering Sdn. Bhd. (1984 -
- 3. Assistant Factory Manager, Leader Electrical Appliances Manufacturing Sdn. Bhd. (now known as GUH Electrical Appliances Sdn. Bhd.) (1986 - 1991)

#### **Present Appointment**

- 1. Director of public company
- 2. Director of all subsidiaries of UWC
- 3. Director of several private limited companies
- 4. Vice President of Persatuan Alumni Sekolah Hua Lian Taiping Zon Utara Malaysia

Any family relationship with any director and/or major shareholder of UWC

None

Any conflict of interests that the person has with UWC None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year



F'NG MEOW CHENG Independent Non-Executive Director

**AGE** | 55 **GENDER** | Female **NATIONALITY** | Malaysian

#### Qualification

- 1. Bachelor of Science in Business Administration, University of Southwestern Louisiana, USA
- 2. Master of Management, Australian Institute of Business,
- 3. Member of Malaysian Institute of Certified Public Accountants
- 4. Member of Malaysian Institute of Accountants

#### Date first appointed to the Board

7 November 2018

#### **Membership of Board Committee**

- 1. Audit Committee (Chairman)
- 2. Risk Management Committee (Chairman)
- 3. Nomination Committee (Member)
- 4. Remuneration Committee (Member)

#### **Working Experience and Occupation**

- 1. System Planner, Sony Electronics (M) Sdn. Bhd. (1991 -1992)
- 2. Auditor, Russ Ooi & Associates (1992 1996)
- 3. Manager, H. B. Ooi & Co (1996 1998)
- 4. Manager, K. B. Tan & Co (1998 2002)
- 5. Partner, MC F'ng & Associates (2002 Present)

#### **Present Appointment**

- 1. Director of public companies
- 2. Director of several private limited companies

#### Any family relationship with any director and/or major shareholder of UWC

None

#### Any conflict of interests that the person has with UWC None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year None



**DATO' LIO CHEE YEONG** Independent Non-Executive Director

**AGE** | 51 **GENDER** | Male **NATIONALITY** | Malaysian

#### Qualification

- 1. Bachelor of Laws, University of London
- 2. Barrister-at-Law of the Middle Temple, London
- 3. Registered mediator of the Malaysian Mediation Centre
- 4. Member of the Malaysian Institute of Arbitrators
- 5. Notary Public appointed by the Attorney General's Chamber of Malaysia

#### Date first appointed to the Board

7 November 2018

#### **Membership of Board Committee**

- 1. Audit Committee (Member)
- 2. Risk Management Committee (Member)
- 3. Nomination Committee (Chairman)
- 4. Remuneration Committee (Chairman)

#### **Working Experience and Occupation**

1. Managing Partner, Messrs Lio & Partners (1999 – Present) (formerly under Messrs. Lio, Soon & Poh) (1999 - 2001)

#### **Present Appointment**

- 1. Honorary Consul of Denmark (Penang, Perlis, Kedah and Perak)
- 2. Director of several private limited companies

Any family relationship with any director and/or major shareholder of UWC

None

Any conflict of interests that the person has with UWC None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year



#### **NG CHIN LIANG**

Alternate Director to Dato' Na Chai Ena / Deputy Group Chief Executive Officer

**AGE** | 28 **GENDER** | Male NATIONALITY | Malaysian

#### Qualification

- 1. Bachelor of Arts (First Class Honours) in Accounting and Finance, University of Exeter, UK
- 2. Master of Science (Distinction) in Accounting and Finance, University of Exeter, UK (Under Scholarship)
- 3. Member of the Association of Chartered Certified Accountants
- 4. Member of the Malaysian Institute of Accountants

#### Date first appointed to the Board

15 November 2019

#### **Membership of Board Committee**

#### **Working Experience and Occupation**

- 1. Audit Associate, Deloitte PLT, Penang (2015 2016)
- 2. Assistant Finance Manager, UWC Holdings Sdn. Bhd. (2016 **- 2018**)
- 3. Head of Corporate Affairs and Communications, UWC Berhad (2018 - 2019)

#### **Present Appointment**

- 1. Vice Chairman of Penang Skill and Development Centre
- 2. Member of Industry Advisory Committee, Politeknik Seberang Perai
- 3. Member of Institute-Industry Management Board, Institut Latihan Perindustrian Arumgam Pillai Nibong Tebal
- 4. Member of Committee, Federation Malaysia Manufacturer, Penang Branch
- 5. Advisor of Junior Chamber International (JCI) Bayan
- 6. Director of public company
- 7. Director of several private limited companies

#### Any family relationship with any director and/or major shareholder of UWC

He is the son of Dato' Ng Chai Eng, the Executive Director/ Group CEO and major shareholder of UWC

#### Any conflict of interests that the person has with UWC None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year None

#### **Training Programs attended by the Director**

The following are the seminar, conference, exhibition, workshop attended by all Directors as at financial year ended 31 July 2021 ("FYE 2021").

Name of Directors	Mode of Training	Title
Dato' Wan Hashim Bin Wan Jusoh	Workshop Internal briefing Internal briefing	Corporate Governance Monitor 2020 Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries Enhanced General Mandate for Pro-Rata Rights Issue to Expedite Secondary Fund Raising for Eligible Listed Issuers
Dato' Ng Chai Eng	Corporate talk Internal briefing Internal briefing	Dual Track Education Sharing Session 2.0 (双轨教育分享会2.0) (As Speaker) Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries Enhanced General Mandate for Pro-Rata Rights Issue to Expedite Secondary Fund Raising for Eligible Listed Issuers
Lau Chee Kheong	Webinar Webinar Webinar Internal briefing Internal briefing	The Versatility of Combination Technology The Next Generation of Global Bending Solution NCT Technology & Tooling Solution Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries Enhanced General Mandate for Pro-Rata Rights Issue to Expedite Secondary Fund Raising for Eligible Listed Issuers
F'ng Meow Cheng	Pocket talk Webinar Seminar Webinar Internal briefing Internal briefing	Facilitation in Technology Adoption by MIDA Current Issues on Compliance with Leases (IFRS/MFRS 19) COVID-19; Impact on Financial Instrument Virtual Tax Conference 2021 Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries Enhanced General Mandate for Pro-Rata Rights Issue to Expedite Secondary Fund Raising for Eligible Listed Issuers
Dato' Lio Chee Yeong	Webinar Webinar Webinar Webinar Internal briefing Internal briefing	Industry 4.0 and the Forces of Change in ASEAN UK-ASEAN Trade and Investment: Emerging Opportunities and Outlook Post Brexit and COVID-19 Stakeholder Capitalism: A Vital Pandemic Agenda? COVID-19 Vaccine Rollout and The Recovery of The ASEAN Economy Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries Enhanced General Mandate for Pro-Rata Rights Issue to Expedite Secondary Fund Raising for Eligible Listed Issuers
Ng Chin Liang	Webinar Webinar Webinar Internal briefing Internal briefing	Launch of PwC's Family Business Survey 2021 (The Malaysian Chapter) From trust to impact Impact of RCEP towards Malaysian Manufacturers & How can we prepare for the Free Trade Agreement (FTA) of 2.3 Billion population? Concentrated EMBA-Winning Model 11.0 (浓缩 EMBA - 赢利模式 11.0) Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries Enhanced General Mandate for Pro-Rata Rights Issue to Expedite Secondary Fund Raising for Eligible Listed Issuers

#### Remuneration

The following are the remuneration breakdown of all directors as at FYE 2021.

Name of Directors	Salaries (RM'000)	Fees (RM'000)	Bonus (RM'000)	Employee Provident Fund and Social Security Organisation (RM'000)	Allowances (RM'000)	Share Grant Scheme Expense (RM'000)	Total (RM'000)
Dato' Ng Chai Eng	804	-	720	99	120	-	1,743
Lau Chee Kheong	804	-	720	99	120	-	1,743
Dato' Wan Hashim Bin Wan Jusoh	-	72	-	-	4	-	76
F'ng Meow Cheng	-	36	-	-	2	-	38
Dato' Lio Chee Yeong	-	36	-	-	2	-	38
Ng Chin Liang	180	-	28	23	10	45	286

## PROFILE OF KEY SENIOR MANAGEMENT

**NG SZE YEN** 

General Manager

TAN KEAN HEAN

Head of Machining Division

**AGE** | 38

**GENDER** | Female

NATIONALITY | Malaysian

**AGE** | 56

**GENDER** | Male

NATIONALITY | Malaysian

#### Qualification

1. Bachelor of Mechanical Engineering, Universiti Tun Hussein Onn

#### Qualification

1. Apprentice Certificate, Lembaga Latihan Perindustrian dan Persijilan Ketukangan Kebangsaan Kementerian Buruh Malaysia

#### Date first appointed to the Key Senior Management

1 May 2018

## Date first appointed to the Key Senior Management

1 May 2018

#### **Working Experience and Occupation**

- 1. Project Engineer, UWC Holdings Sdn. Bhd. (2006 2009)
- 2. Senior Engineer, UWC Holdings Sdn. Bhd. (2009 2010)
- 3. Assistant Business Development Manager, UWC Holdings Sdn. Bhd. (2010 - 2011)
- 4. Business Development Manager, UWC Holdings Sdn. Bhd. (2011 - 2018)
- 5. Head of Operation, UWC Berhad (2018 2020)
- 6. General Manager, UWC Berhad (2020 Present)

#### **Working Experience and Occupation**

- 1. Technician, Loh Kim Teow Engineering Sdn. Bhd. (1986 -1991)
- 2. Sales and Application Engineer, George Cohen (Malaysia) Sdn. Bhd. (1992 - 1997)
- 3. Director, Numeric Precision Engineering Sdn. Bhd. (1997 -2000)
- 4. Director, UWC Automation Sdn. Bhd. (2000 2018)
- 5. Head of Machining Division, UWC Berhad (2018 Present)

#### **Present Appointment**

None

#### **Present Appointment**

None

#### Any family relationship with any director and/or major shareholder of UWC

1. Niece of Dato' Ng Chai Eng

Any family relationship with any director and/or major shareholder of UWC

None

Any conflict of interests that the person has with UWC None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

None

Any conflict of interests that the person has with UWC None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year None

## PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

#### **CHONG YEE BENG**

Senior Manager of Engineering Division

#### **KHOR KEAN SENG**

Senior Manager of Industrial Engineering and Production Division

**AGE** | 52

**GENDER** | Male

NATIONALITY | Malaysian

#### Qualification

1. Bachelor of Mechanical Engineering, Universiti Teknologi Malaysia

#### **Date first appointed to the Key Senior Management**

1 May 2018

#### **Working Experience and Occupation**

- 1. Technical Engineer, Antah Schindler Sdn. Bhd. (1993 -1995)
- 2. Senior Purchasing Engineer, Antah Schindler Sdn. Bhd. (1995 - 2002)
- 3. Production Manager, Advance Engineering Manufacturer Sdn. Bhd. (2002 - 2003)
- 4. Engineering Manager, UWC Holdings Sdn. Bhd. (2003 -2018)
- 5. Senior Manager of Engineering Division, UWC Berhad (2018 - Present)

**AGE** | 51

**GENDER** | Male

NATIONALITY | Malaysian

#### Qualification

1. Diploma in Electrical Engineering, Institut Teknologi Butterworth

#### **Date first appointed to the Key Senior Management**

1 May 2018

#### **Working Experience and Occupation**

- 1. Engineer, Penang Seagate Industries (M) Sdn. Bhd. (1992 -
- 2. Supervisor, UWC Holdings Sdn. Bhd. (1993)
- 3. Section Head, UWC Holdings Sdn. Bhd. (1993 2010)
- 4. Factory Manager, UWC Holdings Sdn. Bhd. (2010 2018)
- 5. Senior Manager of Industrial Engineering and Production Division, UWC Berhad (2018 - Present)

#### **Present Appointment**

None

#### **Present Appointment**

None

#### Any family relationship with any director and/or major shareholder of UWC

None

Any family relationship with any director and/or major shareholder of UWC

None

## Any conflict of interests that the person has with UWC

None

Any conflict of interests that the person has with UWC None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year None

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement is presented pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the resolution and approval of the Board.

The objective of this Statement is to provide an overview of the application of the corporate governance practices of the Group during the financial year ended 31 July 2021. In accordance with the Malaysian Code on Corporate Governance ("MCCG") the main principles governing these governance practices are Board Leadership and Effectiveness; Effective Audit and Risk Management; and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Separately, the Board has also provided specific disclosures on the application of each Practice in its Corporate Governance ("CG") Report. This CG Report was announced together with the Annual Report of the Company on 30 November 2021. Shareholders may obtain this CG Report by accessing this link <a href="https://www.uwcberhad.com.my">www.uwcberhad.com.my</a> for further details and are advised to read this CG Overview Statement together with the CG Report.

#### **Principle A: Board Leadership and Effectiveness**

#### (I) Board Responsibilities

The Board is entrusted to overseeing the overall management of the business affairs of the Group; determining all major policies; ensuring effective strategies and management are in place; assessing the performance of the Group and its management team; and reviewing the systems of risk management and internal control of the Group.

When implementing the business plan, the Executive Directors are responsible for executing corporate decisions made by the Board while the Non-Executive Directors scrutinise the management performance by providing independent views and advice in the interests of the shareholders at large.

In order to ensure that its obligations to its shareholders and other stakeholders are understood, the Board has defined and collectively review and approved its roles and responsibilities as well as its schedule of reserved matters in its Board Charter.

The Board has deliberated the utilisation of proceeds from its IPO and approved the capital commitment and budget of the Group. This helps in ensuring management works towards the achievement of the business aims of the Group as well as ensuring the Group has the financial resources to meet its objectives.

During the year, the Board has reviewed and approved the Circular in relation to the proposed bonus issue. They individually and collectively, accept full responsibility for the accuracy of the information given and after making all reasonable enquiries and to the best of their knowledge and belief, confirm that there are no other facts, the omission of which would make any statement or information in the Circular false or misleading.

Periodically, the Board will review and track the management performance through its review of the interim financial results of the Group. The Board is kept abreast of the latest updates of the Company in the quarterly Board Meeting.

The Board has defined the Anti-Bribery and Anti-Corruption Policy in keeping with the commitment set forth to prevent and detect bribery and corruption.

The Board has also defined its Code of Conduct and Ethics and Whistleblowing Policy. This Code of Conduct and Ethics serve as a tool for the Board to convey and instil its values into the organisation.

The Charter, Schedule of Matters, Code of Conduct and Ethics, Whistleblowing Policy, Anti-Bribery and Anti-Corruption Policy as well as the terms of reference of the Board Committees are also posted on the Company Corporate website at <a href="https://www.uwcberhad.com.my">www.uwcberhad.com.my</a>.

The Board Chairman instils good governance practices, leadership and effectiveness in the Board through chairing of board and shareholders meetings and deliberating together with the Board members on board matters and policies. The position of Board Chairman and Group CEO are held by different Individuals.

The Board is assisted by a qualified and competent Chartered Secretary who is an associate member of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The Company Secretary assists the Board in discharging its duties in regard to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices.

#### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

#### (I) Board Responsibilities (cont'd)

Board papers were circulated to the Board members at least seven (7) days in advance of each Board meetings in order to provide the Board members with information beforehand so that they can deliberate issues more effectively during the Board meetings. During the board meeting, Executive Directors and Management were also invited to attend the Board meetings to provide explanations to the Board on the operations of the Group.

The Board also has access to all information and assistance necessary for the discharge of its responsibilities. Subject to Board's approval, all Board members could seek independent professional advice in discharging their responsibilities, at the expense of the Group.

The underlying factors of Directors' commitment to the Group are devotion of time and continuous improvement of knowledge and skill sets. During the financial year, five (5) Board meetings were held. These meetings were attended by all members of the Board.

The Board is updated regularly by the Company Secretary and management on the training programme available by regulators and professional bodies. The present Board members have attended the following trainings:

Director	Training Attended			
Dato' Wan Hashim Bin Wan Jusoh (Independent Non-Executive Chairman)	<ul> <li>(i) Corporate Governance Monitor 2020</li> <li>(ii) Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries</li> <li>(iii) Enhanced General Mandate for Pro-Rata Rights Issue to Expedite Secondary Fund Raising for Eligible Listed Issuers</li> </ul>			
Dato' Ng Chai Eng (Executive Director/ Group CEO)	<ul> <li>(i) Dual Track Education Sharing Session 2.0 (双轨教育分享会2.0) (As Speaker)</li> <li>(ii) Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries</li> <li>(iii) Enhanced General Mandate for Pro-Rata Rights Issue to Expedite Secondary Fund Raising for Eligible Listed Issuers</li> </ul>			
Lau Chee Kheong (Executive Director/ Group COO)	<ul> <li>(i) The Versatility of Combination Technology</li> <li>(ii) The Next Generation of Global Bending Solution</li> <li>(iii) NCT Technology &amp; Tooling Solution</li> <li>(iv) Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries</li> <li>(v) Enhanced General Mandate for Pro-Rata Rights Issue to Expedite Secondary Fund Raising for Eligible Listed Issuers</li> </ul>			
F'ng Meow Cheng (Independent Non-Executive Director)	<ul> <li>(i) Facilitation in Technology Adoption by MIDA</li> <li>(ii) Current Issues on Compliance with Leases (IFRS/MFRS 19)</li> <li>(iii) COVID-19; Impact on Financial Instrument</li> <li>(iv) Virtual Tax Conference 2021</li> <li>(v) Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries</li> <li>(vi) Enhanced General Mandate for Pro-Rata Rights Issue to Expedite Secondary Fund Raising for Eligible Listed Issuers</li> </ul>			
Dato' Lio Chee Yeong (Independent Non- Executive Director)	<ul> <li>(i) Industry 4.0 and the Forces of Change in ASEAN</li> <li>(ii) UK-ASEAN Trade and Investment: Emerging Opportunities and Outlook Post Brexit and COVID-19</li> <li>(iii) Stakeholder Capitalism: A Vital Pandemic Agenda?</li> <li>(iv) COVID-19 Vaccine Rollout and The Recovery of the ASEAN Economy</li> <li>(v) Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries</li> <li>(vi) Enhanced General Mandate for Pro-Rata Rights Issue to Expedite Secondary Fund Raising for Eligible Listed Issuers</li> </ul>			
Ng Chin Liang (Alternate Director to Dato' Ng Chai Eng/ Deputy Group CEO	<ul> <li>(i) Launch of PwC's Family Business Survey 2021 (The Malaysian Chapter) From trust to impact</li> <li>(ii) Impact of RCEP towards Malaysian Manufacturers &amp; How can we prepare for the Free Trade Agreement (FTA) of 2.3 Billion population?</li> <li>(iii) Concentrated EMBA-Winning Model 11.0 (浓缩 EMBA - 赢利模式 11.0)</li> <li>(iv) Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries</li> <li>(v) Enhanced General Mandate for Pro-Rata Rights Issue to Expedite Secondary Fund Raising for Eligible Listed Issuers</li> </ul>			

#### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

#### (II) Board Composition

Presently, the majority of the board members are Independent Non-Executive Directors. This composition is on par with the practice required for Large Company under the MCCG. Descriptions of the background of each director are presented in the respective profile of Directors on pages 18 to 24 of this Annual Report.

The Nomination Committee reviewed the independence of the Independent Directors annually based on the requirements and definition of "independent director" as set out in the MMLR, the confirmation of independence declared by Independent Directors as well as their objectivity in carrying out their duties and responsibilities objectively.

The appointment of Board and key senior management are based on objective criteria, merit and with due regards for diversity in skills, experience, age, cultural background and gender. The current diversity in age distribution, gender and skillsets of the existing Board are shown in Practice 4.4 in the CG Report.

When identifying candidates for appointment of director, the Nomination Committee will consider recommendations from existing board members, management, major shareholders and third-party sources to identify suitably qualified candidates, when necessary before recommending the shortlisted candidates to the Board for further deliberation.

The identification of candidates for directorship will be based on their skills, knowledge, professionalism, character and experience in line with the needs of the Group.

An annual assessment of the Board is undertaken following the completion of the financial year. The evaluation is carried out by way of questionnaires sent to each Director. The questionnaires cover the composition, role, procedures and practices of the Board as a whole and the self-assessments of each individual director's performance. In the assessments, the Nomination Committee ("NC") took into consideration, among others but not limited to, the character, experience, integrity, personality, competence and contribution of each director. The individual responses to the questionnaires are confidential to each Director, with questionnaire responses sent to the Company Secretary for summarization for consideration by the NC and subsequent report back to the Board.

On 7 September 2021, the Company Secretary tabled following evaluations performed by the directors for the financial year 2021 to the NC:

- i. Review the current Board's structure, size and composition,
- ii. Assess the effectiveness of the Board as a whole and Board's Committee as well as the contribution of each individual Director.
- iii. Review the required mix of skills and experience and other qualities, including core competences of the members of the Board,
- iv. Review the level of Independency of Independence Directors,
- v. Note the details of the training attended by the Directors of the Company; and
- vi. Review and recommend re-election of retiring Directors

The NC noted satisfactory results from the above evaluations and reported to the Board accordingly.

The NC has also conducted an annual review on the performance of the Audit Committee and its members. Each member assessed the performance of the members of the Audit Committee and the Audit Committee as a whole to determine whether the Audit Committee and its members have carried out their duties in accordance with the terms of reference of the Audit Committee.

#### (III) Remuneration

Broadly, the remuneration policy of the Board requires that the remuneration of the Non-Executive Directors to be determined in accordance with their experience and the level of responsibilities assumed in the Board Committees, their attendance and special skills and expertise they bring to the Board whilst the remuneration of the Executive Directors will be based on the individual's and Group's performance, the market conditions trends and industry practice.

The Board has established its Remuneration Committee comprising wholly Independent Non-Executive Director. The terms of reference of the Remuneration Committee is posted on the Company's website.

#### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

#### (III) Remuneration (cont'd)

The Remuneration Committee which consists wholly of Non-Executive Directors recommends the remuneration for the Executive Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole. Individual Director abstains from deliberations and voting on the decision in respect of their own remuneration.

The Remuneration Committee has met three (3) times during the financial year.

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The detailed disclosure of the Directors' remunerations are reported in Practice 7.1 in the CG Report. Nevertheless, details of the remuneration of the Senior Management are not disclosed on a named basis as the Board is of the view that such disclosure may expose our key senior management to unwarranted attention. The Company also believes that non-disclosure of the remuneration information on top 5 senior management will not affect the interest of its shareholders.

However, the Board would endeavour to ensure that the remuneration of the top 5 senior management commensurate with their duties and responsibilities and also in line with the market pay-outs.

#### **Principle B: Effective Audit and Risk Management**

#### I. Audit Committee

The members of Audit Committee comprising fully Independent Non-Executive Directors. The Chairman of the Committee is not the Chairman of the Board. Members of the Audit Committee are financially literate, with diverse background, experience and knowledge in accountancy, business management, commercial and corporate laws and national investment policies and administration.

None of the members of the Audit Committee are former audit partners of the current External Auditor of the Group. The Committee is mindful of the minimum two (2) years cooling off period best practice under the MCCG when considering the appointment of former key audit partner from its current External Auditor's firm.

The present External Auditors has been appointed since financial year 2011. Nonetheless, the External Auditors practise a seven-year engagement partner rotation policy.

Before the commencement of the current financial year audit, the AC has reviewed and deliberated with the External Auditors on their audit planning memorandum, covering the audit risk areas, approach, emphasis and timeline.

The External Auditors confirmed that independence check and confirmation procedures are carried out in the firm and there is no conflict of interest for rendering their non-audit services to UWC presently.

#### II. Risk Management and Internal Control

The Board acknowledges its overall responsibility for maintaining a sound internal control system for the Group identifying and reviewing risks; and ensuring the implementation of appropriate systems to manage risks. While the Board has delegated its oversight role in risk management and the system of internal controls to the Risk Committees, the Board understands the principal risks of the business that the Group is engaged in.

The risk management processes in identifying, evaluating, managing and documenting key operational risks in UWC are embedded in the operation and business processes in accordance with the ISO Quality Management System. These processes are performed by key senior management and reported to the Executive Directors cum Group CEO and COO. During the year, management will report to the Risk Management Committees of the status of its key risks.

The detailed features of the Group's risk management and internal control framework are disclosed under Statement of Risk Management and Internal Control ("SORMIC") of this Annual Report.

#### Principle B: Effective Audit and Risk Management (cont'd)

#### II. Risk Management and Internal Control (cont'd)

The Internal Auditors will review the systems of internal control of the Group based on the audit plan approved by the Audit Committee ("AC"). The Internal Auditors will then report their findings, their suggestions for improvement and the management responses to the AC. The progress of the implementation of recommended actions are being monitored through follow up reviews by the Internal Auditors. The AC will then report to the Board on the progress and findings of the internal audit function.

During the financial year 2021, the Board has outsourced its internal audit function to KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG"), an independent professional firm which reports directly to the AC. The AC has approved the Internal Audit Plan, which outlines the scopes of internal audit for the whole financial year. Subsequently, the internal audit findings and recommendations for improvement, including action plans agreed with operation level management, were reported to the AC on 15 June 2021.

The AC also reviews and approves the Internal Audit Engagement and fees to ensure the independence and objectivity of the Internal Auditors.

Further details of the Internal Audit function are set out in the AC Report section of this Annual Report.

#### Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

#### I. Communication with Stakeholders

Information about the Group's business and corporate developments is disseminated through the Company's annual reports, various disclosures to Bursa Securities including quarterly financial results, changes in composition of the Board, changes in shareholdings and others announcements in accordance with the Main LR of Bursa Securities were made from time to time.

In addition, the Group maintains a website at <a href="https://www.uwcberhad.com.my">www.uwcberhad.com.my</a> where shareholders or investors may access information of the Group encompassing corporate information, latest financial results, annual reports, announcements to Bursa Securities, Board Charter, other Board policies and Board Committees' terms of reference.

#### II. Conduct of General Meetings

The Board will ensure that the Notice of the AGM is sent to shareholders at least twenty-eight (28) days ahead of the date of general meeting in order to provide sufficient time and opportunity to shareholders to prepare for the discussion in general meetings. The Board Chairman, Chairmen of the respective Board Committees as well as other Board members will be present at the general meetings to respond to shareholders' queries.

Shareholders who are unable to attend the AGM are advised that they can appoint proxies to attend and vote on their behalf by completing the proxy form enclosed in the Annual Report and depositing it at the Registered Office at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

All resolutions set out in the Notice of AGM will be put to vote by poll. The Company will also appoint independent scrutineer to validate the vote cast in the AGM. The outcome of the AGM will be announced to Bursa Securities on the same meeting day.

Before resorting to the use of technology voting system, the Board will observe the number of shareholders turn-up in the next few general meetings and evaluate the cost and benefit of the electronic and technology voting system options for managing voting by large group of shareholders.

The Board has deliberated, reviewed and approved the Statement on Corporate Governance in line with the principles of the MCCG. The Board is satisfied that the Company has fulfilled its obligation under the Code, MCCG, Bursa Malaysia and all applicable laws and regulations throughout the FYE 2021.

This Statement is made in accordance with a resolution of the Board on 25 November 2021.

## SUSTAINABILITY REPORT

#### INTRODUCTION

This sustainability report is prepared as required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and in accordance with the Sustainability Reporting Guide ("Guide") issued by Bursa Malaysia.

The Company and its subsidiaries ("**Group**") have relied on the guidance provided under the Guide for its sustainability practices. The Guide provides guidance on how to embed sustainability in our organisation and helps us to identify, evaluate and manage our material economic, environmental and social ("EES") risk and opportunities. Our sustainability practices aim to generate long term benefits to our stakeholders in terms of business continuity and value creation. Besides, we strongly support the UN 17 Sustainability Development Goals and such goals will be progressively integrated into our sustainability practices.

#### **SCOPE OF REPORTING**

This report covers the sustainability performance of our core business operations for the financial year ended 31 July 2021 unless stated otherwise.

Our core business operations comprised of manufacturing and provision of precision sheet metal fabrication, precision machined components, value-added assembly services and automation solutions.

#### **COMMITMENT TO SUSTAINABILITY**

Our corporate vision is to be the preferred integrated OEM partner providing complete solution with leading-edge technology while our corporate mission is to be a complete solution for high-tech strategic partners.

Our Board of Directors is committed to sustainability practices in our organisation and has appointed Mr Ng Chin Liang, the Deputy Group CEO, to lead the sustainability development efforts. He is responsible for identifying material sustainability matters and formulating the related sustainability initiatives. Mr Ng Chin Liang provides strong stewardship towards the implementation of the sustainability initiatives within the Group and he is supported by a number of sub-committees to aid him to discharge this responsibility effectively. Together, Mr Ng Chin Liang and the sub-committees form the Sustainability Committee which ensures that sustainability practices are embedded and integrated into the Group's business operations rather than as a standalone basis, to ensure continuity, relevance and sustainability of the practices.

In response to COVID-19 pandemic, our Group has formed a COVID-19 Prevention Committee to safeguard our employees and lower the impact in workplace.

The reporting governance structure is as follows:



- \* EMS: Environmental Management System
- \* OHS: Occupational Health and Safety

## SUSTAINABILITY REPORT (CONT'D)

The roles and responsibilities of the above governance bodies are:

#### The Board

- Oversees the sustainability efforts and initiatives of the Group;
- Reviews and endorses the Group's material sustainability matters;
- Reviews and endorses the sustainability initiatives proposed by the Sustainability Committee;
- · Reviews and endorses the annual sustainability report for inclusion in our annual report; and
- Sets strategies that support long-term value creation and includes strategies on EES considerations underpinning sustainability.

#### **Sustainability Committee**

- Identifies material sustainability matters that are relevant to the Group's business operations;
- Proposes sustainability initiatives and measures to be implemented across the Group;
- Implements sustainability initiatives that have been approved by the Board;
- Conducts data gathering for sustainability reporting; and
- The Chairman reports the overall progress of the Group's sustainability efforts to the Board.

#### **Sustainability Practices**

In line with the Guide, sustainability is viewed in the context of EES, and good governance is regarded as one of the underlying foundations that underpin the focus on performance along the aforementioned dimensions. The terms economic, environmental and social can be explained as follows:

#### **Economic Environmental** Social An organisation's impacts on An organisation's impact on living and The impacts an organisation has on the economic conditions of its non-living natural systems, including the social systems within which it stakeholders and on economic land, air, water and ecosystems. operates. systems at local, national, and global levels. It does not focus on the financial condition of the organisation. Note: These may include the Note: These may include the Note: These may include the organisation's procurement practices, organisation's usage of energy and organisation's relationships with water, discharge of emissions, or loss communities, employees, consumers, or community investment. of biodiversity, etc.

(Source: Adapted from the GRI Standards)

## SUSTAINABILITY REPORT (CONT'D)

#### Stakeholder Engagement

A stakeholder is essentially an individual or a group that has an effect on, or is affected by our Group and our activities. Naturally, our stakeholders influence the way we carry out our business activities and how we formulate our strategies to meet their expectations and to generate long term benefits to our stakeholders in terms of business sustainability and value creation.

The table below lists the needs of our different stakeholder groups and how we engaged and addressed their needs.

Stakeholder Groups	Areas of Interest	Engagement Methods
Investors / Shareholders	<ul> <li>Return on investment</li> <li>Business prospects</li> <li>Future roadmap</li> <li>Corporate governance</li> </ul>	<ul> <li>Engagement with shareholders during the Company's annual general meeting</li> <li>Quarterly reporting</li> <li>Dissemination of information through the Company's website</li> <li>Roadshow and Investors' briefing</li> <li>Whistle blowing policy, Shareholder communication policy, Corporate disclosure policy and Investor relation policy</li> </ul>
Directors	<ul><li>Return on investment</li><li>Business prospects</li><li>Future roadmap</li><li>Corporate governance</li></ul>	<ul><li>Board of Directors meetings</li><li>Business updates and CEO reports</li><li>Company events</li></ul>
Management	<ul><li>Human capital</li><li>Financial performance</li><li>Production performance</li><li>Business strategy</li></ul>	<ul> <li>Continuous management progress meeting and reporting</li> <li>On-going interaction</li> <li>Company events</li> </ul>
Employees	<ul> <li>Competitive salary and benefits package</li> <li>Occupational safety and health</li> <li>Clear line of reporting and proper communication channel</li> <li>Work - life balance</li> <li>Career path and opportunities</li> <li>UWC Scholarship Fund</li> </ul>	<ul> <li>Employee handbook</li> <li>Monthly employee meetings</li> <li>Employee satisfaction survey and feedback</li> <li>Performance appraisal</li> <li>Internal training and development</li> <li>Engagement with employees</li> <li>Sports and recreation programme</li> <li>Occupational safety and health programme</li> <li>Anti-Bribery and Anti-Corruption briefing</li> </ul>
Customers	<ul> <li>Product quality</li> <li>Reliable delivery</li> <li>Competitive prices</li> <li>Technical advancement</li> <li>Customer service and responsiveness</li> </ul>	<ul> <li>Customer feedback</li> <li>After sales service</li> <li>Customer periodic visit and audit</li> <li>Customer evaluation on suppliers</li> <li>Training and development</li> <li>Customer survey</li> </ul>
Vendors	<ul> <li>Procurement policy and procedures</li> <li>Product cost</li> <li>Industry standard and requirement</li> <li>Prompt payments within credit period</li> <li>Business prospects and financial stability</li> </ul>	<ul> <li>Disseminate procurement policy and procedures</li> <li>Supplier evaluation and assessment on suitability of vendors</li> <li>Reinforcement of code of conduct for ethical practices</li> <li>Supplier periodic visit and audit</li> </ul>
Communities	<ul> <li>Impact of operations on surrounding environment</li> <li>Corporate social responsibility</li> <li>Corporate governance</li> </ul>	<ul> <li>Engagement with local communities</li> <li>Provide job opportunities</li> <li>Pay attention to polluting emissions and effluents</li> </ul>
Regulatory authorities	<ul> <li>Compliance with existing laws</li> <li>Standards and certification</li> </ul>	<ul> <li>Updates on rules and regulations</li> <li>Consultation with authorities</li> <li>Attendance at relevant seminars and conferences</li> <li>Government agency on site and off site meetings</li> <li>Member of the Federation of Malaysia Manufacturers</li> </ul>

## **SUSTAINABILITY REPORT (CONT'D)**

#### **Sustainability Matters**

Sustainability matters are the risks and opportunities arising from the EES impacts of an organisation's operations and activities and sustainability matters are considered material if they (a) reflect our Group's significant EES impacts; or (b) substantively influence the assessments and decisions of our stakeholders.

Based on existing policies and practices, we have identified and prioritised the material sustainability matters which have the greatest impacts on our business operations and stakeholders.

#### United Nation's Sustainable Development Goals ("UN SDGs")



The SDGs are the blueprint that set by United Nations with collection of 17 interlinked global goals to achieve a better and more sustainable future for all. UWC Berhad is committed to supporting and fulfilling the UN SDGs. We believe in the symbiotic partnership between business, regulatory and society in achieving sustainability in our world.

We focus on aligning our efforts to adopt the UN SDGs which are relevant to our operations. The table below showcases how our sustainability initiatives are aligned with the UN SDGs.

Sustainability Matters	UN SDGs	Sustainability Initiatives
Economic - Product Quality - Customer Satisfaction - Supply Chain Management - Innovation - Data Protection and Privacy - Corporate Governance and Ethics	8 DECENT WORK AND PRODUCTION AND PRODUCTION AND PRODUCTION OF THE PROPERTY OF	<ul> <li>Deliver quality products and services</li> <li>Meet customers' requirements and expectations</li> <li>Promote local procurement</li> <li>Practise the philosophy of Kaizen</li> <li>Deliver financial values to shareholders such as growth in revenue and earnings and dividend pay out</li> <li>No cases reported for data breach</li> <li>Uphold the high standard of corporate governance and ethics</li> <li>Established Code of Conduct and Whistle Blowing Policy</li> <li>Established Anti-Bribery and Anti-Corruption Policy and conducted training for all employees</li> </ul>
Environmental - Environmental Compliance - Energy Management - Waste Management	7 AFFORDABLE AND CLEANENERGY  13 CLIMATE ACTION  15 LIFE ON LAND	<ul> <li>Accreditation of ISO 14001:2015 Environmental Management Systems</li> <li>Installation of solar power system to reduce carbon footprint</li> <li>Advocate energy and paper conservation practise to reduce electricity and paper consumption</li> <li>Compliance with local regulatory requirements for scheduled waste disposal</li> </ul>
Workplace - Equal Employment Opportunities - Development and Talent Retention - Employee Benefits and Welfare - Human and Labour Rights - Occupational Safety and Health	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING  4 QUALITY 5 GENDER EQUALITY  8 DECENT WORK AND 10 REDUCED 1 REQUALITIES	<ul> <li>Provide employment with development and talent retention</li> <li>Provide equal employment and career growth opportunities for all irrespective of race, religion and disabilities</li> <li>Support gender equality in our organisation where the women in leadership role comprises 35% of our workforce</li> <li>Zero tolerance to discrimination and harassment</li> <li>Zero cases reported for forced or child labour and discrimination on human right</li> <li>Formed a COVID-19 Prevention Committee to safeguard our employees</li> <li>More than 90% of total employees completed two doses vaccination under PIKAS programme</li> </ul>

United Nation's Sustainable Development Goals ("UN SDGs") (Cont'd)

Sustainability Matters	UN SDGs	Sustainability Initiatives
Local Communities - Local Communities Employment - Corporate Social Responsibility	2 ZERO 4 QUALITY EDUCATION  5 GENDER CQUALITY  T	<ul> <li>Established UWC Scholarship Fund in 2017</li> <li>Established UWC Education Center at Politeknik Malaysia in Seberang Perai</li> <li>Collaboration with Meister, German dual vocational training</li> <li>Collaboration with Technical and Vocational Education Training</li> <li>Contributed a total of RM50,000 to Penang Athlete Career Education programme to support Penang athletes</li> <li>Offer internship programme and 145 students are hired in current year</li> </ul>



We have formulated sustainability practices which aim to generate long term benefits to all our stakeholders in terms of business continuity and value creation.

Depending on the financial performance of our Group, we are mindful of rewarding our shareholders with the appropriate returns on their investments in our Company. We engage our shareholders during our annual general meeting which is a platform for them to air their views and to question management on matters of interest. In addition, we conduct periodical investors' briefing and work with independent market researchers for the Group's financial review and analysis. We have in place policies and practices which govern our business dealings and the conduct of our employees and the same have been disseminated to all concerned either through our website or made known to employees at their place of work.

#### Marketplace

We are committed to conduct our business activities ethically and in a transparent manner so as to build a lasting and trusting business relationship with all our stakeholders.

#### Product quality

Our reputation is built upon the quality products we deliver to our customers who are in the semiconductor, life science and medical technology industries which are mostly large Multinational Companies ("MNCs"). Orders from these customers often involve the exchange of confidential information, such as product technologies, designs and specifications. Trust and integrity of the service providers are, therefore, among the major deciding factors for MNCs in selecting their suppliers, and any leakage or unauthorised use of our customers' confidential information could lead to loss of business from these customers. The quality management we have in place is designed to monitor and control the processes from planning and development to production, shorter lead time for delivery and after-sales service in order to fulfil our customers' high demand for quality.

Our ability to provide integrated engineering supporting services has enabled us:

- (i) to participate in design and development activities through our involvement in our customers' new production introduction activities where we assist our customers by providing inputs on design, engineering and manufacturability aspects of a new product;
- (ii) to serve our customers better by helping them to reduce the number of suppliers to whom they outsource for their manufacturing needs; and
- (iii) to have complete control over the entire manufacturing and assembly process which in turn, allows us to readily trace the source of any problem or issue by tracking our entire process flow. The ability to quickly detect the root cause and diagnose the problem throughout the supply chain is critical for most of our MNC customers.

In addition, as most of our manufacturing processes are carried out in-house, we are able to have a better control over the quality of our products, costs of production and delivery lead time. All the above factors have enabled us to maintain our business relationship with our customers.



#### Product quality (Cont'd)

As a testimony to the quality of our services and capabilities, we have received the following awards:

- 2007 Top 50 Enterprise Awards Malaysia under the category of Golden Award from Malaysia Entrepreneurs' Development Association
- 2008 Best On-Time Supplier Recognition Award from Harmer & Simmons Ltd o
- 2014 Supplier Recognition Award from Agilent 0
- 2015 Sin Chew Business Excellence Award 2015 under the category of Product and Service Excellence 0
- 2016 Golden Eagle Award under the Excellent Eagles category from Nanyang Business Daily
- 2017 Outstanding Commitment and Support and New Product Introduction from Teradyne
- 2018 Strategic Partner Award from Manpower Department, Ministry of Human Resources Malaysia 0
- 2019 Supplier Recognition Award from Keysight for Best in Class Performance Quality 0
- 2020 Forbes Asia's Best Under A Billion list
- 2021 Manufacturing Sector Award Category 3 in conjuction with Industry Excellence Award (AKI) 2020 from Ministry of International Trade and Industry (MITI)





#### **Customer satisfaction**

Our corporate vision is to be the preferred integrated OEM partner providing complete solution with leading-edge technology. In line with this vision, our service staffs are well trained to give high priority to customer satisfaction and to achieve this attribute our service staffs are required to attend training in product knowledge and soft skills development in line with the Quality Policy commitment within ISO 9001:2015. We believe in product and service quality, reliability of delivery and product satisfaction.

#### Innovation and Industry 4.0

UWC operates in a dynamic industry and innovation is vital to business success. We are employing business innovation and moving toward to Industry 4.0 environment progressively. In order to adapt Industry 4.0, UWC group have invested in high-end machines with built in remote support interface. Universal data interface for integration of the machines into the networked production facility. The goal is to enable autonomous decision-making processes and real-time connected value creation networks through cyber-physical systems (CPS) and digital technologies (cloud, IoT, Big Data).

We have acquired the certification of ISO 9001:2015 - Quality Management Systems which sums up the high standard of management practices in our organisation. This certification ensures our customers consistently receive high quality product and services, which in turns bring many benefits to our customers, management and employees.

We received the ISO 13485:2016 certification (first awarded as ISO 13485:2003 in 2011) for our business processes in the life science and medical technology industry. Based on ISO 9001:2015 framework, ISO 13485:2016 further requires companies to put in place risk management policies as well as maintain effective processes related to the design, manufacture and distribution of medical related devices.

Our environmental management system was accredited with ISO 14001:2015 certification in 2018, demonstrating our ability in managing our environmental responsibilities in a systematic manner.

# **ECONOMIC** (Cont'd)

#### Market presence

To constantly build up our market share, we regularly visit our customers and suppliers to solidify our market presence. We have visited customers to engage with them and to obtain feedback which will form part of our database to formulate our business strategy to expand our market share.

Through our publicity activities that can be seen on our website under "news" and presence through social media have also increased public awareness of our Group.

#### Procurement policy and procedures

We are engaged in responsible procurement practices whereby proper procedures are laid down to ensure that any procurement made is properly evaluated and approved by the relevant authority after considering the production needs and existing stock balance position. We only source our materials from approved vendors which meet certain acceptable business practices and deliver high quality materials based on our specifications. Our officers are expected to conduct themselves ethically and are not allowed even to accept non-cash gifts from vendors in relation to cultural/festive celebrations. We will not tolerate any corrupt practices in all business dealings and any breach of this policy will be dealt with severely. We also pay our suppliers within the stipulated credit period and this practice will help sustain their operations which will be translated into quality service to our Group.

We have an established key supply chain supplying consumable materials, system software, equipment and logistics services for our operations. The local procurement is largely conducted through a screening process managed by Group CEO and General Manager which emphasizes a reliable and cost-effective supply chain.

The Group has also signed a commitment in meeting responsible sourcing of conflict material in response to inhuman treatment in mining from the Republic of Congo and adjoining countries throughout their supply chain.

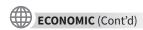
#### IT system

We are supported by an ERP system which captures all our sales and service staffs are given access to the system which provides on-time details on stocks and production status. This enables our staffs to engage meaningfully with our customers and therefore cuts down on unnecessary delay in obtaining/extracting data. The system also allows another staff to access to a particular project account in the event the person-in-charge is not around to attend to it. The investment in a reputable IT system will sustain our business practices for the long-term benefits to be derived there from.

#### IT security and data privacy

Our business model relies heavily on the user's trusts on their data security and safety. Our IT system has all the necessary security features in place to secure our data base and to protect against malware attacks. We secure information assets and personal data of our customers, suppliers and employees through the use of integrated data protection and information security strategy. We have implemented the following cyber security measures, protocols and practises to ensure the safety of our business model from cyber threats.





#### ■ IT security and data privacy (Cont'd)

#### **IT Security Protocols and Practices:**

- Deployment of Next Generation Firewall, Endpoint Protection, Antimalware Systems, Access Management System throughout entire Infrastructure
- Data/traffic transmitted through our network is protected for any malicious activities attempting to exploit a known vulnerability and identify and prevent any suspicious activity to ensure detect and prevent the threat
- Apply system and application security patches and perform system vulnerability assessment regularly to prevent malicious attack via the exploitation of vulnerability to ensure maintained secure systems and environment
- Information Security awareness published in UWC Portal and constantly remind and share to employees to ensure that employees are aware of the security standard that need to adhere and maintain awareness of cyber risk
- Regular audit and governance assessment to ensure the robustness of entire IT system and infrastructure
- Limit and control of employee's access to data information and limit the number of privileged accounts and user privileges and monitor user activity

#### **Corporate Governance and Ethics**

The board has continuously aimed to promote a sound governance through policies which complied with the latest regulatory requirements and the principles of best corporate governance practices. These include Code of Conduct, Whistleblowing Policy and Anti-Bribery and Anti-Corruption Policy are made available on our website at <a href="https://www.uwcberhad.com.my">www.uwcberhad.com.my</a>. Code of Conduct is formulated to reflect UWC Corporate value on commitment of integrity, responsibility, diligence and professionalism. We communicated these Code and Policies to all Directors and employees to ensure the uphold with our core value.

#### Work and business ethics and anti-corruption policy

Our work ethics require all our employees to discharge their duties and responsibilities in accordance to their job functions professionally, honestly, productively and efficiently. Likewise, for those conducting business on behalf of the Group are required to observe generally accepted business ethics such as engaging in fair negotiations with our customers and vendors and adopting a "win-win" strategy when closing business deals.

With the implementation of the new Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 which introduces corporate liability provision for bribery and corruption offences that came into effect on 1 June 2020, an Anti-Bribery and Anti-Corruption Training was held on 16 July 2020 for existing employees to ensure holistic understanding of the new provision. Thereafter, all the new employees are required to undergo the Anti-Bribery and Anti-Corruption Training during orientation within their first week of employment.

Premised on the aforementioned, we will not tolerate bribery and corruption practices among our employees irrespective of ranks and status. As bribery and corruption practices fall under criminal, anyone caught will be dealt with severely like reporting to the police and brought to court.

#### Whistleblowing policy

We are committed to conduct our affairs in an ethical, responsible and transparent manner. In this respect we have a whistleblowing policy in place whereby our employees are encouraged to report any malpractices or wrongdoings to the Chairman of the Audit Committee including any unethical or illegal conduct in financial reporting and to the Managing Director for any employment related concerns. The identity of whistleblower is protected under this policy. There were no whistleblowing cases reported during the year.

#### Corporate governance and compliance

We are committed to uphold the highest standards of corporate governance conduct, sustainability governance and best practices as laid out in the Main Market Listing Requirements (MMLR) of Bursa Malaysia and Malaysian Code on Corporate Governance. Additional corporate governance policies are elaborated in the Corporate Governance Overview Statement on pages of 27 to 31 of this Report and more comprehensively in our Corporate Governance Report that is available on the website of Bursa Malaysia Securities Berhad.

## ENVINRONMENT

As a responsible corporate citizen, we have the responsibility to protect the environment where we operate in. As such we are committed to sustainability development goals and we operate in a way that ensures the environment is clean and safe from harmful pollutants. We believe in preserving the environment for future generations whilst meeting the needs of our stakeholders.

#### Environmental compliance

The ISO 14001 standard sets out the criteria for an environmental management system ("EMS") which is comprised of the policies, processes, plans, practices and records that define the rules governing how a company interacts with the environment. We practise regular assessments to evaluate the environmental aspects and impacts to products and services of the Group. We have received certification of the most recent version of the EMS requirements which is referred as ISO 14001:2015.

Thanks to our sustainability practices to date, there have been no untoward incidents which have a negative impact to our environment. This demonstrates our commitment to fulfil the expectations of our customers and stakeholders whilst maintaining a high environmental compliance standard in delivering our products and services.

#### Energy management

Carbon emissions play a significant role in climate change. Therefore, we strive to reduce our carbon footprint as an on-going initiative to reduce electricity consumption and combat climate change. We have installed solar panels on the roofs of our premises in order to reduce our carbon footprint.

Electricity Consumption	FY2019	FY2020	FY2021
Total electricity consumption (kWh)	5,381,820	5,059,142	5,388,436
Percentage of total kWh over total revenue (%)	3.73%	2.31%	1.89%

We consumed a total of 5,388,436 kWh of electricity in FY2021, representing an increase of 6.5% in our total energy consumption which was mainly caused by higher volume of production. Nevertheless, the increase in electricity consumption has been buffered by installation of solar power system. The solar power system able to save 1.37 million kWh of electricity during the year and this is equivalent to 932 tonnes of CO2 equivalent reduction from Scope 2 emission of power plant. The total cost savings from installation of solar panel is approximately 24% of our electricity bills amounting RM485,535 in current year. In addition to that, the percentage of total electricity consumption over total revenue has been decreased over years which signifies a higher efficiency level within our operations.

Other effort we have undertaken to further reduce our carbon footprint includes the installation of LED lights which consume less power and last for longer time. We foster responsible business environment within our premises by educating and encouraging our employees to be energy-conscious and adopt the energy saving practise as described below:

- Print only when necessary
- Switching off lights when not in use
- Use energy saving features of all devices
- Shutting down and unplugging equipment or appliances when not in use
- Conduct more virtual meeting to reduce unnecessary travelling

These initiatives not only reduce our impact toward environment, it also contributes to cost savings. We remain committed to improve efficiency in optimising electricity in a more efficient manner in the year ahead to reduce our environmental footprint.

#### Waste management

In order to promote sustainable environment, we reduce waste generation through reduction and recycling of non-hazardous waste. Our non-hazardous waste mainly is metal waste which includes mild steel, aluminium, copper, iron and stainless steel. Metal waste is recycled on weekly basis in order to mitigate the problem of metal depletion.

Waste Generation	FY2019	FY2020	FY2021
Metal waste (tonne)	339.0	380.8	673.4

We recorded an increase in waste generation as compared to prior years which mainly due to higher volume of production. We also aim to reduce production of waste through good purchasing practice of materials used, this initiative allows effective use of materials as well as cost saving. We are persisted in its ongoing recycling initiatives by collecting other recyclable materials such as papers, corrugated cartons and plastics. As a responsible business, we remain committed towards expanding our initiative to re-utilise waste in environmentally-friendly approach.



#### Waste management (Cont'd)

We have scheduled wastes such as contaminated gloves and rags which requires special handling pursuant to the Environmental Quality Act, 1974 and we managed the scheduled waste responsibly to minimise the risk of unintended contact. The scheduled wastes are stored properly in Schedule Waste Room and the packaging is clearly labelled with its identity and appropriate hazard warning. We are maintaining good practices in handling the scheduled wastes to prevent threats our employees and the environment. All scheduled wastes are disposed of by a licensed contractor for off-site treatment. Scheduled waste report is submitted by Safety, Health and Environmental Officer to Department of Environment twice a year. Zero chemical spillage and zero ill health exposed to chemical and metal dust reported during the year.

#### Paper usage

We remain steadfast with our commitment to combat climate change in order to support and contribute towards environmental sustainability. We aware that reducing paper usage and paper recycling have positive indirect effect in environmental conservation which will help to combat climate change.

Paper Usage	FY2019	FY2020	FY2021
Total no. of paper reams	2,180	2,731	3,433
No. of paper reams per employee per year	3.5	3.4	3.7

In 2021, our consumption of A4 paper is at 3,433 reams, which equivalent to 206 trees. The slight increase in average paper consumption per employee per year from 3.4 reams to 3.7 reams or by 9% is still within management's acceptable level. In addition, the lower consumption in FY2020 is partly aided by office closure during MCO period. Nonetheless, we remain cognisant and advocate the following best practices to be adopted by our employees in our premises in order to minimise paper usage:

- ✓ Printing only when necessary
- ✓ Always proof-read and preview before printing
- ✓ Printer set to double-sided printing by default
- ✓ Reuse printed paper by flipping it over to print on the unused side
- ✓ Collect and recycle scrap papers
- ✓ Implementation of IT Requisition System to replace hardcopy IT Request Form

#### Water management

Water is a crucial element for our operations as a great deal of water is consumed for wafer fabrication to produce coveted semiconductor chips. Water consumption are conscientiously monitored from time to time, investigation and remedy action is required if there is any unusual usage noted. The water that we consume is withdrawn from the municipal water supply system.

We are endeavouring to look for initiatives in water conservation. Maintenance is performed on water pipes, pumps and tanks regularly to make sure water leakage is promptly addressed in order to prevent water waste. The water consumption has increased over years from 67,805m³ in FY2019 to 101,101m³ in FY2021, which is in line with the increase in production output over the years. However, if compared the total water consumption to the total revenue, there is declining trend in the percentage of total water consumption over total revenue from FY2019 to FY2021, which shows we have improved water management over time.

Water Consumption	FY2019	FY2020	FY2021
Total water consumption (m³)	67,805	79,681	101,101
Percentage of total water consumption over total revenue (%)	0.0470%	0.0364%	0.0355%



Our employees are our greatest asset and managing them is our priority. We strive to create an inspiring work place which emphasis welfare and development. We also actively involved in community engagement to develop programmes in order to meet the needs of local communities.

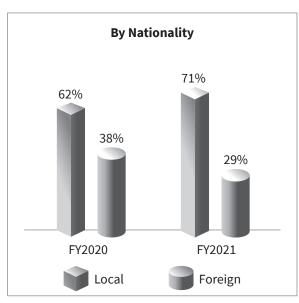
#### Workplace

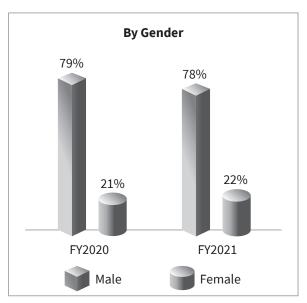
We have in place our Employee Handbook which spelt out our HR policies and practices and comply with the Employment Act, 1955. In order to retain our talents, we have come out with competitive remuneration package which is comparable in the industry, as well as creating a healthy and conducive workplace. This strategy will provide us with a stable and productive workforce which will contribute to our sustainability efforts. Further, we have in place our Code of Conduct to govern the ethics and behaviour of our employees in the discharge of their duties in our workplace as well as in our business dealings with customers, vendors and service providers.

#### Equal employment opportunity

We have implemented a standard recruitment procedure which will ensure the proper identification and recruitment of new talent to join our organisation to contribute to the growth of our business. We are committed to provide equal employment opportunity for all employees. All employment decisions are based on business needs and job requirement regardless of age, race, gender, religion, nationality, marital status, pregnancy, disability or any other status protected by the local laws or regulations.

The following constitutes our workforce breakdown by nationality and gender.





	FY2019	FY2020	FY2021
New hired rate	79.5%	49.6%	64.6%

As at 31 July 2021, 22% (FY2020: 21%) of our total employees are female. On average, 71% of our employees are local hires comparing to 29% of foreign hires. During the year, we hired a total of 605 new employees, where the new hiring rate increased by approximately 15% as compared to FY2020.

We have given precedence to recruit Malaysian in our workplace and the local hires rate increased from 62% to 71% in current year. In current year, UWC have been participating in PENJANA 2.0 for job creation and job retention of local workforce. Local hiring and skills development can generate significant economic benefits for the communities.

#### Employee development and talent retention

We believe in empowering our employees by having in place a standard operating procedure on training and personnel development. By providing appropriate training to our employees will result in better customer service, productivity improvements, better efficiency and better workplace safety practices. During the year, we carried out 80 training sessions with 8.83 average training per employee per year. Ultimately, we hope to achieve better business performance and profitability and improve staff morale.



#### Employee development and talent retention (Cont'd)

We provide equal learning opportunities for all employee to learn precise skills or gain knowledge various training programmes. The training and development programmes are categorized as below:

#### Orientation

- One time programme to welcome new employees.
- The topics cover company overview, key corporate policies and conduct, overview of benefits and attendance, paperwork, health and safety procedures.
- Facility tour helps new employees to get acquainted with new workplace.

### On-the-Job (OJT) **Training**

- Focus on departmental goals by delivering the necessary skills, knowledge, and core competencies to new employees to perform the task efficiently.
- Mentoring Programme drives rich learning and development for both mentees and mentors.

#### **Technical Skills Training**

- It is job-specific training which focus on building employee's prerequisite technical skills and competencies relevant to his role, such as system development, business development, technical drawind and so on.
- Regular training is conducted to keep abreast of latest development.

#### **Soft Skills Training**

- Soft skill development training is carried out periodically to enable our employees to work together as a team for the benefit of their own and the organisation's success.
- The training module covers the topics such as leadership, communication, teamwork, collaboration, time management, problem-solving and etc..

#### **Mandatory Training**

- All employees are required to undergo Safety and Health Training, Anti-Bribery and Anti-Corruption Training and Intellectural Property Awareness Training.
- All employees are expected to discharge their respective duties in line with our standards and policies.

We strive to provide professionally supportive working environment to develop and retain talent. We have six-month Mentoring Programme with objective to facilitate coaching which will give the new employees rewards of growth and professional development while giving them a sense of belonging and responsibility towards their roles. The mentor shall provide guidance, offer relevant advice and give feedback to the mentee. Simultaneously, it also helps to develop the mentor's management skills such as leadership through mentoring guidance and coaching. Reward will be given to the mentor as a token of appreciation of his mentorship to new employees.

Underscoring the importance of continuous learning within the organisation, we empowered our managers for Workplace Reading Programme as an effective way to develop all our employees and enhance our UWC company culture. Continuous training and professional development programmes have helped to boost the technical knowledge and soft skills of our employees, positioning them in good stead to elevate the performance standard quality, which is necessary for the Group to meet the ever-changing needs of our customers.



#### Compensations and benefits

We adhere to the Employment Act 1955 which is the main legislation on labour matters in Malaysia. We provide competitive remuneration packages and benefits to attract good talent. In addition to competitive remuneration package, we also provide Share Grant Scheme ("SGS") as a long-term incentive plan to motivate employees to work towards better performance through greater productivity and loyalty. SGS can stimulate a greater sense of belonging and dedication by giving the opportunity to participate directly in the equity of the company.

The benefits and privileges provided to our permanent full-time employees are as follows:

Statutory	Leave	Employment	Employee Welfare	Facilities
Benefits	Provision	Benefits	Benefits	
<ul> <li>Adhere to minimum wages</li> <li>Statutory contributions such as EPF, SOCSO, EIS and HRDF</li> <li>Overtime payments</li> <li>National and state Public Holidays</li> </ul>	<ul> <li>Annual leave</li> <li>Paid medical leave</li> <li>Hospitalization leave</li> <li>Maternity leave</li> <li>Marriage leave</li> <li>Paternity leave</li> <li>Compassionate leave</li> <li>Examination leave</li> </ul>	<ul> <li>Share Grant Scheme</li> <li>Overtime compensation</li> <li>Telephone allowance</li> <li>Mileage claim</li> <li>Travel expense claims</li> <li>Subsidized food</li> <li>Outpatient medical benefits</li> <li>Dental and/or optical claim</li> <li>Group hospitalization and surgical insurance</li> <li>Group Personal Accident Insurance</li> <li>Health screening subsidy</li> </ul>	<ul> <li>Wedding congratulatory gift</li> <li>New-born baby gift</li> <li>Employee birthday lucky draw</li> <li>Employee recommendation reward</li> </ul>	<ul> <li>Car park</li> <li>Canteen</li> <li>Dedicated parking space for disabled employees</li> <li>Gymnasium</li> <li>Hostel for operators</li> <li>Personal lockers</li> <li>Prayer rooms</li> <li>Transportation</li> </ul>

#### ─ Work-life balance

To promote a healthy working life, we believe in providing a balanced work-life environment to all our employees to enable them to have more time for their family and/or to pursue and advance their areas of interest. In this respect we do not encourage overtime work unless it is absolutely necessary such as to meet customer's order or regulatory deadlines. To promote a healthy lifestyle, our R&R committee organises various events such as aerobic classes to ensure work-life balance. As a result of COVID-19 pandemic, we are sadly forced to halt all the social activities to minimise transmission risk. We are considering to re-open the fitness facilities by observing extensive social distancing in the near future.



#### Human and labour rights

Basic human rights shall be universally protected by any responsible business. Our human rights practices are clearly stated in our Code of Conduct and Employee Handbook and all employees are expected to adhere to these high standards that enshrines the following:

**Humane Treatment** 

Child or Forced Labour Prohibition

Anti-harassment

Equal Employment Opportunity and Non-discrimination

Availability of Grievance Mechanism

Anti-Bribery and Anti-Corruption

Occupational Safety and Health

Working hour are not exceed maximum hour set by local regulation

Wages adheres to Minimum Wages Order 2020

We will not tolerate the use of child or forced labour under no circumstances. We have never employed any children below the age that set by Children and Young Persons (Employment) Act 1966 and Children and Young Persons (Employment) (Amendment) Act 2010. None of the employee has been employed by our company in the various forms of debt bondage or human trafficking such as restrictions on freedom of movement, withholding of wages or identity documents.

Our employment and hiring practices do not discriminate against any individual differences. Employees are to be treated equally with regards to employment, pay rates, training and development, promotions and career progression of employees.

We maintain a working environment with zero-tolerance towards unethical labour practices. Accordingly, we strictly prohibit conduct that constitutes or that could lead to or contribute to harassment based on age, race, gender, religion, nationality, marital status, pregnancy, disability or sexual orientation. The Sexual Harassment Policy is available to all our employees and we ensure that our employees are briefed and aware of this policy. We do not abide with any conduct of discrimination or harassment when dealing with employees, customers or supplier in our company.

During the year, no cases is reported for forced or child labour, discrimination or harassment incidents.

#### Career path

In order to retain our talents, we provide opportunities for high-potential employees to develop and progress to senior positions in the Group. Regular performance appraisals are conducted. Priority is given to existing employees for promotions rather than getting fresh candidates from outside.

#### Employee engagement

We engage with our employees through formal and informal mechanisms. In engaging our employees, we employ a "two-way" approach where we give opportunity for the employees to make known their grievances and also to give suggestions to improve or resolve their concerns and unhappiness through monthly employee meetings.

Human Resource Manager will conduct anonymous employee satisfaction survey on quarterly basis. The conclusive survey questionnaire covers the area such as management, training opportunities, premises and working condition, remuneration and benefits, relationship between employees, workload, influence, responsibility, trust, value and recognition and comment box. By doing so, we can get a better sense of the employee's satisfaction level with us and the results will facilitate us to identify area of improvement.

Besides, QR code is available in premises for our employees to scan and fill in the UWC Employee Feedback Form to voice their concerns or grievance anytime. The feedback form is anonymous so that the respondent can give honest feedback without worrying about the repercussions. Any individual or group who are affected by business operations are encouraged to use these channels to speak any concerns and complaints.



#### - Employee engagement (Cont'd)

We endeavour to promote employee diversity and inclusion. We embrace diversities by celebrating the various major festivals with our employees to promote understanding of each other's culture and thereby creating harmony, peace and joy in our organisation.

#### Occupational safety and health

Our policy is to plan and organize our work and facilities which will ensure to maintain our operations in a healthy, safe and orderly manner. We have complied to the best of our ability the existing laws and regulations relevant to our operations such as Occupational Safety and Health Act, 1994, Environmental Quality Act, 1974, Factories and Machinery Act, 1967, Fire Services Act, 1988 and Prevention and Control of Infectious Diseases Act 1988. We also have complied with Occupational Health and Safety Management System ISO 45001:2018.

Some of the more important measures which we have implemented to complement the compliance of the aforementioned laws and regulations establish to oversee and monitor ongoing safety, health, electrical and environmental initiatives are:

- o Established a Safety, Health and Environmental Sub-committee.
- o Giving priority to continuous effort to occupational ill health and accident prevention.
- o Training towards effective supervision by assigning clearly to each supervisor his/her responsibilities
- o Continuously minimize work hazards and environmental pollution.
- o The training of subordinates in the proper use of equipment and safe working practices.
- o The development of electrical, environmental, health, and safety consciousness.
- o Securing full cooperation of all employees for the attainment of these objectives.
- o To comply with all relevant electrical, environmental, health, and safety rules and laws of Malaysia and other requirements.

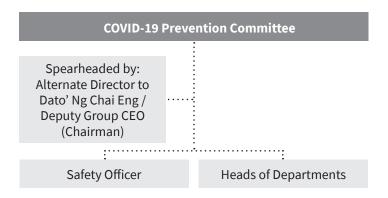
Our goal is to build safety awareness and competencies with **Safety & Health Awareness Training** covering various topics including, among others, chemical safety and health awareness, chemical handling, air hose safety, machine guarding, stacker safety driving and safe work practices. All employees are accountable and responsible for adhering to the safety and health guidelines.

#### **Covid-19 Health and Safety Prevention Measures**

The global COVID-19 pandemic has disrupted the supply chain and is a big red flag to global economic sentiments. COVID-19 pandemic has impacted many businesses, its rippling effects differ greatly depending on types of industry, while businesses in general are facing sales, earnings and liquidity challenges. Businesses need to embrace and adapt quickly to change in order to survive and thrive in this unprecedented crisis.

We are very pleased to have the opportunity of being involved in the supply chain of Covid-19 related equipment as the support to our life science equipment customers for their contribution at the front line in the analysis of the COVID-19 virus.

In response to COVID-19 pandemic, our Group has formed a COVID-19 Prevention Committee to safeguard our employees and lower the impact in workplace. The Committee undertook various COVID-19 preventive measures in accordance with guidelines and Standard Operating Procedures ("SOP") which are mandated by the Malaysian Government. The Committee continuously raises health and safety awareness through training and seminar.





#### Covid-19 Health and Safety Prevention Measures (Cont'd)

The committee is responsible to implement COVID-19 Prevention and Handling Guidelines, disseminate information, and enforcement on the compliance of the SOP in the entire plant. These SOPs include standard precautions such as daily temperature screenings, use of personal protective equipment, maintaining hand hygiene and practice of social distancing at work.

During the year, we have outsourced our internal audit function to KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG"), an independent professional firm to independently assess the adequacy, effectiveness and integrity of the Group's risk management and internal control systems. The key scope of coverage includes "Business Continuity Management - Focusing on Pandemic Related Impact" and the results of internal audits provide suggestions for improvements to current processes which relating to pandemic related impact. As such, the COVID-19 Prevention Committee has taken immediate corrective action to improve our pandemic related process based on the recommendations suggested by KPMG. The enhanced SOP has been cascaded across our entire organisation to ensure that all employees aware and adhere to the latest SOP. This signifies our commitment to supporting and caring the safety, health and well-being of our employees and other stakeholders during the COVID-19 pandemic.



- Daily screening of those above normal body temperature prior to entrance
- Visitors & Contractors self declaration for symptoms, travel and close contacts



Social distancing of 1 meter distance at all times on premises



Issuance of face mask, face shield, hand sanitizers and vitamin C to employees



Disinfection of defined areas at frequent intervals



Sanitizing and social distancing at employee's hostel and bus



Close contact should undergo quarantine and swab test



- Video presentation on prevention of COVID-19 will be displayed in the plant
- Employee training on safety protocols upon entering premises

The employees and visitors must undergo the temperature screening before entering our premises. Hand sanitizer and Disinfectant kit were provided to all departments. The entire premises been sanitized at frequent intervals. Proper Social Distancing are emphasis to maintain at all times in the workplace. The markers are placed on floors and tables as a guideline for employees at the common areas. All staff are provided with face masks and mandatory to wear a face mask in the premises. We have restricted the number of visitors in the workplace at any given time. Staff who have close contact with infected patient should undergo quarantine for period of of time as stipulated by the Ministry of Health.



#### Covid-19 Health and Safety Prevention Measures (Cont'd)

During MCO, we allow our office staff to work from home and to communicate over the internet.

In accordance with our commitment to protect the health and safety of our employees, we are strengthening prevention measures to fight COVID-19. The COVID-19 Prevention Committee will conduct random headcount check and temperature check at foreign worker's hostel throughout the year. They also carry out observation to ensure that there is physical distancing between bed and no sharing of belonging is allowed. Besides, the foreign worker's hostel and employee bus are sanitized minimum three times daily.

In order to accelerate vaccination for our people and achieve herd immunity, we have participated in the **Public-Private Partnership** COVID-19 Industry Immunisation Programme ("PIKAS") where it is a public-private partnership immunisation program aimed at employees of which MITI has been tasked to coordinate the immunisation for employees in the manufacturing sector.

There are 3 batches of employees get vaccinated at two Vaccination Centre ("PPV"), which is Bukit Jawi Golf Resort PPV (first batch) and Inari Technology Plant 34 PPV (second and third batch). UWC employees, including their family members have successfully completed two doses of vaccination under PIKAS programme.

Description	Batch 1	Batch 2	Batch 3
Vaccination Centre	Bukit Jawi Golf Resort	Inari Technology Plant 34	Inari Technology Plant 34
Date of first dose	30 June 2021 & 01 July 2021	29 July 2021	01 Aug 2021
Date of second dose	21 July 2021 & 22 July 2021	18 August 2021	22 Aug 2021

As of 31 August 2021, UWC has completed more than 90% workforce fully vaccinated. In general, people are considered fully vaccinated:

- 2 weeks after their second dose in a 2-dose series, such as the Sinovac, Pfizer or Moderna vaccines, or;
- 2 weeks after a single-dose vaccine, such as Johnson and Johnson's Janssen vaccine









### **Covid-19 Health and Safety Prevention Measures (Cont'd)**



Consultation prior to vaccination



After completion of two doses vacinnation



COVID-19 Prevention Committee

# SOCIAL (Cont'd)

### **Covid-19 Health and Safety Prevention Measures (Cont'd)**



Supervisors training and briefing on COVID-19 Pandemic





Daily routine sanitizing of work premise





Hand sanitizer and disinfectant kit were provided to all departments



Random temperature check in foreign worker's hostel



Cleanliness inspection in foreign worker's hostel



#### **Local Communities**

We believe in the philosophy of giving back to society to show our gratitude and appreciation for our success and in giving, we strengthen the local communities which will contribute to nation building and at the same time helps to create a culture of giving among our employees.

#### - Education and employment opportunities

The UWC Scholarship Fund was established in 2017 to provide eligible students pursuing diploma courses in the engineering fields at Penang Skills Development Centre ("PSDC") with scholarship of up to RM100,000 per year until March 2023. To date we have awarded scholarships valued at RM260,650 to 21 students.

We also offer internship programme in order to bring highly qualified and motivated students with diverse education backgrounds into our company to work. The internship programme provides the students an environment to acquire knowledge and skills with practical experience. During the year, we offer internships to 145 students (FYE 2020: 114 students) in various department that relevant to their course of study.

Further, we have established an Education Center at Politeknik Malaysia in Seberang Perai whereby once every two weeks our senior technicians give lectures to students. This has allowed us to partner formative agencies that produce potential employees that are relevant to the workforce.

We are also a participant in the PSDC sponsorship programme for the Meister, German dual vocational training. The sponsorship programme namely, Expert Craftsman Programme in Pneumatic or Electropneumatic under National Dual Training System ("NDTS") has 3 months durations, which 30% are carried out via theoretical class in PSDC and 70% of trainings being practical hands-on in our company.

Collaboration with Technical and Vocational Education and Training ("TVET") institutes has provided employment opportunities to potential students to work in our Group. Through the school-industry smart partnership under Talent Retention Programme, we target Form 5 vocational inclined students from low-income families and equipped them with basic industrial relevant mechatronics skills in Engineering. The candidates will be immediately absorbed by company after SPM and continue with TVET dual education and training programmes.

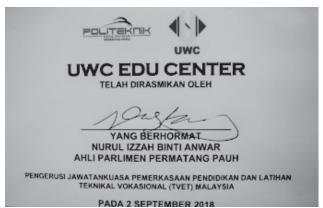
Besides, we have another collaboration programme with Kedah Industrial Skills and Management Development Centre ("KISMEC") and Penang Skills Development Centre. The candidates are required to attend one month training in KISMEC and undergo on-job-training in UWC for 2 months. After the completion of the 3-month programme, the candidates will be permanently hired by UWC while the position offered are Associate Engineer for degree level and Technician or Machinist for diploma level.

### Scholarship fund for deserving students





UWC Scholarship Fund established in 2017



UWC Education Center at Politeknik Malaysia in Seberang Perai



#### Corporate social activities

In a timely gesture of demonstrating our commitment to public health and safety, UWC donated hand sanitizer to Penang States government and schools. Besides, COVID-19 Screening Booth and Spacer are donated to Penang General Hospital as the support to the front liners who are dedicating their lives to safeguard the country, to maintain law and order during the challenging period.

During the year, UWC donated RM50,000 to Penang Athlete Career Education ("PACE") programme which emphasis the education and well-being of athletes in Penang. Subsequently, 24 athletes received one-off education incentives to further their studies in higher education institutions in Malaysia and Penang State Sports Council's ("PSSC") sports scholarships were awarded to 16 athletes who represented Penang in Sukma Games. PACE provides an educational platform and employment opportunities for athletes. Therefore, we strongly believe that the monetary donation to PACE would help to create a better future for the athletes.





Sponsorship in Penang Athlete Career Education

#### Conclusion

Going forward, we will continue to strengthen our sustainability development efforts by revisiting and reassessing the identified material sustainability matters ("MSM") for recalibration if necessary, and to identify new MSM for action.

We are committed and serious in our sustainability practices to bring our Group to the next level of excellence giving assurance to our business continuity and value creation and at the same time to fulfil the UN SDGs so as to make the world a better place for mankind.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") of UWC Berhad ("UWC") is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 July 2021. This Statement is presented and disclosed pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and the Malaysian Code on Corporate Governance.

#### **BOARD'S RESPONSIBILITIES**

The Board acknowledges its overall responsibility for maintaining a sound internal control system for the Group to safeguard the shareholders' investment and the Group's assets, and to discharge their stewardship responsibilities in identifying and reviewing risks and ensuring the implementation of appropriate systems to manage these risks. While the Board has delegated its oversight role in risk management and the system of internal controls to the Audit and Risk Committees, the Board understands the principal risks of the business that the Group is engaged in.

#### **RISK MANAGEMENT**

The risk management processes in identifying, evaluating, managing and documenting key operational risks in UWC are embedded in the operation and business processes in accordance with the ISO Quality Management System. These processes are performed by key senior management in their course of work and matters reported to the Executive Directors cum Group CEO and COO for oversight purpose.

Following are the summary of the key risks identified in the organisation and the mitigation plans:

No.	Key Risks	Management Mitigation Plan
а	Technological change and rapid advancement in the industry standards resulting product, knowledge and machinery obsolescence	Management is constantly engaged with customers and market trends to anticipate technological changes in advance. Machinery and equipment with latest technologies and upgrades are identified, planned and brought in timely to keep up with the pace of technological changes.
b	Dependency on major customers	Management is mindful of this risk and keeping close monitoring of the proportion of sales to each major customer. Any potential imbalance or overdependency on a single major customer will be realigned by adjusting the proportion of sales and by increasing the portfolio of customer base.
С	Fluctuation of raw material commodity prices such as steel or aluminium resulted from market conditions, energy costs and governmental regulations	Management had locked-in prices for some commodities and packing materials by entering into material purchase contracts with suppliers. Management will continue to manage the fluctuation of material prices by negotiating for more competitive prices when the opportunity and timing are right.
d	Disruption to manufacturing facility and business operations due to unanticipated machinery failure and damages	Preventive scheduled maintenance is carried out for all machinery and equipment in the plant in order to minimise unexpected machine failure.
е	Impact of fluctuation of foreign currency on export sales	USD Foreign currency accounts are maintained to serve as a natural hedging tool for receipts and payment in USD currency. Any significant foreign currency net exposure will be negotiated and hedged with the financial institutions.
f	Compliance to related legal, regulations and other requirements due to pandemic disease	Self-health declaration by visitors, customers vendors, and temperature checking for all staff that entering UWC premise. There will be quarantine for the staff who has travelled to countries which is infected with the disease if any. In addition, Management has emphasized the safety and health of employees and stakeholders by enforcing precautionary measures and guidelines in offices and production sites as stipulated by the relevant authorities.
g	Global supply chain disruption due to Movement Control Order ("MCO") and restrictions imposed on the movement of people and goods	Alternative suppliers had been identified by the Management. There were purchase of materials and supplies from local suppliers and vendors. The supply chain remained intact with no major impact. Impacted Inbound logistic has changed from sea freight to air freight.

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

#### **RISK MANAGEMENT** (cont'd)

No.	Key Risks	Management Mitigation Plan
h	Compliance with the listing requirements in relation to Anti-Corruption measures	Management has implemented the Anti-Bribery and Anti-Corruption Policy with the objective of compliance with the Section 17A under the Malaysian Anti-Corruption Commission ("MACC") Act 2009 (Amendment 2018) effective from 1 June 2020 onwards. The Group will continue to adopt the Guideline on Adequate Procedures (GAP) and comply with the listing requirements in relation to Anti-Corruption measures.

#### **INTERNAL AUDIT**

The Board has outsourced the internal audit function to KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG"), an independent professional firm to independently assess the adequacy, effectiveness and integrity of the Group's risk management and internal control systems.

Internal audit is carried out to assess the adequacy and integrity of the internal control system of the Group based on the internal audit plan reviewed and approved by the AC. Based on the audits, the internal auditors will advise management on areas of improvement and subsequently, initiate follow-up actions to determine the extent of implementation of their recommendations.

The internal audit plan was circulated to the members of the AC prior to the execution of the assignment. Based on the approved internal audit plan, KPMG conducted one cycle of internal audit during FYE 2021 with audit scopes and focus areas on "Business Continuity Management – Focusing on Pandemic Related Impact" and "Information Technology Infrastructure and Security Management". The internal audit findings and recommendations for improvement, including action plans agreed with operation level management, were reported to the AC on 15 June 2021.

Further details of the activities of internal audit function are set out under the Audit Committee Report of this Annual Report.

#### **INTERNAL CONTROLS**

In addition to the Risk Management and Internal Audit function, the Board also derives its comfort on the state of internal control in the Group through the following internal controls, information and review mechanisms and systems:

- i. Delegation and separation of responsibilities between the Board and management. The Independent Directors overseeing the financial and operational performance reported to the Board by the Executive Director and Financial Controller;
- ii. Defined authority and responsibility for core business activities and functional divisions. These limits of authority and approval are programmed into the Group ERP System facilitating delegation of power to management;
- iii. Board discussions with management during the board meetings on financial and operational issues as well as the measures taken by management to mitigate and manage the associated risks;
- iv. The quality management systems possessed by the subsidiaries and their continual compliance with these respective certification bodies' requirements.

Subsidiary	Scope	Quality Certificate
UWC Holdings Sdn. Bhd. and	The manufacturing of sheet metal fabrication, precision engineering parts, mechanical and	ISO 9001:2015 (Quality Management Systems)
UWC Industrial Sdn. Bhd.	electrical assembly of automated equipment.	ISO 14001:2015 (The Environment Management Systems)
	Contract manufacturing of sheet metal fabrication, precision engineering and mechanical parts for medical device and hospital furniture.	ISO 13485:2016 (Medical Devices- Quality Management System)
UWC Automation Sdn. Bhd.	Manufacturer of machining part.	ISO 9001:2015 (Quality Management Systems)
		ISO 14001:2015 (The Environment Management Systems)

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

#### INTERNAL CONTROLS (cont'd)

- v. Potential financial risk exposure resulting from fire, perils, consequential loss, burglary, fidelity and public liability are insured to minimize Group's financial exposures and losses;
- vi. A comprehensive Employee Handbook is established to regulate human resources management and practices;
- vii. Implementation of physical security controls at the strategic locations such as CCTVs, security guards, fencing and gate in the plants; and
- viii. The Group has established a Whistle Blowing Policy which allows, supports and encourages its employees and third parties to report and raise genuine concerns about possible improprieties in matters of financial reporting, compliance, malpractices and unethical business conduct within the Group at the earliest opportunity and in an appropriate way. The Group is committed to investigate any suspected misconduct or breach reported, the investigation of which will be led by the AC, as well as to protect those who come forward to report such activities.

#### MANAGEMENT ACCOUNTABILITY AND ASSURANCE

Management is accountable to the Board for identifying risks associated with the business of the Group and its strategies; maintaining sound systems of risk management and internal control; and monitoring and reporting to the Board of control deficiencies and changes in risks that could affect the Group achievement of its objective and performance significantly.

Before producing this Statement, the Board has received assurance from Group CEO and Financial Controller that, to the best of their knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

#### **BOARD ASSURANCE AND LIMITATION**

For the financial year under review, the Board is satisfied that the existing systems of risk management and internal control are effective and there were no losses resulted from significant control weakness.

The Board acknowledges that the risk management and internal control systems should be continuously improved. The Board will continue to evaluate and take measures to strengthen the internal control systems. However, stakeholders should note that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

#### **REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS**

As required by Paragraph 15.23 of the MMLR, the External Auditors shall review this Statement on Risk Management and Internal Control. The review should be guided by the Audit and Assurance Practice Guide 3 ("AAPG3") issued by the Malaysian Institute of Accountants.

Based on AAPG3, the External Auditors have reviewed this Statement and have reported to the Board that nothing has come to their attention that causes them to believe that the explanation disclosed in this Statement is inconsistent with their understanding of the processes adopted by the Board and management in their risk management and internal control systems of the Group.

The Statement is made in accordance with a resolution of the Board on 25 November 2021.

## **AUDIT COMMITTEE REPORT**

#### **COMPOSITION AND DESIGNATION**

#### F'ng Meow Cheng

Chairman

(Independent Non-Executive Director)

#### Dato' Wan Hashim Bin Wan Jusoh

Member

(Independent Non-Executive Chairman)

#### **Dato' Lio Chee Yeong**

Member

(Independent Non-Executive Director)

The members of the Audit Committee ("AC") comprise wholly Independent and Non-Executive Directors.

The AC Chairlady, Ms F'ng Meow Cheng is a member of Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.

Members of the Committee are financially literate, with diverse background, experience and knowledge in accountancy, business management, commercial and corporate laws and national investment policies and administration.

#### **TERMS OF REFERENCE**

Following are the details of the AC's term of reference. This term of reference are also posted at the Company's website at http://www.uwcberhad.com.my/.

#### 1.0 Objectives

The principal objectives of the AC is to assist the Board of Directors ("the Board") on following:

- a. To independent review and oversee UWC Berhad ("the Company") financial reporting process;
- b. To oversee and appraise the sustainability and quality of the audit conducted by internal and external auditors; and
- c. To review the Company's process for ensuring compliance with laws and regulations.

#### 2.0 Composition

- (a) The AC of the Company shall be appointed from amongst the Board of Directors and shall comprise not less than three (3) members who fulfils the following requirements:
  - i. all the AC members must be non-executive directors, with all of them being independent directors; and
  - ii. have at least one (1) member who is a member of the Malaysian Institute of Accountants or who complies with paragraph 15.09 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad or fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- (b) No alternate Director of the Board shall be appointed as a member of the AC.
- (c) The Chairman, who shall be elected by the AC, shall be an Independent Director and shall not be the Chairman of the Board.
- (d) In the event of any vacancy resulting in non-compliance with the terms of reference hereof, the vacancy must be filled within three (3) months.
- (e) The term of office and performance of the AC and each of its members must be reviewed by the Nominating Committee annually in order to determine whether the AC and members have carried out their duties in accordance with their terms of reference.
- (f) A former key audit partner involved in the audit works of the Group must observe a cooling-off period of two (2) years before he/she may be appointed as a member of the AC.

#### TERMS OF REFERENCE (cont'd)

#### 3.0 Functions And Duties

- (a) In respect of the external audit, to review and report the same to the Board:
  - i. the audit plan, its scope and nature;
  - ii. the audit reports and management letter issued by the External Auditors and the implementation of audit recommendations;
  - iii. the results of the External Auditors' evaluation of the accounting policies and systems of internal control and risk management within the Company and its subsidiaries (collectively "the Group"); and
  - iv. the assistance given by the employees of the Company to the External Auditors;
- (b) To review the quarterly reports on consolidated financial results and annual financial statements prior to submission to the Board, focusing particularly on:
  - i. changes in or implementation of major accounting policies and practices;
  - ii. significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
  - iii. the going concern assumption;
  - iv. integrity of financial statements; and
  - v. compliance with accounting standards and other legal requirements;
- (c) To discuss the problems and reservations arising from the audits, and any matter the Internal and External Auditors may wish to discuss (in the absence of Management, where necessary);
- (d) To consider the appointment (or re-appointment as the case may be) of the Internal and External Auditors, the audit fee, the terms of reference of the said appointment/re-appointment and any question on their resignation or dismissal before making a recommendation to the Board.

In determining the appointment/re-appointment of the External Auditors, in addition to the suitability factors as set out below:

- i. the adequacy of the experience and resources of the accounting firm;
- ii. the persons assigned to the audit;
- iii. the accounting firm's audit engagements;
- iv. the size and complexity of the Group being audited; and
- v. the number and experience of supervisory and professional staff assigned to the particular audit.

to also consider the performance of the External Auditors and its independence such as:

- i. the auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
- ii. the nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and
- iii. whether there are procedures in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or length of service tenure of the External Auditors;

#### TERMS OF REFERENCE (cont'd)

#### 3.0 Functions And Duties (cont'd)

- (e) To obtain the confirmation from External Auditors that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;
- (f) To discuss the contracts and nature for the provision of non-audit services which can be entered into by the Group with the External Auditors or its affiliates and procedures that must be adhered to by the External Auditors. The following contracts cannot be entered into with the External Auditors:
  - Management consulting;
  - Strategic decision;
  - Internal audit; and
  - Policy and standard operating procedures documentation.

Any exceptions to the above require the AC and Board's approval. The Company is required to state the details on the nature of the non-audit services rendered in the Company's annual report in accordance with the Listing Requirements;

- (g) To do the following, in relation to the internal audit function:
  - i. review the adequacy of the scopes, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - ii. review the internal audit plan and the results of the internal audit process and, where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function; and
  - iii. review any appraisal or assessment of the performance of members of the internal audit function, whether in-house or outsourced. Where internal audit function is in-house, approve any appointment or termination of senior staff members and take cognisance of resignations of its staff members, providing them an opportunity to submit reasons for resigning;
- (h) To consider the major findings of internal audit investigations and Management's response or action plan;
- (i) To ensure the internal audit function is independent of the work it audits and the head of internal audit reports directly to the AC. The head of internal audit should have the relevant qualification and be responsible for providing assurance to the AC that the internal controls are operating effectively. The head of internal audit will be responsible for the regular review and/or appraisal of the effectiveness of risk management, internal control and governance processes within the Company;
- To review any related party transaction and conflict of interest that may arise within the Group including any transaction, procedure or course of conduct that raise question of management integrity;
- (k) To review the adequacy and effectiveness of risk management and internal control systems deployed by the Key Senior Management to address those risks and recommend corrective measures undertaken to remedy failures and/ or weaknesses;
- (l) To submit to the Board a report on the summary of activities of the AC in the discharge of its functions and duties in respect of each financial year including details of relevant training attended by the AC for inclusion into the annual report of the Company;
- (m) To review and assess the adequacy and relevance of its terms of reference annually and recommend any changes it considers necessary to the Board for endorsement; and
- (n) To consider and examine such other matters as defined by the Board or as may be prescribed by Bursa Securities or any other relevant authority from time to time.

#### TERMS OF REFERENCE (cont'd)

#### 4.0 Rights

The AC shall:

- a. have authority to investigate any matter within its terms of reference;
- b. have the resources which are required to perform its duties;
- c. have full and unrestricted access to any information pertaining to the Group;
- d. have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity on a continuous basis in order to be kept informed of matters affecting the Group;
- e. have the right to obtain independent professional or other advice at the Company's expense;
- f. have the right to convene meetings with the Internal and External Auditors, without the attendance of the other Directors or employees of the Group, whenever deemed necessary; and
- g. promptly report to Bursa Malaysia Securities Berhad matters which have not been satisfactorily resolved by the Board resulting in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad.

#### 5.0 Meetings

- a. The AC shall meet at least four (4) times in each financial year. The quorum for a meeting shall be two (2) members. Additional meetings may be conducted if the need arises.
- b. A circular resolution in writing signed by the members of the AC who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the AC duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the AC and shall include signed copies via legible and written electronic means.
- c. Any member of the AC may participate in any meeting of the AC via telephone conferencing, video conferencing or by means of any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- d. The Company Secretary or any other person approved by the AC shall act as the Secretary of the AC and shall attend all meetings and minute the proceedings thereof.
- e. The Chairman shall upon request of the Internal or External Auditors convene a meeting of the AC to consider any matter the Internal or External Auditors believe should be brought to the attention of the AC members or shareholders.
- f. The External Auditors, the Head of Finance and the Head of Internal Audit shall attend any meeting of the AC at the invitation of the AC.
- g. The Chairman of the AC should engage on a continuous basis with the Chairman of the Board, the Group CEO and COO, Financial Controller, the Head of Internal Audit, the External Auditors and the Company Secretary in order to be kept informed of matters affecting the Company and the Group.

#### 6.0 Annual AC Report

The AC is required to prepare a Committee Report at the end of each financial year for inclusion in the Annual Report of the Company. The Committee Report shall include the following information:

- a. Composition of the AC, including the name, designation (indicating the Chairman) and directorship of the members (indicating whether the Directors are independent or otherwise);
- b. Number of AC meetings held during the financial year and details of attendance of each Committee member;
- Summary of the work carried out by the AC in the discharge of its functions and duties for that financial year of the Company and how it has met its responsibilities; and

#### TERMS OF REFERENCE (cont'd)

#### 6.0 Annual AC Report (cont'd)

d. Summary of the work of the internal audit function.

The AC shall also assist the Board in making the following additional statements in the Company's Annual Report:

- Statement explaining the Board's responsibility for preparing the annual audited financial statements of the Group;
   and
- b. Statement about the state of risk management and internal controls of the Group.

#### 7.0 Review of the Terms of Reference

The Terms of Reference of the AC should be reviewed annually and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the AC's duties and responsibilities.

#### **ATTENDANCE**

The AC was constituted on 16 November 2018. During the financial year ended 31 July 2021, there were five (5) meetings held. These meetings were attended by all members of the AC.

#### **SUMMARY OF ACTIVITIES**

The activities undertaken by the AC in discharging its duties and functions during the financial year are summarised as follows:

#### a. Reviewing the Related Party Transactions

In order to safeguard the interest of the UWC Group and its minority shareholders, and to mitigate any potential conflict of interest, the AC has reviewed the related party transactions and was satisfied that the related party transactions were transacted on an arm's length basis and on normal commercial terms which are not unfavourable to the Group nor detrimental to the minority shareholders' interest of the Company.

#### b. Reviewing FYE 2021 External Audit Planning Memorandum and the Independence of the External Auditors

Private sessions were held between the AC and the External Auditors on 3 September 2020, 25 November 2020 and 15 June 2021 respectively without the presence of the Executive Members.

Before the commencement of the current financial year audit, the AC has reviewed and deliberated with the External Auditors on their audit planning memorandum, in particular the audit risk areas, approach, emphasis and timeline.

The AC also noted the External Auditors' independence check and confirmation procedures carried out in the firm as well as no conflict of interest for rendering their non-audit services to UWC presently.

#### c. Reviewing FYE 2020 Audited Financial Statements

The AC has reviewed the Audited Financial Statements for the financial year ended 31 July 2020 together with the Reports of Directors and Auditors on 25 November 2020 before presentation to the Board for approval and for release to the authorities and public.

#### d. Reviewing the Interim Financial Results

The AC has reviewed the financial statements and the quarterly results, cash flows, and financial positions with management. During this review, the Deputy Group Chief Executive Officer and Financial Controller were invited to present and respond to questions raised by the AC on the financial performance and significant financial reporting concerning compliance with applicable approved accounting standards and other regulatory requirements. Based on the clarifications and answers provided by the management, the AC resolved to present the financial results and statements to the Board for consideration and approval.

#### **SUMMARY OF ACTIVITIES (cont'd)**

#### e. Reviewing the Internal Audit Functions

The AC has reviewed the internal audit findings FYE 2020 and recommendations for improvement, including action plans agreed with operation level management on 3 September 2020. Subsequently, the AC has reviewed and approved the Internal Audit Plans FYE 2021 presented by Internal Auditor on 1 December 2020. The Internal Auditor reported its findings together with the management action plan and recommendations to the AC for review on 15 June 2021. The AC also reviewed the adequacy of the scope, function, competency and resources of the internal audit functions, and ensures that it has the necessary authority to carry out its work. The AC and Management work closely with the outsourced internal audit function to review the internal control issues and ensure that significant issues are brought to the attention of the Board.

#### f. Reviewing the Appointment of Internal Auditor

The AC has assessed the performance of internal auditors on 3 September 2020. AC has then reviewed the nomination and appointment of the Internal Auditor on 1 December 2020.

In assessing the suitability and "fit and proper" of the Internal Auditor, KPMG Management & Risk Consulting Sdn. Bhd. was invited to present and respond to the queries raised by the AC on the proposal of internal audit services. In addition, management has documented the following criteria in Internal Auditor Appointment Checklist regarding the selection of Internal Auditor for AC consideration, which then recommend the firm for Board approval:

- i. The experience, resources and independence of the audit team;
- ii. The reputation and track records of the firm;
- iii. Familiarity with the business and industry of the Group;
- iv. Reasonableness of their quoted fees; and
- v. Geographical advantage to carry out the audit services when Inter-states travelling is not allowed during MCO imposed by Malaysian Government due to COVID-19 pandemic.

#### INTERNAL AUDIT FUNCTION

During the FYE 2021, the Group has outsourced the internal audit function to KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG"), an independent professional firm. The Internal Audit fee for financial year 2021 is RM26,000.

The internal audit engagement by KPMG is led by an Executive Director, namely Dato' Ooi Kok Seng, who is a professional member of the Malaysian Institute of Certified Public Accountants ("MICPA") and Chartered Accountant (Malaysian Institute of Accountants) with the Internal Audit, Risk and Compliance Services ("IARCS") practice of KPMG. He has accumulated over 32 years of experience with extensive audit, accounting and consulting experience both in Malaysia and Washington, United States of America. He provides overall direction of the internal audit engagement and is responsible for all stages of the audit work and maintains contact with the Management to ensure open communication is practised and all internal audit works are carried out effectively and on a timely manner. A Director with IARCS practice of KPMG, namely Ms Phoon Yee Min, who is a Certified Internal Auditor, led the engagement fieldwork and supported by other professional staffs. All the personnel deployed by KPMG are free from any relationships or conflicts of interest, that could impair their objectivity and independence during the course of their work.

Functionally, the Internal Auditors report directly to the AC. The primary responsibility of the Internal Auditors is to assist the Board and the AC in reviewing and assessing management systems of internal control and procedures. The AC reviews and approves the Internal Audit Engagement and fees to ensure the independence and objectivity of the Internal Auditors.

The internal audit function executed the internal audit work based on a risk-based internal audit plan as approved by the AC before the commencement of work. The internal audit work is carried out based on the KPMG Internal Audit Methodology, which is closely aligned with the International Professional Practices Framework ("IPPF") of the Institute of Internal Auditors. It highlighted significant findings and corrective measures in respect of any non-compliance to Management and AC on a timely basis. During the financial year under review, one internal audit cycle with two audit scopes of work was carried out to assess the internal control systems:

No.	Audited Areas	Reporting Date
1	Business Continuity Management – Focusing on Pandemic Related Impact	8 June 2021
2	Information Technology Infrastructure and Security Management	8 June 2021

Findings arising from the internal audit exercise were reported and discussed at the AC meeting on 15 June 2021.

## NOMINATION COMMITTEE STATEMENT

#### **COMPOSITION AND DESIGNATION**

Chairperson Dato' Lio Chee Yeong

(Independent Non-Executive Director)

Member Dato' Wan Hashim Bin Wan Jusoh

(Independent Non-Executive Chairman)

F'ng Meow Cheng

(Independent Non-Executive Director)

#### **TERMS OF REFERENCE**

Following are the details of the composition of the Nomination Committee ("NC") and its term of reference. This term of reference are also posted at the Company's website at <a href="http://www.uwcberhad.com.my/">http://www.uwcberhad.com.my/</a>.

#### 1.0 Objective

The principal objective of the NC is to develop and maintain a formal, rigorous and transparent procedure for assessing the performance of the Board, the Board Committees and Individual Directors; making recommendations on appointments and reappointments of Directors to the Board; and reviewing candidate recommended for appointment and promotion as key senior management in the Group.

#### 2.0 Composition

- The members of the NC shall be appointed from amongst the Board and shall:
  - i) comprise no fewer than three (3) members;
  - ii) consist exclusively of non-executive directors, a majority of whom are independent; and
  - iii) where Independent Director shall be the Chairman of the NC.
- b. No alternate Director of the Board shall be appointed as a member of the NC.
- In the event of any vacancy resulting in non-compliance with the terms of reference hereof, the vacancy must be filled C. within three (3) months.

#### **Functions and Duties** 3.0

#### 3.1 Appointment of New Directors

The duties of NC with respect to the appointment of new directors are:

- to develop, maintain and review, for Board's approval, the criteria to be used in the recruitment and screening process for prospective directors covering his or her:
  - skills, knowledge, expertise and experience;
  - professionalism;
  - background, character, integrity and competence;
  - contribution and performance;
  - time commitment to effectively discharge his or her duties to the Company including, amongst others, attendance at board or committee meetings, shareholders' meetings, major company events and participation in continuing training programmes;
  - Boardroom diversity including gender diversity, age and ethnicity diversity; and
  - in the case of candidates for the position as independent non-executive directors, the candidates' ability to discharge such responsibilities or functions as expected from independent non-executive directors.

Candidates may be proposed by any director or shareholder or any senior management personnel. The NC should also utilise independent sources to identify suitably qualified candidates.

## NOMINATION COMMITTEE STATEMENT (CONT'D)

#### TERMS OF REFERENCE (cont'd)

#### 3.0 Functions and Duties (cont'd)

#### 3.1 Appointment of New Directors (cont'd)

- (b) Where there is a vacancy in Board seat or a need to add additional director on Board, to search across a diverse candidate pool, then identify, nominate and make recommendations to the Board, the appointment of new candidates to the Board, based on recruitment criteria set by the Board;
- (c) to recommend to the Board, candidates to fill memberships in the Board Committees; and
- (d) to ensure that new appointees to the Board undergo Mandatory Accreditation Programme as prescribed by Bursa Securities and an induction programme to facilitate their understanding of the operations, products and services.

#### 3.2 Assessment of Directors

The NC shall:

- (a) assist the Board in an annual review of the appropriate size of the Board, the required mix of skills, current diversity level, experience and other qualities, including core competencies which non-executive directors should bring to the Board;
- (b) annually assess the effectiveness of the Board as a whole, all Board Committees and the contribution of each individual Director, including the term of office and performance of the Board Committees and its member;
- assess the independence of the independent non-executive directors, including reviewing the criteria for assessing their independence;
- (d) assess the desirable balance in board membership, considering the structure and development of excessive number of directorships;
- (e) assess the desirable number of independent non-executive directors;
- (f) review succession plans for the Board and senior management with a view to maintaining an appropriate balance of skills, experience, tenure and diversity on the Board;
- (g) evaluate existing Directors who are subject to re-election/reappointment for recommendation to the Board;
- (h) ensure that all Directors attend appropriate continuous training programmes; and
- (i) properly document all assessments and evaluations and report to the Board all the results of the assessments and evaluations on an annual basis.

#### 3.3 Others

- (a) To report in the annual report, a statement about the activities of the NC in the discharge of its duties for the financial year; and
- (b) To consider other matters as referred to the NC by the Board.

#### 4.0 Rights

- (a) The NC in carrying out its tasks under these Terms of Reference has the right to seek any information it requires from Management and employees.
- (b) The NC may obtain independent professional or other external advice at the expense of the Company, with prior consent of the Board.

# **NOMINATION COMMITTEE STATEMENT (CONT'D)**

#### TERMS OF REFERENCE (cont'd)

#### 5.0 Meetings and Minutes

- (a) The NC shall meet at least once in each financial year and report to the Board after each meeting, its recommendations, findings or decisions.
- (b) The quorum for a meeting shall be two (2) members.
- (c) A circular resolution in writing signed by the members of the NC who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the NC duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the NC and shall include signed copies via legible and written electronic means.
- (d) The Company Secretary or any other person approved by the NC shall act as the Secretary of the NC and shall attend all meetings and minute the proceedings thereof.
- (e) Any member of the NC may participate in any meeting of the NC via telephone conferencing, video conferencing or by means of any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

#### 6.0 Review of the Terms of Reference

The Terms of Reference of the NC should be reviewed annually and updated in accordance with the needs of the Board and any new regulations that may have an impact on the discharge of the NC's duties and responsibilities.

#### **ATTENDANCE**

The NC was constituted on 16 November 2018. During the financial year ended 31 July 2021, there was one (1) meeting held. This meeting were attended by all members of the NC.

#### **SUMMARY OF ACTIVITIES**

Annual assessment has been conducted by the NC on 7 September 2021 towards the effectiveness and independence of the Board and Board Committees. The evaluation involves individual Director completing separate evaluation questionnaires regarding the processes of the Board and its Board Committees, their effectiveness and improvement opportunities, where necessary. Further, an assessment is conducted where Directors assess the performance of their fellow Directors as a whole, and the contribution of each individual Director including his time commitment, skills, knowledge, character, experience, professionalism and integrity. These assessments and comments by all Directors were summarised and discussed at the NC meeting. All assessments and evaluations carried out by the NC are properly documented. The NC also assisted the Board in reviewing the current Board structure, size and composition on an annual basis to ensure the appropriate balance and size of Non-Executive participation within the Board.

The Board, through the NC, has assessed the independence of its Independent Non-Executive Directors on annual basis based on criteria set out in the MMLR. The present Independent Directors namely Dato' Wan Hashim Bin Wan Jusoh, F'ng Meow Cheng and Dato' Lio Chee Yeong, have fulfilled the criteria of "independence" as prescribed under Chapter 1 of the MMLR. None of them have served the Board for a term of more than nine (9) years.

In addition, a review on the term of office and performance of the Audit Committee ("AC") for FYE 2021 had been conducted by the Board, through the NC on 7 September 2021. The Board was satisfied that the AC has discharged its duties in accordance with the Terms of References.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors are responsible for ensuring that:

- i. The annual audited financial statements of the Group and of the Company are drawn up in accordance with applicable Financial Reporting Standards, the provisions of the Companies Act 2016 and the MMLR so as to give a true and fair view of the state of affairs of the Group and of the Company for the financial year; and
- ii. Proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In the preparation of the financial statements for the financial year ended 31 July 2021, the Directors have adopted appropriate accounting policies and have applied them consistently in the financial statements with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

## ADDITIONAL COMPLIANCE INFORMATION

#### 1. UTILIZATION OF PROCEEDS

UWC Berhad listed on the Main Market of Bursa Malaysia Securities Berhad ("Listing") on 10 July 2019. As part of the listing exercise, the Company undertook a public issue of 70,000,000 new ordinary shares at an issue price of RM0.82 per share, raising gross proceeds of RM57.4 million ("IPO proceeds").

As at 31 July 2021, our utilization of the IPO Proceeds is as follows:

Details	RM'000	Actual utilization RM'000	Percentage utilized %	Estimated time frame for use of proceeds from the date of the Listing
Purchase of new machinery and equipment				
- CNC machines	27,416	27,416	100.0	Within 36 months
- Industrial robotic arms and material handling system	4,700	4,700	100.0	Within 36 months
Repayment of bank borrowings	18,000	18,000	100.0	Within 12 months
Working capital	2,868	2,868	100.0	Within 12 months
Estimated listing expenses	4,416	4,416	100.0	Within 2 months
Total	57,400	57,400		

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

#### 2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 2021 ("FYE 2021") by the Company's Auditors are as follows:

Category	Audit Fees (RM)	Non-Audit Fees* (RM)
Company	39,000.00	8,000.00
Subsidiary	56,000.00	11,100.00
	95,000.00	19,100.00

<sup>\*</sup> Non-audit fees comprise of review of Statement on Risk Management and Internal Control and tax fees.

#### 3. RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions of revenue or trading nature conducted pursuant to shareholders' mandate during FYE 2021.

#### 4. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests during FYE 2021.



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## **DIRECTORS' REPORT**

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2021.

#### **PRINCIPAL ACTIVITIES**

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

#### **RESULTS**

	Group RM	Company RM
Profit for the financial year	91,532,991	18,885,060
Attributable to: Owners of the parent Non-controlling interests	91,536,392 (3,401)	18,885,060
	91,532,991	18,885,060

#### **DIVIDENDS**

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

RM

In respect of financial year ended 31 July 2020: Interim single-tier dividend of RM0.02 per ordinary share, declared on 3 September 2020, paid on 8 October 2020

11,004,000

In respect of financial year ended 31 July 2021: Interim single-tier dividend of RM0.0167 per ordinary share, declared on 7 September 2021, paid on 8 October 2021

18,380,564

No final dividend has been recommended by the Directors for the financial year ended 31 July 2021.

#### **RESERVES AND PROVISIONS**

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

#### **ISSUE OF SHARES AND DEBENTURES**

During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 550,200,003 to 1,100,632,606 by way of issuance of 550,432,603 new ordinary shares pursuant to the following:

- (i) 550,200,003 new ordinary shares, credited as fully paid-up on the basis of one (1) bonus share for every one (1) existing ordinary shares held. The bonus shares were issued at nil consideration and without capitalisation of the Company's reserves; and
- (ii) 232,600 new ordinary share pursuant to the Share Grant Scheme ('SGS').

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.

## **DIRECTORS' REPORT (CONT'D)** FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

#### **OPTIONS GRANTED OVER UNISSUED SHARES**

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

#### **SHARE GRANT SCHEME**

The establishment of employees' Share Grant Scheme ('SGS') was approved by the shareholders at an Extraordinary General Meeting held on 10 January 2020. The SGS was implemented on 13 February 2020 and will continue to be in force for a period of ten (10) years from the date of implementation.

The salient features of the SGS are disclosed in Note 25 to the financial statements.

During the financial year, the Company granted 154,800 shares under the SGS to eligible Executive Directors and employees of the Group. The outstanding SGS shares granted will vest at the respective vesting dates provided that the vesting conditions as disclosed in Note 25 to the financial statements are met.

#### **DIRECTORS**

The Directors who have held office during the financial year and up to the date of this report are as follows:

#### **UWC Berhad**

Dato' Ng Chai Eng \* Lau Chee Kheong ' Dato' Wan Hashim Bin Wan Jusoh F'ng Meow Cheng Dato' Lio Chee Yeong Ng Chin Liang (Alternate Director to Dato' Ng Chai Eng)

Subsidiaries of UWC Berhad (excluding those who are listed above) Tan Kean Hean Tang Chee Seng

#### **DIRECTORS' INTERESTS**

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 July 2021 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

<b>⊢</b>	Number of ordinary shares				
	Balance as at				Balance as at
	1.8.2020	Bought	Bonus issue	Sold	31.7.2021
Shares in the Company					
B:					
<u>Direct interests:</u>					
Dato' Ng Chai Eng	43,973,069	225,100	44,098,169	0	88,296,338
Lau Chee Kheong	43,903,169	0	43,903,169	0	87,806,338
Dato' Wan Hashim Bin Wan Jusoh	245,000	20,000	240,000	(25,000)	480,000
F'ng Meow Cheng	370,000	30,000	290,000	(90,000)	600,000
Dato' Lio Chee Yeong	670,000	50,000	540,000	(150,000)	1,110,000
Ng Chin Liang (Alternate Director to					
Dato' Ng Chai Eng)	166,500	16,800	166,500	0	349,800

<sup>\*</sup> This Director of the Company is also Director of the subsidiaries of the Company.

## **DIRECTORS' REPORT (CONT'D)**

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

#### **DIRECTORS' INTERESTS** (cont'd)

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 July 2021 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows (cont'd):

	Number of ordinary shares				
	Balance as at				Balance as at
	1.8.2020	Bought	<b>Bonus issue</b>	Sold	31.7.2021
Shares in the Company (cont'd)					
Indirect interests:					
Dato' Ng Chai Eng *	289,350,003	16,800	289,350,003	0	578,716,806
Lau Chee Kheong #	289,183,503	0	289,183,503	0	578,367,006

<sup>\*</sup> Deemed interest through shares held in UWC Capital Sdn. Bhd. by virtue of Section 8(4) of the Companies Act 2016 in Malaysia and the shares held by his son, Ng Chin Liang pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

# Deemed interest through shares held in UWC Capital Sdn. Bhd. by virtue of Section 8(4) of the Companies Act 2016 in Malaysia.

F	Number of ordinary shares granted under the SGS				
Shares in the Company	Balance as at 1.8.2020	Granted	Bonus issue	Exercised	Balance as at 31.7.2021
Ng Chin Liang (Alternate Director to Dato' Ng Chai Eng)	31,900	8,200	40,100	(10,800)	69,400

By virtue of Dato' Ng Chai Eng's and Lau Chee Kheong's substantial interest in the shares of the Company, they are deemed to have interest in the shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

#### **DIRECTORS' BENEFITS**

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the following:

- (i) certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests; and
- (ii) certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

The details of the above transactions are disclosed in Note 28 to the financial statements.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

#### **DIRECTORS' REMUNERATION**

The details of Directors' remuneration are disclosed in Note 22 to the financial statements.

# **DIRECTORS' REPORT** (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

#### INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for the Directors, officers and auditors of the Group and of the Company during the financial year.

#### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

#### (I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
  - to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of
    provision for doubtful debts and had satisfied themselves that there are no known bad debts to be written off
    and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

#### (II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
  - (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
  - there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially
    the results of the operations of the Group and of the Company for the financial year in which this report is
    made; and
  - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

#### (III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

#### HOLDING COMPANY

The Directors regard UWC Capital Sdn. Bhd., a company incorporated in Malaysia as the immediate and ultimate holding company.

# **DIRECTORS' REPORT (CONT'D)**

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

#### SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in Note 32 to the financial statements.

#### SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant event subsequent to the end of the reporting period is disclosed in Note 33 to the financial statements.

#### **AUDITORS**

25 November 2021

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

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 July 2021 amounted to RM39,000 and RM56,000 respectively.

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

Dato' Ng Chai Eng	Lau Chee Kheong
Director	Director
Penang	

# **STATEMENT BY DIRECTORS**

2016 in Malaysia so as to give a true and fair view of the finan of the financial performance and cash flows of the Group and	ncial position of the Group and of the Company as at 31 July 2021 and do the Company for the financial year then ended.
On behalf of the Board,	
Dato' Ng Chai Eng Director	Lau Chee Kheong Director
Penang 25 November 2021	
	STATUTORY DECLARATION
sincerely declare that the financial statements set out on p	ole for the financial management of UWC Berhad, do solemnly and lages 77 to 122 are, to the best of my knowledge and belief, correct g the same to be true and by virtue of the provisions of the Statutory
Subscribed and solemnly declared by the abovenamed at George Town in the State of Penang this 25 November 2021	Dato' Ng Chai Eng
Before me,	
Commissioner for Oaths	

In the opinion of the Directors, the financial statements set out on pages 77 to 122 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act

#### INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF UWC BERHAD

#### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of UWC Berhad, which comprise the statements of financial position as at 31 July 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 77 to 122.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 July 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the requirements of the Companies Act 2016 in Malaysia.

#### **Basis for Opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Impairment of trade receivables**

Gross trade receivables of the Group as at 31 July 2021 were RM81,347,939 as disclosed in Note 10 to the financial statements.

We determined this to be key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

#### Audit response

Our audit procedures included the following:

- (a) Recomputed the probability of default using historical data and forward-looking information adjustment, incorporating the impact of the COVID-19 pandemic, applied by the Group;
- (b) Recomputed the correlation coefficient between the macroeconomic indicators set by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group; and
- (c) Inquired of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

## **INDEPENDENT AUDITORS' REPORT (CONT'D)**

TO THE MEMBERS OF UWC BERHAD

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

## **INDEPENDENT AUDITORS' REPORT (CONT'D)**

TO THE MEMBERS OF UWC BERHAD

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

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (cont'd):

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**BDO PLT** LLP0018825-LCA & AF 0206 **Chartered Accountants** 

Penang 25 November 2021 **Goh Chee Beng** 03535/11/2022 J **Chartered Accountant** 

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2021

			Group		Company
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	109,325,475	93,043,053	0	0
Right-of-use assets	6	17,305,686	16,764,484	0	0
Investments in subsidiaries	7	0	0	60,376,594	59,360,002
Investment in an associate	8 _	88,489	0	3	
	_	126,719,650	109,807,537	60,376,597	59,360,002
Current assets					
Inventories	9	53,410,944	43,499,839	0	0
Trade and other receivables	10	86,685,494	68,821,474	64,836,877	32,068,627
Contract assets	11	54,257	464,920	0	0
Other investments	12	19,697,409	0	0	0
Current tax assets		1,159,360	141,450	13,500	0
Cash and bank balances	13 _	71,698,513	57,811,530	11,653,208	36,718,292
	_	232,705,977	170,739,213	76,503,585	68,786,919
TOTAL ASSETS	_	359,425,627	280,546,750	136,880,182	128,146,921
EQUITY AND LIABILITIES					
Equity attributable to					
owners of the parent					
Share capital	14	116,363,862	115,467,268	116,363,862	115,467,268
Reserves	15 _	188,341,899	107,809,507	20,453,918	12,572,858
		304,705,761	223,276,775	136,817,780	128,040,126
Non-controlling interest	_	76,599	0	0	
TOTAL EQUITY	_	304,782,360	223,276,775	136,817,780	128,040,126
LIABILITIES					
Non-current liabilities					
Borrowings	16	1,133,278	2,630,314	0	0
Government grants	17	2,384,171	3,562,341	0	0
Lease liabilities	6	3,288,067	2,476,885	0	0
Deferred tax liabilities	18 _	7,516,000	5,267,300	0	
	_	14,321,516	13,936,840	0	0
Current liabilities					
Trade and other payables	19	31,011,458	36,114,724	62,402	70,795
Borrowings	16	1,497,034	2,054,187	0	0
Government grants	17	1,178,170	1,178,170	0	0
Lease liabilities	6	397,362	351,025	0	0
Current tax liabilities		6,237,727	3,635,029	0	36,000
	_	40,321,751	43,333,135	62,402	106,795
TOTAL LIABILITIES	_	54,643,267	57,269,975	62,402	106,795
TOTAL EQUITY AND LIABILITIES	_	359,425,627	280,546,750	136,880,182	128,146,921

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

		G	iroup	Con	npany
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Revenue	21	285,024,155	219,050,156	19,353,600	27,777,920
Other operating income		3,361,809	4,538,948	331,802	525,589
Changes in inventories of finished goods and work-in-progress		8,831,948	4,535,034	0	0
Raw materials and consumables used		(95,949,215)	(87,501,900)	0	0
Staff costs	22	(41,058,319)	(33,707,365)	(152,000)	(150,000)
Depreciation		(12,708,635)	(10,467,907)	0	0
(Impairment losses)/Reversal of impaiment losses in trade and other receivable		(526,390)	5,432	0	0
Other operating expenses		(31,994,945)	(23,295,111)	(571,449)	(896,526)
Shares of profit of an associate, net of tax	8(d)	88,486	0	0	0
Profit from operations	_	115,068,894	73,157,287	18,961,953	27,256,983
Finance costs	23	(280,201)	(528,228)	0	0
Profit before tax	_	114,788,693	72,629,059	18,961,953	27,256,983
Tax expense	24	(23,255,702)	(14,864,870)	(76,893)	(118,237)
Profit for the financial year	_	91,532,991	57,764,189	18,885,060	27,138,746
Other comprehensive income, net of tax	_	0	0	0	0
Total comprehensive income	_	91,532,991	57,764,189	18,885,060	27,138,746
Profit for the financial year and total comprehensive income attributable to:					
Owners of the parent		91,536,392	57,764,189	18,885,060	27,138,746
Non-controlling interests	_	(3,401)	0	0	0
	_	91,532,991	57,764,189	18,885,060	27,138,746
Earnings per share attributable to owners of the parent					
Basic (sen)	27(a)	8.32	5.25		
Diluted (sen)	27(b)	8.30	5.24		

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

		Share capital	Reorganisation debit reserve	Retained earnings	Total attributable to owners of the parent	Non- controlling interest	Total
Group	Note	X X	KIM	A A	A A	χ Σ	KM
Balance as at 1 August 2020		115,467,268	(56,225,600)	164,035,107	223,276,775	0	223,276,775
Profit/(Loss) for the financial year		0	0	91,536,392	91,536,392	(3,401)	91,532,991
Other comprehensive income, net of tax Total comprehensive income/(loss)		0	0	91,536,392	91,536,392	(3,401)	91,532,991
Transactions with owners:							
Acquisition of shares by non-controlling interest		0	0	0	0	80,000	80,000
Dividend paid	56	0	0	(11,004,000)	(11,004,000)	0	(11,004,000)
Issuance of ordinary shares pursuant to Share Grant Scheme		896,594	0	0	896,594	0	896,594
Total transactions with owners		896,594	0	(11,004,000)	(10,107,406)	80,000	(10,027,406)
Balance as at 31 July 2021		116,363,862	(56,225,600)	244,567,499	304,705,761	76,599	304,782,360
Balance as at 1 August 2019		115,467,268	(56,225,600)	117,274,918	176,516,586	0	176,516,586
Profit for the financial year		0	0	57,764,189	57,764,189	0	57,764,189
Other comprehensive income, net of tax		0	0	0	0	0	0
Total comprehensive income		0	0	57,764,189	57,764,189	0	57,764,189
Transaction with owners:	l						
Dividend paid	56	0	0	(11,004,000)	(11,004,000)	0	(11,004,000)
Total transaction with owners		0	0	(11,004,000)	(11,004,000)	0	(11,004,000)
Balance as at 31 July 2020		115,467,268	(56,225,600)	164,035,107	223,276,775	0	223,276,775

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

# **STATEMENT OF CHANGES IN EQUITY** FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

Company	Note	Share capital RM	Retained earnings RM	Total equity RM
Balance as at 1 August 2020		115,467,268	12,572,858	128,040,126
Profit for the financial year		0	18,885,060	18,885,060
Other comprehensive income, net of tax		0	0	0
Total comprehensive income		0	18,885,060	18,885,060
Transactions with owners:				
Dividend paid	26	0	(11,004,000)	(11,004,000)
Issuance of ordinary shares pursuant to Share Grant Scheme		896,594	0	896,594
Total transactions with owners	_	896,594	(11,004,000)	(10,107,406)
Balance as at 31 July 2021	-	116,363,862	20,453,918	136,817,780
Balance as at 1 August 2019		115,467,268	(3,561,888)	111,905,380
Profit for the financial year		0	27,138,746	27,138,746
Other comprehensive income, net of tax		0	0	0
Total comprehensive income		0	27,138,746	27,138,746
Transaction with owners:				
Dividend paid	26	0	(11,004,000)	(11,004,000)
Total transaction with owners		0	(11,004,000)	(11,004,000)
Balance as at 31 July 2020	-	115,467,268	12,572,858	128,040,126

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

# **STATEMENTS OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

			Group		Company
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
CASH FLOWS FROM OPERATING					
ACTIVITIES					
Profit before tax		114,788,693	72,629,059	18,961,953	27,256,983
Adjustments for:					
Amortisation of government grants	17	(1,178,170)	(1,178,170)	0	0
Impairment losses:					
- trade receivables	10(g)	526,355	104,988	0	0
- other receivables	10(h)	35	89	0	0
Reversal of impairment losses:					
- trade receivables	10(g)	0	(110,341)	0	0
- other receivables	10(h)	0	(168)	0	0
Depreciation of property, plant and equipment	5	11,968,919	9,520,306	0	0
Depreciation of right-of-use assets	6	739,716	947,601	0	0
Dividend income	21	0	0	(19,353,600)	(27,777,920)
Gain on fair value adjustment on other investment		(197,409)	0	0	0
Interest expense	23	280,201	528,228	0	0
Interest income		(759,348)	(1,180,536)	(331,802)	(525,589)
Property, plant and equipment written off		7,875	92,386	0	0
(Gain)/Loss on disposal of property,					
plant and equipment		(235,005)	8,496	0	0
Gain on lease modification		(795)	0	0	0
Loss on disposal of subsidiary		0	0	1	0
Share grant expenses		896,594	0	0	0
Share of profit of an associate	8(d)	(88,486)	0	0	0
Operating profit/(loss) before changes in working capital		126,749,175	81,361,938	(723,448)	(1,046,526)
Increase in inventories		(9,911,105)	(6,419,981)	0	0
Increase in trade and other receivables		(18,390,410)	(25,149,200)	(25,697,530)	(1,785,747)
Decrease in contract assets		410,663	415,273	0	0
(Decrease)/Increase in trade and other payables		(5,103,266)	18,420,482	(8,393)	(2,902,410)
Cash generated from/(used in) operations	-	93,755,057	68,628,512	(26,429,371)	
Interest paid		(114,405)	(301,956)	(20, .20,0 . 2)	0
Tax paid		(19,422,214)	(13,039,384)	(126,393)	(100,599)
Net cash from/(used in) operating activities	_	74,218,438	55,287,172	(26,555,764)	
	-	,220, .00		(= 3,000,101)	

# STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

			Group	Co	mpany
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Incorporation of subsidiaries		0	0	0	(2)
Acquisition of interest in subsidiary	7(c)	0	0	(119,999)	0
Additions interests in an associate		(3)	0	(3)	0
Dividends received		0	0	12,282,880	15,495,040
Interest received		759,348	1,180,536	331,802	525,589
Proceeds from disposal of property,					
plant and equipment		546,534	24,500	0	0
Purchase of other investments		(19,500,000)	0	0	0
Purchase of property, plant and equipment	5	(28,570,745)	(21,475,091)	0	0
Proceeds from subscription of equity			( ) = /== /		
interest by non-controlling interest		80,000	0	0	0
Net cash (used in)/from investing activities		(46,684,866)	(20,270,055)	12,494,680	16,020,627
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	26	(11,004,000)	(11,004,000)	(11,004,000)	(11,004,000)
Proceeds from bankers' acceptances		0	7,000,000	0	0
Repayment of bankers' acceptances		0	(14,000,000)	0	0
Repayment of term loans		(2,054,189)	(2,223,081)	0	0
Payments of lease liabilities		(588,400)	(11,397,247)	0	0
Net cash used in financing activities		(13,646,589)	(31,624,328)	(11,004,000)	(11,004,000)
Net increase/(decrease) in cash and cash equivalents		13,886,983	3,392,789	(25,065,084)	(818,655)
Cash and cash equivalents at beginning of financial year		57,811,530	54,418,741	36,718,292	37,536,947
Cash and cash equivalents at end of					
financial year	13	71,698,513	57,811,530	11,653,208	36,718,292

# STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

#### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 6)	Bankers' acceptances	Term loans (Note 16)
Group	RM	RM	RM
At 1 August 2020	2,827,910	0	4,684,501
Cash flows	(588,400)	0	(2,054,189)
Non-cash flows:			
- Effect of lease modification	1,280,123	0	0
- Unwinding of interest	165,796	0	0
At 31 July 2021	3,685,429	0	2,630,312
At 1 August 2019	10,925,942	7,000,000	6,907,582
Cash flows	(11,397,247)	(7,000,000)	(2,223,081)
Non-cash flows:			
- Additions	3,072,943	0	0
- Unwinding of interest	226,272	0	0
At 31 July 2020	2,827,910	0	4,684,501

#### **NOTES TO THE FINANCIAL STATEMENTS**

31 JULY 2021

#### 1. CORPORATE INFORMATION

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

The registered office of the Company is located at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Penang.

The principal place of business of the Company is located at PMT 744-745, Jalan Cassia Selatan 5/1, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Penang.

The immediate and ultimate holding company of the Company is UWC Capital Sdn. Bhd., a company incorporated in Malaysia.

The consolidated financial statements for the financial year ended 31 July 2021 comprise the financial statements of the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 25 November 2021.

#### 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

#### 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 35.1 to the financial statements.

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

#### **OPERATING SEGMENTS** 4.

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

For management purpose, the Group is organised into business units based on their products and services, which comprise the following:

Segment I - Investment holding;

Segment II - Provision of precision sheet metal fabrication and value-added assembly services, and the provision of precision machined components.

The reportable segments of the Group's revenue are disaggregated by industries as follows:

- (a) Semiconductor industry;
- (b) Life science and medical technology industry;
- (c) Heavy duty industry; and
- (d) Others industry.

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 the notes to the financial statements.

The Group has change the composition of its reportable segments during the financial year. Consequently, the comparatives have been restated to conform with current year's presentation.

Inter-segment revenue other than investment holding segment is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the financial years.

Segment assets exclude cash and bank balances and tax assets. Segment liabilities exclude tax liabilities. Even though borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirements).

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	Segment			— Segment II —					
	Investment holding RM	Semi- conductor RM	Life science and medical technology RM	Heavy duty RM	Others RM	Total RM	Aggregate Total RM	Eliminations RM	Consolidated RM
2021									
Revenue from external customers	0	186,737,874	74,558,931	10,957,804	12,769,546	285,024,155	285,024,155	0	285,024,155
Inter-segment revenue	19,353,600	58,868,050	0	0	0	58,868,050	78,221,650	(78,221,650)	0
Total revenue	19,353,600	245,605,924	74,558,931	10,957,804	12,769,546	343,892,205	363,245,805	(78,221,650)	285,024,155
Interest income	331,802					427.546	759.348	C	759.348
Finance costs	0					(304,739)	(304,739)	24,538	(280,201)
Net finance income	331,802					122,807	454,609	24,538	479,147
Segment profit before tax	18,953,450					115,137,377	134,090,827	(19,390,620) 114,700,207	114,700,207
Share of profit of an associate	88,486					0	88,486	0	88,486
Tax expense									(23,255,702)
Other material non-cash items:									
- Amortisation of government grants	0					1,178,170	1,178,170	0	1,178,170
- Depreciation of investment property	0					(120,643)	(120,643)	120,643	0
- Depreciation of property, plant and equipment	0					(11,883,463)	(11,883,463)	(85,456)	(11,968,919)
- Depreciation of right-of-use assets	0					(1,248,328)	(1,248,328)	508,612	(739,716)
- Impairment losses in trade and other receivable	0					(511,150)	(511,150)	(15,240)	(526,390)
- Share grant expenses	0					896,594	896,594	0	896,594

**OPERATING SEGMENTS** (cont'd)

31	JULY	2021

	Segment I			– Segment II —						
	Investment holding RM	Semi- conductor RM	Life science and medical technology RM	Heavy duty RM	Others	Total RM	Aggregate Total RM	Eliminations Consolidated RM RM	Consolidated RM	
<b>2021</b> (cont'd)										
Investment in an associate	88,489					0	88,489	0	88,489	
Additions to non-current assets other than financial instruments	120,002					28,570,745	28,690,747	(119,999)	28,570,748	
<b>Assets</b> Segment assets	78,953,089					289,169,913	368,123,002	(81,555,248)	286,567,754	
Current tax assets Cash and bank balances									1,159,360 71,698,513 359,425,627	
<b>Liabilities</b> Segment liabilities	63,600					60,411,827	60,475,427	(19,585,887)	40,889,540	
Deferred tax liabilities Current tax liabilities									7,516,000 6,237,727	
									54,643,267	

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	Segment			– Segment II –					
	Investment holding RM	Semi- conductor RM	Life science and medical technology RM	Heavy duty RM	Others RM	Total RM	Aggregate Total RM	Eliminations RM	Consolidated RM
2020 (restated)*									
Revenue from external customers	0	159,072,119	39,455,591	9,921,896	10,600,550	219,050,156	219,050,156	0	219,050,156
Inter-segment revenue	27,777,920	60,744,667	0	0	0	60,744,667	88,522,587	(88,522,587)	0
Total revenue	27,777,920	219,816,786	39,455,591	9,921,896	10,600,550	279,794,823	307,572,743	(88,522,587)	219,050,156
Interest income	525,589					654,947	1,180,536	0	1,180,536
Finance costs	0					(577,282)	(577,282)	49,054	(528,228)
Net finance income	525,589					77,665	603,254	49,054	652,308
Segment profit before tax	27,256,983					72,681,443	99,938,426	(27,309,367)	72,629,059
Tax expense									(14,864,870)
Other material non-cash items:									
- Amortisation of government grants	s 0					1,178,170	1,178,170	0	1,178,170
<ul> <li>Depreciation of investment property</li> </ul>	0					(109,270)	(109,270)	109,270	0
<ul> <li>Depreciation of property, plant and equipment</li> </ul>	0					(9,434,849)	(9,434,849)	(85,457)	(9,520,306)
- Depreciation of right-of-use assets	0					(1,456,213)	(1,456,213)	508,612	(947,601)
- Impairment losses in trade and other receivable	0					(105,077)	(105,077)	0	(105,077)
- Reversal of impairment losses in trade and other receivable	0					173,391	173,391	(62,882)	110,509

**OPERATING SEGMENTS** (cont'd)

4.

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# **OPERATING SEGMENTS** (cont'd)

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	Segment I			- Segment II		Ī			
	Investment holding RM	Semi- conductor RM	Life science and medical technology RM	Heavy duty RM	Others RM	Total RM	Aggregate Total RM	Eliminations Consolidated RM RM	Consolidated RM
<b>2020 (restated)*</b> (cont'd)									
Additions to non-current assets other than financial instruments	2					24,548,034	24,548,036	(2)	24,548,034
Assets									
Segment assets	71,642,882					225,832,604	297,475,486	(74,881,716)	222,593,770
Current tax assets									141,450
Cash and bank balances									57,811,530
									20,010
Liabilities									
Segment liabilities	70,795					61,351,479		61,422,274 (13,054,628)	48,367,646
Deferred tax liabilities									5,267,300
Current tax liabilities									3,635,029
									57,269,975

The Group has re-aligned its internal composition of its operating segments into provision of precision sheet metal fabrication and value-added assembly services, and the provision of precision machined components, which resulted in change in reportable segments. Accordingly, the Group has restated the previously reported segment information for the year ended 31 July 2020.

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#### 4. **OPERATING SEGMENTS** (cont'd)

#### (a) Geographical information

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

	G	iroup
	2021	2020
	RM	RM
Revenue from external customers		
Malaysia	157,300,658	137,624,006
United States	62,617,351	5,081,383
Singapore	48,344,135	66,175,825
China	6,707,796	4,870,025
France	3,410,003	2,450,077
Netherlands	2,109,978	1,856,665
Others	4,534,234	992,175
	285,024,155	219,050,156

#### (b) Major customers

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

		Group
	2021	2020
	RM	RM
Customer A	54,372,187	83,651,038
Customer B	52,019,725	23,299,093
Customer C	35,912,943	29,762,730
Customer D	35,692,357	*
Customer E	29,518,205	*
	207,515,417	136,712,861

<sup>\*</sup> less than 10%

		Plant, machinery	-	office equipment and		Fire and	:	Security			Capital	
	Buildings	and Produ Buildings equipment equip	and Production nent equipment	computer	Motor vehicles	electrical installation	AIF conditioning	systems	Renovation	solar	work-in- progress	Total
Group	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
31 July 2021												
A+ 50st												
Balance as at 1 August 2020	26,307,522	95,143,339	2,574,032	6,067,250	1,568,608	106,496	198,379	238,937	263,386	2,782,956	7,484,144	142,735,049
Additions	60,418		1,448,058	1,285,010	413,957	102,540	320,119	33,240	1,493,115	0	3,125,143	28,570,745
Disposals	0	(1,976,600)	0	(59,133)	(38,741)	0	0	0	0	0	0	(2,074,474)
Written off	0	0	(6,400)	(90,126)	0	0	0	0	0	0	0	(96,526)
Reclassifications	4,829,531	1,817,623	0	0	0	0	0	0	0	0	(6,647,154)	0
Balance as at 31 July 2021	31,197,471	115,273,507	4,015,690	7,203,001	1,943,824	209,036	518,498	272,177	1,756,501	2,782,956	3,962,133	169,134,794
Accumulated depreciation												
Balance as at 1 August 2020	913,379	42,865,729	1,137,174	3,402,979	1,016,145	19,547	45,432	50,304	78,968	162,339	0	49,691,996
Current charge	492,791	9,453,478	335,931	880,019	271,037	13,655	35,581	25,796	182,336	278,295	0	11,968,919
Disposals	0	(1,687,823)	0	(36,384)	(38,738)	0	0	0	0	0	0	(1,762,945)
Written off	0	0	(3,707)	(84,944)	0	0	0	0	0	0	0	(88,651)
Balance as at 31 July 2021	1,406,170	50,631,384	1,469,398	4,161,670	1,248,444	33,202	81,013	76,100	261,304	440,634	0	59,809,319
Carrying amount												
Balance as at 31 July 2021	29,791,301	64,642,123	2,546,292	3,041,331	695,380	175,834	437,485	196,077	1,495,197	2,342,322	3,962,133	3,962,133 109,325,475

PROPERTY, PLANT AND EQUIPMENT

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142,735,049 (163,567)19,410,818 (6,394,248)Total 4,787,646 108,499,341 21,475,091 (6,486,634)(130,571)49,691,996 Σ 42,249,944 9,520,306 4,446,565 93,043,053 (21,359)7,484,144 7,484,144 0 2,834,857 0 0 Capital work-inprogress (117,000)panel 0 0 0 0 0 2,782,956 0 2,782,956 0 162,339 0 184,418 2,620,617 162,339 115,811 263,386 0 0 0 0 0 22,771 systems Renovation 147,575 78,968 56,197 18,625 0 0 27,342 22,962 0 Security control  $\mathbb{Z}$ 220,312 238,937 50,304 188,633 25,845 4,360 19,587 0 Αij conditioning Σ 194,019 198,379 45,432 152,947 installation 0 0 0 electrical Fire and 54,592 8,156 51,904 106,496 11,391 19,547 86,949 vehicles (122,167)(25,222)935,609 (109,526)(25,221)0 Motor 215,283 5,723,909 1,400,388 315,609 0 1,016,145 1,568,608 552,463 (405,700)(395,521) 749,041 0 3,402,979 office computer 0 6,067,250 2,983,631 fittings, equipment system 814,869 2,664,271 Furniture, 895,945 2,174,205 0 0 0 0 0 1,137,174 and Production equipment 399,827 2,574,032 241,229 1,436,858 equipment (41,400)(21,045)Plant, 117,000 (5,973,506)26,307,522 67,491,861 14,199,413 (6,034,353)19,410,818 95,143,339 474,920 36,872,490 42,865,729 52,277,610 machinery 7,541,225 4,446,565 Buildings 0 0 25,394,143 26,307,522 913,379 438,459 Balance as at 1 August 2019 Accumulated depreciation Balance as at 1 August 2019 Balance as at 31 July 2020 Balance as at 31 July 2020 Transfer from right-of-use **Transfer from right-of-use** Balance as at 31 July 2020 Carrying amount assets (Note 6) Reclassifications assets (Note 6) Current charge 31 July 2020 Written off Written off Additions Disposals Disposals At cost Group

PROPERTY, PLANT AND EQUIPMENT (cont'd)

#### 5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

Buildings	2%
Plant, machinery and equipment	10%
Production equipment	10%
Furniture, fittings, office equipment and computer system	10% to 20%
Motor vehicles	20%
Fire and electrical installation	10%
Air conditioning	10%
Security control systems	10%
Renovation	10% to 20%
Solar panel	10%

Capital work-in-progress represents machinery under installation and factory building under construction. Capital work-in-progress is not depreciated until such time when the asset is available for use.

(c) As at the end of the reporting period, buildings are pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 16(d) to the financial statements.

#### 6. LEASES

The Group as lessee

Right-of-use assets				
	Leasehold land	Factory	Hostels	Total
Group	RM	RM	RM	RM
31 July 2021				
At cost				
Balance as at 1 August 2020	15,095,761	2,884,407	256,781	18,236,949
Lease modification	0	1,306,401	(96,568)	1,209,833
Balance as at 31 July 2021	15,095,761	4,190,808	160,213	19,446,782
Accumulated depreciation				
Balance as at 1 August 2020	1,103,834	264,404	104,227	1,472,465
Current charge	251,597	399,361	88,758	739,716
Lease modification	0	0	(71,085)	(71,085)
Balance as at 31 July 2021	1,355,431	663,765	121,900	2,141,096
Carrying amount				
Balance as at 31 July 2021	13,740,330	3,527,043	38,313	17,305,686

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#### 6. LEASES (cont'd)

The Group as lessee (cont'd)

Right-of-use assets (cont'd)				Plant, machinery	
	Leasehold land	Factory	Hostels	and equipment	Total
Group	RM	RM	RM	RM	RM
31 July 2020					
At cost					
Balance as at 1 August 2019	15,095,761	0	68,245	19,410,818	34,574,824
Additions	0	2,884,407	188,536	0	3,072,943
Transfer to property, plant and equipment (Note 5) *	0	0	0	(19,410,818)	(19,410,818)
Balance as at 31 July 2020	15,095,761	2,884,407	256,781	0	18,236,949
Accumulated depreciation					
Balance as at 1 August 2019	852,238	0	0	4,119,191	4,971,429
Current charge	251,596	264,404	104,227	327,374	947,601
Transfer to property, plant and equipment (Note 5) *	0	0	0	(4,446,565)	(4,446,565)
Balance as at 31 July 2020	1,103,834	264,404	104,227	0	1,472,465
Carrying amount					
Balance as at 31 July 2020	13,991,927	2,620,003	152,554	0	16,764,484

<sup>\*</sup> 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.

Lease liabilities	<b>-</b>	u	Plant, machinery and	<b>-</b>
Cuerra	Factory	Hostels RM	equipment	Total
Group	RM	KM	RM	RM
31 July 2021				
Balance as at 1 August 2020	2,672,250	155,660	0	2,827,910
Lease modification	1,306,401	(26,278)	0	1,280,123
Lease payments	(495,000)	(93,400)	0	(588,400)
Interest expense (Note 23)	161,730	4,066	0	165,796
Balance as at 31 July 2021	3,645,381	40,048	0	3,685,429
31 July 2020				
Balance as at 1 August 2019	0	68,245	10,857,697	10,925,942
Additions	2,884,407	188,536	0	3,072,943
Lease payments	(330,000)	(109,400)	(10,957,847)	(11,397,247)
Interest expense (Note 23)	117,843	8,279	100,150	226,272
Balance as at 31 July 2020	2,672,250	155,660	0	2,827,910

#### 6. LEASES (cont'd)

The Group as lessee (cont'd)

		Group
	2021	2020
	RM	RM
Represented by:		
Current liabilities	397,362	351,025
Non-current liabilities	3,288,067	2,476,885
	3,685,429	2,827,910
Lease liabilities owing to non-financial institutions	3,685,429	2,827,910

(a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

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

Leasehold land	60 years
Factory	10 years
Hostels	2 - 5 years
Plant, machinery and equipment	10 years

- (c) Leasehold land are pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 16(d) to the financial statements.
- (d) The Group has certain leases of hostels with lease term of twelve (12) months or less, and low-value leases of machineries and equipment of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.
- (e) The following are the amounts recognised in profit or loss:

Group	
2021	2020
RM	RM
720 716	047.601
139,116	947,601
165,796	226,272
0	19,000
26,989	37,508
357,886	12,600
(795)	0
1,289,592	1,242,981
	2021 RM 739,716 165,796 0 26,989 357,886 (795)

(f) The Group has a lease contract for hostel and bus services that contains variable payments based on the number of employees using the services. Variable lease payments are recognised in profit or loss when the condition that triggers those payments occur.

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#### 6. LEASES (cont'd)

#### The Group as lessee (cont'd)

(g) The Group leases several lease contracts that include extension options. These are used to maximise operational flexibility in terms of managing the assets used in the operations of the Group. The following are the undiscounted potential future rental payments that are not included in the lease term:

	Group	
	2021	2020
	RM	RM
Extension options expected not to be exercised		
- within five (5) years	57,600	117,600

(h) Information on financial risks of lease liabilities is disclosed in Note 31 to the financial statements.

#### 7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021	2020
	RM	RM
Unquoted shares, at cost	59,480,000	59,360,002
Equity contributions in subsidiaries in respect of share grant scheme	896,594	0
	60,376,594	59,360,002

(a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

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(b) Details of the subsidiaries are as follows:

	Country of incorporation/	•				
Name of company	Principal place of business	<b>2021</b> %	<b>2020</b> %	Principal activities		
UWC Holdings Sdn. Bhd.	Malaysia	100	100	Provision of precision sheet metal fabrication and value-added assembly services		
UWC Industrial Sdn. Bhd.	Malaysia	100	100	Provision of precision sheet metal fabrication and value-added assembly services, contract manufacturing of automated test equipment		
UPLUS Solutions Sdn. Bhd.	Malaysia	60	100	To provide engineering, designing, manufacturing and assembling for automation solutions		
WEPLUS Greentech Sdn. Bhd.	Malaysia	*	100	To provide designing, manufacturing and engineering of related components for green technology		
Subsidiary of UWC Holdings Sdn. Bhd.						
UWC Automation Sdn. Bhd.	Malaysia	100	100	Provision of precision machined components		

<sup>\*</sup> Following the issuance of 9 new ordinary shares by WEPLUS Greentech Sdn. Bhd. ('WEPLUS') with the Company subscribing 2 ordinary shares, the equity interest of the Company in WEPLUS diluted from 100% to 30%.

All subsidiaries above are audited by BDO PLT, Malaysia.

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**UPLUS** 

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D) 31 JULY 2021

#### 7. INVESTMENTS IN SUBSIDIARIES (cont'd)

- (c) On 1 June 2020, the Company incorporated UPLUS Solutions Sdn. Bhd. ('UPLUS') for a cash consideration of RM1 comprising of 1 ordinary share. Subsequently on 2 November 2020, equity interest in UPLUS was reduced from 100% to 60% persuant to issuance of additional 199,999 new ordinary shares of RM1 each which the Company subscribing 119,999 ordinary shares for total consideration of RM119,999.
- (d) On 29 June 2020, the Company incorporated WEPLUS for a cash consideration of RM1 comprising of 1 ordinary share.
- (e) The subsidiary of the Group that has non-controlling interest ('NCI') is as follows:

31 July 2021	Solutions Sdn. Bhd.
NCI percentage of ownership interest and voting interest	40%
Carrying amount of NCI (RM)	76,599
Loss allocated to NCI (RM)	(3,401)

(f) The summarised financial information before intra-group elimination of the subsidiary that has NCI as at the end of reporting period is as follows:

	Solutions
	Sdn. Bhd.
31 July 2021	RM

#### **Asset and liabilities**

Current assets	193,695
Current liability	(2,198)
Net assets	191,497

#### Results

Revenue	0
Loss for the financial period	(8,503)
Total comprehensive loss	(8,503)
Cash flows used in non-operating activities	(7,305)
Cash flow from financing activity	199,999
Net increase in cash and cash equivalents	192,694

#### 8. INVESTMENT IN AN ASSOCIATE [2021 ONLY]

	Group 2021 RM	Company 2021 RM
Unquoted shares, at cost	3	3
Share of post acquisition reserves	88,486	0
	88,489	3

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#### 8. INVESTMENT IN AN ASSOCIATE [2021 ONLY] (cont'd)

- (a) Investment in an associate is stated at cost less impairment losses, if any, in the separate financial statements of the Company and accounted for using the equity method of accounting in the consolidated financial statements.
- (b) The details of the associate are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective ownership interest 2021 %	Principal activities
WEPLUS Greentech Sdn. Bhd.	Malaysia	30	To provide designing, manufacturing and engineering of related components for green technology

The associate above is audited by BDO PLT, Malaysia.

- (c) On 29 June 2020, the Company incorporated WEPLUS for a cash consideration of RM1 comprising of 1 ordinary share. Subsequently on 1 September 2020, WEPLUS Greentech Sdn. Bhd. ('WEPLUS') issued an additional 9 ordinary shares with the Company subscribing for 2 ordinary shares. Pursuant to that, the Company holds 3 ordinary shares representing 30% equity interest in WEPLUS.
- (d) The summarised financial information of the associate is as follows:

	2021 RM
Assets and liabilities	
Current assets	1,080,315
Current liabilities	(785,352)
Net assets	294,963
Results	
Revenue	1,650,054
Profit for the financial year	294,953
Total comprehensive income	294,953
Cash flows from operating activities	209,377
Cash flows from investing activity	26
Cash flows from financing activity	9
Net increase in cash and cash equivalents	209,412
Share of result for the financial year	
Share of profit for the financial year	88,486
Share of other comprehensive income for the financial year	0
Share of total comprehensive income for the financial year	88,486

#### 9. INVENTORIES

		Group	
	2021		
	RM	RM	
At cost			
Raw materials	21,908,155	20,828,998	
Work-in-progress	19,116,048	8,880,849	
Finished goods	12,386,741	13,789,992	
	53,410,944	43,499,839	

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out formula. The cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

#### 10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Trade receivables				
Third parties	81,347,939	65,325,288	0	0
Dividend receivable from subsidiaries	0	0	19,353,600	12,282,880
	81,347,939	65,325,288	19,353,600	12,282,880
Less: Impairment losses	(644,139)	(117,784)	0	0
	80,703,800	65,207,504	19,353,600	12,282,880
Other receivables				
Third parties	4,652,403	2,360,887	30,000	0
Amounts owing by subsidiaries	0	0	45,453,277	19,785,747
	4,652,403	2,360,887	45,483,277	19,785,747
Less: Impairment losses	(181)	(146)	0	0
	4,652,222	2,360,741	45,483,277	19,785,747
Deposits and prepayments				
Deposits	342,100	254,330	0	0
Prepayments	987,372	998,899	0	0
	1,329,472	1,253,229	0	0
	86,685,494	68,821,474	64,836,877	32,068,627
		00,021,714	07,030,011	32,000,021

<sup>(</sup>a) Total trade and other receivables (excluding prepayments) are classified as financial assets measured at amortised cost.

<sup>(</sup>b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 90 days (2020: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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#### 10. TRADE AND OTHER RECEIVABLES (cont'd)

- (c) Amounts owing by subsidiaries are unsecured, interest-free and repayable within the next twelve (12) months.
- (d) The currency exposure profile of trade and other receivables, net of deposits and prepayments are as follows:

	Group		Con	npany
	2021 2020		2021	2020
	RM	RM	RM	RM
Ringgit Malaysia	23,477,039	36,495,884	64,836,877	32,068,627
United States Dollar	60,883,860	29,697,599	0	0
Euro	957,272	1,356,077	0	0
Others	37,851	18,685	0	0
	85,356,022	67,568,245	64,836,877	32,068,627

(e) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses ('ECL').

The Group uses an allowance matrix to measure the ECL of trade receivables from monthly aging based on common credit risk characteristic - industry.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information (Consumer Price Index and Producer Price Index) and multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

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

Impairment for other receivables and intercompany balances are recognised based on the 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. The Group and the Company defined significant increase in credit risk when there are changes in contractual terms and delay in payment. The Group and the Company considered the qualitative and quantitative information that are reasonable, including historical experience and observable forward-looking information without undue cost or efforts. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month 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. For those that are determined to be credit impaired, lifetime ECL along with interest income on a net basis are recognised.

Credit impaired refers to individually determined debtors who have defaulted on payments and are in significant financial difficulties as at the end of the reporting period.

The Group considers trade and other receivables to be in default when the receivables are past due more than twelve (12) months.

#### 10. TRADE AND OTHER RECEIVABLES (cont'd)

(f) Lifetime expected loss provision for trade receivables are as follows:

	Not	←Tr	ade receivables	s - days past due	<b></b>	
Group	past due	1 - 30	31 - 60	61 - 90	> 90	Total
31 July 2021						
ECL rate (%)	0.09	0.36	1.25	3.43	17.93	
Trade receivables, gross (RM)	58,767,902	9,837,138	8,890,339	1,699,607	2,152,953	81,347,939
Impairment losses (RM)	(52,995) 58,714,907	(35,882)	(110,812)	(58,348) 1,641,259	(386,102)	(644,139) 80,703,800
31 July 2020						
ECL rate (%)	0.02	0.42	0.94	1.32	3.72	
Trade receivables, gross (RM)	47,649,927	13,621,428	2,463,080	1,289,171	301,682	65,325,288
Impairment losses (RM)	(9,243)	(57,229)	(23,061)	(17,021)	(11,230)	(117,784)
	47,640,684	13,564,199	2,440,019	1,272,150	290,452	65,207,504

(g) The reconciliation of movement in the impairment losses of trade receivables is as follows:

	Group Lifetime ECL - not credit impaired	
	2021	2020
	RM	RM
Balance as at 1 August 2020/2019	117,784	123,137
Reversal of impairment losses	0	(110,341)
Impairment losses during the year	526,355	104,988
Balance as at 31 July 2021/2020	644,139	117,784

The Group did not renegotiate the terms of any trade receivables for the financial year ended 31 July 2021 and 31 July 2020.

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#### 10. TRADE AND OTHER RECEIVABLES (cont'd)

(h) The reconciliation of movement in the impairment losses of other receivables is as follows:

		Group
	Lifetime ECL - not credit impaired	
	2021	2020
	RM	RM
Balance as at 1 August 2020/2019	146	225
Reversal of impairment losses	0	(168)
Impairment losses during the year	35	89
Balance as at 31 July 2021/2020	181	146

- (i) No expected credit loss is recognised arising from amounts owing by subsidiaries as it is negligible.
- (j) Information on financial risks of trade and other receivables is disclosed in Note 31 to the financial statements.

#### 11. CONTRACT ASSETS

(a) Contract assets represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer.

There were no significant changes in the contract assets during the financial year.

(b) No expected credit loss is recognised arising from contract assets as it is negligible.

#### 12. OTHER INVESTMENTS

		Group
	2021	2020
	RM	RM
Financial assets at fair value through profit or loss		
In Malaysia		
Marketable securities - unit trust	19,697,409	0

- (a) Other investments classified as financial assets at fair value through profit or loss are measured at fair value.
- (b) Other investments are denominated in Ringgit Malaysia.
- (c) During the financial year, the Group have recognised a change in fair value amounting to increase of RM197,409 with regards to the marketable securities.
- (d) These investments are grouped under Level 1 of the fair value hierarchy based on the degree to which the fair value is observable.
- (e) Level 1 fair value measurement are those derived from quoted prices (unadjusted) in active market for identical assets and liabilities.
- (f) There is no transfer between levels in the hierarchy during the financial year.

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#### 13. CASH AND BANK BALANCES

	Group		Co	ompany
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash and bank balances	71,698,513	57,811,530	11,653,208	36,718,292

The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2021 2020		2021	2020
	RM	RM	RM	RM
Ringgit Malaysia	27,863,560	47,966,738	11,653,208	36,718,292
United States Dollar	42,955,846	9,284,969	0	0
Euro	840,786	515,864	0	0
Others	38,321	43,959	0	0
	71,698,513	57,811,530	11,653,208	36,718,292

- (b) No expected credit loss is recognised arising from cash and bank balances as it is negligible.
- Information on financial risks of cash and bank balances is disclosed in Note 31 to the financial statements.

#### 14. SHARE CAPITAL

	Group and Company				
		2021	2020		
	Number of shares	RM	Number of shares	RM	
Issued and fully paid					
Balance as at 1 August 2020/2019	550,200,003	115,467,268	366,800,002	115,467,268	
Bonus issue	550,200,003	0	183,400,001	0	
Share grant scheme	232,600	896,594	0	0	
Balance as at 31 July 2021/2020	1,100,632,606	116,363,862	550,200,003	115,467,268	

- During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from (a) 550,200,003 ordinary shares to 1,100,632,606 ordinary shares by way of issuance of 550,432,603 new ordinary shares pursuant to the following:
  - 550,200,003 new ordinary shares, credited as fully paid-up on the basis of one (1) bonus share for every one (1) existing ordinary shares held. The bonus shares were issued at nil consideration and without capitalisation of the Company's reserves; and
  - 232,600 new ordinary shares pursuant to the SGS as disclosed in Note 25 to the financial statements.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

In the previous financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 366,800,002 ordinary shares to 550,200,003 ordinary shares by way of bonus issue of 183,400,001 new ordinary shares, credited as fully paid-up on the basis of one (1) bonus share for every two (2) existing ordinary shares held. The bonus shares were issued at nil consideration and without capitalisation of the Company's reserves.

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#### 14. SHARE CAPITAL (cont'd)

(c) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

#### 15. RESERVES

	Group		С	ompany
	2021	2020	2021	2020
	RM	RM	RM	RM
Non-distributable:				
Reorganisation debit reserve	(56,225,600)	(56,225,600)	0	0
Distributable:				
Retained earnings	244,567,499	164,035,107	20,453,918	12,572,858
	188,341,899	107,809,507	20,453,918	12,572,858

#### Reorganisation debit reserve

The reorganisation debit reserve arose as a result of the difference between consideration paid over the share capital and reserves of UWC Industrial Sdn. Bhd. and UWC Holdings Sdn. Bhd. and its subsidiary, UWC Automation Sdn. Bhd. pursuant to business combinations under common control.

#### 16. BORROWINGS

		Group
	2021	2020
	RM	RM
Non-current liabilities		
Term loans	1,133,278	2,630,314
Current liabilities		
Term loans	1,497,034	2,054,187
Total borrowings		
Term loans	2,630,312	4,684,501
The term loans are repayable as follows:		
Current liabilities:		
- not later than one (1) year	1,497,034	2,054,187
A le deline		
Non-current liabilities:		
- later than one (1) year and not later than five (5) years	1,133,278	2,630,314
	2,630,312	4,684,501

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#### **16. BORROWINGS** (cont'd)

- Borrowings are classified as financial liabilities measured at amortised cost. (a)
- Borrowings are denominated in Ringgit Malaysia. (b)
- The interest rates of the borrowings of the Group are as follows: (c)

		Group
	2021	2020
	%	%
Term loans	3.27 - 3.33	3.27 - 3.64

- (d) The term loans of the Group are secured by:
  - (i) legal charge over leasehold land and buildings as disclosed in Note 5(c) and Note 6(c) to the financial statements;
  - (ii) joint and several guarantee by certain Directors of the Company; and
  - (iii) corporate guarantee by a subsidiary amounting to RM2,492,812 (2020: RM3,808,668).
- (e) Information on financial risks of borrowings is disclosed in Note 31 to the financial statements.

#### 17. GOVERNMENT GRANTS

	Group	
	2021	
	RM	RM
Balance as at 1 August 2020/2019	4,740,511	5,918,681
Amortised during the financial year	(1,178,170)	(1,178,170)
Balance as at 31 July 2021/2020	3,562,341	4,740,511
Represented by:		
Current liabilities	1,178,170	1,178,170
Non-current liabilities	2,384,171	3,562,341
	3,562,341	4,740,511

- Government grants related to costs are recognised as income in profit or loss in the period in which the grants had (a) been received to match them with the costs which they are intended to compensate.
- Where the grants related to an asset, they are recognised as income and transferred to profit or loss on a systematic basis over the useful lives of the related asset.
- The Group obtained government grant from the Northern Corridor Implementation Authority Malaysia ('NCIA') and Malaysian Investment Development Authority ('MIDA').

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#### 18. DEFERRED TAX LIABILITIES

	Group	
	2021	2020
	RM	RM
Balance as at 1 August 2020/2019	5,267,300	4,066,700
Recognised in profit or loss (Note 24)	2,248,700	1,200,600
Balance as at 31 July 2021/2020	7,516,000	5,267,300
Net deferred tax liabilities  Deferred tax assets (before offsetting)  Offsetting  Deferred tax assets (after offsetting)	(286,900) 286,900	(831,600) 831,600
Deferred tax liabilities (before offsetting) Offsetting Deferred tax liabilities (after offsetting)	7,802,900 (286,900) 7,516,000	6,098,900 (831,600) 5,267,300
	7,516,000	5,267,300

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

#### Deferred tax liabilities/(assets)

	Property, plant and equipment	Accrued expenses	Others	Total
Group	RM	RM	RM	RM
Balance as at 1 August 2020	5,987,300	(831,600)	111,600	5,267,300
Recognised in profit or loss	1,815,600	606,000	(172,900)	2,248,700
Balance as at 31 July 2021	7,802,900	(225,600)	(61,300)	7,516,000
Balance as at 1 August 2019	4,052,600	0	14,100	4,066,700
Recognised in profit or loss	1,934,700	(831,600)	97,500	1,200,600
Balance as at 31 July 2020	5,987,300	(831,600)	111,600	5,267,300

#### 19. TRADE AND OTHER PAYABLES

	Group		C	Company	
	2021	2020	2021	2020	
	RM	RM	RM	RM	
Trade payables					
Third parties	25,106,899	28,459,302	0	0	
Amount owing to a related party	0	263,753	0	0	
	25,106,899	28,723,055	0	0	
Other payables					
Third parties	1,215,316	1,277,054	17,402	14,795	
Amounts owing to related parties	27,885	30,283	0	0	
Accrued expenses	4,660,928	6,083,902	45,000	56,000	
Deposits received	430	430	0	0	
	5,904,559	7,391,669	62,402	70,795	
	31,011,458	36,114,724	62,402	70,795	

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 60 days (2020: 30 to 60 days).
- Non-trade portion of amounts owing to related parties are unsecured, interest-free and payable within the next twelve (c) (12) months.
- The related parties are companies incorporated in Malaysia in which certain Directors have significant and controlling financial interests.
- The currency exposure profile of trade and other payables are as follows: (e)

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Ringgit Malaysia	29,560,231	34,173,585	62,402	70,795
United States Dollar	1,188,957	786,265	0	0
Singapore Dollar	232,701	876,240	0	0
Euro	27,145	259,121		0
Others	2,424	19,513	0	0
	31,011,458	36,114,724	62,402	70,795

Information on financial risks of trade and other payables is disclosed in Note 31 to the financial statements. (f)

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#### 20. CAPITAL COMMITMENTS

	Group	
	2021	2020
	RM	RM
Capital expenditure in respect of purchase of property, plant and equipment:		
- Approved but not contracted for	0	15,674,000
- Contracted but not provided for	4,691,777	1,346,571
	4,691,777	17,020,571

#### 21. REVENUE

	Group		Co	mpany
	2021	2020	2021	2020
	RM	RM	RM	RM
Revenue from contracts with customers:				
- Sales of goods	284,969,898	218,585,236	0	0
- Contract revenue	54,257	464,920	0	0
	285,024,155	219,050,156	0	0
Other revenue:				
- Dividend income	0	0	19,353,600	27,777,920
	285,024,155	219,050,156	19,353,600	27,777,920
			O	Group
			2021	2020
			RM	RM
Timing of revenue recognition:				
- Transferred over time			54,257	464,920
- Transferred at a point in time			284,969,898	218,585,236
		_	285,024,155	219,050,156

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 4 to the financial statements.

#### (a) Sale of goods

Revenue from sale of products and services rendered is recognised at a point in time when the products have been transferred or the services have been rendered to the customer and coincides with the delivery of products and services and acceptance by customers.

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

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

#### 21. REVENUE (cont'd)

#### (b) Contract revenue

The contract revenue is recognised over time using output method. The output method recognises revenue when the Group satisfies a performance obligation by transferring a promised good to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

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

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

#### (c) Dividend income

Dividend income is recognised when the right to receive payment is established.

#### 22. EMPLOYEE BENEFITS

	Group		Comp	pany
	2021 2020		2021	2020
	RM	RM	RM	RM
Salaries and allowances	33,757,644	24,709,317	0	0
Directors' remuneration:				
- fees	144,000	144,000	144,000	144,000
- emoluments other than fees	2,336,541	3,849,578	8,000	6,000
Contributions to defined contribution				
plan	2,500,650	1,787,549	0	0
Share grant scheme	896,594	0	0	0
Other benefits	1,422,890	3,216,921	0	0
	41,058,319	33,707,365	152,000	150,000

Included in Directors' remuneration of the Group are contributions to a defined contribution plan amounting to RM216,329 (2020: RM216,344).

#### 23. FINANCE COSTS

	Group		
	2021		
	RM	RM	
Tokanak an			
Interest on:			
- bankers' acceptances	0	57,711	
- lease liabilities (Note 6)	165,796	226,272	
- term loans	114,405	244,245	
	280,201	528,228	

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#### 24. TAX EXPENSE

	Group		C	Company
	2021	2020	2021	2020
	RM	RM	RM	RM
Current tax expense based on profit for the financial year	21,557,700	13,638,400	80,000	126,000
(Over)/Underprovision of tax expense in prior years	(550,698)	66,545	(3,107)	(7,763)
,	21,007,002	13,704,945	76,893	118,237
Deferred tax (Note 18):				
<ul> <li>relating to origination and reversal of temporary differences</li> </ul>	1,853,700	1,271,400	0	0
- under/(over)provision in prior years	395,000	(70,800)	0	0
	2,248,700	1,200,600	0	0
Real property gains tax	0	(40,675)	0	0
	23,255,702	14,864,870	76,893	118,237

<sup>(</sup>a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated taxable profits for the fiscal year.

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

		Group	Company		
	2021	2020	2021	2020	
	RM	RM	RM	RM	
Profit before tax	114,788,693	72,629,059	18,961,953	27,256,983	
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	27,549,300	17,431,000	4,550,900	6,541,700	
Tax effects in respect of:					
- non-allowable expenses	577,094	751,499	174,000	251,000	
- income not subject to tax	(673,994)	(545,999)	(4,644,900)	(6,666,700)	
- tax incentives and allowances	(4,041,000)	(2,726,700)	0	0	
Real property gains tax	0	(40,675)	0	0	
(Over)/Underprovision of tax expense in prior years	(550,698)	66,545	(3,107)	(7,763)	
Under/(Over)provision of deferred tax in prior years	395,000	(70,800)	0	0	
	23,255,702	14,864,870	76,893	118,237	

#### 25. SHARE GRANT SCHEME ('SGS')

The establishment of employees' Share Grant Scheme ('SGS') was approved by the shareholders at an Extraordinary General Meeting held on 10 January 2020. The SGS was implemented on 13 February 2020 and will continue to be in force for a period of ten (10) years from the date of implementation.

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#### 25. SHARE GRANT SCHEME ('SGS') (cont'd)

The salient features of the SGS are as follows:

- The Board of Directors shall appoint the SGS Committee to administer the SGS. The SGS Committee shall be vested with such powers and duties conferred upon it by the Board and the Board may determine all matters pertaining to the SGS Committee, including its duties, powers and limitations.
- Eligible Executive Directors and employees are those who are confirmed employees of the Company and its subsidiar-(ii) ies and has attained the age of eighteen (18) years.
- The maximum number of shares which may be made available under the Scheme shall not in aggregate exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the tenure of the SGS and out of which not more than seventy percent (70%) shall be allocated to the Executive Directors and senior management of the Group. In addition, not more than ten percent (10%) of the maximum shares available under the SGS shall be allocated to any individual Executive Director or employee who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the total number of issued shares of the Company.
- The Shares to be issued and/or transferred to the Grantees pursuant to the SGS will rank pari passu, in all respects with the existing shares, save and except that the shares will not be entitled to any dividends, rights, allotments and/ or other distributions which may be declared, made or paid, where the entitlement date is before the date of issuance and/or transfer of the abovementioned shares.

The following table illustrates the movement of shares under the SGS during the financial year:

#### **Group and Company** Number of ordinary shares granted under the SGS

	Balance as at		Bonus			Balance as at
31 July 2021	1.8.2020	Granted	issue	Vested	Forfeited	31.7.2021
2020 grant	927,400	0	927,400	(74,800)	(179,200)	1,600,800
2021 grant	0	154,800	154,800	(157,800)	(11,000)	140,800
	927,400	154,800	1,082,200	(232,600)	(190,200)	1,741,600

#### **Group and Company** Number of ordinary shares granted under the SGS

	Balance as at			Balance as at		
31 July 2020	1.8.2019	Granted	Vested	Forfeited	31.7.2020	
2020 grant	0	981,700	0	(54,300)	927,400	

- During the financial year, the Company granted 154,800 (2020: 981,700) shares under the SGS to eligible Executive Directors and employees of the Group. The outstanding SGS shares granted will vest at the respective vesting dates provided that the vesting conditions as stipulated in the SGS By-Laws are met.
- The share grants vested during the financial year resulted in the issuance of 232,600 (2020: Nil) new ordinary shares as disclosure in Note 14 to the financial statements. The weighted average share price at the date of vesting for the financial year was RM3.85 (2020: Nil).
- The outstanding share grants at the end of the financial year are to be vested on specific dates in the following periods:
  - (i) The 2020 grant is to be vested within 8 years.
  - The 2021 grant is to be vested within 2 years. (ii)

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#### 26. DIVIDENDS

	2	020
Amount of	Dividend	<b>Amount of</b>
dividend	per share	dividend
RM	RM	RM
Nil	0.03	11,004,000

Nil

Nil

Group and Company

In respect of financial year ended 31 July 2020:

Interim single-tier dividend

In respect of financial year ended

31 July 2019: Final single-tier dividend

On 7 September 2021, the Directors declared an interim single-tier dividend of RM0.0167 per ordinary share amounting to RM18,380,564 in respect of the financial year ended 31 July 2021, which was paid on 8 October 2021.

11,004,000

2021

Dividend

per share RM

Nil

0.02

The financial statements for the financial year ended 31 July 2021 do not reflect this dividend. This dividend will be accounted for as an appropriation of retained earnings in the financial year ending 31 July 2022.

#### 27. EARNINGS PER SHARE

Pursuant to the requirements of MFRS 133 *Earnings per Share*, the weighted average number of ordinary shares used in the calculation of basic and diluted earnings per ordinary share for the financial year ended 31 July 2020 have been retrospectively adjusted to reflect the bonus issue as disclosed in Note 14 to the financial statements.

#### (a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group		
	2021	2020	
Profit for the financial year attributable to owners of the parent (RM)	91,536,392	57,764,189	
Weighted average number of ordinary shares in issue	1,100,632,606	1,100,400,006	
Basic earnings per share (sen)	8.32	5.25*	

#### (b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

#### 27. EARNINGS PER SHARE (cont'd)

(b) Diluted (cont'd)

	Group		
	2021	2020	
Profit for the financial year attributable to owners of the parent (RM)	91,536,392	57,764,189	
Weighted average number of ordinary shares in issue	1,100,632,606	1,100,400,006	
Effect of dilution due to:			
- SGS	1,741,600	1,854,800	
Adjusted weighted average number of ordinary shares applicable to diluted			
earnings per share	1,102,374,206	1,102,254,806	
Diluted earnings per share (sen)	8.30	5.24*	

Comparative figures for weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share have been restated to reflect the increase number of shares arising from the bonus issue during the year. Excluding the bonus issue, the basic and diluted earnings per ordinary share for the financial year 2020 was 10.50 and 10.48 sen.

#### 28. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

Related parties of the Group include:

- (i) Immediate and ultimate holding company, UWC Capital Sdn. Bhd.;
- (ii) Direct and indirect subsidiaries as disclosed in Note 7 to the financial statements;
- (iii) Associate as disclosed in Note 8 to the financial statements;
- (iv) Companies in which certain Directors have substantial financial interest; and
- (v) 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.

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#### 28. RELATED PARTY DISCLOSURES (cont'd)

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group			Company
	2021	2021 2020		2020
	RM	RM	RM	RM
Immediate and ultimate holding:				
Dividend paid	5,783,670	5,783,720	5,783,670	5,783,720
Related parties:				
- Rental expense	560,600	402,600	0	0
- Subcontract charges charged	937,158	263,753	0	0
Subsidiaries:				
- Advances to	0	0	25,667,530	22,785,747
- Dividend income	0	0	19,353,600	27,777,920

Balances with related parties at the end of the financial year are disclosed in Note 10 and Note 19 to the financial statements.

The related party transactions described above were carried out on agreed contractual terms and conditions and in the ordinary course of business between the related parties of the Group and of the Company.

#### (c) Compensation of key management personnel

The remuneration of Directors and other key management personnel are as follows:

	G	iroup	Com	pany
	2021	2020	2021	2020
	RM	RM	RM	RM
Short term employee benefits	3,569,103	5,053,743	152,000	150,000
Contributions to defined				
contribution plan	321,941	313,208	0	0
Share grant scheme	144,422	0	0	0
	4,035,466	5,366,951	152,000	150,000

Included in the compensation of key management personnel are Directors' remuneration of the Group and of the Company as disclosed in Note 22 to the financial statements.

#### 29. CONTINGENT LIABILITIES

The Group provides corporate guarantees up to a total amount of RM2,492,812 (2020: RM3,808,668) to licensed banks for banking facilities granted to a subsidiary.

The corporate guarantees are given to the financial institutions as one of the securities in relation to banking facilities granted to the subsidiary.

The Group designates corporate guarantees given to banks for credit facilities granted to the subsidiary as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote. Accordingly, the Directors have estimated the financial impact of the guarantees as at 31 July 2021 to be insignificant.

#### 30. CAPITAL MANAGEMENT

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns 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 period.

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

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

			Group	C	Company
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Borrowings	16	2,630,312	4,684,501	0	0
Lease liabilities	6	3,685,429	2,827,910	0	0
Less: Cash and bank balances	13	(71,698,513)	(57,811,530)	(11,653,208)	(36,718,292)
Net cash	-	(65,382,772)	(50,299,119)	(11,653,208)	(36,718,292)
Total capital	-	304,782,360	223,276,775	136,817,780	128,040,126
Net debt-to-equity ratio	-	*	*	*	*

<sup>\*</sup> No net debt-to-equity ratio is presented as the Group and the Company are in net cash position.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than the twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 31 July 2021.

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#### 31. FINANCIAL RISK MANAGEMENT

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

#### (a) Credit risk

Cash deposits and 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 organisations that the Group has dealt with for numerous years, and with whom the Group maintains regular visits and communications. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables while the Company's primary exposure is through dividend receivable from subsidiaries and amounts owing by subsidiaries and an associate. The trading terms of the Group with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period ranges between 30 days to 90 days. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Major classes of financial assets of the Group comprise trade and other receivables and cash and bank balances.

Bank balances possessed by the Group are placed with reputable financial institutions with high credit ratings and no history of default.

#### Exposure to credit risk

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

#### Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of the reporting period are as follows:

	20	021	2020		2020		
Group	RM	% of total	RM	% of total			
By countries							
Malaysia	42,722,244	53%	48,790,988	75%			
United States	24,784,716	31%	7,497,342	11%			
Singapore	9,002,160	11%	5,665,311	9%			
Others	4,194,680	5%	3,253,863	5%			
	80,703,800	100%	65,207,504	100%			

At the end of each reporting period, approximately 60% (2020: 68%) of the trade receivables of the Group were due from three (3) (2020: three (3)) major customers.

#### 31. FINANCIAL RISK MANAGEMENT (cont'd)

#### (b) Liquidity and cash flow risk

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 maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	On demand or within one (1) year RM	One (1) to five (5) years RM	More than five (5) years RM	Total RM
2021				
Financial liabilities				
Trade and other payables	31,011,458	0	0	31,011,458
Borrowings	1,555,017	1,147,884	0	2,702,901
Lease liabilities	558,400	2,184,000	1,665,000	4,407,400
Financial guarantees	2,492,812		0	2,492,812
Total undiscounted financial liabilities	35,617,687	3,331,884	1,665,000	40,614,571
2020				
Financial liabilities				
Trade and other payables	36,114,724	0	0	36,114,724
Borrowings	2,181,346	2,702,903	0	4,884,249
Lease liabilities	473,400	1,489,000	1,470,000	3,432,400
Financial guarantees	3,808,668	0	0	3,808,668
Total undiscounted financial liabilities	42,578,138	4,191,903	1,470,000	48,240,041
			<u> </u>	· · ·
Company				On demand or within one (1) year RM
2021				
Financial liability				
Trade and other payables Total undiscounted financial liabil	ity		-	62,402 62,402
2020				
Financial liability				
Trade and other payables				70,795
Total undiscounted financial liabil	ity		-	70,795

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#### 31. FINANCIAL RISK MANAGEMENT (cont'd)

#### (c) 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 is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of entities within the Group. The currency giving rise to this risk is primarily in United States Dollar ('USD'), Euro ('EUR') and Singapore Dollar ('SGD').

The following table demonstrates the sensitivity analysis of the profit after tax of the Group to a reasonably possible changes in the USD, EUR and SGD exchange rates against the functional currency of the Group, with all other variables held constant:

		Effect on profi	t after tax
		2021	2020
Group		RM	RM
USD/RM	- strengthen by 15% (2020: 15%)	11,702,185	4,354,378
	- weaken by 15% (2020: 15%)	(11,702,185)	(4,354,378)
EUR/RM	- strengthen by 15% (2020: 15%)	201,884	183,862
	- weaken by 15% (2020: 15%)	(201,884)	(183,862)
SGD/RM	- strengthen by 15% (2020: 15%)	(22,252)	(97,266)
	- weaken by 15% (2020: 15%)	22,252	97,266

Sensitivity analysis of other foreign currencies are not disclosed as the fluctuation of those foreign exchange rate against the Group's functional currency are not significant.

#### (d) 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. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. Interest rates of bank borrowings are mainly subject to fluctuations in the banks' base lending rates.

#### Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by fifty (50) basis points with all other variables held constant:

	Gro	up
	2021	2020
	RM	RM
Profit after tax		
- Increase by 0.5% (2020: 0.5%)	(24,000)	(28,547)
- Decrease by 0.5% (2020: 0.5%)	24,000	28,547

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# FINANCIAL RISK MANAGEMENT (cont'd) 31.

Interest rate risk (cont'd) (p) The following table sets out the carrying amounts, the weighted average effective interest rates/incremental borrowing rates 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:

		Weighted average effective interest rate/ *incremental borrowing rate	Within one (1) year	One (1) to two (2) years	Two (2) to three (3) years	Three (3) to four (4)	Four (4) to five (5) years	Over five (5)	Total
Group	Note	(%)	RM	RM	RM	RM	R M	RM	RM
31 July 2021									
<b>Floating rates</b>									
Lease liabilities	9	* 4.65	397,362	409,594	429,095	437,216	458,031	1,554,131	3,685,429
Term loans	16	3.27	1,497,034	1,133,278	0	0	0	0	2,630,312
31 July 2020									
Floating rates									
Lease liabilities	9	* 4.65	351,025	288,401	277,335	278,231	291,477	1,341,441	2,827,910
Term loans	16	3.34	2,054,187	1,497,035	1,133,279	0	0	0	4,684,501

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#### 32. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The World Health Organisation declared the 2019 Novel Coronavirus infection ('COVID-19') a pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order ('MCO') on 18 March 2020 and has subsequently entered into various phases of the MCO.

The Group and the Company has been granted approval from Ministry of International Trade and Industry ('MITI') to continue its operations and with proper Standard Operating Procedures put in place. The Group and the Company has assessed and concluded that the Covid-19 outbreak did not have material adverse effect on the Group's and the Company's financial statements for the current financial year.

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

#### 33. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 8 November 2021, UWC Industrial Sdn.Bhd., a wholly owned subsidiary of the Company, has entered into a Sale and Purchase Agreement with Penang Development Corporation to acquire a piece of leasehold land with building located in Batu Kawan Industrial Park, Penang at the purchase price of RM28,959,712.

#### 34. COMPARATIVE INFORMATION

(a) During the financial year, the Group and the Company changed its analysis of expenses recognised in profit or loss from classification based on function to classification based on nature as it can provide more reliable and relevant information to users of financial statements. Consequently, the Group and the Company restated its comparative information so that comparability is not impaired.

#### 34. **COMPARATIVE INFORMATION** (cont'd)

(b) Statements of profit or loss and other comprehensive income for the financial year ended 31 July 2020:

	As		
	previously reported	Reclassifications	As restated
Group	RM	RM	RM
Revenue	219,050,156	0	219,050,156
Cost of sales	(136,601,615)	136,601,615	0
Other operating income	4,554,789	(15,841)	4,538,948
Changes in inventories of finished goods and work-in-			
progress	0	4,535,034	4,535,034
Raw materials and consumables used	0	(87,501,900)	(87,501,900)
Staff costs	0	(33,707,365)	(33,707,365)
Depreciation	0	(10,467,907)	(10,467,907)
Reversal of impairment losses in trade and other			
receivables	0	5,432	5,432
General and administrative expenses	(13,846,043)	13,846,043	0
Other operating expenses	0	(23,295,111)	(23,295,111)
Profit from operations	73,157,287	0	73,157,287
Finance costs	(528,228)	0	(528,228)
Profit before tax	72,629,059	0	72,629,059
Tax expense	(14,864,870)	0	(14,864,870)
Profit for the financial year	57,764,189	0	57,764,189
Other comprehensive income, net of tax	0	0	0
Total comprehensive income	57,764,189	0	57,764,189
Profit for the financial year and total comprehensive			
income attributable to owners of the parent	57,764,189	0	57,764,189

(c) Statements of profit or loss and other comprehensive income for the financial year ended 31 July 2020:

	As previously reported	Reclassifications	As restated
Company	RM	RM	RM
Revenue	27,777,920	0	27,777,920
Other operating income	525,589	0	525,589
Staff costs	0	(150,000)	(150,000)
General and administrative expenses	(1,046,526)	1,046,526	0
Other operating expenses	0	(896,526)	(896,526)
Profit from operations	27,256,983	0	27,256,983
Finance costs	0	0	0
Profit before tax	27,256,983	0	27,256,983
Tax expense	(118,237)	0	(118,237)
Profit for the financial year	27,138,746	0	27,138,746
Other comprehensive income, net of tax	0	0	0
Total comprehensive income	27,138,746	0	27,138,746
Profit for the financial year and total comprehensive			
income attributable to owners of the parent	27,138,746	0	27,138,746

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#### 35. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

#### 35.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform	1 January 2020
Amendment to MFRS 16 Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 4 Insurance Contract - Extension of the Temporary Exemption from	
Applying MFRS 9	17 August 2020

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

#### 35.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2021

Title	Effective Date
Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4	
and MFRS 16)	1 January 2021
Amendment to MFRS 16 Leases Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial	
Statements)	1 January 2023
Definition Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in	
Accounting Estimates and Errors)	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single	1 1 2022
Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
its Associate of Joint Venture	Deletted

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

## **LIST OF PROPERTIES**

No.	Name of registered owner/ Address	Description	Land area (sq. feet)	Tenure	Carrying amount as at 31 July 2021 (RM'000)	Date of acquisition
1	UWC Holdings Sdn. Bhd. PMT 744, Jalan Cassia Selatan 5/1, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang	A single-storey detached factory building	177,163	60 years leasehold expiring on 22 July 2075 (remaining tenure of 54 years)	15,480	06-Aug-14
2	<b>UWC Industrial Sdn. Bhd.</b> PMT 745, Jalan Cassia Selatan 5/1, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang	A 2-storey office building annexed with a single-storey detached factory building	326,028	60 years leasehold expiring on 6 December 2075 (remaining tenure of 55 years)	28,051	06-Aug-14

#### **ANALYSIS OF SHAREHOLDINGS**

AS AT 20 OCTOBER 2021

TOTAL NUMBER OF ISSUED SHARES : 1,100,632,606 CLASS OF SHARE : Ordinary shares

VOTING RIGHTS : One vote per ordinary share

#### **DISTRIBUTION OF SHAREHOLDINGS**

Size of Shareholding	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Less than 100	40	0.33	807	0.00
100 to 1,000	5,330	44.22	3,375,301	0.31
1,001 to 10,000	5,288	43.88	19,161,810	1.74
10,001 to 100,000	1,073	8.90	31,988,839	2.91
100,001 to 55,031,629	319	2.65	313,811,767	28.51
55,031,630 and above	3	0.02	732,294,082	66.53
Total	12,053	100.00	1,100,632,606	100.00

#### **SUBSTANTIAL SHAREHOLDERS AS AT 20 OCTOBER 2021**

		Direct Interest		Indirect Interest		
No.	Name	No. of Shares	% of Shares	No. of Shares	% of Shares	
1	UWC Capital Sdn. Bhd.	578,367,006	52.55	-	-	
2	Dato' Ng Chai Eng	88,296,338	8.02	578,716,806 #	52.58	
3	Lau Chee Kheong	87,806,338	7.98	578,367,006 *	52.55	

Deemed interest through shares held in UWC Capital Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016 and the shares held by his son, Ng Chin Liang pursuant to Section 8 of the Companies Act 2016

#### **DIRECTORS' SHAREHOLDINGS AS AT 20 OCTOBER 2021**

		Direct		Indirect	
No.	The Company	Interest	%	Interest	%
1	Dato' Ng Chai Eng	88,296,338	8.02	578,716,806 #	52.58
2	Lau Chee Kheong	87,806,338	7.98	578,367,006 *	52.55
3	Dato' Wan Hashim Bin Wan Jusoh	480,000	0.04	46,000 ^	-
4	F'ng Meow Cheng	600,000	0.05	-	-
5	Dato' Lio Chee Yeong	1,110,000	0.10	-	-
6	Ng Chin Liang	349,800	0.03	-	

Deemed interest through shares held in UWC Capital Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016 and the shares held by his son, Ng Chin Liang pursuant to Section 8 of the Companies Act 2016

<sup>\*</sup> Deemed interest through shares held in UWC Capital Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016

<sup>\*</sup> Deemed interest through shares held in UWC Capital Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016

<sup>^</sup> Deemed interest through shares held by his spouse, Che Mazni Binti Che Wook pursuant to Section 8 of the Companies Act 2016

# **ANALYSIS OF SHAREHOLDINGS (CONT'D)**

AS AT 20 OCTOBER 2021

#### **LIST OF 30 LARGEST SHAREHOLDERS**

LIST	DF 30 LARGEST SHAREHOLDERS		
NO.	NAME	NO. OF SHARES	% OF SHARES
1	UWC CAPITAL SDN. BHD.	578,367,006	52.55
2	NG CHAI ENG	87,920,738	7.99
3	LAU CHEE KHEONG	66,006,338	6.00
4	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD	24,839,500	2.26
5	HSBC NOMINEES (TEMPATAN) SDN. BHD. HBAP FOR LAU CHEE KHEONG (PB-SGDIV)	21,800,000	1.98
6	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG VALUE FUND	11,900,000	1.08
7	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	8,133,200	0.74
8	TAN KEAN HEAN	6,786,584	0.62
9	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD.	5,976,500	0.54
3	EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	3,310,300	0.0 1
10	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD	5,505,000	0.50
10	AS BENEFICIAL OWNER (PF)	3,303,000	0.50
11		E 422 E00	0.40
11	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	5,433,500	0.49
12	LEMBAGA TABUNG ANGKATAN TENTERA	5,239,000	0.48
13	AMANAHRAYA TRUSTEES BERHAD	5,146,200	0.47
	PUBLIC STRATEGIC SMALLCAP FUND		
14	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	4,921,000	0.45
15	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD.	4,817,200	0.44
10	CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	.,01.,200	<b>0</b>
16		4 276 400	0.20
16	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN. BHD.	4,276,400	0.39
17	CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD	4,180,000	0.38
	DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG BALANCED FUND		
18	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH	4,028,200	0.37
19	OPPORTUNITIES FUND (50154 TR01) HSBC NOMINEES (ASING) SDN. BHD.	3,870,100	0.35
19	JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	3,670,100	0.55
20	AMANAHRAYA TRUSTEES BERHAD	3,854,600	0.35
	PUBLIC SELECT TREASURES EQUITY FUND		
21	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	3,829,800	0.35
22	AMANAHRAYA TRUSTEES BERHAD	2 024 400	0.25
22	PB GROWTH FUND	3,824,400	0.35
23	CARTABAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	3,774,900	0.34
24	HSBC NOMINEES (ASING) SDN. BHD. TNTC FOR FEDERATED HERMES GLOBAL EMERGING MARKETS SMID EQUITY FUND	3,454,800	0.31
25	HSBC NOMINEES (ASING) SDN. BHD.	3,304,500	0.30
26	JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	2 10 4 400	0.20
26	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. NATIONAL TRUST FUND (IFM KENANGA) (410196)	3,194,400	0.29
27	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND	3,154,400	0.29
28	AMANAH RAYA BERHAD	3,150,000	0.29
	KUMPULAN WANG BERSAMA SYARIAH		
29	CIMB COMMERCE TRUSTEE BERHAD PUBLIC FOCUS SELECT FUND	3,141,200	0.29
30	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD	2,890,000	0.26
	AS BENEFICIAL OWNER (TMEF)		

#### NOTICE OF FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting ("4th AGM") of UWC BERHAD ("UWC" or "the Company") will be held at Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25A Farquhar Street, 10200 George Town, Penang, Malaysia on Monday, 10 January 2022 at 2.30 p.m. for the following purposes:

#### **AGENDA**

#### **AS ORDINARY BUSINESS**

- To receive the Audited Financial Statements for the financial year ended 31 July 2021 together with the Reports of the Directors and Auditors thereon.
- 2. To re-elect the following Directors who retire in accordance with Clause 165.1 of the Company's Constitution and who, being eligible, have offered themselves for re-election:

(a) Dato' Lio Chee Yeong

(b) Lau Chee Kheong

Ordinary Resolution 1 **Ordinary Resolution 2** 

To approve the payment of Directors' fees and benefits payable of up to an aggregate amount of approximately RM156,000 to the Independent Non-Executive Directors from 11 January 2022 until the conclusion of the next AGM of the Company.

**Ordinary Resolution 3** 

To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to determine Ordinary Resolution 4 4. their remuneration.

#### **AS SPECIAL BUSINESS**

To consider and if thought fit, pass the following resolution with or without modifications:

AUTHORITY TO ALLOT AND ISSUE SHARES BY DIRECTORS PURSUANT TO SECTIONS 75 AND 76 Ordinary Resolution 5 **OF THE COMPANIES ACT 2016** 

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and subject to the approval of all the relevant government and/or regulatory authorities, the Board of Directors of the Company be and is hereby authorised to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares issued pursuant to this resolution does not exceed 10% of the total number of issued share of the Company for the time being AND THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier."

To transact any other business of which due notice shall have been given.

By Order of the Board

**ONG TZE-EN** (MAICSA 7026537 | SSM PC No. 202008003397) WOON MEI LING (MAICSA 7047736 | SSM PC No. 202008003528) **Company Secretaries** 

Penang 30 November 2021

#### **NOTICE OF FOURTH ANNUAL GENERAL MEETING (CONT'D)**

#### **Notes:**

#### **Appointment of Proxy**

#### 1. IMPORTANT NOTICE

The Board of Directors ("**Board**") is cognisant of the COVID-19 pandemic as declared by the World Health Organisation which, to-date, is still subsisting. The health and safety of all participants at the  $4^{th}$  AGM is of paramount concern for the Company. In view of the foregoing, the Company wishes to advise that the necessary steps and measures will be undertaken during the  $4^{th}$  AGM.

In view of the COVID-19 pandemic and further to the "Guidance and FAQs on the Conduct of General Meetings for Listed Issuers" issued by the Securities Commission, members/proxies/corporate representatives who wish to attend the 4<sup>th</sup> AGM in person **ARE REQUIRED TO PRE-REGISTER** with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("**Share Registrar**", "**Tricor**", or "**TIIH**"), via the **TIIH Online** website at <a href="https://tiih.online.com">https://tiih.online.com</a> no later than **Saturday**, **8 January 2022** at **2.30 p.m.**. Please follow the Pre-Register procedures as set out in the Administrative Guide for 4<sup>th</sup> AGM.

- 2. A member who has appointed a proxy or attorney or corporate representative to attend and vote at the 4<sup>th</sup> AGM must request his/her proxy or attorney or corporate representative to **PRE-REGISTER** their attendance at **TIIH Online** website at <a href="https://tiih.online">https://tiih.online</a> no later than **Saturday**, **8 January 2022** at **2.30 p.m.**. Please follow the Pre-Register procedures as set out in the Administrative Guide for the 4<sup>th</sup> AGM.
- 3. A proxy need not be a member and a member may appoint any person to be his proxy without limitation save that the proxy must be of full age.
- 4. A member of the Company entitled to attend, participate, speak and vote at the meeting is entitled to appoint one (1) or more proxies (who need not be members) to attend, participate, speak and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- 5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing.
- 6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 7. Where a member is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 8. For a proxy to be valid, the instrument appointing a proxy must be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting PROVIDED that in the event the member(s) duly execute(s) the Proxy Form but does/do not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the Proxy Form, other than the particulars of the proxy, have been duly completed by the member(s):

#### (a) In hard copy form

The Proxy Form must be deposited at the office of the Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

#### (b) By electronic means via facsimile

The Proxy Form must be received via facsimile at +603 2783 9222.

#### (c) By electronic means via email

The Proxy Form must be received via email at <u>is.enquiry@my.tricorglobal.com</u>.

#### (d) By electronic means via Tricor System, TIIH Online

The Proxy Form can be lodged electronically via **TIIH Online** website at <a href="https://tiih.online">https://tiih.online</a>. Please refer to the Administrative Guide on the procedure for electronic lodgement of proxy form via TIIH Online.

For options (b) and (c), the Company will require the member to deposit the original executed Proxy Form to the office of Share Registrar before or on the day of meeting for verification purpose.

- 9. In respect of deposited securities, only members whose names appear on the Record of Depositors on **31 December 2021** (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote in his/her behalf.
- 10. Any authority pursuant to which an appointment is made by a power of attorney must be deposited at the office of the Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

#### NOTICE OF FOURTH ANNUAL GENERAL MEETING (CONT'D)

#### Notes: (cont'd)

#### Appointment of Proxy (cont'd)

- 11. Please ensure that ALL particulars as required in the Proxy Form are completed and said Proxy Form duly signed and dated.
- 12. Last date and time for lodging this Proxy Form is **Saturday, 8 January 2022** at **2.30 p.m.**.
- 13. For corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please bring the **original / duly certified** certificate of appointment executed in the manner as stated in this Proxy Form if this has not been lodged at the office of the Share Registrar earlier. The certificate of appointment of authorised representative should be executed in the following manner:
  - (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.
  - (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - (i) at least two (2) authorised officers, of whom one shall be a director; or
    - (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

#### **Explanatory Note:**

- Ordinary Resolution 3, is to seek shareholders' approval on the Directors' fees and benefits payable to the Independent Non-Executive Directors which have been reviewed by the Remuneration Committee and the Board of Directors of the Company, which recognises that the benefits payable is in the best interest of the Company. In determining the estimated total amount of benefits payable, the Board considered various factors including the number of scheduled meetings as well as the number of Directors involved in these meetings for the period from 11 January 2022 until the next AGM. This authority, unless revoked or varied by the Company's in a general meeting will expire at the conclusion of the next AGM of the Company.
- 2. **Ordinary Resolution 5**, is for the purpose of granting a general mandate ("General Mandate") and if passed, will give authority to the Board of Directors to issue shares and allot up to a maximum of ten per centum (10%) of the total number of issued shares of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.
  - As at the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the last AGM held on 11 January 2021 and which will lapse at the conclusion of this 4<sup>th</sup> AGM.
  - The renewal of this General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

### STATEMENT ACCOMPANYING NOTICE OF AGM

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities)

No individual is standing for election as a Director at the forthcoming 4<sup>th</sup> AGM of the Company.

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#### PROXY FORM



No. of Shares held	
CDS Account No.	

		CDS Account No	).		
I/We	(Full Name in Block Letters)		and(NRIC No./Pas	sport No./Regi	stration No.)
of	(Full Address)		and(Tal. N	o /Fmail Addr	
			(Tet. N	O./EIIIaii Auur	255)
being a	a member/members of UWC Berhad (the "Company")	, петеру арроппс			
	Full Name and Address (in Block Letters)	NRIC No./Passport No.	No. of Shares	% of Sha	areholding
*and/c	or (*delete if not applicable)				
and	Full Name and Address (in Block Letters)	NRIC No./Passport No.	No. of Shares	% of Sha	areholding
	Tall Name and Address (in Block Ections)	mac no., r assperente.	Tro. or onares	70 01 3110	renotanig
Town, Please	g ("4th AGM") of the Company, to be held at Sri Mas Bal Penang, Malaysia on Monday, 10 January 2022 at 2.30 indicate with an "X" in the appropriate space(s) provi the proxy will vote or abstain from voting at *his/her o	op.m., or at any adjournment ther ded below on how you wish your v	reof.		
No.	Ordinary Resolutions			For	Against
1.	Re-election of Dato' Lio Chee Yeong as Director of th				
2.	Re-election of Lau Chee Kheong as Director of the Co				
3.	Payment of Directors' fees and benefits payable of				
	to the Independent Non-Executive Directors from 1 Company.	I January 2022 until the conclusi	on of the next AGM of the		
4.	Re-appointment of BDO PLT as Auditors of the Comp	panv.			
5.	Authority to allot and issue shares by directors pursu		Companies Act 2016.		
Signed	day of20				

Signature of Shareholder(s)/ Common Seal

\* Strike out whichever is not desired.

#### Notes:

X

#### IMPORTANT NOTICE

The Board of Directors ("Board") is cognisant of the COVID-19 pandemic as declared by the World Health Organisation which, to-date, is still subsisting. The health and safety of all participants at the 4th AGM is of paramount concern for the Company. In view of the foregoing, the Company wishes to advise that the necessary steps and measures will be undertaken during the  $4^{\rm th}$  AGM.

during the 4th AGM.

In view of the COVID-19 pandemic and further to the "Guidance and FAQs on the Conduct of General Meetings for Listed Issuers" issued by the Securities Commission, members/proxies/corporate representatives who wish to attend the 4th AGM in person ARE REQUIRED TO PRE-REGISTER with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("Share Registrar", "Tricor", or "TIHH"), via the TIHH Online website at <a href="https://tiih.online.com">https://tiih.online.com</a> no later than Saturday, 8 January 2022 at 2.30 p.m. Please follow the Pre-Register procedures as set out in the Administrative Guide for 4th AGM.

- A member who has appointed a proxy or attorney or corporate representative to attend and vote at or corporate representative to attend and vote at the 4th AGM must request his/her proxy or attorney or corporate representative to **PRE-REGISTER** their attendance at **TIIH Online** website at <a href="https://tiih.online">https://tiih.online</a> no later than **Saturday**, **8 January 2022** at **2.30 p.m.**. Please follow the Pre-Register procedures as set out in the Administrative Guide for the 4th AGM.
- the Administrative Guide for the 4th AGM.

  A proxy need not be a member and a member may appoint any person to be his proxy without limitation save that the proxy must be of full age.

  A member of the Company entitled to attend, participate, speak and vote at the meeting is entitled to appoint one (1) or more proxies (who need not be members) to attend, participate, speak and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

  The instrument appointing a proxy shall be in writing
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing.
- where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

- Where a member is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one
  (1) securities account ("omnibus account"), there is
  no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- omnibus account it holds.

  For a proxy to be valid, the instrument appointing a proxy must be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting PROVIDED that in the event the member(s) duly execute(s) the Proxy Form but does/do not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy Provided Always that the meeting as his/their proxy, Provided Always that the rest of the Proxy Form, other than the particulars of the proxy, have been duly completed by the member(s):

#### (a) In hard copy form

The Proxy Form must be deposited at the office of the Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala

#### By electronic means via facsimile

The Proxy Form must be received via facsimile at +603-2783 9222.

#### By electronic means via email

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By electronic means via Tricor System, TIIH Online

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For options (b) and (c), the Company will require the member to deposit the original executed Proxy Form to the office of Share Registrar before or on the day of meeting for verification purpose.

- In respect of deposited securities, only members whose names appear on the Record of Depositors on 31 December 2021 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote in his/her behalf.
- 10. Any authority pursuant to which an appointment is Any authority pursuant to which an appointment is made by a power of attorney must be deposited at the office of the Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
- Please ensure that ALL particulars as required in the Proxy Form are completed and said Proxy Form duly signed and dated.
- Last date and time for lodging this Proxy Form is Saturday, 8 January 2022 at 2.30 p.m.
- For corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please bring the **original / duly certified** certificate of appointment executed in the manner as stated in this Proxy Form if this has not been lodged at the office of the Share Registrar earlier. The certificate of appointment of authorised representative should be executed in the following manner:
  - (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.
  - If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - at least two (2) authorised officers, of whom one shall be a director; or
    - any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

#### Personal Data Privacy

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 4th AGM of the Company and any adjournment thereof.

1st fold here

Affix Stamp

The Share Registrar **UWC BERHAD**Registration No. 201801012223 (1274239-A)

c/o Tricor Investor & Issuing House Services Sdn. Bhd.

Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

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#### **ADMINISTRATIVE GUIDE**

OF FOURTH ANNUAL GENERAL MEETING ("4th AGM" or "AGM")

Day & Date : Monday, 10 January 2022

Time : 2.30 p.m. or any adjournment thereof

Venue : Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25A Farquhar Street,

10200 George Town, Penang, Malaysia

Dear valued Members of UWC Berhad ("UWC" or "the Company")

In view of the COVID-19 pandemic, your safety remains our utmost priority. The Administrative Guide is necessary to introduce safety measures and controls to be undertaken by the Company to safeguard the well-being of all participants during the  $4^{th}$  AGM as well as to comply with the Government and/authorities' directives and guidelines on public gatherings and events which may be issued from time to time.

#### **MEASURES TO MINIMISE RISKS OF COVID-19 INFECTION**

In view of the constant evolving COVID-19 situation in Malaysia, the following steps will be taken for participants who will be attending the AGM in order to minimise the risk of spreading the COVID-19 virus:

#### TEMPERATURE CHECKS, HEALTH DECLARATION FORM AND FACE MASK

- (1) Only fully vaccinated Attendees (referring, in a collective sense, to members / proxies / corporate representatives / attorneys / management personnel / invited guests) ARE ALLOWED to attend the AGM.
- (2) The Attendees are required to show their fully vaccinated status through their MySejahtera app and undergo a temperature screening.
- (3) All Attendees attending the AGM will be required to undergo a temperature check at the entrance of the AGM venue and a COVID-19 test using a self-testing kit or alternatively, PT-PCR or RTK swab test at any health facility within 48 hours before the date of the AGM at their own cost. The negative results must be presented at the registration counter.
- (4) Attendees are advised to arrive early at the meeting venue given that the above measures may cause delay in the registration process. Participants who are feeling unwell are strongly advised not to attend the AGM.
- (5) All Attendees must practice proper hygiene including the use of hand sanitisers provided by the Company and are required to wear a face mask at all time.

#### SOCIAL DISTANCING AND SEATING ARRANGEMENT

(6) To enhance social distancing measures, the seats allocated for Attendees at the AGM venue will be maintained at a certain distance from one another as per the guidelines and/or standing operations procedure provided by the Malaysian Government and/or relevant authorities from time to time.

#### INDIVIDUAL MEMBERS

- (7) All Members who intend to attend the 4<sup>th</sup> AGM in person **ARE REQUIRED TO PRE-REGISTER** with Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("Share Registrar", "Tricor", or "TIIH") via **TIIH Online** website at <a href="https://tiih.online">https://tiih.online</a> no later than **Saturday**, **8 January 2022** at **2.30 p.m.** Kindly refer to the Pre-Register procedures below.
- (8) Alternatively, members who are unable to attend the AGM and who wish to exercise their votes are encouraged to appoint the Chairman of the meeting to attend and vote on your behalf at the 4<sup>th</sup> AGM by indicating the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.



OF FOURTH ANNUAL GENERAL MEETING ("4th AGM" or "AGM")

#### **CORPORATE MEMBERS**

- (9) Corporate members who wish to appoint corporate representatives instead of a proxy to attend and vote at the 4<sup>th</sup> AGM must deposit their original or duly certified certificate of appointment of corporate representative to Tricor no later than **Saturday, 8 January 2022** at **2.30 p.m.**
- (10) Attorneys appointed by power of attorney are required to deposit their power of attorney to Tricor no later than **Saturday**, **8 January 2022** at **2.30 p.m.** to attend and vote at the 4<sup>th</sup> AGM.
- (11) A member who has appointed a proxy/attorney/corporate representative to attend and vote at the 4<sup>th</sup> AGM must request his/her proxy/attorney/corporate representative to submit their Pre-Register at TIIH Online website at https://tiih.online.
- (12) If a corporate member (through its corporate representative(s) or appointed proxy(ies)) is unable to attend the 4<sup>th</sup> AGM, you may appoint the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

#### PRE-REGISTRATION BEFORE 4TH AGM

(13) In order to assist the Company in managing the turnout for the AGM and to ensure compliance with the directives or guidelines on public gathering/event issued by the Malaysian Government and/or other relevant authorities. The Company reserves the right to limit the number of participants to the AGM. Members/proxies/corporate representatives/attorneys who wish to attend in person must pre-register with the Company's Share Registrar by following the requirements and procedures as summarised as below:-

Procedure		Action		
BEFC	ORE AGM DAY			
(a)	Register as a user with TIIH Online	<ul> <li>Using your computer, access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the "e-Services". Refer to the tutorial guide posted on the homepage for assistance.</li> <li>If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.</li> </ul>		
(b)	Submit your PRE- REGISTER to attend AGM	<ul> <li>Registration is open from 10.00 a.m. Monday, 30 November 2021 up to 2.30 p.m. Saturday, 8 January 2022.</li> <li>Login with your user ID and password and select the corporate event: "(REGISTRATION) UWC 4TH AGM".</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Insert the CDS account number and indicate the number of shares.</li> <li>Submit to register your physical attendance.</li> <li>System will send an e-mail to notify that your registration to attend the AGM physically is received and will be verified.</li> <li>After verification of your registration against the General Meeting Record of Depositors as at 31 December 2021, the system will send you an e-mail after 8 January 2022 to approve or reject your registration for pre-register to attend the 4th AGM.</li> </ul>		

As the COVID-19 situation continues to evolve, the Company will closely monitor the situation and reserves the right to take further measures as appropriate up to the day of the AGM of the Company, in accordance with the guidelines and/or standing operating procedure issued by the Malaysian Government and/or other relevant authorities in order to minimise any risk to shareholders and others attending the AGM.

The Company would like to thank all participants for their patience and co-operation in enabling us to hold our AGM with the optimum safe distancing measures amidst the COVID-19 pandemic. The Company may make necessary changes to the arrangements of the AGM at short notice.

Do refer the Company's website at <a href="https://www.uwcberhad.com.my">www.uwcberhad.com.my</a> and Bursa Malaysia Securities Berhad's website at <a href="https://www.bursamalaysia.com">www.uwcberhad.com.my</a> and Bursa Malaysia Securities Berhad's website at <a href="https://www.bursamalaysia.com">www.uwcberhad.com.my</a> and Bursa Malaysia Securities Berhad's website at <a href="https://www.bursamalaysia.com">www.uwcberhad.com.my</a> and Bursa Malaysia Securities Berhad's website at <a href="https://www.bursamalaysia.com">www.uwcberhad.com</a>. The securities are securities at <a href="https://www.bursamalaysia.com">www.bursamalaysia.com</a>. The securities are securities at <a href="https://www.bursamalaysia.com">www.bursamalaysia.com</a>. The se



OF FOURTH ANNUAL GENERAL MEETING ("4th AGM" or "AGM")

#### REGISTRATION ON THE DAY OF 4TH AGM

- (14) Registration will commence at 1.15 p.m. and shall remain open until the conclusion of the 4<sup>th</sup> AGM or such other time as may be determined by Chairman of the meeting. Please read the signage to ascertain the registration area and proceed for registration.
- (15) Please present your original National Registration Identity Card (NRIC) or Passport (for foreign member) to the registration staff for verification. Please ensure your NRIC or Passport is returned to you after registration.
- (16) Upon verification and registration:
  - (a) please sign on the attendance list and an identification wristband will be provided at the registration counter;
  - (b) if you are attending the AGM as a member as well as a proxy, you will be registered once and will only be given one identification wristband; and
  - (c) no person will be allowed to enter the meeting hall without wearing the identification wristband. There will be no replacement in the event that you lose/misplace the identification wristband.
  - (d) a polling form will be given to you thereafter. There will be no replacement should you lose or misplace the polling form:
  - (e) you may proceed to the meeting venue thereafter.
- (17) Registration must be done in person. Please also note that you will not be allowed to register on behalf of another person even with the original NRIC or Passport of that other person.
- (18) The registration counters will only handle verification of identity, registration and revocation of proxy/proxies. If you have other queries, please proceed to the Help Desk.

#### **NO DOOR GIFTS / REFRESHMENT**

(19) To ensure physical distancing and to reduce the number of crowds at the meeting, there will be no door gift, food or beverage served at the 4<sup>th</sup> AGM.

#### **PARKING (IS NOT SUBSIDISED)**

(20) A flat parking fee will be charged subject to the hotel validation.

#### MEETING

(21) The Meeting will start promptly at 2.30 p.m. Members are reminded to be punctual.

#### **GENERAL MEETING RECORD OF DEPOSITORS**

(22) For the purpose of determining who shall be entitled to attend the 4<sup>th</sup> AGM, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at **31 December 2021** and only a depositor whose name appears on such Record of Depositors shall be eligible to attend the 4<sup>th</sup> AGM.

#### **PROXY**

- (23) A member entitled to attend and vote in the meeting is allowed to appoint proxy. If you are unable to attend the meeting and wish to appoint a proxy or Chairman of the Meeting to attend and vote on your behalf, please submit your Proxy Form in accordance with the notes and instructions printed therein.
- (24) You may submit the Proxy Form electronically via **TIIH Online** website at <a href="https://tiih.online">https://tiih.online</a> no later than **Saturday, 8 January 2022** at **2.30 p.m.** Please do read and follow the procedures to submit Proxy Form electronically below.
- (25) Otherwise, you may also submit your Proxy Form to Tricor by fax at 03-2783 9222 or email to <a href="iss.enquiry@my.tricorglobal.com">is.enquiry@my.tricorglobal.com</a>. However, please ensure that the **Original Proxy Form** is deposited at Tricor's Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof, otherwise the Proxy Form shall not be treated as valid. No proof of despatch of Proxy Form will be entertained.
- (26) The Proxy Form is not required if you are attending the meeting.
- (27) If you have submitted your Proxy Form prior to the meeting and subsequently decided to attend the meeting in person, please proceed to the Registration Counter to revoke the appointment of your proxy/proxies.



OF FOURTH ANNUAL GENERAL MEETING ("4th AGM" or "AGM")

#### **ELECTRONIC LODGEMENT OF PROXY FORM**

(28) The procedures to lodge your Proxy Form electronically via Tricor's TIIH Online website are summarised as below:

Proc	edure	Action			
Step	Steps for Individual Members				
(a)	Register as a User with TIIH Online	<ul> <li>Using your computer, please access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the "e-Services" select "Create Account by Individual Holder". Please do refer to the tutorial guide posted on the homepage for assistance.</li> <li>Registration as a user will be approved within one (1) working day and you will be notified via e-mail.</li> <li>If you are already a user with TIIH Online, you are not required to register again.</li> </ul>			
(b)	Proceed with submission of Proxy Form	<ul> <li>After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password.</li> <li>Select the corporate event: "UWC 4TH AGM – Submission of Proxy Form".</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.</li> <li>Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairman as your proxy.</li> <li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote.</li> <li>Review and confirm your proxy(s) appointment.</li> <li>Print Proxy Form for your record.</li> </ul>			
Step	s for Corporation or Ins	titutional Members			
(a)	Register as a User with TIIH Online	<ul> <li>Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>Under e-Services, the authorised or nominated representative of the corporation or institutional member selects "Create Account by Representative of Corporate Holder".</li> <li>Complete the registration form and upload the required documents.</li> <li>Registration will be verified, and you will be notified by e-mail within one (1) or two (2) working days.</li> <li>Proceed to activate your account with the temporary password given in the e-mail and reset your own password.</li> <li>(Note: The representative of a corporation or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarification on the user registration.)</li> </ul>			
(b)	Proceed with submission of Proxy Form	<ul> <li>Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>Select the corporate event: "UWC 4TH AGM - Submission of Proxy Form".</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Notes set therein.</li> <li>Prepare the file for the appointment of proxies by inserting the required data.</li> <li>Proceed to upload the duly completed proxy appointment file.</li> <li>Select "Submit" to complete your submission.</li> <li>Print the confirmation report of your submission for your record.</li> </ul>			

#### **MOBILE DEVICES**

(29) Please ensure that all mobile devices such as phones/pagers/other sound emitting devices are switched off or put on silent mode during the AGM to ensure smooth and uninterrupted proceedings. Any recording of the proceedings, either vocal or audio visual, is strictly prohibited.



OF FOURTH ANNUAL GENERAL MEETING ("4th AGM" or "AGM")

#### **NON-SMOKING POLICY**

(30) Smoking is prohibited in the meeting hall. Your cooperation is much appreciated.

#### **PERSONAL BELONGINGS**

(31) Please be reminded to take care of your personal belongings as the Company will not be responsible for any lost items that has gone missing resulted in any monetary losses.

#### **ANNUAL REPORT 2021**

(32) The Annual Report 2021 is available on Bursa Malaysia Securities Berhad's website at <a href="www.bursamalaysia.com">www.bursamalaysia.com</a> under the Company's Announcement of UWC Berhad and the Company website at <a href="www.uwcberhad.com.my">www.uwcberhad.com.my</a>. Limited hardcopies are available at the registration counter and will be given on a first come first served basis.

#### **ENQUIRIES**

(33) If you have any enquiry prior to the 4<sup>th</sup> AGM, please contact the following persons of our Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

#### Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299 Fax Number : +603-2783 9222

Email : <u>is.enquiry@my.tricorglobal.com</u>

Contact Persons : Mr. Jake Too : +603-2783 9285 / Email : <a href="mailto:Chee.Onn.Too@my.tricorglobal.com">Chee.Onn.Too@my.tricorglobal.com</a>

: Ms. Vivien Khoh : +603-2783 9091 / Email : <u>Vivien.Khoh@my.tricorglobal.com</u> : Mr. Alven Lai : +603-2783 9283 / Email : <u>Siew.Wai.Lai@my.tricorglobal.com</u>

#### **PERSONAL DATA PRIVACY**

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 4<sup>th</sup> AGM of the Company and any adjournment thereof.

The Company and its subsidiaries, their officers and employees shall have no liability whatsoever to any and all members, their proxies, corporate representatives or any other party arising out of or in connection with any of them being infected or suspected of being infected with COVID-19 and/or suffering any losses arising out of or in connection with attendance at the 4th AGM and/or measures undertaken by the Company in the Company's sole discretion in response to the COVID-19 pandemic.



# **UWC BERHAD** (201801012223)

(1274239-A)

PMT 744-745, Jalan Cassia Selatan 5/1, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang, Malaysia.

> **Tel**: 604 – 555 6937 **Fax**: 604 – 589 9509

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