

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**

# THRIVING IN THE SMART ERA

A dynamic figure strides confidently ahead to symbolise UWC Berhad's dynamic leap into the future. Despite challenging global disruptions, UWC has been able to secure healthy growth, shape its business to market demands and stay competitive in the semiconductor and life science industries.

Located within a technological market that is constantly in flux, the glowing "spirals" showcase robust segments of the industry such as front-end semiconductors and electric and autonomous vehicle (AV) support, which UWC's integrated engineering services have evolved along with to offer, as part of its diversified portfolio.

Connecting, constantly creating and closely cooperating with its customers, UWC has managed to thrive with strong prospects boosted by expansion, as it adapts with the market dynamics to move into the future through strong specialisms.

# 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 Dato' F'ng Meow Cheng

Independent Non-Executive Director

**Dato' Lio Chee Yeong** 

Independent Non-Executive Director

**Dr. Ng Chin Liang** 

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

### **AUDIT COMMITTEE**

Chairman Dato' F'ng Meow Cheng Independent Non-Executive Director

Member

Dato' Wan Hashim Bin Wan Jusoh Independent Non-Executive Chairman Dato' Lio Chee Yeong Independent Non-Executive Director

# **REMUNERATION COMMITTEE**

Chairman

Dato' Lio Chee Yeong Independent Non-Executive Director

Member

Dato' Wan Hashim Bin Wan Jusoh Independent Non-Executive Chairman Dato' F'ng Meow Cheng Independent Non-Executive Director

### **RISK MANAGEMENT COMMITTEE**

Chairman Dato' F'ng Meow Cheng Independent Non-Executive Director

Dato' Wan Hashim Bin Wan Jusoh Independent Non-Executive Chairman Dato' Lio Chee Yeong Independent Non-Executive Director

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

PMT 744-745, Jalan Cassia Selatan 5/1 Taman Perindustrian Batu Kawan 14110 Bandar Cassia Pulau Pinang

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

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

### **AUDITORS**

BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206) **Chartered Accountants** 51-21-F, Menara BHL Jalan Sultan Ahmad Shah 10050 Pulau Pinang

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

### **REGISTERED OFFICE**

Pulau Pinang

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

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

### NOMINATION COMMITTEE

Chairman

Dato' Lio Chee Yeong Independent Non-Executive Director

Member

Dato' Wan Hashim Bin Wan Jusoh Independent Non-Executive Chairman Dato' F'ng Meow Cheng Independent Non-Executive Director

### **COMPANY SECRETARY**

Ong Tze-En

SSM PC no.: 202008003397 MAICSA no.: 7026537

### **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 59200 Kuala Lumpur

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

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

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

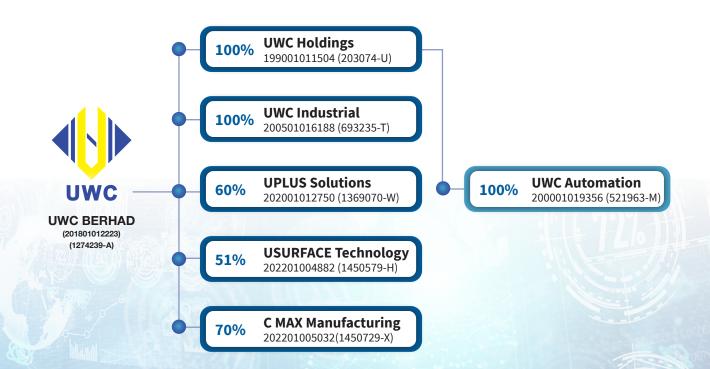
### **PRINCIPAL BANKER**

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

13600 Prai, Pulau Pinang Tel : (604) 502 1488 Fax : (604) 507 9488

# **CORPORATE STRUCTURE**

AS AT 31 JULY 2022



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%	Provision of engineering, designing, manufacturing and assembling for automation solutions
USURFACE Technology Sdn. Bhd.	10 February 2022	51%	Manufacturing of machinery, provision of sheet metal fabrication and finishing treatment
C MAX Manufacturing Sdn. Bhd.	11 February 2022	70%	Provision of precision sheet metal fabrication

# **MEDIA HIGHLIGHTS**

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https://www.uwcberhad.com.my/news/



### 斥2896万槟城购地 UWC拟将产能翻倍

### 2021年11月08日

(吉隆坡8日讯) UWC公司(UWC,5292,主板科技股)出价2896万令吉,从槟城发展机 构手上,买下一片峇都加湾工业园区12.09英亩地皮,以将产能翻倍。

UWC公司周一向大马交易所报备,购地资金将透过内部融资,预计将在今年内完成交易。

该公司指出,随着公司的半导体和生命科学业务的订单不断增长,透过这次扩张,有助将公

另外,此次扩张能为大马创造就业机会,因为公司打算聘请500名熟练的工程师、焊工、技

UWC公司执行董事兼集团总执行长拿督黄才荣表示,对这次的扩张计划感到兴奋,因为公 司放眼在3年内花费约2亿令吉,以配合成为垂直整合业者的长期计划。

"众所周知,公司一直在不断扩大设施和能力,例如建造新工厂和购买新仪器,以迎合多年 来一直不断强劲增长的半导体领域。

### UWC 1Q net profit slightly higher on more semiconductor contribution, ops resuming



KUALA LUMPUR (Dec 2): Semiconductor test equipment maker UWC Bhd registered a net profit of RM23.04 million for its first quarter ended Oct 31, 2021 (IQFY22), which was 6.15% higher than RM21.71 million recorded in the same quarter last year, thanks to increased contribution from the semiconductor business segment, as well as the resumption of its operations at full capacity from Aug 20, according to its statement on Thursday (Dec 2).

Earnings per share, however, fell to 2.09 sen from 3.95 sen, according to a bourse filing, as the company had undertaken a one-for-one bonus issue to reward its shareholders back in December 2020.

Revenue increased slightly by 5.3% from RM71.5 million last year to RM75.26 million for the

Compared to its preceding quarter ended July 31 2021 (4QFY21), UWC's net profit and revenue had improved by 17.87% and 17.7%, from RM19.55 million and RM63.94 million respectively.

"The group's balance sheet remains very healthy with a total net cash of RM52.1 million and a

"UWC has yet again posted strong results for the first quarter for which I am pleased with the outcome. This will kick off our 2022 financial year with a good head start. Advancing forward, we believe the catalyst for UWC will be the higher end of the value chain such as front-end semiconductor, autonomous chip tester and 5G testers over the next few years.

"In terms of life sciences, UWC maintains a positive outlook of this industry, as we continue to develop other medical equipment to test mutated Covid-19 strains, given our current involvement in the manufacturing of medical and diagnostic esting and virus extraction machines. We are also working on a few new products including DNA analysers which are in the research and development stage," UWC's executive director and group chief executive officer (CEO) Datuk Ng Chai Eng said in the statement.

Ng added that its new Taiping factory is expected to increase UWC's capacity, while the group has also invested into computer numerical control (CNC) machineries to automate the production rocess, as well as its new land acquisition in Batu Kawan Industrial Park, which is expected to touble UWC's production capacity for more high valued projects.

"To conclude, the group and management remain devoted to bringing continuous growth to UWC, as we emerge stronger despite the disruption from the pander

es of UWC were unchanged at RM5.81 on Thursday (Dec 2), giving it a market capitalisation

# BULETIN MUTIARA

# University, industry player sign MoU to accelerate growth of future engineers

BULETIN MUTIARA Admin
March 18, 2022



UWC Holding Sdn Bhd, a subsidiary of UWC Berhad, an integrated engineering support services provider today signed a Memorandum of Understanding (MoU) with Manipal International University to develop and nurture engineering students in the state.

The signee representing Manipal was its vice-chancellor Prof Dr Patrick Kee, while for UWC Berhad was its executive director Datuk Ng Chai Eng.

The historic agreement was witnessed by state Youth and Sports Committee chairman Soon Lip Chee.

"It is a great honour to be here to witness this important ceremony which will see two extre important players, namely from the education and industrial sectors, move forward in this strategic ollaboration in lifelong education and career development for the youth of Penang.

"Manipal will offer programmes in the field of engineering and biotechnology, as well as develop an additional syllabus tailored to UWC's engineering elements that will be included in selected programmes.

"The uniqueness of this partnership will offer opportunities for our industry players to channel their realvorld industry needs and requirements with Manipal while developing education programmes and training curricula to groom graduates to be industry-ready.

"Now, I would like to express my sincere gratitude to everyone whose dedication and efforts have ted to the finalisation of this MoU signing." Soon said during the MoU signing ceremony at UWC

hile, Kee from Manipal said the collaboration is part of an effort to ensure graduates are equipped with the right skillset to not only support the industry but also to be relevant and employable

supportive ecosystem, which includes the supply of right talent for the industry," he added.

On the other hand, Ng from UWC described the MoU as a crucial step to close the gap between the industry and tertiary education institutions.

We are pleased to work with Manipal on talent development. We hope to continue with our efforts in growing local talent and encourage STEM education among Malaysians," he added.

Also present during the ceremony was Penang Youth Development Corporation (PYDC) general manager Dr Gwee Sai Ling.

# UWC posts 25% rise in 3Q net profit











### CORPORATE NEWS

Tuesday, 21 Jun 8:41 PM MYT



KUALA LUMPUR; UWC Bhd March 's net profit rose 24.6% to RM28.71mil in the third quarter ended April 30, from RM23.04mil a year earlier.

The integrated engineering supporting service provider said the improved profitability was due to the group's focus in delivering higher value products to customers.

Its revenue rose 21.7% to RM87.32mil against RM71.8mil a year prior mainly due to the continued demand from its global customers in the semiconductor industry

In the first nine months to April 30, UWC posted a net profit of RM76.83mil, up 6.7% from RM71.99mil while revenue rose 9.7% to RM242.49mil for RM221.08mil in the

Executive director and group CEO Datuk Ng Chai Eng believes its business prospects are still bright namely in semiconductor and life science industries.

"Within the semiconductor industry itself, we have branched out to various subsectors of the ecosystem which include front-end semiconductor, 5G millimetre-wave testers and vehicle-to-vehicle testers, and autonomous vehicle chip testers.

"The testers, which we have built, contribute directly to the respective industries that are expected to have a booming addressable market in the coming years. As we are very excited of what we have achieved, our growth will not stop here as we continue to innovate to serve our clients better," he said.

# MEDIA HIGHLIGHTS (CONT'D)



### UWC up 6%, rises to two-month high on positive technical outlook

**60000**00



the mid-morning on Friday (June 24) following a positive technical outlook

At 10.50am, UWC had risen 19 sen to RM3.36, with 1.97 million shares done. It earlier rose to a two-month high of RM3.38.

RHB Retail Research said UWC is eyeing a technical breakout as it tries to climb higher again

In a trading stocks note on Friday, the research house said if the stock manages to breach above that level — forming a "higher high" bullish pattern — the stock may climb further towards the resistance level of RM3.47, namely April 20's high, followed by RM3.81 or the high of April 14.

"If it falls below the support level of RM3, the stock may move south, below the 21-day at line," it said.

末季净利大起54% UWC派息2.91仙



UWC公司在完整財政年累积多難1亿694万令吉,按年增长16.83%,同时营业额按年上涨 21.26%,至3亿45G3万令吉。

另外,UWC公司宣布派农每股2.91仙的中期股息,除权日在9月20日,股息派发日则第10月

### UWC profit soars to RM30mil

00000000 A



in the fourth guarter ended July 31 (4Q), has declared a dividend of 2.91 sen, totalling

while earnings per share (EPS) rose to 2.73 sen versus 1.78 sen previous?

### **UWC** prospects boosted by expansion plans









Tuesday, 26 Jul 2022



The integrated engineering supporting service provider is expected to leverage on the sustained demand for semiconductors through the acquisition of a new plant, the construction of a new factory and the upgrading of its current facilities.

PETALING JAYA: UWC Bhd  ${\color{red} \,}{\color{red} \,}{\color{black} \,}{}$  is projected to have a positive outlook backed by its expansion plans and strong track record of posting growth in revenue and earnings.

Mercury Securities Research expects UWC to see stable growth under the leadership of chief executive officer, Datuk Ng Chai Eng, who oversaw a three-year rev compound annual growth rate of almost 28% from financial year 2018 (FY18) to FY21 despite the challenges of the pandemic.



year revenue compound annual growth rate of almost 2018 (FY18) to FY21 despite the challenges of the par

The integrated engineering supporting service provider is expected to leverage on the sustained demand for semiconductors through the acquisition of a new plant, the construction of a new factory and the upgrading of its current facilities.

All these factors culminated in the research house having a "buy" call on UWC with a target price of RM3.67 a share based on the FY23 estimated earnings per share of 10.4 sen with a price to earnings ratio of 35.3 times.

### UWC握1.9亿订单展望佳 续受惠中美贸易冲突

财经》企业动向 王宝钦/报道





(吉隆坡8日综合电) <u>UWC</u>公司 (UWC,5292,主板科技组) 以创纪录盈利结束截至 6月2022财政年,分析员看好该公司将继续从中美贸易冲突趋势中受益,2023财政

丰隆研究指出, UWC公司第四季核心净利按年上扬60%至2600万令吉, 全年也提 高11%至9900万令吉,分别达到该行和市场预测的99%和85%。董事部宣布每股派 息2.91仙、派息率为30

该公司第四季销售额增长61%,主要归功于全球半导体客户需求保持强稳,至于核 心净利增长60%,则是营运盈利赚幅因营运效率提高而保持在42%。另外,该公司 包参与失业毕业生及雇员招聘活动,并从中获得政府补贴,带动其他收入增加。

在2022财政年,该公司的各类产品销售比例分别是半导体78%、生命科学医药17% 和其他5%,比较上财政年比例各为66%、26%和8%。

该公司的订单依然处于史上最高的1亿9000万令吉以上水平,当中半导体、生命科 学医药及其他产品各占77%、17%和6%。

该公司管理原环观看待2023财政年业务展望,短期计划包括推出功能测试仪、增产 的直系统测试仪。并并给生产新的性能测试仪等。该公司约5G mmW测试仪原设和 V2V测试仪主产等计划的在稳步推进。未来,该公司也打算开发前端半导体制造业 务,以请动业分稳定制长。

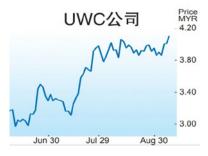
丰隆指出,在纳入最新的业绩表现后,该行决定将2023和2024财政年级股盈利预 测调低5%和2%,并估计2025财政年旬股核心净利可达14.2仙,高于2023和2024 财政年的11.7仙和12.9仙。

尽管丰隆调低盈利预测,却因调整基础财政年而将UWC公司的目标价由4令吉21仙 调高到4令吉38仙,评版保持"买进"。

该行补充,随着越来越多的公司将生产转移出中国以避免进口关税冲击,提供一站

式解决方案的UWC公司将有望继续从中受惠。

UWC公司周四走势不俗,最终收在4令吉10仙,扬升9仙,全天共有131万9600股易

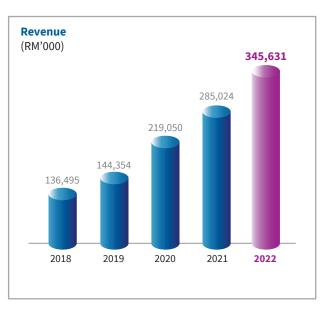


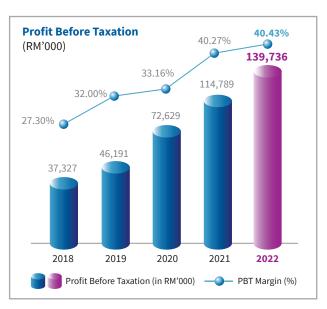
# **FINANCIAL HIGHLIGHTS**

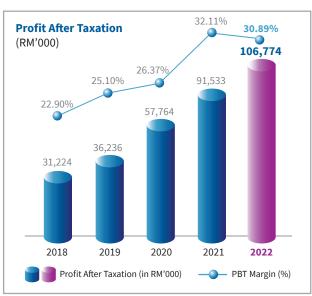
	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Revenue (in RM'000)	136,495	144,354	219,050	285,024	345,631
Profit Before Taxation (in RM'000)	37,327	46,191	72,629	114,789	139,736
Profit After Taxation (in RM'000)	31,224	36,236	57,764	91,533	106,774
EBITDA (in RM'000)	45,391	55,950	81,266	125,840	154,069
Basic EPS (sen)	8.5	7.6(1)	5.3 <sup>(1)</sup>	8.3	9.7
Diluted EPS (sen)	8.5	7.6(1)	5.2(1)	8.3	9.7
Shareholders' Equity (in RM'000)	84,173	176,517	223,277	304,782	397,521
Return on Equity	37%	21%	26%	30%	27%
Current ratio (times)	1.7	3.9	3.9	5.8	6.4
Gearing ratio	0.6	0.1	0.0	0.0	0.0

### Notes:

(1) 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**



### Dear valued shareholders,

It is my pleasure, on behalf of the Board of Directors of UWC, to present you with UWC's fourth annual report and audited financial statements for the financial year ended 31 July 2022 ("FYE2022").

FYE2022 presented many challenges to businesses such as geopolitical tensions, supply chain disruptions, labour shortages, prevailing inflationary pressures amongst others. These headwinds derailed economic recovery in the first half of year 2022 but showed signs of alleviation come to second half of year 2022.

In spite of these setbacks, our business resilience prevails from within the robust economic landscape and which favourably reflected in our financials.

### **FINANCIAL PERFORMANCE**

The Group closed FYE2022 on a record high with 21.3% growth in revenue to RM345.6 million and 16.7% growth in profit after tax to RM106.8 million. The semiconductor business segment remained the largest sales contributor and followed by the life science business segment.

UWC has been able to maintain profit margins above 30%, attributed to its product mix and operating efficiency. The Company's balance sheet position remained healthy with net cash position at RM33.5 million in current year. Shareholders' equity meantime grew from FYE2021 RM304.8 million to FYE2022 RM397.5 million while the current ratio also improved from FYE2021 5.8 times to FYE2022 6.4 times.

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

### **DIVIDEND**

The Board of Directors is committed to continuously reward our loyal shareholders. As a token of appreciation, UWC had proposed an interim single-tier dividend of 2.91 sen per ordinary share for the FYE2022. The total dividend pay-out amounting to RM32 million which is equivalent to a dividend pay-out ratio of 30% over net profit.

### **Economic Outlook and Industry Prospects**

Bank Negara Malaysia ("BNM") maintains a positive stance about Malaysia's economic outlook as they project gross domestic product growth to be at 6.5% to 7.0% for year 2023. Their forecast is backed by several favourable factors including strong fundamentals and diversified economic structure, coupled with ongoing policy support to cushion the impact of the rising cost of living and mitigate the downside risks stemming from prolonged geopolitical uncertainties and tightening global financial conditions.

Shifting our focus to semiconductor industry, the World Semiconductor Trade Statistics ("WSTS") indicates a promising outlook with an expected double-digit growth of 13.9% in global semiconductor sales from the resounding successful year 2021 towards 2022, followed by another upward growth trajectory of 4.6% into year 2023. All in all the global demand for semiconductors is anticipated to continue robust and should augur well for UWC's next expansion plans.

### **MOVING FORWARD**

UWC shares similar market views that the semiconductor industry will be further stimulated by various catalysts such as the introduction of "Creating Helpful Incentives to Produce Semiconductors for America ("CHIPS") Act" that was passed by the Senate of the United States of America ("US") recently. The CHIPS Act would set aside USD52 billion in subsidies to encourage semiconductor manufacturing and design facilities to increase their capacity in the US. When the impact sinks in, there will be high demand support for assembly and testing services and Malaysia is pious to become an attractive business partner as compared to other Southeast Asian countries attributed to our established track record of 50 years industry experience, business-friendly government as well as accommodative infrastructure set-up. According to the Malaysia Semiconductor Industry Association ("MSIA"), Malaysia accounted for 24% of the US semiconductor global trade in year 2021, therefore we are optimistic that UWC will be an indirect beneficiary as this CHIPS Act rolls out.

On the other hand, the Group also dedicate to advance its' life science and medical technology business division by ensuring steady flow of new products queuing along the pipeline. These include research and development undertakes for DNA analyser and cell electroporation instruments. The Group also works closely with customers on project transfers to secure full box-build projects.

UWC continue to experience increased orders and requests for quotations from both existing and potential customers. In order to capture in as much revenue opportunities as possible, UWC has to expand its production capacity which includes acquiring

and leasing new factories nearby its home base Batu Kawan or at other strategic outstation location. Furthermore, UWC also added cleanrooms to enhance its' ability to assemble higher end testers.

At the international stage, we see country governments increasingly driving the "electrification" theme through their fiscal and economic policies as the global phenomenon shifts from fossil fuels to greener energy. EV market is seen to pick up momentum and expected to undergo exponential growth in coming years. In line with the surge in global demand for EV, UWC strategically placed itself as part of the supply chain. As the Group commences its' production of EV battery cell emulator and AC emulator, it is set to seize more untapped opportunities offered by the EV industry.

As UWC embracing the future, the Group made tremendous progress to develop its 5G millimetre-wave tester and vehicle-to-vehicle tester products which will be used in autonomous vehicles. In addition, the Group also strengthen its presence in the front-end semiconductor manufacturing space through work force upskilling and facilities upgrades. The Group expects these endeavours to sustain it through coming years.

All things considered, UWC look forward to its' encouraging outlook. Regardless that the Group may potentially come across cyclical slowdown that is common to all technology businesses, it is confident to adapt with the dynamics and emerge stronger as proven time after time.

### **BUILDING A SUSTAINABLE FUTURE**

We firmly belief in fostering a sustainable business for future and strict corporate governance is integral to bring long-term value to our stakeholders. We continue to adopt environmental, social, and governance ("ESG") related best practices that align with the Group's objectives. Our shareholders will be able to familiarise themselves with our latest development and effort by making reference to the sustainability statement.

### **APPRECIATION**

Before I sign off, I would like to express my utmost appreciation to the Board of Directors, management and staffs of UWC for their unity at challenging times, commitment on set goals and willpower to achieve success.

I would like to also convey our heartiest gratitude to our customers across the globe, suppliers, business partners, associates, bankers and the respective regulatory authorities for their support and assistance.

Lastly to you, UWC most valued shareholders, it is truly an honour to gain your continuous confidence which motivates us to deliver our best and attaining new height yet again.

Yours faithfully,

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

Independent Non-Executive Chairman

# MANAGEMENT DISCUSSION & ANALYSIS

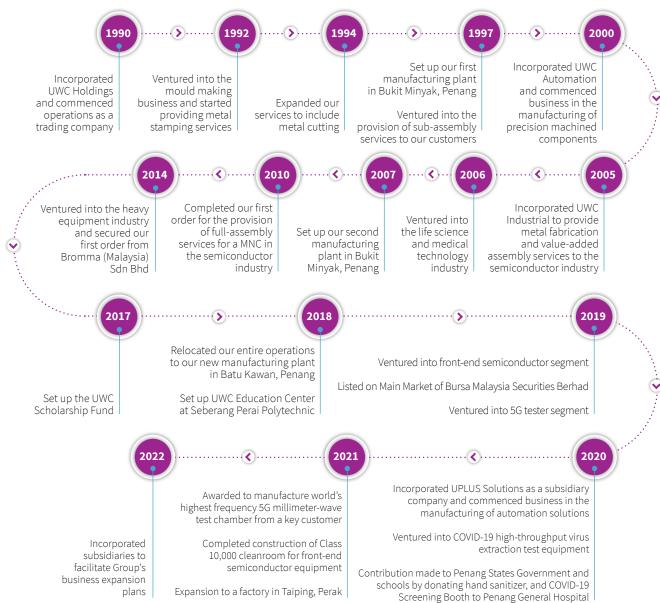
### **REVIEW OF 2022**

UWC wrapped up year 2022 with a business achievement of yet another record high revenue and earnings since listed in Main Market of Bursa Malaysia during 2019. Despite the challenges and uncertainties posed by multiple headwinds including labour shortage, inflationary pressure and supply chain disruption, the Company continue to gain traction generating quarter-overquarter growth throughout the financial year.

The global semiconductor market size ballooned in year 2022 and was projected to reach USD1,380.79 billion by 2029 as the digitalization push phenomenon will drive towards rising demand for data centres, personal smart devices and consumer electronics. Meantime the rapid adoption of 5G technology accelerated the development of autonomous driving through reliable vehicle connectivity. As a semiconductor industry player, UWC foresees itself to benefit from the exponential demands and in order to cater for it, the Group has rolled out several expansion plans which involve leasing a plot of land measured at 12.0877 acres located within Batu Kawan, constructing high grade cleanrooms and incorporated a new subsidiary that specializes in surface finishing treatment.

In UWC, every step we take is based on our core values: Unity, Willpower and Commitment. We constantly push beyond our limits to deliver value to our stakeholders in a sustainable way. With over 22 years of engineering business experience, we pride ourselves as a formidable player in the field. We strive to be the crème de la crème of the industry and our customers' preferred strategic technology partner. Together with our stakeholders, we stay at the forefront of technology through exceptional commitment to innovation and creativity as engraved into our corporate DNA.

### **KEY MILESTONES**



### **KEY AWARDS** 2007 Received the Top 50 **Enterprise Awards** Malaysia under the 2008 category of Golden Award from Malaysia Received best on-time Entrepreneurs' supplier recognition **Development Association** award from Harmer & Simmons Ltd 2012 Received supplier recognition award from Teradyne 2014 Received supplier recognition award from Agilent 2015 Received Sin Chew **Business Excellence Award** 2015 under the category 2016 of Product and Service Excellence Received Golden Eagle Award under the Excellent Eagles category from 2017 Nanyang Business Daily Received recognition for outstanding commitment and support of new product introduction from 2018 Teradyne Received strategic partner award from Manpower Department, Ministry of Human Resources 2019 Malaysia Received supplier recognition award from Keysight for Best in Class 2020 Performance Quality Received recognition in 2020 Forbes Asia's Best Under A Billion list 2021 Received Manufacturing Sector Award Category 3 in conjuction with Industry 2022 Excellence Award (AKI) 2020 from Ministry of Received supplier International Trade and recognition award

Industry ("MITI")

### **BUSINESS OVERVIEW**

UWC is an integrated engineering service provider, offering one-stop solutions to companies across the semiconductor, life science and medical technology industries. These comprehensive solutions include a wide range of services and products, from supplying piece parts to full turnkey assembly that each customized for our customers' needs.

As part of our manufacturing activities, we offer fabrication services as well as outright produce metal component parts and precision machined component parts. Our main fabrication services comprise of cutting, forming, joining and other related processes to create intermediate metal products. We are also capable of providing value-added assembly services to our clients, where we either sub-assemble self-manufactured metal piece parts or fully assemble intermediate metal products produced by us into finished products.

Among the fully turnkey products that we manufacture include vehicle-to-vehicle (V2V) communication sensor emulator, processor chips testers, flash memory testers, networking server testers, signal testers and precision diffusion pumps. The end-to-end process which our customers typically entrust us begins with piece-part production, followed by module assembly and then the full-turnkey assembly.

The funds raised through the listing exercise back in year 2019 enabled the Group to materialize multiple expansion endeavours that are aligned with its future strategy. We managed to position ourselves within the higher-value supply chain by tapping into opportunities arising from the budding trend of front-end semiconductors, 5G millimeter-wave tester project for smart devices and autonomous vehicle-related testers. We believe these branching ventures will serve as catalysts for our continuous growth and strengthen our market presence.

### **FINANCIAL REVIEW**

Despite multiple headwinds at global scale, UWC's business remains robust throughout the year. UWC achieved yet again record high revenue of RM345.6 million for the financial year ended ("FYE") 2022 which sees a strong double-digit growth rate of 21.3% compared to the FYE 2021. The Group also registered a net profit of RM106.8 million for the FYE 2022, being a commendable year-on-year increase of 16.7% compared to the FYE 2021. Despite the challenging economic situation besieging overall market, the Group still generate a profit margin of 30.9% for the FYE 2022, this is mainly attributable to its' adaptive production lines, operation efficiency and cost management.

For the FYE 2022, we continue to witness strong demand for semiconductors drives UWC's revenue growth through both order quantities and upgraded value proposition. We anticipate the demand for life science and medical technology related products remain robust as the population has now higher health awareness after experiencing through a tough pandemic period.

from Teradyne

### FINANCIAL REVIEW (cont'd)

Higher earnings had resulted in our basic earnings per share ("EPS") increased from 8.32 sen at FYE 2021 to 9.71 sen at FYE 2022. The diluted EPS worked out to be 9.70 sen based on the weighted average number of shares in issue as a further 732,400 shares were vested to reward employees and directors under the share grant scheme during the year. Overall, return on equity was 27% in FYE 2022.

As at 31 July 2022, the Group's cash and cash equivalent stood at RM39.6 million with a marketable securities of RM20.0 million. Notably, gearing ratio had reduced to a non-significant 0.003 times from also a negligible 0.01 times a year ago. Sufficient cash level and low gearing lay down a solid foundation for UWC to optimises its' expansion potential during economic uncertainties. Meanwhile the Group's net tangible asset ("NTA") also rose by 30.4% from RM304.8 million at FYE 2021 to RM397.5 million at FYE 2022.

### **REVIEW OF OPERATING ACTIVITIES**

### **Technology**

As a technology sector player, our internal capacity to adopt cutting-edge technologies is equally essential for us to remain competitive. To that end, we work closely with our customers and suppliers to strengthen technical know-how and collaborate on New Product Introduction ("NPI") projects as well as process improvements in order to keep provide innovative solutions at a competitive price.

Our Process Engineering team works closely with vendors and consultants to apply newest technologies into practice at the factory floor. Through their relentless efforts, we ensure our production line increasing efficiency which attributed to the likes of robotic arms integration, automated material handlers and Computer Numeric Control ("CNC") machines. All of these initiatives are aligned with our primary goal of reduce human dependency in the operations and thus progressing towards full industry 4.0 adoption as an effective one-stop solution centre.

During the year, we received increasing order demands from both existing customers and new customers. In order to cater for these business inflows, we took pre-emptive steps to expand engineering resources through experience hires and providing upskill programmes to fresh employees. As a result, we managed to accomplish several research breakthroughs such as collaborating with our customers to fully design the 5G Radar Scene Emulator.

On the other hand, we also focus on strengthening our technical team's design capability and electrical knowledge by recruiting more mechanical designers, Radio Frequency engineers, and electrical engineers. The restructuring process was carried out within the technical team and Technical Data Control & Processing ("TDCP") team in order to streamline the technical documentation, creation, and processing. The restructuring process enables the teams to focus on their role and reduce the turnaround time of document preparation.

Apart from that, our Product Design and Development department also carried out improvement activities throughout the year including enhancement in the insertion, bending, masking, and silk screen printing processes. The department started to digitalise the work processes to help simplify transaction flows then improve long term efficiency.

While we increased resources for the above, we also ensured the counterbalance of engineer headcounts was equally focused at the Quality Assurance department therefore able to deliver end products that are of expected quality to our customers.

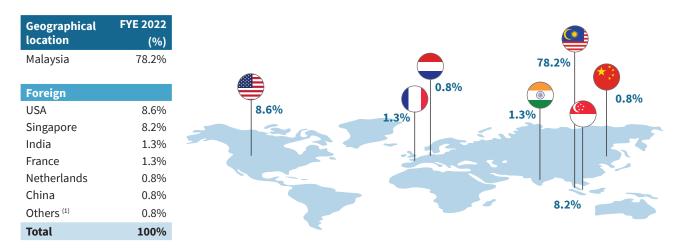
### **Sales and Marketing**

UWC once again demonstrated unyielding resilience to grow its' business as marked by another highest revenue level to-date since its' inception. The Group's revenue for the FYE 2022 is recorded at RM345.6 million, the semiconductor industry remained the biggest sales contributor and followed by the life science and medical technology industry.

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

### Sales and Marketing (cont'd)

Our corporate customers are well-spread geographically with the United States of America as the top export destination followed by Singapore then India. There composition is largely similar to prior year. Accordingly, we transact these sales in foreign currencies. For the FYE 2022, 55.2% of the Group's sales were denominated in Ringgit Malaysia, 44.3% in US dollar and 0.5% in Euro. Our top 5 major customers contributed to approximately 79.6% of our total revenue.



<sup>&</sup>lt;sup>(1)</sup> Others included Australia, Canada, Denmark, Germany, Hong Kong, Japan, Spain, Thailand, United Kingdom and Vietnam.

We value sustainable business relationships with our customers and take proactive effort to foster close ties with them. Strong collaboration with customers is formed through creative win-win solutions, fast response time and making periodic visits to personally gauge customer satisfaction. In light of the introduction of Creating Helpful Incentives to Produce Semiconductors for America ("CHIPS") Act, UWC seeks to capitalise on front-end fabrication businesses in addition to current core activities of backend assembly and testing. We believe the eventual success can only be forged through deep trust by our customers to transfer more higher end product knowledge and orders to our Group.

Penang state continues to style itself as a strategic technological hub and as one of the preferred relocation destinations for foreign direct investment to set up new factories. Our authorities effectively attract foreign corporations' investment inflows which cumulatively develop a healthy supply chain ecosystem that benefits local businesses.

With the resumption of economic activities after the pandemic, UWC garnered higher number of enquiries from existing and potential customers. The sudden release of pent-up demands coupled with UWC's highly customizable production lines had catered options for the Group to venture into more advance technology such as 5G test equipment and autonomous vehicle-related tester.

As a technology sector player, we are mindful to be forward looking when strategizing business direction and this entails taking a long-term view in developing future talents and making investment decisions. It is imperative for UWC to engage closely with stakeholders to ensure our interest with customers, suppliers and authorities are aligned at all times. With that and leveraging on consistent track record in delivery, we are confident that business opportunities will continue to come one's way.

### **CHALLENGES AND STRATEGY**

### Constantly identify and deploy latest technologies

As the Group's business inherently exposes to the dynamic evolution of manufacturing technologies, we keep ourselves conscious of latest technological trends through active participation of industry players' events, timely reading recent events and constant communication with stakeholders. We make improvements at utmost urgency to enhance our production capabilities to meet changing market requirements and fulfil our customers' needs.

The life science and medical industry is more regulated than others, therefore the related equipment which UWC manufactures for diagnostic testing use is correspondingly complicated. For that reason, we are working on an automated instrument with high-throughput extraction of DNA, RNA, protein and cells with an extensive selection of validated application protocols. We understand the importance of breakthroughs to maintain our competitive advantage in the industry, hence we cultivate our talents' curiosity minds to ensure that not only their skills and knowledge are keep upto-date but also always able to predict ahead. We regularly enrol staff members to exhibitions, intensive training and workshop sessions. As a testament of effort, we incorporated a new subsidiary USurface Technology Sdn. Bhd. in 2022 to support the Group's business with specialized surface finishing treatment that meets the latest industry standards.

We acknowledge the requisite cycle of promptly discovering technological advancements, invest in new technologies, upgrade our machinery and equipment, develop accompanying processes and talents as part of long-term mission to meet consumers' ever-changing demands. The Group's notable accomplishments include investment in industrial robotic arms to improve production line efficiency and product quality, as well as incorporating a new subsidiary UPLUS Solutions Sdn. Bhd. to provide inhouse automation solutions.

### **Customer Performance**

Our semiconductor business heavily relies on the prospect and demand of end-user markets which affect the volume of orders we receive. The end-users are consumers in general therefore we take keen interest in the global economic conditions to anticipate their spending trends.

Meantime life science and medical technology is more susceptible to technological advancement and industry standards. These elements will compel our customers to change product design or specification regularly. In view of the unpredictability, we obtain from customers rolling forecasts of 6 to 12 months to plan ahead. Our sales are secured through purchase orders from our customers and which may differ from the forecasted volume, nonetheless forecast serves to trigger us of potential deviations.

In our pursuit to extend our clientele, we emphasize diversification of business segments. For instance, we have gradually encroached into the front-end semiconductor supply

chain over the years which is of different league from our core back-end activities. UWC also managed to pivot into manufacturing of automated test equipment, 5G test equipment and autonomous vehicle-related tester. As part of corporate move, the Group exited from the heavy-duty business to reallocate its' capacity over to higher margin segments with more room to grow.

On the other hand, our involvement in the life science and medical industry had provided us with sustainable revenue over the years. End-users are experiencing lifestyle changes that promote health consciousness in recent times, that together with an ageing population attribute to steady increase of medical equipment demands. Consequently UWC has been working with customers to develop new life science and medical equipment of the latest technology. We are optimistic of the industry outlook as the global health awareness escalated after the COVID-19 pandemic. We anticipate the life science and medical segment will pave for our long-term business sustainability.

### **Human Capital**

Skilled workers and technical experts are the backbone of the Company's operation. To minimise disruption to the Company's operation in the long term, the Company maintains an adequate succession plan covering key function all across. For immediate term, the Company executes staff retention initiatives such as providing professional development opportunities, ensure remuneration packages are competitive and nurture a positive corporate culture.

The Group also offers to eligible employees' share grants through the Share Grant Scheme to reward employees who contributed towards the Group's success. This added benefit has thus far motivate the employees to step-up above and beyond for better performance, greater productivity and corporate loyalty. It will also align our employees' interests with corporate objectives. During 2022, the Group had issued approximately 390,000 shares under the Share Grant Scheme to reward the employees for their past year contribution to the Group.

As the Group's business expands, we are in need of more manpower to support daily operation and so fulfil customers' order demands. In order to close out the recruitment gap, UWC collaborates with local universities and colleges to welcome their students for industrial visits that offer a glimpse into the actual working environment while in turn attracting their interest to explore career options with UWC. In addition, the Group sourced hundreds of foreign workers mid-2022.

The Group adopts all means necessary to ensure UWC manpower is able to scale up with its increasing business demands. Meantime the Group leverage on automation solutions to ramp up production and also reduce our reliance on manpower.

### **DIVIDEND**

In FYE2022, the Group declared a total dividend of RM32 million, translating to a dividend pay-out ratio of 30% over net profit. The Group considers various factors when determine the pay-out amount which including financial performance, level of cash, capital expenditure requirements as well as expansion plan needs. UWC has been consistently paying dividends since its listing as we strongly believe that dividend pay-out is a form of appreciation to reward shareholders' support and loyalty.

### FORWARD-LOOKING STATEMENT

The Group had successfully manoeuvring through all kinds of challenging situations in FYE2022 and yet managed to achieve record high revenue and profit. We will ride on the momentum to strive forward and bring UWC to another level. Regardless of short-term cyclical demand fluctuation come what may, we are optimistic of our prospects for the years to come. We hold on to the believe that technology sector shall be promising as the demand from the semiconductor industry and the life science and medical technology industry will persistent to be the growth catalyst for UWC.

Our long-term goal remains intact with already effort to move higher up the value chain towards manufacturing frontend equipment. We will have to significantly upgrade our production and talent capabilities in order to manufacture front-end semiconductor equipment that is subject to way stringent requirement. We anticipate positioning ourselves within the front-end supply chain will further improve our profit and margin in the coming years.

Meantime the adoption of Industry 4.0 continues to be an area of focus as we move forward. With the purpose of encouraging more automation in our manufacturing process, we have made investments in new CNC machines like robotic arms and other collaborative robot assistance for quality enhancement and higher work efficiency. We also set up the Failure Analysis Lab for problem analysis and process yield improvement study to keep our production relevant and competitive.

We are aware that the World Semiconductor Trade Statistics ("WSTS") had recently revised the global semiconductor sales growth downwards for 2022 to 13.9% compared to the previous forecast of 16.3% and a single-digit growth rate for 2023, due to the widely anticipated slowdown in the global economy and inventory correction. Nevertheless, demand for semiconductors is anticipated to grow over the longer term driven by the 5G applications, automotive, smart devices, cloud computing, AI, and IoT. The adoption of the Creating Helpful Incentives to Produce Semiconductors for America ("CHIPS") Act will further spur the growth of the semiconductor industry. The CHIPS Act will see an allocation of USD52 billion to strengthen US semiconductor manufacturing, design, and research. Considering Malaysia accounts for 24% of all US semiconductor global trade, we are optimistic that the demand for semiconductors will continue to be robust. Furthermore, the introduction of 5G has propel the testers' market as 5G devices require high-speed chipset. In consideration of these factors, we have continued to ramp up our capacity by setting up new factories at Taiping and Batu Kawan. We have also built a new class 10,000 cleanroom for the assembly of higher-end testers. Besides, there is a class 100 cleanroom in progress of construction to cater for front-end equipment manufacturing business.

In conjunction with the increase in global health awareness and living quality, we also expect the demand for both highend life science and medical devices to increase accordingly. The rising prevalence of chronic diseases will further boost the demand for medical devices. The global medical devices market size has been projected to grow from USD495.46 billion in 2022 to USD718.92 billion by 2029, exhibiting a CAGR of 5.5%. We are aware of the huge opportunity offered by the life science and medical device industry, therefore we started to venture into this industry years ago and seek to uncover its boundless potential. Currently queuing in our pipeline, we have DNA analyser and cell electroporation instrument under the research and development stage. We place equal importance on the life science and medical device segment and would like to transform it to become a significant driver for the Group's revenue within the next few years as we advocate more business diversification.

While observing sales of electric vehicles indicates drastic growth in recent years as government and corporates embrace the usage of cleaner energy sources and mitigate carbon emissions, the Group had since explored to manufacture autonomous vehicle-related chip testers. With the expertise to produce E battery cell emulators and AC emulators, we assume a positive view that this will also help to accelerate our business growth in the years to come.

### **CONCLUSION**

Despite the market has been volatile due to various uncertainties that are plaguing the global economy, we are confident that with the right corporate direction supplemented by expansion plans, UWC should continue to deliver remarkable performance for its' shareholders as it has proven to emerge stronger after each hurdles once and again.

We would also like to take this opportunity to convey our sincere appreciation to our customers, suppliers, partners and shareholders for their continuous support, as well as our Board of Directors for their leadership, invaluable advice and unconditional support over the past year. Last but not least, we want to thank all the staffs and management team at UWC for their tremendous effort to see through the success of UWC.

Dato' Ng Chai Eng Executive Director/Group CEO



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. DR. NG CHIN LIANG Alternate Director to Dato' Ng Chai Eng/ Deputy Group CEO

5. DATO' F'NG MEOW CHENG Independent Non-Executive Director

6. DATO' LIO CHEE YEONG Independent Non-Executive Director

# PROFILE OF DIRECTORS



### Qualification

1. Bachelor of Science in Resource Economics, Universiti Pertanian Malaysia (now known as Universiti Putra 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 (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 ILB Group Berhad (formerly known as Integrated Logistics Berhad)
- 2. Independent Non-Executive Director of AYS Ventures Berhad

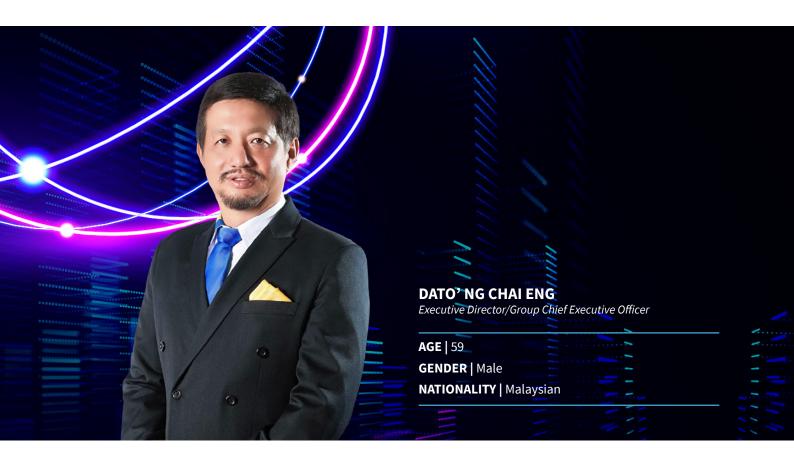
Any family relationship with any director and/or major shareholder of UWC

None

Any conflict of interests that the person has with UWC 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



### Qualification

- 1. Malaysian Skills Certificate Level 1 (formerly known as Sijil Kecekapan Ketukangan Peringkat Asas)
- Malaysian Skills Certificate Level 2 (formerly known as Sijil Kecekapan Ketukangan Peringkat Pertengahan)
- 3. Certificate in Administrative Management, Center for Business Studies (London)
- 4. Certificate in Production and Quality Control Management, Centre for Business Studies (London)

### Date first appointed to the Board

29 March 2018

### **Membership of Board Committee**

None

### **Working Experience and Occupation**

- Apprentice electrician, Mattel (Malaysia) Sdn. Bhd. (1982 1983)
- 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**

- Chairman in Sekolah Jenis Kebangsaan (C) Beng Teik (Pusat)
- 2. Advisor of the Federation of Malaysian Foundries and Engineering Industries Associations (FOMFEIA)
- Member of Machinery and Equipment Investment Advisory Panel of MIDA
- 4. Director of UMedic Group Berhad
- 5. Director of all subsidiaries of UWC Berhad
- 6. Director of several private limited companies

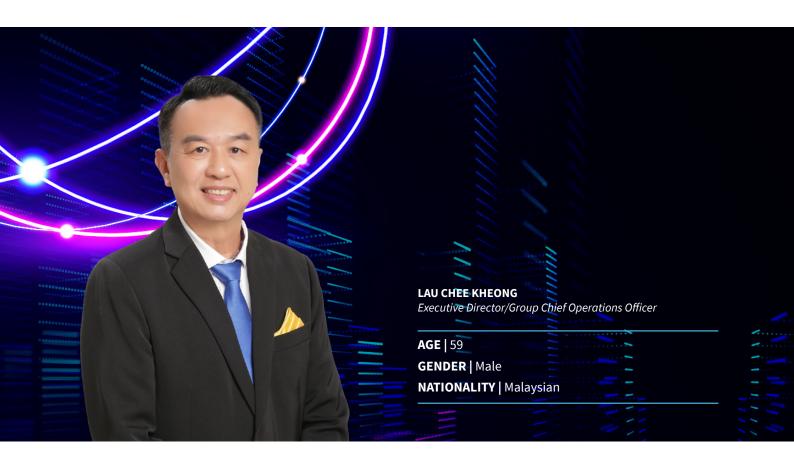
# Any family relationship with any director and/or major shareholder of UWC

He is the father of Dr. 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



### Qualification

 Sekolah Menengah Jenis Kebangsaan Hua Lian Taiping, Perak

# **Date first appointed to the Board** 29 March 2018

### **Membership of Board Committee** None

### **Working Experience and Occupation**

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

### **Present Appointment**

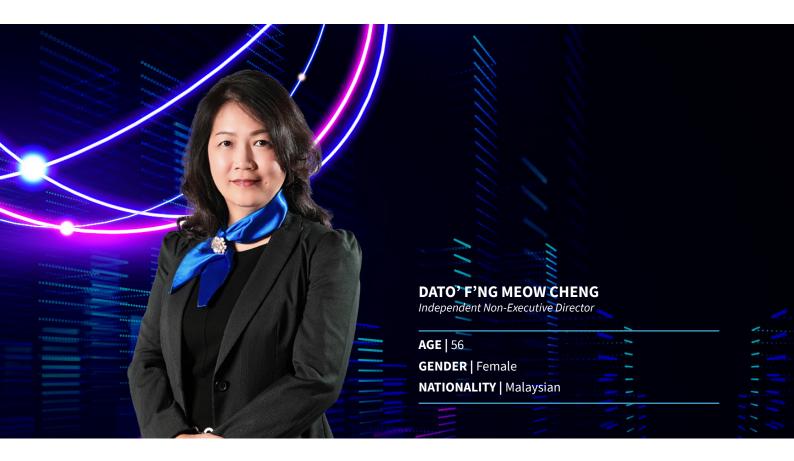
- 1. Director of UMedic Group Berhad
- 2. Director of all subsidiaries of UWC Berhad
- 3. Director of several private limited companies
- 4. Vice President of Persatuan Alumni Sekolah Hua Lian Taiping Zon Utara Malaysia

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 None



### Qualification

- Bachelor of Science in Business Administration, University of Southwestern Louisiana, USA
- 2. Master of Management, Australian Institute of Business, Australia
- $3. \ \ Member of Malaysian Institute of Certified Public Accountants$
- 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 several private limited companies
- 2. Independent Non-Executive Director of Aurelius Technologies Berhad
- Independent Non-Executive Director of SNS Network Technology Berhad

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



### 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 and Kedah)
- 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



### 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
- 5. Doctor of Business Administration, Wawasan Open University

### Date first appointed to the Board

15 November 2019

### **Membership of Board Committee**

None

### **Working Experience and Occupation**

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

### **Present Appointment**

- Chairman, Youth Club, Federation Malaysia Manufacturer, Penang Branch
- 2. Vice Chairman of Penang Skill and Development Centre
- Member of Industry Advisory Committee, Politeknik Seberang Perai
- 4. Member of Institute-Industry Management Board, Institut Latihan Perindustrian Arumgam Pillai Nibong Tebal
- 5. Member of Committee, Federation Malaysia Manufacturer, Penang Branch
- 6. Member, Technical Advisory Committee, Institut Teknikal Jepun Malaysia (JMTI)
- 7. Advisor of Junior Chamber International (JCI) Bayan
- 8. Alternate Director of UMedic Group Berhad
- 9. 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 2022 ("FYE 2022").

Name of Directors	Mode of Training	Title
Dato' Wan Hashim	Training	Managing Your Transfer Pricing Risks (Inhouse by ILB Group Bhd)
Bin Wan Jusoh	Training	Managing Corporate Liability Risks (Inhouse by ILB Group Bhd)
	Webinar	ESG Disclosure at a Glance: Key Developments and Future Trends
	Internal briefing	Corporate Governance Strategic Priorities (2021 - 2023)
Dato' Ng Chai Eng	Webinar	Family Wealth Planning and Long Lasting Legacies
	Webinar	HSBC Private Bank Investment Outlook
	Webinar	HSBC Private Bank Mid Year Investment Outlook
	Webinar	ESG Disclosure at a Glance: Key Developments and Future Trends
	Internal briefing	Corporate Governance Strategic Priorities (2021 - 2023)
Lau Chee Kheong	Webinar	Secondary Process Solution
	Webinar	Fiber Laser Technological Breakthrough & Advances
	Webinar	AMADA ENSIS Fiber Laser Technology
	Webinar	The Breakthrough of Bending Solutions
	Webinar	ESG Disclosure at a Glance: Key Developments and Future Trends
	Internal briefing	Corporate Governance Strategic Priorities (2021 - 2023)
Dato' F'ng Meow Cheng	Workshop	Practical Preparation for Tax Audit & Investigations
	Workshop	Real Property Gains Tax (RPGT)
	Webinar	MIA Webinar Series: Beneficial Ownership & Voluntary Winding-Up of LLP
	Webinar	Whistleblowing Policy: Achieving an airtight Outcome
	Webinar	MIRA Webinar: Keys To Effective Shareholders Engagement Via Annual General Meeting
		(AGM)
	Webinar	Case Study - Based MFRS Webinar: MFRS 15 Revenue from Contracts with Customers
		MPERS Sections 23 & 34
	Webinar	Audit Oversight Board's Conversation with Audit Committees
	Webinar	ESG Disclosure at a Glance: Key Developments and Future Trends
	Internal briefing	Corporate Governance Strategic Priorities (2021 - 2023)
Dato' Lio Chee Yeong	Webinar	2022 ASEAN Board Trend: What Keeps You Awake at Night?
	Webinar	Your biggest "S" in ESG: Sustainable Human Capital Management & Workplace
		Transformation
	Webinar	Rethink, Reimagine & Redesign: Business Model of the Future
	Webinar	Talent Uprising - How Boards Should Rethink Their Talent Strategy in this Era of
	Malainan	Opportunity
	Webinar Webinar	ESG + 'T': Global Megatrends to Watch Out For
		ESG Disclosure at a Glance: Key Developments and Future Trends
Dr. Na Chin Liana	Internal briefing	Corporate Governance Strategic Priorities (2021 – 2023)
Dr. Ng Chin Liang	Webinar	Outlook for the E&E Industry and its contribution to the Malaysian Economy
	Webinar Webinar	Groundbreakers: Generation Z - The Talent Equation and The Future of Work
	Webinar	Seizing the Next Wave of E&E Investment into Malaysia Confirmation
	Webinar	USM Post Budget Forum 2022 SelectUSA – Spotlight on U.S. States & Industries
	Webinar	ESG Disclosure at a Glance: Key Developments and Future Trends
	Internal briefing	Corporate Governance Strategic Priorities (2021 - 2023)
	internat briefing	Corporate Governance Strategic Friorities (2021 - 2023)

### Remuneration

The following are the remuneration breakdown of all directors as at FYE 2022.

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	914	-	-	112	120	720	1,866
Lau Chee Kheong	914	-	-	112	120	720	1,866
Dato' Wan Hashim							
Bin Wan Jusoh	-	72	-	-	5	-	77
Dato' F'ng Meow Cheng	-	36	-	-	3	-	39
Dato' Lio Chee Yeong	-	36	-	-	3	-	39
Dr. Ng Chin Liang	204	-	18	25	17	67	331

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# PROFILE OF KEY SENIOR MANAGEMENT

**Lee Boon Chien** *Financial Controller* 

**Ng Sze Yen** General Manager

Age: 35 Gender: Male

Nationality: Malaysian

**Age**: 39

**Gender**: Female **Nationality**: Malaysian

### Qualification

- Fellow member of the Association of Chartered Certified Accountants ("FCCA")
- 2. Member of the Malaysian Institute of Accountants
- Bachelor of Science in Applied Accounting with Oxford Brookes University

### Qualification

 Bachelor of Mechanical Engineering, Universiti Tun Hussein Onn

### Date first appointed to the Key Senior Management

14 February 2022

# Date first appointed to the Key Senior Management

1 May 2018

### **Working Experience and Occupation**

- 1. Assurance Senior Manager, PwC Malaysia (2008 2018)
- Group Finance Manager, Zhulian Corporation Berhad (2019 – 2022)
- 3. Financial Controller, UWC Berhad (2022 Present)

### **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)
- Business Development Manager, UWC Holdings Sdn. Bhd. (2011 – 2018)
- 5. Head of Operation, UWC Berhad (2018 2020)
- 6. General Manager, UWC Berhad (2020 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

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)

### Tan Kean Hean

Head of Machining Division

Age: 57

**Gender**: Male **Nationality**: Malaysian

### Qualification

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

### Date first appointed to the Key Senior Management

1 May 2018

### **Working Experience and Occupation**

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

### **Present Appointment**

Director of UWC Automation Sdn. Bhd.

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

**Chong Yee Beng** 

Senior Manager of Engineering Division

Age: 53 Gender: Male

Nationality: Malaysian

### Qualification

 Bachelor of Mechanical Engineering, Universiti Teknologi Malaysia

Date first appointed to the Key Senior Management

1 May 2018

### **Working Experience and Occupation**

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

### **Present Appointment**

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

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

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# PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

### **Khor Kean Seng**

Senior Manager of Industrial Engineering and Production Division



Age: 52 Gender: Male

Nationality: Malaysian

### **Oualification**

 Diploma in Electrical Engineering, Institut Teknologi Butterworth

### Date first appointed to the Key Senior Management

1 May 2018

### **Working Experience and Occupation**

- Engineer, Penang Seagate Industries (M) Sdn. Bhd. (1992 1993)
- 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)
- Senior Manager of Industrial Engineering and Production Division, UWC Berhad (2018 – Present)

### **Present Appointment**

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

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

The Board of Directors ("the Board") of UWC Berhad ("UWC" or "the Company") recognises the importance of sound corporate governance and is committed to uphold the high standard of corporate governance and ethics throughout the Company and its Group of Companies ("the Group").

This Corporate Governance Overview Statement ("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 2022 ("FYE 2022"). In accordance with the updated Malaysian Code on Corporate Governance ("MCCG") issued on 28 April 2021 by the Securities Commission Malaysia ("SC"), the main principles governing these governance practices are namely 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. The stakeholders are advised to read this Statement in conjunction with the CG Report. This CG Report is available on the Company's website at <a href="https://www.uwcberhad.com.my">www.uwcberhad.com.my</a> as well as the Company's announcement made to Bursa Securities on 30 November 2022 together with the announcement of Annual Report FYE 2022.

### 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 will periodically 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 Group has in place the Anti-Bribery and Anti-Corruption Policy in keeping with the commitment set forth to prevent and detect bribery and corruption. This Policy in prepared in accordance with the Malaysian Anti-Corruption Commission Act 2009 and Malaysian Anti-Corruption Commission (Amendment) Act 2018.

In addition, the Group has also adopted Whistle Blowing Policy. The objective of this Whistle Blowing Policy is to create open work environment practise within the Group. The Code of Conduct and Ethics serve as a tool for the Board to convey and instil its values into the organisation.

During the year, the Board has also reviewed and updated its Diversity Policy. This Diversity Policy is a formalisation of the Group's commitment to gender diversity at board level and across the Group.

The Board has also introduced Fit and Proper Policy for Directors. This Fit and Proper Policy defines the criteria in the evaluation of directors before their appointment and/or re-election to the Board.

The Charter, Code of Conduct and Ethics, Whistle Blowing Policy, Anti-Bribery and Anti-Corruption Policy, Diversity Policy and the Fit and Proper Policy for Directors as well as the terms of reference of the Board Committees are also posted onto the Company's 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 Chief Executive Officer ("CEO") are held by different individuals. The role of the Board Chairman is to ensure the effective functioning of the Board while the key role of the Group CEO is to lead and manage the Group's operations and execute the decisions made by the Board.

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

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

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.

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 responsible for the overall direction on the sustainability efforts and initiatives of the Group. The roles and responsibilities of the sustainability governance bodies are disclosed in Sustainability Report on pages 33 to 58 of this Annual Report. In order to discharge their duties effectively as Director, the Board attended appropriate seminars, training, or workshops during the year to continuously enhance their knowledge and stay abreast of latest developments relating to sustainability matters. To adopt the Step Up version of Practice 4.5 of the MCCG 2021, the Board has appointed Dr. Ng Chin Liang, the Deputy Group CEO to lead the sustainability development effort of the Group.

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) Managing Your Transfer Pricing Risks (Inhouse by ILB Group Bhd)</li> <li>(ii) Managing Corporate Liability Risks (Inhouse by ILB Group Bhd)</li> <li>(iii) ESG Disclosure at a Glance: Key Developments and Future Trends</li> <li>(iv) Corporate Governance Strategic Priorities (2021 - 2023)</li> </ul>
Dato' Ng Chai Eng (Executive Director/Group CEO)	<ul> <li>(i) Family Wealth Planning and Long Lasting Legacies</li> <li>(ii) HSBC Private Bank Investment Outlook</li> <li>(iii) HSBC Private Bank Mid Year Investment Outlook</li> <li>(iv) ESG Disclosure at a Glance: Key Developments and Future Trends</li> <li>(v) Corporate Governance Strategic Priorities (2021 - 2023)</li> </ul>
Lau Chee Kheong (Executive Director/Group COO)	<ul> <li>(i) Secondary Process Solution</li> <li>(ii) Fiber Laser Technological Breakthrough &amp; Advances</li> <li>(iii) AMADA ENSIS Fiber Laser Technology</li> <li>(iv) The Breakthrough of Bending Solutions</li> <li>(v) ESG Disclosure at a Glance: Key Developments and Future Trends</li> <li>(vi) Corporate Governance Strategic Priorities (2021 - 2023)</li> </ul>
Dato' F'ng Meow Cheng (Independent Non-Executive Director)	<ul> <li>(i) Practical Preparation for Tax Audit &amp; Investigations</li> <li>(ii) Real Property Gains Tax (RPGT)</li> <li>(iii) MIA Webinar Series: Beneficial Ownership &amp; Voluntary Winding-Up of LLP</li> <li>(iv) Whistleblowing Policy: Achieving an airtight Outcome</li> <li>(v) MIRA Webinar: Keys To Effective Shareholders Engagement Via Annual General Meeting (AGM)</li> <li>(vi) Case Study - Based MFRS Webinar: MFRS 15 Revenue from Contracts with Customers MPERS Sections 23 &amp; 34</li> <li>(vii) Audit Oversight Board's Conversation with Audit Committees</li> <li>(viii) ESG Disclosure at a Glance: Key Developments and Future Trends</li> <li>(ix) Corporate Governance Strategic Priorities (2021 - 2023)</li> </ul>

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

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

Director	Training Attended
Dato' Lio Chee Yeong (Independent Non- Executive Director)	<ul> <li>(i) 2022 ASEAN Board Trend: What Keeps You Awake at Night?</li> <li>(ii) Your biggest "S" in ESG: Sustainable Human Capital Management &amp; Workplace Transformation</li> <li>(iii) Rethink, Reimagine &amp; Redesign: Business Model of the Future</li> <li>(iv) Talent Uprising - How Boards Should Rethink Their Talent Strategy in this Era of Opportunity</li> <li>(v) ESG + 'T': Global Megatrends to Watch Out For</li> <li>(vi) ESG Disclosure at a Glance: Key Developments and Future Trends</li> <li>(vii) Corporate Governance Strategic Priorities (2021 - 2023)</li> </ul>
Dr. Ng Chin Liang (Alternate Director to Dato' Ng Chai Eng/Deputy Group CEO)	(i) Outlook for the E&E Industry and its contribution to the Malaysian Economy (ii) Groundbreakers: Generation Z - The Talent Equation and The Future of Work (iii) Seizing the Next Wave of E&E Investment into Malaysia Confirmation (iv) USM Post Budget Forum 2022 (v) SelectUSA – Spotlight on U.S. States & Industries (vi) ESG Disclosure at a Glance: Key Developments and Future Trends (vii) Corporate Governance Strategic Priorities (2021 - 2023)

### II. Board Composition

Presently, the majority of the board members are Independent Non-Executive Directors. This composition is on par with Paragraph 15.02 of the MMLR as well as 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 16 to 21 of this Annual Report.

The Nomination Committee ("NC") 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 5.5 of the MCCG 2021 in the CG Report.

When identifying candidates for appointment as director, the NC would consider recommendations from existing board members, management, major shareholders and third-party sources, thereafter shortlist candidates for the Board's further deliberation.

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

The Board reviewed and updated its Board Charter on 21 June 2022 to be in line with the best practice of the updated MCCG. Upon completion of the nine (9) years, an independent director may continue to serve on the Board as a non-independent director. If the Board intends to retain an independent director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process. The current Independent Directors only came on Board in 2018, therefore no shareholder's approval is required at this juncture.

There was no new director being appointed during the financial year.

The Board had adopted a Fit and Proper Policy for Directors on 21 June 2022. The purpose of this Policy is to define the criteria (i.e.: character, experience, integrity, competence and time commitment to effectively discharge his/her role) in the evaluation of directors before their appointment and re-election to the Board.

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

### II. **Board Composition** (cont'd)

The board is committed to workplace diversity and recognizes the benefits arising from employee and board diversity. UWC has in place a Diversity Policy for the Board and its workforce as the Board is of the collective opinion that the Diversity Policy is a formalisation of the Group's commitment to gender diversity at board level and across the Group.

Upon introduction of Practice 5.10 of the MCCG 2021, the Board reviewed and improved the Diversity Policy. New clauses added to the scope of diversity policy are relating to independence, skills and experience, gender, cultural background, ethnicity and age that are supplemented by measurable objectives.

At present, Dato' Fing Meow Cheng is the sole female director on board. Her presence also complies with MMLR which mandates presence of at least one (1) female Director on board. The Board views the incorporation of gender diversity in the boardroom as a long-term goal, and is committed to provide equal opportunities and nurturing diversity within the Group.

The Board took cognizance of Practice 1.4 and Practice 5.9 of the MCCG 2021, the search for the right candidate to fill the shoes of a new independent director is still on-going.

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 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 6 September 2022, the Company Secretary tabled following evaluations performed by the directors for the financial year 2022 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. Assess the effectiveness of the Board on Environmental, Social and Governance ("ESG") issues such as ESG considerations ad sustainability targets,
- Review the required mix of skills and experience and other qualities, including core competences of the members of the Board.
- v. Review the level of Independency of Independence Directors,
- vi. Note the details of the training attended by the Directors of the Company; and
- vii. 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 had conducted an annual review over the performance of the Audit Committee and its members, the NC was of the view that Audit Committee and its members have carried out their duties in accordance with the terms of reference of the Audit Committee. At the same time, the executive Board members, in reviewing the reports from the Audit Committee, affirmed that 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 are posted onto the Company's corporate website.

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### 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 is reported in Practice 8.1 of the MCCG 2021 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 five (5) senior management will not affect the interest of its shareholders.

However, the Board would endeavour to ensure that the remuneration of the top five (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 ("AC") comprising fully Independent Non-Executive Directors. The Chairman of the Committee is not the Chairman of the Board. Members of the AC 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 AC are former audit partners of the current External Auditor of the Group. The Committee is mindful of the minimum three (3) 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 (7) 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 has reported 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 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 2022, the Board has outsourced its internal audit function to KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC"), 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 21 June 2022.

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 MMLR of Bursa Securities were made from time to time.

In addition, the Group maintains a website at www.uwcberhad.com.my 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.

The notice of fourth (4th) AGM was despatched to the shareholders on 30 November 2021, which is at least 28 days prior to the meeting held on 10 January 2022. In addition to sending notices, the Company also advertised in a major local news media (New Straits Times) as well as the Company's corporate website.

Likewise, the forthcoming fifth (5th) AGM will be conducted on 9 January 2023 and the Company shall provide the Notice of AGM to the shareholders at least 28 days prior to it.

Shareholders who are unable to attend the AGM are advised to 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.

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

### II. **Conduct of General Meetings** (cont'd)

During the fourth (4th) AGM held on 10 January 2022, the Board addressed all questions posed by shareholders. The Board also presented the response to the queries raised by Minority Shareholders Watch Group prior to AGM.

Members of the Board and Board Committees, the management, Company Secretary and external auditors were present during the fourth (4th) AGM to address any areas of interest or concerns brought up by the shareholders.

In accordance with the Practice 13.6 as set out in the updated MCCG, the Board will ensure that the minutes of the forthcoming fifth (5th) AGM be published on the Company's corporate website within thirty (30) business days after the general meeting.

The Board has deliberated, reviewed and approved this Statement in line with the principles of the MCCG. The Board is satisfied that the Company has fulfilled its obligation under the Code, MCCG, Bursa Securities and all applicable laws and regulations throughout the FYE 2022.

This Statement is made in accordance with a resolution of the Board on 23 November 2022.

### SUSTAINABILITY REPORT

### INTRODUCTION

This sustainability report has been prepared in accordance with Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") as well as in reference to the following frameworks and standards:

- Bursa Malaysia Sustainability Reporting Guide ("Guide")
- Criteria for FTSE4Good Bursa Malaysia Index
- Taskforce on Climate-Related Financial Disclosure ("TCFD") Framework

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 United Nations 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 2022 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.

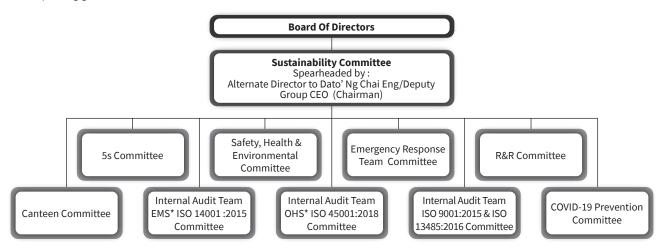
Our Board of Directors is committed to sustainability practices in our organisation and has appointed Dr. Ng Chin Liang, the Deputy Group CEO, to lead the sustainability development efforts. He is responsible for identifying material sustainability matters and formulating the related sustainability initiatives. Dr. 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, Dr. 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.

The Executive Director cum Group Chief Operations Officer ("COO"), Mr Lau Chee Kheong was appointed in 2018 as the Chairman of the Safety, Health and Environment ("SHE") Committee to oversight the safety and health, environment development, including management of health and safety risks. Further details of the activities of SHE Committee set out under the Social Pillar in this Sustainability Report.

We have appointed independent consultant to conduct annual evaluation on UWC's ESG performance which cover various aspects such as Environment, Labour and Human Rights and Ethic in order to drive continual improvements. From there, we utilize the tools to address corrective actions and identify improvements areas to strengthen our current ESG practise. This allows us to finetune our sustainability goals and we are endeavoured to achieve a better and more sustainable future for all.

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**

organisation's impacts the economic conditions of its stakeholders and on economic systems at local, national, and global levels. It does not focus on the financial condition of the organisation.

Note: These may include the organisation's procurement practices, or community investment.

### **Environmental**



An organisation's impact on living and non-living natural systems, including land, air, water and ecosystems.

Note: These may include the organisation's usage of energy and water, discharge of emissions, or loss of biodiversity, etc.

### Social



The impacts an organisation has on the social systems within which it operates.

Note: These may include the organisation's relationships with communities, employees, consumers, 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> <li>Town Hall and Team Building</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>Supplier Handbook</li> <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 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 ("SDGs")



The SDGs are the blueprint that set by United Nations ("UN") 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

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

Zero cases reported for forced or child labour, grievances and

■ Formed a COVID-19 Prevention Committee to safeguard our

Safety, Health and Environment ("SHE") Committee led by Group

discrimination on human right

COO to oversight management of SHE

#### **Sustainability Matters UN SDGs Sustainability Initiatives Economic** Deliver quality products and services - Product Quality Meet customers' requirements and expectations - Customer Satisfaction Promote local procurement - Supply Chain Management ■ Practise the philosophy of Kaizen - Innovation Deliver financial values to shareholders such as growth in - Data Protection and Privacy revenue and earnings and dividend pay out - Corporate Governance and No cases reported for data breach **Ethics** Uphold the high standard of corporate governance and ethics Established Code of Conduct and Whistle Blowing Policy Established Anti-Bribery and Anti-Corruption Policy and conducted training for all employees ■ No cases reported for non-compliance with regulatory requirement **Environmental** Accreditation of ISO 14001:2015 Environmental Management - Climate Change and Systems Greenhouse Gas Installation of solar power system to reduce carbon footprint **Emissions** Installation of electric vehicle ("EV") Charging Station - Environmental Compliance Advocate energy and paper conservation practise to reduce - Energy Management electricity and paper consumption - Waste Management Compliance with local regulatory requirements for scheduled waste disposal Recognition of climate change risk and opportunities Workplace Provide employment with development and talent retention - Equal Employment Opportunities Provide equal employment and career growth opportunities for - Development and Talent all irrespective of race, religion and disabilities Retention Uphold human rights and support internationally proclaimed - Employee Benefits and human rights Welfare Support gender equality in our organisation where the women in - Human and Labour Rights leadership role comprises 25% of our workforce - Occupational Safety and Zero tolerance to discrimination and harassment

Health

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

Sustainability Matters	UN SDGs	Sustainability Initiatives
Local Communities - Local Communities Employment - Corporate Social Responsibility	2 ZERO HUNGER  4 QUALITY EQUALITY  5 GENOER EQUALITY  T	<ul> <li>Established UWC Scholarship Fund in 2017</li> <li>Community investment with total of RM0.23 million to non-profit organizations such as education institutions, flood victims and charity home</li> <li>Established UWC Education Center at Politeknik Malaysia in Seberang Perai</li> <li>Collaboration with Technical and Vocational Education Training</li> <li>Entered Memorandum of Understanding with few educational institutions</li> <li>Offer internship programme and 200 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.

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 auality

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.

# ECONOMIC (Cont'd)

#### Product quality (Cont'd)

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

- o 2007 Top 50 Enterprise Awards Malaysia under the category of Golden Award from Malaysia Entrepreneurs' Development Association
- o 2008 Best On-Time Supplier Recognition Award from Harmer & Simmons Ltd
- o 2012 Supplier Recognition Award from Teradyne
- o 2014 Supplier Recognition Award from Agilent
- o 2015 Sin Chew Business Excellence Award 2015 under the category of Product and Service Excellence
- o 2016 Golden Eagle Award under the Excellent Eagles category from Nanyang Business Daily
- o 2017 Outstanding Commitment and Support and New Product Introduction from Teradyne
- 2018 Strategic Partner Award from Manpower Department, Ministry of Human Resources Malaysia
- o 2019 Supplier Recognition Award from Keysight for Best in Class Performance Quality
- o 2020 Forbes Asia's Best Under A Billion list
- 2021 Manufacturing Sector Award Category 3 in conjunction with Industry Excellence Award (AKI) 2020 from Ministry of International Trade and Industry (MITI)
- o 2022 Supplier Recognition Award from Teradyne



#### 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).

#### Certification

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. Yearly surveillance audit assessments are conducted by independently appointed audit bodies.

#### 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.

Our publicity activities are available to be viewed on our website under the "news" category and the presence on social media have both increased public awareness of our Group.

# **ECONOMIC** (Cont'd)

#### Supply chain management and procurement practises

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.

In addition to that, we work closely with our suppliers to overcome any risk of non-compliance or social issues. We communicate with our supplier via Supplier Handbook about our expectation toward human rights, labour standards and principles of business ethics, such as anti-corruption. Through engaging with our suppliers, we found a lack of knowledge on aspects related to human rights. Due to this, we attempted to enhance their awareness and expect suppliers to acknowledge fundamental principles of human rights as stipulated in our Supplier Handbook acknowledged. To that end, the Group has chosen to have management of its supplier relations coordinated by sourcing/purchasing team which is specifically tasked. This approach is supplemented by employee training programs and actions to raise awareness among the Group's customers and suppliers.

Besides, 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 the 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 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 while monitor user activities





#### **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, Anti-Bribery and Anti-Corruption Policy and Whistle Blowing Policy are made available on our website at <a href="https://www.uwcberhad.com.my">www.uwcberhad.com.my</a>. We communicated these Code and Policies to all Directors and employees to ensure the uphold with our core value.

#### Code of Conduct

Code of Conduct is formulated to reflect UWC Corporate value on commitment of integrity, responsibility, diligence and professionalism. The Code set out the rules outlining conflict of interest, confidentiality, insider trading, protection of assets and funds, compliance with rule and regulations, directorship, gifts and hospitality, anti-bribery, health and safety environment and human and labour rights. This Code of Conduct will be periodically review and updated by the Board to ensure that it is effective, relevant and comply with other regulatory requirements.

Based on FY2022 review, there were no cases reported for non-compliance with the Code of Conduct.

#### Work and business ethics and Anti-Bribery 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. All the employees are required to undergo the Anti-Bribery and Anti-Corruption Training to ensure holistic understanding of the new provision. The Board will review the Anti-Bribery and Anti-Corruption Policy regularly to consider its suitability, adequacy and effectiveness.

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 are punishable crimes, anyone caught will be dealt with severely like reporting to the police and brought to court.

UWC does not make donations to political organizations or political candidates. During the year, there were no reported incidents of corruption or breaches of Anti-Bribery and Corruption. However, should any detected, the Company follows a set of procedures to investigate and address the alleged non-compliance.

	FY2022	FY2021
Number of staff disciplined or dismissed due to non-compliance with Anti-Bribery and Anti-Corruption Policy (Headcount)	0	0
Cost of fines, penalties, or settlements in relation to corruption (RM)	0	0

#### Whistle Blowing Policy

We are committed to conduct our affairs in an ethical, responsible and transparent manner. In this respect we have a Whistle Blowing 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. UWC also encourage the stakeholders such as contractors, consultants and business partners to report or raise any real or suspected cases of bribery or corruption whenever he/she become aware of these cases. When a case of violation is confirmed, corrective measures are introduced. In cases, measures were introduced to correct human rights violations, including employee dismissals.

A proper channel is established for whistleblowing to help the stakeholders including external parties and members of the public raise concerns. The stakeholders can make report verbally or writing via email to as set out in the Whistle Blowing Policy which is available on our website. The identity of whistle-blower is protected under this policy.

There were no whistleblowing cases reported during the year.

## **ECONOMIC** (Cont'd)

#### 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 MMLR of Bursa Securities and Malaysian Code on Corporate Governance ("MCCG"). Additional corporate governance policies are elaborated in the Corporate Governance Overview Statement on pages of 26 to 32 of this Report and more comprehensively in our Corporate Governance Report that is available on the website of Bursa Securities.

#### Risk management

The UWC Internal Audit Team is led by the Head of Audit. Risk assessment is prepared by the operational level and it will be discussed and approved by the respective Head of Department ("HOD"). The respective HODs are responsible for risk reporting to the top management including CEO via management meeting, whereby the risk reporting of risk context under Quality Assurance ("QA") department will be reported by the QA Manager which is separate from the Head of Audit.

The Board is also ultimately responsible for ensuring UWC has an adequate and effective risk management and internal control system. The Risk Management Committee supports the Board with regards to the Group's risk management systems. The risk assessment has been prepared in reference to ISO Quality Management Systems (ISO 9001:2015) and Environmental Management System (ISO 14001:2015). The detailed feature of risk management and internal control framework are disclosed under Statement of Risk Management and Internal Control in accordance with the MCCG. The Committee continuously reviews the effectiveness of the risk management process. In addition to that, climate-related risk and opportunities are identified and addressed based on TCFD Framework which helps to aligns our risk management initiatives with the industry best practices.

Based on the Company's procedures to keeping track in FY2022, UWC is pleased to report zero incidents or claims of noncompliance throughout the organization. As such, there is no provision of fines or settlements for ESG related issues during the financial year under review and accordingly none specifically disclosed in the audited accounts. However, should any detected, the Company follows a set of procedures to investigate and address the alleged non-compliance.

# **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.

#### Climate change risk assessment

UWC recognises climate change as a key material sustainability matter that may either present as a relevant risk or opportunity to the business. We identified the climate-related risks and categorized into two major categories as aligned with the classification of Task Force on Climate-Related Financial Disclosures ("TCFD") framework as below:

- Transition risks are the risks related to transition to a lower-carbon economy;
- Physical risks are the risks related to the physical impacts of climate change.

### **Climate-Related Risks**

Category	Risk Type	Time Horizon	Description
Transition Risks	Policy and legal risks	Medium	<ul> <li>Enhanced emissions-reporting obligations</li> <li>Possibility of introduction carbon tax</li> <li>Potential increase in electricity tariffs or cancellation of electricity incentives due to surging fuel cost</li> <li>Exposure to climate-related litigation</li> </ul>
	Reputational risks	Medium	Changing customer or community perceptions of an organization's transition to climate-neutral economy
	Technological and industry risks	Medium	<ul> <li>Creative destruction due to development and deployment of green technologies</li> <li>Disruption in conventional operations as new technologies displace older systems</li> </ul>
	Market risks	-	No major risk identified
Physical Risks	Acute weather events	-	Unlikely exposed to risk that are event-driven such as cyclones and hurricanes
	Chronic events	-	No major risk related to the risk induced by longer-term shifts in climate patterns such as rise in sea level due to higher temperature

# **ENVINRONMENT** (Cont'd)

#### Climate change risk assessment (Cont'd)

#### **Climate-Related Opportunities**

Туре	Description
Market	Growing demand in electric vehicle ("EV") create business opportunities as UWC is in the product development of vehicle-to-vehicle ("V2V") testers
Resource Efficiency	<ul> <li>Installation of EV Charging Station in workplace to collect carbon credits</li> <li>Installation of solar power system with zero GHG emission</li> <li>Installation of LED lights with lower power consumption</li> <li>Use of green-technologies machinery such as energy saving and hydraulically driven machines which consume lesser energy</li> <li>Use of Lithium Battery Electric Forklift with more energy-efficient</li> <li>Ongoing initiatives on energy and water saving</li> </ul>



Installation of EV Charging Station

#### Greenhouse gas emissions

UWC recognises the significant risk that climate change poses to society that needs to be assessed and managed carefully, we measure and report our greenhouse gas ("GHG") emissions. The total operational GHG emissions of UWC group are measured and disclosed below:

Scope	Туре	Source
Scope 1	Direct	<ul> <li>Consumption of fuel and diesel in operation and vehicles</li> <li>Consumption of liquefied petroleum gas ("LPG") used in production</li> </ul>
Scope 2	Indirect	Consumption of electricity in operation

GHG Emissions (tCO <sub>2</sub> e)	FY2020	FY2021	FY2022
Scope 1 (1)	847	1,421	1,437
Scope 2 (1)	2,960	3,152	4,078
Total GHG emissions	3,807	4,573	5,515
Reduction of GHG emissions from installation of solar power system	(136)	(800)	(801)

GHG Emissions Intensity (tCO <sub>2</sub> e/RM'000 revenue)	FY2020	FY2021	FY2022
GHG emissions intensity	0.0174	0.0160	0.0160

<sup>(1)</sup> The consolidation approach adopted by UWC in reporting GHG emission is equity share approach.

Approximately 74% of total GHG emissions from UWC's operations are attributable to Scope 2. The increase in the total Scope 1 and Scope 2 emissions, as compared to FY2021 of 4,573 tonnes of carbon dioxide equivalent ("tCO2e") was expected due to its operation resumed back full capacity in mid FY2022 after the restricted operation due to COVID-19 pandemic as well as further expansion of the production plants. We also monitor GHG emissions intensity which is defined as GHG emissions per RM thousand revenue, the GHG intensity ratio was maintained at 0.0160 in the current year.

Under the long-term goals for GHG emissions reduction, UWC aims to achieve the following:

- To achieve 3% reduction in GHG emissions intensity in 2027 (5 years from FY2022) as compared to FY2022 as base year;
- To be Carbon Neutral by 2050 which is aligned to United Nations' Global Roadmap, Net Zero Carbon Emissions ("NZCE") 2050 Roadmap as well as the Climate Governance Malaysia commitment to becoming a carbon-neutral nation by as early as 2050.

<sup>(2)</sup> The business operations include Batu Kawan, Penang and Matang, Perak.

<sup>(3)</sup> The GHG emissions computed based on the Guidelines issued by Malaysian Green Technology & Climate Change Corporation ("MGTC"), international factors provided by sources such as GHG Protocol Standard and 2006 Intergovernmental Panel on Climate Change ("IPCC") guidelines.



#### 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	FY2020	FY2021	FY2022
Total electricity consumption (kWh)	5,059,142	5,388,436	6,970,092
Percentage of total kWh over total revenue (%)	2.31%	1.89%	2.02%

We consumed a total of 6,970,092 kWh of electricity in FY2022, representing an increase of 29% 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 CO, equivalent reduction from Scope 2 emission of power plant. The total cost savings from installation of solar panel is approximately 17% of our electricity bills amounting RM485,920 in current year. The increase in electricity consumption mainly due to expansion of business operation in Matang.

To further reduce our carbon footprint, 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 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.

Metal waste	FY2020	FY2021	FY2022
Metal waste recycled (tonne)	380.8	673.4	713.2
Metal waste non-recycled (tonne)	0	0	0

We recorded an increase in waste generation as compared to prior years which was mainly due to a higher volume of production. We also aim to reduce the production of waste through good purchasing practices 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.

We have scheduled wastes such as contaminated gloves and rags, contaminated container, waste coolant and electronic waste 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 unintended health threats from scheduled waste to 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.

Scheduled Waste by Category (kilogram)	FY2020	FY2021	FY2022
SW410	678	187	320
SW409	0	0	64
SW307	0	0	430
SW110	0	0	25

During the reporting year, we had zero incidences of chemical spillage and zero ill health exposed to chemical and metal dust, due to this we received no environmental fines from relevant authorities in this area.

## **ENVINRONMENT** (Cont'd)

#### 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	FY2020	FY2021	FY2022
Total no. of paper reams	2,731	3,433	3,904
No. of paper reams per employee per year	3.4	3.7	3.2

In 2022, our consumption of A4 paper is at 3,904 reams, which is equivalent to 234 trees. There is decrease in average paper consumption per employee per year by 13.5%, from 3.7 reams to 3.2 reams. In addition, the lower paper consumption by headcount in FY2022 due to our ongoing paper conservation initiatives. UWC encourages less use of paper in order to reduce deforestation which help to reduce greenhouse gases. 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
- ✓ Reduce margins and font size
- ✓ 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
- ✓ System digitalisation to reduce printed form, such as implementation of IT Requisition System and Maintenance Portal for paperless job request, outsourced payroll system for leave or claim application
- ✓ Implementation of Board of Director Portal to replace hardcopy Board's meeting materials

#### Water management

Global water security is becoming an increasing risk in the global landscape, and due to this we are committed to responsible usage of water and aim to take actions to continuously improve our water efficiency. 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 is conscientiously monitored from time to time, investigation and remedy action is required if there is any unusual usage noted.

As our operations are located in Batu Kawan, Penang and Matang, Perak, we identified that it does not operate in areas with water stress, as defined by the World Resources Institute's Aqueduct Water Risk Atlas. Our primary water sources are from municipal water service providers, namely Perbadanan Bekalan Air Pulau Pinang for Batu Kawan plants and Lembaga Air Perak for factories located in Matang.

Water Withdrawal	FY2020	FY2021	FY2022
Water withdrawal in water stressed regions	0	0	0
Water withdrawal from municipal water supply system (m³)	79,681	101,101	147,552
Percentage of total water withdrawal over total revenue (%)	0.0364%	0.0355%	0.0427%

The water consumption has increased over years from 79,681m³ in FY2020 to 147,552m³ in FY2022, meanwhile the percentage of total water withdrawal over total revenue increased as well. Nonetheless, the surge in water withdrawal is expected due to it mainly arise from the operation activities carried out by the newly incorporated subsidiary, USurface Technology Sdn. Bhd. where is providing surface finishing treatment which consume larger portion of water as compared to existing fabrication and assembly activities. 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.

As of to date, there is no incident of non-compliance with water quality or quantity permits, standards and regulations.

#### Environmental compliance

All sites are in compliance with the ISO14001 standards, which sets out the criteria for our environmental management system ("EMS"). The system provides us with 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.

## **ENVINRONMENT** (Cont'd)

#### Competence development and training

The SHE Officer is a competent person who is registered with the Director General of the Health ("DOSH") managing matters relating to workplace safety and health which is compliance with Occupational Safety and Health (Safety and Health Officer) Regulations 1997. To ensure the environmental agendas are being addressed technically, UWC also aims to provide its employees with recognized qualifications in sustainability and SHE matters to develop their technical competencies and expertise. During the year, SHE Officer has attended the Competency Course and received Certified Environmental Professional in Scheduled Waste Management ("CePSWaM") 2022 accredited by the Department of Environment - Environment Institute of Malaysia ("DOE-EiMAS").

## **SOCIAL**

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.

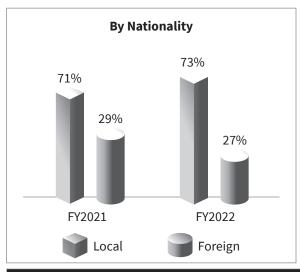
#### Workplace

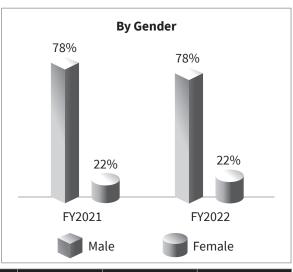
We have in place our Employee Handbook which spelt out our HR policies and practices and comply with the Employment Act, 1955. In order to retain our talents, we have come out with competitive remuneration package which is comparable in the industry, as well as creating a healthy and conducive workplace. 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.





	FY2020	FY2021	FY2022
Staff voluntary turnover rate	16.6%	20.3%	22.5%

As at 31 July 2022, 22% (FY2021: 22%) of our total employees are female. On average, 73% of our employees are local hires comparing to 27% of foreign hires. During the year, we hired a total of 677 new employees where the new hiring rate increased by approximately 70% as compared to FY2021. We saw 2021 and 2022 as challenging years which businesses were compelled to step up retention effort because of the rising gig work industry, shift in job market expectation as well as labour shortages leading to rapid headhunt exercises.

# SOCIAL (Cont'd)

#### Equal employment opportunity (Cont'd)

We are committed to hiring strategies that focus on local talent and development. We have given precedence to recruit Malaysian in our workplace and the local hires rate increased from 71% to 73% in current year. We are actively participating in various initiatives to hire unemployed individuals, early school leavers as well as people with disabilities. In March 2022, we participated in Resident Reintegration Programme for inmates from Pusat Pemulihan Penagihan Narkotik ("PUSPEN") as an alternative to replace foreign workers. We also visited few Aborigine's (Orang Asli) Villages in Cameron Highland and offered employment opportunities to the aborigines in order to address the unemployment woes in rural area. Local hiring and skills development can generate significant economic benefits for the communities.





Resident Reintegration Programme for inmates in March 2022

Interview in Aborigine's Village

#### Employee development and talent retention

We believe in empowering our employees by having in place a standard operating procedure for training and personnel development. Providing appropriate training to our employees will result in better customer service, productivity improvements, better efficiency and better workplace safety practices. Ultimately, we hope to achieve better business performance and profitability and improve staff morale.

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 drawing and so on.
- Regular training is conducted to keep abreast of latest development.



Employee development and talent retention (cont'd)

#### **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 Awareness Training, Anti-Bribery and Anti-Corruption Training and Intellectual Property Awareness Training.
- All employees are expected to discharge their respective duties in line with our standards and policies.

#### **Online Talent** Learning Management System ("LMS") **Training**

- All-in-one training platform implemented in January 2022 which complement to the classroom trainings.
- More than 400 training courses in various disciplines and aspects are available for knowledge
- Ease of use and mobile friendly to create seamless learning experience through online, 24/7 anytime and anywhere.

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.

With the establishment of the 4 specialized academies (Assembly Academy, Machining Academy, Metrology Academy and Sheet Metal Academy) under the UWC Academy, we are gearing towards a holistic learning organization to equip every each of our valued staff not only with the related soft skills competencies, but also the necessary technical skills to complement their respective job functions.

All these initiatives are in-accordance with UWC's learning principle and practice - "Developing Tomorrow's Talents, Today".

As of 31 July 2022, we have trained far more than 500 staffs from various levels (i.e.: foreign workers, operators, technicians up to executive or manager levels) via the specially arranged and curated internal or external training programs, OJT, comprehensive orientation training, mandatory regulatory/compliance trainings, monthly seminars by prominent industry speakers, as well as via the open access Talent-LMS on-line learning. Our ultimate goal is to make UWC a learning organization that leads in the industry.

During the year, the total training hours achieved by whole UWC employees refer to 48,871 hours with 34.94 average training per employee during the year. Besides, this result shows that UWC achieved above and beyond the base target of training hours for the employees which is stated as 20 hours per employee per year.



#### Compensations and benefits

We adhere to the Employment Act 1955 which is the main legislation on labour matters in Malaysia. We ensure that our wages meet the minimum wage requirement as stipulated by the Malaysian Minimum Wages Order 2022. 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 and align their interest with corporate objectives in order to work towards better performance with greater productivity and unwavering loyalty. SGS can stimulates a stronger 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>Food subsidies</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> <li>Employee privilege programme</li> </ul>	<ul> <li>Wedding congratulatory gift</li> <li>New-born baby gift</li> <li>Employee recommendation reward</li> </ul>	<ul> <li>Car park</li> <li>Cafeteria and Canteen</li> <li>Dedicated parking space for disabled employees</li> <li>EV charging station</li> <li>Gymnasium</li> <li>Hostel for operators</li> <li>In-house clinic with nursing</li> <li>Personal lockers</li> <li>Prayer rooms</li> <li>Refurbished rest area</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. UWC adheres to the local labour laws on working hours by discouraging excessive working hours through capacity building and workload distribution review. To promote a healthy lifestyle, we set up sports club committee to organise various health-themed events to promote work-life balance. As a result of COVID-19 pandemic from year 2020 through to year 2022, we had to halt all social activities to minimise transmission risk. We are committed to resume these exercises now that society reopened.



#### Human and labour rights

Basic human rights shall be universally protected by any responsible business. We are committed to uphold human rights and support the protection of internationally proclaimed human rights. This includes applying the principles outlined in the United Nations Guiding Principles ("UNGP") on Business and Human Rights, OECD Guidelines for Multinational Enterprises and the International Bill of Human Rights. We review our dedication to human rights through a constantly adapting and improving due diligence process. We closely monitor social developments, regulatory updates and conduct risk assessments to identify actual and potential impacts on human rights. In the reporting period, we analysed our activities designed to implement human rights in order to identify potential for improvement. We took both stakeholders' expectation and regulatory requirements into considerations. Human rights due diligence approach taken are:

- Ensuring effective grievance mechanisms are in place;
- Addressing our impacts via clearly defined responsibilities, management process and measures; and
- Tracking and communicating performance via our sustainability report and website.

Our human rights governance is led from the top, overseen by our Deputy CEO, who is also an Executive Director, he is supported by the Sustainability Committee. At a strategic and operational level, human rights work is led by our Human Resources Senior Manager. Monitoring third-party compliance to the mandatory standards or regulations are delivered by the Internal Audit Team.

We are mindful to engage stakeholders in our long-term effort developing an ecosystem that supports human rights, these includes our Business Development team's communication to receive customers' expectation which we recorded formally and adopt into our Code of Conduct policy to support compliance, similarly we convey the same to our suppliers and consultants through our procurement policy and related procedures.

We also meet our human rights due diligence obligations by the Code of Conduct policy. In order to identify potentially improvement, our Human Resources team consult internal parties to formally gather their feedback that are used to revise the Code of Conduct policy. 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:

Child or Forced Labour **Humane Treatment** Anti-harassment Prohibition **Equal Employment** Availability of Grievance Opportunity and Anti-Bribery and Anti-Corruption Mechanism Non-discrimination Working hour are not **Occupational Safety** Wages adheres to exceed maximum hour set and Health Minimum Wages Order 2022 by local regulation

We commit to the UN Guiding Principles for Business and Human Rights, the ten principles of the UN Global Compact and the core labour standards of the International Labour Organization ("ILO"). UWC rejects any form of human rights violations such as child and forced labour or discrimination based on racial/ethnic origin, colour, or gender. This claim applies to all employee, all business partners and goes beyond compliance with local legal provisions.

UWC support and shown our commitment to children's rights other than child labour through aligning with the Human Right Policy and United Nations Convention on the Rights of the Child. The convention includes children's rights to a safe, clean, healthy, sustainable environment and the right to an education level. UWC supporting and collaborating with local communities and is actively promoting local development projects including school, university and other community settings. With a focus on children's right education, UWC supported education across the community by setting up education center as well as donating computers to public schools in need amongst others. UWC will commit to engage more activities in the future.



#### Human and labour rights (cont'd)

We are also systematically implementing measures to prevent or mitigate potential or actual human rights violations in the future by developing and implementing Child Labour Policy. 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. In addition to that, UWC respects the rights of local communities and is actively promoting local development projects for the benefit of these communities, with a focus on children's right to education. The company is committed to implement measures to prevent or mitigate potential or actual human rights violations in the future.

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.

Our Code of Conduct outlines our expectations in terms of labour standards and human rights. This is provided and communicated to all our stakeholders, both internal and external.

#### Grievance mechanism and remediation

Internal and external stakeholders can report suspected human rights violations or any concerns related to human rights through an unfiltered grievance mechanism, which is aligned with the Company Whistle Blowing Policy. The identity of reporter/whistle-blower is kept confidential. We dedicate to address all reports and complaints received through such procedures with careful consideration. All the grievances or complaints on human rights from our stakeholders will be duly investigated for prompt resolution and we committed to remedy the affected parties where it has been identified that it has caused or contributed to human rights impacts.

During the year, no cases have been reported in terms of non-compliance to human rights (covering the following issues: for forced or child labour, discrimination, harassment incidents, or grievances) and labour standards.

#### 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 promotion opportunities than new hire.

#### Employee engagement

UWC is committed to the highest standards of integrity, openness and accountability. 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. We engage with our employees through formal and informal mechanisms. The employees may disclose any improper conduct within UWC, including misconduct or criminal offences, through UWC's established internal Grievance e-Form, employee voice portal or writing.

The internal Grievance e-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.

We seek to understand the needs of the people and therefore quarterly conduct employee surveys. These surveys are an integral component of our corporate feedback culture. They facilitate open communication between managers and employees to identify improvement opportunities and showcase areas where we have listened, learned and evolved. Every year, we conduct confidential and voluntary employee surveys between our employees, managers and leaders provides valuable information for improving the working environment and business processes. During the year, our employees are highly engaged with the company. These initiatives include monthly mood checks on employee well-being and surveys about specific areas for improvement such as our working conditions, systems and processes.

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.



#### Safety and health management

Safety and health management is a priority for UWC in our business operations and workplaces as we identify any issues arising as relevant and important to the sustainability of business. This commitment towards health and safety is applicable to all stakeholders, including employees, customers, visitors, tenants, contractors and suppliers. Safety, Health, Electrical and Environment Policy is made available to all relevant parties (including contractors and external stakeholders) on our website. The policy is to plan and organize our work and facilities which will ensure to maintain our operations in a healthy, safe and orderly manner.

#### **Upholding Occupational Safety and Health**

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:

- Established a Safety, Health and Environmental sub-Committee.
- Giving priority to continuous effort to occupational ill health and accident prevention.
- Training towards effective supervision by assigning clearly to each supervisor his/her responsibilities 0
- o Continuously minimize work hazards and environmental pollution.
- The training of subordinates in the proper use of equipment and safe working practices. 0
- The development of electrical, environmental, health, and safety consciousness. O
- Securing full cooperation of all employees for the attainment of these objectives. 0
- To comply with all relevant electrical, environmental, health, and safety rules and laws of Malaysia and other requirements.

A sub-committee namely Safety, Health and Environment ("SHE") Committee is established to lead the health and safety management process in the Group, including strategy, SHE metrics, and reviews progress through periodic audit and assessments. The SHE Committee comprises of the Group Chief Operations Officer, Mr. Lau Chee Kheong as the chairman and who is also an Executive Director of the Company and sits on the Board, SHE Officer as the secretary as well as both management and employee representatives. The chairman is responsible to devises and oversees the implementation of SHE Committee programmes and management of EHS risks.

Bi-monthly meeting is conducted by the SHE Committee to monitor the effectiveness of SHE management, review Occupational Safety and Health ("OSH") programme and discuss the issues on workplace safety and health, injury incidents, internal audit and compliance with relevant rules and regulations, continuous improvement and so forth. The SHE Committee meeting minutes are properly recorded to measure progress on OSH programme. The SHE Committee also conducts periodic internal and external audits to verify the effective implementation of the SHE programmes and conformance to safety and health standards.

#### **OSH Risk Assessment**

The health and safety of employees and tenants are protected by identifying risks, developing solutions and encouraging participation. The risk assessment for OSH management is driven by the Hazard Identification, Risk Assessment and Risk Control ("HIRARC"). The risk assessment is done at least once in a year for existing operations, and as and when required for potential new projects as part of the UWC's due diligence. The risk assessments are conducted based on the relevant rules and regulations such as Occupational Safety and Health Act 1994. Regular inspection and periodic audit are carried out to ensure compliance to safety standards. Performance monitoring results and trends are benchmarked against the UWC targets.

We view health and safety issues as relevant and important to the sustainability of business and therefore ensure UWC's stand on health and safety also applies to contractors and stakeholders. We engage with our suppliers or contractors via the Supplier, Contractor and Sub-Contractor Safety, Health and Environment Compliance Rules Forms ("SHE Compliance Form") regarding the safety related issues. All suppliers or contractors are required to acknowledge the SHE Compliance Form which includes compliance to OSH Policy. They are obliged to strictly adhere the safety procedures in place when performing work in UWC premises.

Training is fundamental to raise awareness and prevent workplace accidents. 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. During the year, 1,065 staffs has been trained on health and safety standards.



Safety and health management (Cont'd)

#### **Monitoring Safety and Health Performance**

We are pleased to report no recorded cases for work-related fatalities among employees and contractors occurred within UWC, which is below National Occupational Fatality Rate at 2.00 per 100,000 workers in the Year 2021, according to statistics by the DOSH.

The work-related incidents are reported as below:

	FY2020	FY2021	FY2022
No. of work-related illness	0	0	0
No. of injury incidents - Own staff	5	4	4
No. of injury incidents - Onsite contractor and suppliers	0	0	0
No. of fatal incidents - Own staff	0	0	0
No. of fatal incidents - Onsite contractor and suppliers	0	0	0
Lost Time Injury Frequency Rate (1)	2.50	1.49	1.21

<sup>(1)</sup> Lost Time Injury Frequency Rate ("LTIFR") is calculated based on the formula as in line with the guideline issued by DOSH: LTIFR = No. of reported accidents / Total man-hours worked X 1,000,000

UWC is committed to achieving the following annual target for FY2023 among our employees and contractors:

- ✓ To achieve annual Loss Time Accident (LTA) occurrence rate below 3 cases.
- ✓ To achieve monthly Non-Loss-Time Accident/Incident Occurrence rate below 3 cases.

In order to achieve this, we continuously seek to improve the Group's safety and health management systems.

#### **Incident Response and Reporting**

The SHE Committee has in place an Incident Investigation, Non-Conformities and Corrective & Preventive Action Request ("CPAR") Procedure to guide employees on the steps to take in the event of incidents (including accidents) and reporting any actual or potential non-conformities or unsafe work condition and process. The SHE Committee is responsible for the incident inspection, evaluation and reporting to ensure that the root cause of the incident is promptly analysed and effective actions are taken to prevent the recurrence of the incident.

Employee reports accident, dangerous occurrence and near miss or hazard to SHE Committee.

SHE Officer and the relevant head of department ("HOD") complete and submit investigation report to SHE Committee Chairman within 3 to 7 working days of occurence depend on severity.

The HOD and SHE Committee conducts investigation, discuss and identify the corrective action and preventive action needed.

The HOD complete Corrective & Preventive Action Request ("CPAR") Form issued by SHE Offier and implement corrective and preventive actions.

SHE Committee review effectiveness of actions regularly until desired goal is met.



#### Safety and health management (Cont'd)

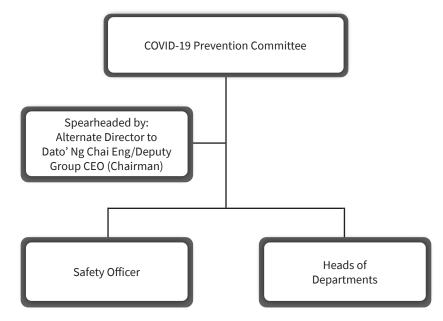
Type of Injury	Causes	Corrective Action	Preventive Action
Thumb laceration	Hit by falling machine during relocation using trolley	Machine is placed inside case during relocation	Strengthen safety awareness training
Foot puncture	Leg stuck when climbing up to take parts	Install vacuum holder to take parts	Strengthen safety awareness training
Finger laceration	Happened when pressing the foot pedal	Replace foot pedal with two- hand control device	Display Operating Manual beside machine
Finger fracture	Inadvertently put hand inside roller when machine running	Established safety loader fixture to prevent hand getting into machine	

#### **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. The SOP has been cascaded across our entire organisation to ensure that all employees aware and adhere to the latest SOP which in line with the guideline issued by the Ministry of Health ("MOH"). 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 physical 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. The quarantine period is followed the latest guideline issued by Ministry of Health.

During Movement Control Order ("MCO") period, we allow our office staff to work from home and to communicate over the internet.



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

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

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. The third batch of UWC employees, including their family members have successfully completed two doses of vaccination under PIKAS programme at Inari Technologies Plant 34 in August 2021.

During the year, a total contribution of RM73,977 is made to the non-profit organizations such as Penang Foundry and Engineering Industries Association and Hospital Sungai Bakap for vaccination under PIKAS Programme and covid-treatment fees for Quarantine and Treatment Centre (PKRC) to safeguard the stakeholder's health.



Hand sanitizer and disinfectant kit were provided to all departments



Daily routine sanitizing of work premise

We see ourselves as part of society both at our individual sites as well as being a worldwide citizen. Our aspiration is to help shape society through our products, technologies and community engagement. Accordingly we work with our employees to promote a diverse range of social initiatives that help tackle challenges at the local level. We believe in the philosophy of giving back to society to show our gratitude and appreciation for our success. In giving, we strengthen the local communities which in turn will contribute to nation building to become more stable, henceforth support future businesses though well-funded infrastructure and high-quality talent pool.

We are deeply committed to supporting the communities in which our sites are located. In this context, we focus on socio-economic development, education and direct community support. All of these add social value to our business activities, encouraging social advancement and providing a response to the needs of the main stakeholders. Moreover, we provide disaster relief and offer financial support to the people in need in the vicinity of our sites.

In FY2022, the total amount of corporate donations and community investments made to non-profit organizations was RM226.406. 33% of this sum was channelled into UWC's commitment towards safeguarding stakeholder's health.

### Education and employment opportunities

UWC promote culture and education. This has a long tradition within our company. We champion creativity, the joy of discovery and curiosity as well as the courage to push boundaries. That is why we award scholarships and promote practiceoriented curricula.

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"). The scholarship agreement with PSDC up to RM100,000 per year has been further extended 3 years from March 2023 to March 2026. Meanwhile, we also provided scholarship to other educational institutions such as UOW Malaysia KDU Penang University College ("KDU"), IPK College and University of Malaya and the courses covered from certificate to degree level. In FY2022, the total scholarship awarded to 10 students in different courses and fields such as electrical engineering, mechatronic engineering, automation technology and international business amounting RM77,460.



#### Local Communities (Cont'd)

#### Education and employment opportunities (Cont'd)

Besides, 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. In FY2022, we sponsor 37 students with sponsorship amount up to RM66,550 to pursue certificate or dual program (certificate and diploma) under TVET scholarship programmes.

UWC has entered Memorandum of Understanding and sponsorship agreement with Walta Centre of Excellence Sdn Bhd ("WCOE") on 8 July 2022 for sponsorship fee up to RM209,250 to maximum 15 sponsored students who participate the 10 months of Machining Operation and CNC Milling Training Programme accredited by the Department of Skills Development ("JPK") under Online MySPIKE System.

UWC has also signed Memorandum of Understanding with Manipal International University ("MIU") and Tunku Abdul Rahman University College ("TAR UC") on 18 March 2022 and 15 July 2022. This is to establish collaboration and explore opportunities to develop programme and support student recruitment which upon graduation in embarking a career opportunity with UWC. The research, educational and training programs in the fields sought that will be beneficial to both Parties.

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 200 students (FYE2021: 145 students) in various department that relevant to their course of study.

During the year, UWC has collaborated Penjana KPT-PACE Programme with Penang Youth Development Corporation ("PYDC") to promote local employment as well as enhances job creation for graduate employment. Under this programme, the final year students or graduates will able to improve skills and strengthen their competencies through professional certification based on expertise and competencies of related fields.

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.

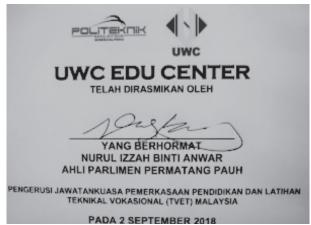
A major part of our community investments includes providing internships and scholarships to students in the areas of Science, Technology, Engineering and Math ("STEM"). Given our company's strong focus in manufacturing and engineering, we believe in aligning our community investments to harnessing potential talent in these areas. We hope that the community investments provided by our organization can support future employment, while providing us with a potential pipeline of

### Scholarship fund for deserving students





UWC Scholarship Fund established in 2017



UWC Education Center at Politeknik Malaysia in Seberang Perai

# SOCIAL (Cont'd)

#### Local Communities (Cont'd)

#### Education and employment opportunities (Cont'd)



Memorandum of Understanding with MIU on 18 March 2022



Memorandum of Understanding with WCOE on 7 July 2022



Memorandum of Understanding with TAR UC on 15 July 2022



Penjana KPT-PACE Programme with PYDC

#### Corporate social activities

UWC is committed to make a positive impact on society through multiple corporate social activities such as charity donations and fundraising.

#### **Medical Donation**

In a timely gesture of demonstrating our commitment to public health and safety, UWC donated hand sanitizers to SJK(C) Beng Teik in March 2022 for preparation of face-to-face class.

#### **Education Donation**

UWC donated computers to SMK Berapit in April 2022 to help the students accelerate their learning progress.

### **Calamity Donation**

UWC contributed RM1,000 to Federation of Malaysian Manufacturers ("FMM") to aid flood victims in the aftermath of the devastating floods in Selangor in support of FMM's flood relief activities by providing a package comprising cleaning items and personal care items to those affected households.



Corporate social activities (Cont'd)

#### **Fundraising to Charity Home**

In conjunction with the Valentine's Day in February 2022, we initiated a fundraising event namely "Charity-All for Love" by selling rose and Nutella chocolate to UWC employees. The fund raised from this fundraising event amounting RM4,422 are fully donated to Persatuan Kebajikan Anak-Anak OKU Taman Island which is a charity home that cares for special children. UWC also contributed necessities worth around RM1,000 to help those in need.



Donation of Sanitizers to SJK(C) Beng Teik



Donation of Computers to SMK Berapit



Cash and In-kind Donation to Special Care Centre

We regularly evaluate the achievement of objectives and the impact of our projects. Our goal is to ensure that our community engagement continues to have a positive impact on society. For this reason, we are constantly working to make the sustainable impact of our projects (outcome and impact) measurable for the respective target groups.

#### 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 ("Statement") for the financial year ended 31 July 2022. 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. They timely identify, plan and bring in machinery and equipment with latest technologies and upgrades 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. Once observe any potential imbalance or overdependency on a single major customer, they will be realign the proportion of sales by shifting focus to increase the portfolio of other 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. The principle of Anti-Bribery and Corruption Policy is also communicated to the suppliers and vendors via the Supplier Handbook.

#### **INTERNAL AUDIT**

The Board has outsourced the internal audit function to KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC"), 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 Audit Committee ("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 MRC conducted one cycle of internal audit during FYE 2022 with audit scope and focus area on "Production Management - Focusing on Machining and Assembly Departments". The internal audit findings and recommendations for improvement, including action plans agreed with operation level management, were reported to the AC on 21 June 2022.

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 Board oversees the financial and operational performance reported to the Board by the Management;
- 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)

- 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;
- A comprehensive Employee Handbook is established to regulate human resources management and practices; vi.
- Implementation of physical security controls at the strategic locations such as CCTVs, security guards, fencing and gate in the vii. plants; and
- 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 Executive Directors 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. 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.

This Statement is made in accordance with a resolution of the Board on 23 November 2022.

### AUDIT COMMITTEE REPORT

#### **COMPOSITION AND DESIGNATION**

Dato' F'ng Meow Cheng Chairman

(Independent Non-Executive Director)

Member Dato' Wan Hashim Bin Wan Jusoh

(Independent Non-Executive Chairman)

Dato' Lio Chee Yeong

(Independent Non-Executive Director)

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

The AC Chairlady, Dato' Fing Meow Cheng is a member of Malaysian Institute of Certified Public Accountants ("MICPA") and Malaysian Institute of Accountants ("MIA").

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 www.uwcberhad.com.my.

#### 1.0 Objectives

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

- To independent review and oversee of UWC Berhad ("the Company") financial reporting process;
- To oversee and appraise the performance and the quality of the audit conducted by internal and external auditors; b.
- To review the Company's process for monitoring compliance with laws and regulations; and c.
- d. To review the compliance and the effectiveness of Company's Employee Code of Conduct.

#### Composition

- 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:
  - 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 MIA or who complies with paragraph 15.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") or fulfils such other requirements as prescribed or approved by Bursa Securities.
- b. No alternate Director of the Board shall be appointed as a member of the AC.
- 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.
- The term of office and tender 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 three (3) years before he/she may be appointed as a member of the AC.

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

#### 3.0 Functions And Duties

- In respect of the external audit, to review and report the same to the Board:
  - i. the audit plan, its scope and nature;
  - the audit reports and management letter issued by the External Auditors and the implementation of audit ii. 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
  - the assistance given by the employees of the Company to the External Auditors; iv.
- To review the quarterly reports on consolidated financial results and annual financial statements prior to submission b. 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;
  - integrity of financial statements; and iv.
  - compliance with accounting standards and other legal requirements; ٧.
- С. 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);
- To consider the appointment (or re-appointment as the case may be) of the Internal and External Auditors, the audit d. fee, the terms of reference of the said appointment/re-appointment, any question on their resignation or dismissal before making a recommendation to the Board, and commits to tender for a new audit firm on a regular basis.

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

- the adequacy of the experience and resources of the accounting firm; i.
- ii. the persons assigned to the audit;
- the accounting firm's audit engagements; iii.
- the size and complexity of the Group being audited; and iv.
- the number and experience of supervisory and professional staff assigned to the particular audit; ٧.

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

- the auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
- the nature of the non-audit services provided by the External Auditors and fees paid for such services relative to ii. the audit fee: and
- 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 MMLR;

- g. To do the following, in relation to the internal audit function:
  - 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;
- j. 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;
- 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;
- 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
- 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:

- have authority to investigate any matter within its terms of reference;
- b. have the resources which are required to perform its duties;
- have full and unrestricted access to any information pertaining to the Group; c.
- 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;
- have the right to obtain independent professional or other advice at the Company's expense; e.
- have the right to convene meetings with the Internal and External Auditors, without the attendance of the other f. Directors or employees of the Group, whenever deemed necessary; and
- promptly report to Bursa Securities matters which have not been satisfactorily resolved by the Board resulting in a g. breach of the MMLR of Bursa Securities.

#### Meetings 5.0

- The AC shall meet at least four (4) times in each financial year. The quorum for a meeting shall be two (2) members. a. 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 facsimile transmission or other written electronic means.
- 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.
- The Chairman shall upon request of the Internal or External Auditors convene a meeting of the AC to consider any e.  $matter \,the \,Internal \,or \,External \,Auditors \,believe \,should \,be \,brought \,to \,the \,attention \,of \,the \,AC \,members \,or \,shareholders.$
- The External Auditors, the Head of Finance and the Head of Internal Audit shall attend any meeting of the AC at the f. invitation of the AC.
- The AC should meet with the External Auditors without Executive Directors or management representatives present at g. least twice a year.
- h. 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 Disclosure

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;
- c. 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
- 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:

- a. Statement explaining the Board's responsibility for preparing the annual audited financial statements of the Group;
- 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 2022, 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 2022 External Audit Planning Memorandum and the Independence of the External Auditors

Private sessions were held between the AC and the External Auditors on 7 September 2021, 25 November 2021 and 21 June 2022 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 2021 Audited Financial Statements

The AC has reviewed the Audited Financial Statements for the financial year ended 31 July 2021 together with the Reports of Directors and Auditors on 25 November 2021 before presentation to the Board for approval and for release to the authorities and public.

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

#### 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.

#### **Reviewing the Internal Audit Functions**

The AC has reviewed and approved the Internal Audit Plans FYE 2022 presented by Internal Auditor on 2 December 2021. The Internal Auditor reported its findings together with the management action plan and recommendations to the AC for review on 21 June 2022. 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 Audit Committee Report and Statement on Risk Management and Internal Control

The AC has reviewed the Audit Committee Report and Statement on Risk Management and Internal Control prior to recommending the same for Board's approval for inclusion in the Annual Report 2021 on 25 November 2021.

#### **Reviewing the Audit Committee's Terms of Reference**

The AC has reviewed its terms of reference and recommended to the Board the adoption of additional requirements pursuant to the Malaysian Code on Corporate Governance with regards to forming an effective and independent AC.

#### INTERNAL AUDIT FUNCTION

During the FYE 2022, the Group has outsourced the internal audit function to KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC"), an independent professional firm. The internal audit fee for financial year 2022 was RM26,500.

The internal audit engagement is led by an Executive Director, namely Encik Mohd Khaidzir Shahari who is with the Internal Audit, Risk and Compliance Services ("IARCS") practices of KPMG MRC. He provides overall direction for the engagement and is responsible for all stages of the work therein. Encik Mohd Khaidzir is a Professional Member and Certified Internal Auditor (The Institute of Internal Auditors Incorporated), a Chartered Accountant of MIA and a Certified Global Management Accountant. He is also currently a Board of Governors for the Institute of Internal Auditors Malaysia ("IIAM") and is the Chairman of IIAM's Research and Technical Advisory Committee. All the personnel deployed by KPMG MRC are free from any relationship or conflict 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 MRC 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 the following audit scopes of work was carried out to assess the internal control systems:

No.	Audited Areas	Reporting Date
1	Production Management - Focusing on Machining and Assembly Departments	13 June 2022

Findings arising from the internal audit exercise were reported and discussed at the AC meeting on 21 June 2022.

### NOMINATION COMMITTEE STATEMENT

#### **COMPOSITION AND DESIGNATION**

Chairman : Dato' Lio Chee Yeong

(Independent Non-Executive Director)

Member : Dato' Wan Hashim Bin Wan Jusoh

(Independent Non-Executive Chairman)

Dato' 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 terms of reference. This terms of reference is also posted at the Company's website at <a href="https://www.uwcberhad.com.my">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 of Directors ("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 ("the Company and its subsidiaries").

#### 2.0 Composition

- a. The members of the NC of UWC Berhad ("the Company") 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.
- c. 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.

#### 3.0 Functions and Duties

#### 3.1 Appointment of New Directors

The NC's duties are:

- to develop, maintain and review, for Board's approval, the criteria to be used in the recruitment and screening process for prospective directors, such as the candidates':
  - 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 the Chairman and/or Managing Director and within the bounds of practicability, 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)

- 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's duties are:

- to 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;
- to assess the effectiveness of the Board as a whole annually, all Board Committees and the contribution of each individual Director, including the term of office and performance of the Board Committees and its member;
- c. to assess the independence of the independent non-executive directors, including reviewing the criteria for assessing their independence;
- d. to assess the desirable balance in board membership, considering the structure and development of excessive number of directorships;
- e. to assess the desirable number of independent non-executive directors;
- f. to review succession plans for the Board and senior management with a view to maintain an appropriate balance of skills, experience, tenure and diversity on the Board;
- g. to evaluate existing Directors who are subject to re-election/reappointment for recommendation to the Board;
- h. to ensure that all Directors attend appropriate continuous training programmes; and
- i. to document all assessments and evaluations properly 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;
- b. To consider other matters as referred to the NC by the Board; and
- c. 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.

#### 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 and external parties.
- 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

- 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 Company 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 2022, there were two (2) meetings held. These meetings were attended by all members of the NC.

#### **SUMMARY OF ACTIVITIES**

On 6 September 2022, the NC reviewed the outcome of an annual evaluation process on the Board, Board Committees and individual Directors that reviews their performance and assesses their effectiveness and contribution during the year under review. The assessment is administered using questionnaires that incorporate a range of criteria including Board composition, skills and competencies, meeting conduct and administration as well as self and peer evaluation model with an eye towards improvement opportunities. The NC found that all Directors (including Chief Executive Officer) possessed the needful character, experience, integrity and competence and have the time to discharge their respective roles. As part of the annual evaluation, the NC also assessed the independence of the Independent Non-Executive Directors ("INEDs") and opined that all INEDs fulfilled the criteria of "independence" as prescribed under the Main Market Listing Requirement of Bursa Securities. As of to-date, all INEDs have served the Board for a term of less than nine (9) years.

In addition, NC also reviewed and is satisfied with the current Board structure, size and composition which ensured appropriate balance and size of non-executive participation as well as having the right mix of skill sets and diversity of experience.

Arising from satisfactory outcome of the annual evaluation, the NC had proposed to the Board to recommend to the shareholders the re-election of Dato' Wan Hashim Bin Wan Jusoh and Dato' Ng Chai Eng, who retire by rotation, at the forthcoming AGM.

In addition, the NC also conducted a review on the term of office and performance of the Audit Committee ("AC") for FYE 2022. The Board is satisfied that the AC and its members have discharged their duties in accordance with the AC's terms of reference.

The NC is cognisant of the need to increase female representation on Board and has recommended the inclusion of female candidates in directorial searches. The NC is of the view that the Directors should determine their training needs as they are in a better position to assess own areas of concern. At the same time, the NC recommended trainings to keep abreast of industry updates, changes to accounting standards and policies and taxation laws and how implementation of these standards impact financial reporting as well as changes to the regulatory environment particularly with the focus on sustainability.

On 25 November 2021, the NC reviewed and recommended to the Board for approval the candidacy of Mr. Lee Boon Chien as Group Financial Controller with the appointment formalised on 14 February 2022.

All assessments and evaluations carried out by the NC are properly documented.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to applicable Financial Reporting Standards, the provisions of the Companies Act 2016, and Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Directors are required to prepare the annual audited financial statements that give a true and fair view of the state of affairs of the Group and of the Company for the financial year.

In the preparation of the financial statements for the financial year ended 31 July 2022, the Directors have taken the following measures:

- i. appropriate accounting policies have been adopted and applied consistently;
- ii. reasonable and prudent judgements and estimates have been made;
- iii. all applicable approved accounting standards in Malaysia, such as Malaysian Financial Reporting Standards ("MFRSs") have been adhered to; and
- iv. the financial statements have been prepared on a going concern basis.

The Directors have ensured that 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.

This Statement of Directors' Responsibility in relation to the Financial Statements is made in accordance with a resolution of the Board of Directors.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. 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 2022 ("FYE 2022") by the Company's Auditors are as follows:

Category	Audit Fees (RM)	Non-Audit Fees (RM)*
Company	39,500.00	8,000.00
Subsidiary	59,600.00	12,100.00
	99,100.00	20,100.00

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

### 2. RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions of revenue or trading nature conducted pursuant to shareholders' mandate during FYE 2022.

### 3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests during FYE 2022.



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## **DIRECTORS' REPORT**

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

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 2022.

### **PRINCIPAL ACTIVITIES**

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

### **RESULTS**

	Group RM	Company RM
Profit for the financial year	106,773,519	34,132,676
Attributable to: Owners of the parent Non-controlling interests	106,942,305 (168,786)	34,132,676 0
	106,773,519	34,132,676

### **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 2021: Interim single-tier dividend of RM0.0167 per ordinary share, declared on 7 September 2021, paid on 8 October 2021

18,380,564

In respect of financial year ended 31 July 2022: Interim single-tier dividend of RM0.0291 per ordinary share, declared on 6 September 2022, paid on 5 October 2022

32,049,722

No final dividend has been recommended by the Directors for the financial year ended 31 July 2022.

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

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

During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 1,100,632,606 to 1,101,365,006 by way of issuance of 732,400 new ordinary shares 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.

### **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.

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

### **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 831,100 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
Dato' F'ng Meow Cheng
Dato' Lio Chee Yeong
Dr. 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

Khor Say Yin @ Xu Shiyin (Appointed on 8 December 2021) Yeap Hock Chye (Appointed on 10 February 2022)

Tan Yu Sin (Appointed on 11 February 2022, resigned on 31 May 2022)
Teh Jin Kheng (Appointed on 11 February 2022, resigned on 31 May 2022)

### **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 2022 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:

	Number of ordinary shares			
	Balance as at			Balance as at
	1.8.2021	Bought	Sold	31.7.2022
Shares in the Company				
Direct interests:				
Dato' Ng Chai Eng	88,296,338	282,600	0	88,578,938
Lau Chee Kheong	87,806,338	170,600	0	87,976,938
Dato' Wan Hashim Bin Wan Jusoh	480,000	0	0	480,000
Dato' F'ng Meow Cheng	600,000	0	0	600,000
Dato' Lio Chee Yeong	1,110,000	0	0	1,110,000
Dr. Ng Chin Liang (Alternate Director to				
Dato' Ng Chai Eng)	349,800	25,400	0	375,200

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

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

### **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 2022 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	
	1.8.2021	Bought	Sold	31.7.2022	
Shares in the Company (cont'd)					
Indirect interests:					
Dato' Ng Chai Eng *	578,716,806	25,400	0	578,742,206	
Lau Chee Kheong #	578,367,006	0	0	578,367,006	

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, Dr. 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.

	Number of ordinary shares granted under the SGS			
	Balance as at			Balance as at
	1.8.2021	Granted	Exercised	31.7.2022
Shares in the Company				
<u>Direct interests:</u>				
Dato' Ng Chai Eng	0	170,600	(170,600)	0
Lau Chee Kheong	0	170,600	(170,600)	0
Dr. Ng Chin Liang (Alternate Director to Dato' Ng Chai Eng)	69,400	17,400	(16,400)	70,400

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.

Other than those disclosed above, 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:

- 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
- 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.

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

### **DIRECTORS' REMUNERATION**

The fees and other benefits of Directors who have held office during the financial year ended 31 July 2022 were as follows:

	Group RM	Company RM
Fees	144,000	144,000
Salaries and other emoluments	3,363,431	10,000
Contributions to defined contribution plan	269,998	0
Share grant scheme	1,446,368	0
Other benefits	7,147	0
	5,230,944	154,000

### 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

### 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
  - 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 were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
  - 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.
- 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:
  - 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;
  - which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - 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.
- In the opinion of the Directors:
  - there has not arisen any item, transaction or event of a material and unusual nature which is 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
  - 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.

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (cont'd)

### (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.

### 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**

23 November 2022

The auditors, BDO PLT (201906000013 (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 2022 amounted to RM39,500 and RM59,600 respectively.

Dato' Ng Chai Eng	Lau Chee Kheong
Director	Director
Penang	

# **STATEMENT BY DIRECTORS**

In the opinion of the Directors, the financial statements set out on pages Malaysian Financial Reporting Standards, International Financial Reporting 2016 in Malaysia so as to give a true and fair view of the financial position of of the financial performance and cash flows of the Group and of the Compar	g Standards and the provisions of the Companies Act the Group and of the Company as at 31 July 2022 and
On behalf of the Board,	
Dato' Ng Chai Eng Director	Lau Chee Kheong Director
Penang 23 November 2022	
STATUTORY DECLARATION	
I, Dr. Ng Chin Liang (CA 42709), being the Director primarily responsible for the and sincerely declare that the financial statements set out on pages 83 to 12 and I make this solemn declaration conscientiously believing the same to b Declarations Act, 1960.	28 are, to the best of my knowledge and belief, correct
Subscribed and solemnly declared by the abovenamed at Georgetown in the State of	
Penang this 23 November 2022	Dr. Ng Chin Liang
Before me,	
Commissioner for Oaths	

## 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 2022 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 83 to 128.

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 2022, 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 2022 were RM163,225,161 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 applied by the Group;
- (b) Recomputed the correlation coefficient between the macroeconomic indicators used 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:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

## 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):

- 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.
- 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 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.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

### **Other Matters**

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.

201906000013 (LLP0018825-LCA) & AF 0206 **Chartered Accountants** 

Penang 23 November 2022 **Goh Chee Beng** 03535/11/2024 J **Chartered Accountant** 

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2022

			Group		Company
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	112,724,752	109,325,475	0	0
Right-of-use assets	6	46,917,721	17,305,686	0	0
Investments in subsidiaries	7	0	0	64,922,233	60,376,594
Investment in an associate	8	91,096	88,489	3	3
		159,733,569	126,719,650	64,922,236	60,376,597
Current assets					
Inventories	9	64,292,251	53,410,944	0	0
Trade and other receivables	10	172,981,376	86,685,494	90,039,483	64,836,877
Contract assets	11	43,497	54,257	0	0
Other investments	12	20,012,414	19,697,409	0	0
Current tax assets		819,437	1,159,360	63,666	13,500
Cash and bank balances	13	39,605,371	71,698,513	675,362	11,653,208
		297,754,346	232,705,977	90,778,511	76,503,585
TOTAL ASSETS		457,487,915	359,425,627	155,700,747	136,880,182
EQUITY AND LIABILITIES					
Equity attributable to					
owners of the parent					
Share capital	14	119,409,431	116,363,862	119,409,431	116,363,862
Reserves	15	276,903,640	188,341,899	36,206,030	20,453,918
Non controlling interest		396,313,071	304,705,761	155,615,461	136,817,780
Non-controlling interest  TOTAL EQUITY		1,207,843 397,520,914	76,599	155,615,461	0136,817,780
		331,320,311			
LIABILITIES					
Non-current liabilities					
Borrowings	16	0	1,133,278	0	0
Government grants	17	1,206,001	2,384,171	0	0
Lease liabilities	6	4,000,499	3,288,067	0	0
Deferred tax liabilities	18	8,520,400	7,516,000	0	0
		13,726,900	14,321,516	0	0
Current liabilities					
Trade and other payables	19	38,306,964	31,011,458	85,286	62,402
Borrowings	16	1,134,143	1,497,034	0	0
Government grants	17	1,178,170	1,178,170	0	0
Lease liabilities	6	947,147	397,362	0	0
Current tax liabilities		4,673,677	6,237,727	0	0
		46,240,101	40,321,751	85,286	62,402
TOTAL LIABILITIES		59,967,001	54,643,267	85,286	62,402
TOTAL EQUITY AND LIABILITIES	,	457,487,915	359,425,627	155,700,747	136,880,182

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 2022

		Gi	roup	Com	npany
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Revenue	21	345,630,969	285,024,155	34,636,480	19,353,600
Other operating income		8,201,888	3,361,809	71,957	331,802
Changes in inventories of finished goods and work-in-progress		(5,258,624)	8,831,948	0	0
Raw materials and consumables used		(97,677,706)	(95,949,215)	0	0
Employee benefits	22	(61,300,968)	(41,058,319)	(154,000)	(152,000)
Depreciation		(15,576,583)	(12,708,635)	0	0
Impairment losses in trade and other receivables		(404,720)	(526,390)	0	0
Other operating expenses		(33,614,551)	(31,994,945)	(405,627)	(571,449)
Shares of profit of an associate, net of tax	8(d)	2,607	88,486	0	0
Profit from operations	`	140,002,312	115,068,894	34,148,810	18,961,953
Finance costs	23	(266,584)	(280,201)	0	0
Profit before tax	_	139,735,728	114,788,693	34,148,810	18,961,953
Tax expense	24	(32,962,209)	(23,255,702)	(16,134)	(76,893)
Profit for the financial year		106,773,519	91,532,991	34,132,676	18,885,060
Other comprehensive income,					
net of tax	_	0	0	0	0
Total comprehensive income	_	106,773,519	91,532,991	34,132,676	18,885,060
Profit for the financial year and total comprehensive income attributable to:					
Owners of the parent		106,942,305	91,536,392	34,132,676	18,885,060
Non-controlling interests	_	(168,786)	(3,401)	0	0
	_	106,773,519	91,532,991	34,132,676	18,885,060
Earnings per share attributable to owners of the parent					
Basic (sen)	27(a)	9.71	8.32		
Diluted (sen)	27(b)	9.70	8.30		

304,782,360

76,599

304,705,761

244,567,499

(56,225,600)

116,363,862

# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

		Share	Reorganisation debit	Retained	Total attributable to owners of	Non- controlling	Total
Group	Note	capital	reserve	earnings	the parent RM	interest	equity
Balance as at 1 August 2021		116,363,862	(56,225,600)	244,567,499	304,705,761	76,599	304,782,360
Profit/(Loss) for the financial year		0	0	106,942,305	106,942,305	(168,786)	106,773,519
Other comprehensive income, net of tax		0	0	0	0	0	0
Total comprehensive income/(loss)		0	0	106,942,305	106,942,305	(168,786)	106,773,519
Transactions with owners:							
Acquisition of shares by non-controlling interest		0	0	0	0	1,300,030	1,300,030
Dividend paid	56	0	0	(18,380,564)	(18,380,564)	0	(18,380,564)
Issuance of ordinary shares pursuant to Share Grant Scheme	14	3,045,569	0	0	3,045,569	0	3,045,569
Total transactions with owners	J	3,045,569	0	(18,380,564)	(15,334,995)	1,300,030	(14,034,965)
Balance as at 31 July 2022		119,409,431	(56,225,600)	333,129,240	396,313,071	1,207,843	397,520,914
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		0	0	0	0	0	0
Total comprehensive income/(loss)	J	0	0	91,536,392	91,536,392	(3,401)	91,532,991
Transaction with owners:							
Acquisition of shares by non-controlling interest		0	0	0	0	80,000	80,000
Dividend paid	26	0	0	(11,004,000)	(11,004,000)	0	(11,004,000)
Issuance of ordinary shares pursuant to Share Grant Scheme	14	896,594	0	0	896,594	0	896,594
Total transactions with owners	J	896,594	0	(11,004,000)	(10,107,406)	80,000	(10,027,406)

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

# **STATEMENT OF CHANGES IN EQUITY** FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

Company	Note	Share capital	Retained earnings RM	Total equity RM
Company	Note	KW	KW	KW
Balance as at 1 August 2021		116,363,862	20,453,918	136,817,780
Profit for the financial year	Γ	0	34,132,676	34,132,676
Other comprehensive income, net of tax	L	0	0	0
Total comprehensive income		0	34,132,676	34,132,676
Transactions with owners:				
Dividend paid	26	0	(18,380,564)	(18,380,564)
Issuance of ordinary shares pursuant to Share Grant Scheme	14	3,045,569	0	3,045,569
Total transactions with owners	_	3,045,569	(18,380,564)	(15,334,995)
Balance as at 31 July 2022	-	119,409,431	36,206,030	155,615,461
		445 467 000	40.570.050	100.040.400
Balance as at 1 August 2020		115,467,268	12,572,858	128,040,126
Profit for the financial year	Γ	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	14	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
-	_			

# **STATEMENTS OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

			Group	C	Company
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		139,735,728	114,788,693	34,148,810	18,961,953
Adjustments for:					
Amortisation of government grants	17	(1,178,170)	(1,178,170)	0	0
Impairment losses:					
- trade receivables	10(g)	389,418	526,355	0	0
- other receivables	10(h)	15,302	35	0	0
Depreciation of property, plant and					
equipment	5	14,263,251	11,968,919	0	0
Depreciation of right-of-use assets	6	1,313,332	739,716	0	0
Dividend income	21	0	0	(34,636,480)	(19,353,600)
Gain on fair value adjustment on	12/-\	(115.005)	(107.400)	0	0
other investment	12(c)	(115,005)	(197,409)	0	0
Interest expense	23	266,584	280,201	(71.057)	(221.002)
Interest income		(331,651)	(759,348)	(71,957)	(331,802)
Property, plant and equipment written off		0	7,875	0	0
Loss/(Gain) on disposal of property,					
plant and equipment		61,256	(235,005)	0	0
Gain on lease modification	6(e)	0	(795)	0	0
Loss on disposal of subsidiary		0	0	0	1
Share grant expenses		3,045,569	896,594	0	0
Share of profit of an associate	8(d)	(2,607)	(88,486)	0	0
Unrealised gain on foreign exchange	_	(1,198,037)	0	0	0
Operating profit/(loss) before changes in working capital		156,264,970	126,749,175	(559,627)	(723,448)
Increase in inventories		(10,881,307)	(9,911,105)	0	0
Increase in trade and other receivables		(85,619,226)	(18,390,410)	(10,919,726)	(25,697,530)
Decrease in contract assets		10,760	410,663	0	0
Increase/(Decrease) in trade and		10,100	110,000	· ·	v
other payables	_	7,409,175	(5,103,266)	22,884	(8,393)
Cash generated from/(used in) operations		67,184,372	93,755,057	(11,456,469)	(26,429,371)
Interest paid		(58,522)	(114,405)	0	0
Tax paid		(33,181,936)	(19,422,214)	(66,300)	(126,393)
Net cash from/(used in) operating	_	(,,)		(,)	(,)
activities	-	33,943,914	74,218,438	(11,522,769)	(26,555,764)

# **STATEMENTS OF CASH FLOWS** (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

			Group	c	ompany
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of interest in subsidiary	7	0	0	(1,500,070)	(119,999)
Additions interests in an associate		0	(3)	0	(3)
Dividends received		0	0	20,353,600	12,282,880
Interest received		331,651	759,348	71,957	331,802
Proceeds from disposal of property, plant and equipment		658,306	546,534	0	0
Proceeds from disposal of other investments		2,300,000	0	0	0
Purchase of other investments		(2,500,000)	(19,500,000)	0	0
Purchase of property, plant and					
equipment	5	(18,382,090)	(28,570,745)	0	0
Purchase of right-of-use assets	6(h)	(28,959,712)	0	0	0
Proceeds from subscription of equity interest by non-controlling interest		1,300,000	80,000	0	0
Net cash (used in)/from investing activities		(45,251,845)	(46,684,866)	18,925,487	12,494,680
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	26	(18,380,564)	(11,004,000)	(18,380,564)	(11,004,000)
Repayment of term loans		(1,496,169)	(2,054,189)	0	0
Payments of lease liabilities	6(f)	(911,500)	(588,400)	0	0
Net cash used in financing activities		(20,788,233)	(13,646,589)	(18,380,564)	(11,004,000)
Net (decrease)/increase in cash and cash equivalents		(32,096,164)	13,886,983	(10,977,846)	(25,065,084)
Effect of exchange rate changes		3,022	0	0	0
Cash and cash equivalents at beginning of financial year		71,698,513	57,811,530	11,653,208	36,718,292
Cash and cash equivalents at end of					
financial year	13	39,605,371	71,698,513	675,362	11,653,208

# STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 6) RM	Term loans (Note 16) RM
Balance as at 1 August 2021	3,685,429	2,630,312
Cash flows	(911,500)	(1,496,169)
Non-cash flows:		
- Additions	1,255,262	0
- Effect of lease modification	710,393	0
- Unwinding of interest	208,062	0
Balance as at 31 July 2022	4,947,646	1,134,143
Balance as at 1 August 2020	2,827,910	4,684,501
Cash flows	(588,400)	(2,054,189)
Non-cash flows:		
- Effect of lease modification	1,280,123	0
- Unwinding of interest	165,796	0
Balance as at 31 July 2021	3,685,429	2,630,312

## **NOTES TO THE FINANCIAL STATEMENTS**

31 JULY 2022

### 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 Georgetown, 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 2022 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 23 November 2022.

### 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities and the details of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of the activities of the Group and of the Company 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 34.1 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.

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### 4. OPERATING SEGMENTS

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.

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).

31 JULY 2022

	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
2022									
Revenue from external customers	0	267,834,372	59,430,488	216,175	18,149,934	345,630,969	345,630,969	0	345,630,969
Inter-segment revenue	34,636,480	90,557,417	0	0	24,000	90,581,417	125,217,897	(125,217,897)	0
Total revenue	34,636,480	358,391,789	59,430,488	216,175	18,173,934	436,212,386	470,848,866	(125,217,897)	345,630,969
Interest income	71,957					259,694	331.651	C	331.651
Finance costs	0					(269,297)	(269,297)	2,713	(266,584)
Net finance income	71,957					(6,603)	62,354	2,713	65,067
Segment profit before tax	34,148,810					140,545,896	174,694,706	(34,961,585) 139,733,121	139,733,121
Share of profit of an associate	2,607					0	2,607	0	2,607
Tax expense									(32,962,209)
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					(109,268)	(109,268)	109,268	0
- Depreciation of property, plant and equipment	0					(14,182,894)	(14,182,894)	(80,357)	(14,263,251)
- Depreciation of right-of-use assets	0					(1,511,365)	(1,511,365)	198,033	(1,313,332)
- Impairment losses in trade and other receivable	0					(501,627)	(501,627)	96,907	(404,720)
- Share grant expenses	0					(3,045,569)	(3,045,569)	0	(3,045,569)

**OPERATING SEGMENTS** (cont'd)

	Segment I			—Segment II —						
	Investment holding RM	Semi- conductor RM	Life science and medical technology RM	Heavy duty RM	Others RM	Total	Aggregate Total RM	Eliminations Consolidated RM RM	Consolidated	
<b>2022</b> (cont'd)										
Investment in an associate	91,096					0	91,096	0	91,096	
Additions to non-current assets other than financial instruments	1,500,070					48,690,090	50,190,160	(1,593,096)	48,597,064	
<b>Assets</b> Segment assets	154,961,719					474,561,853	629,523,572	629,523,572 (212,460,465) 417,063,107	417,063,107	
Current tax assets Cash and bank balances								·	819,437 39,605,371	
								·	457,487,915	
<b>Liabilities</b> Segment liabilities	85,286					191,073,487	191,158,773	(144,385,849)	46,772,924	
Deferred tax liabilities									8,520,400	
Current tax liabilities								'	4,673,677	
								•	59,967,001	

	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	<b>Consolidated</b> 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
<ul> <li>Depreciation of investment property</li> </ul>	0					(120,643)	(120,643)	120,643	0
<ul> <li>Depreciation of property, plant and equipment</li> </ul>	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)

	Segment I			—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 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	
Assets										
Segment assets Current tax assets	78,953,089					289,169,913	368,123,002	(81,555,248)	286,567,754	
Cash and bank balances									71,698,513	
									359,425,627	
Liabilities										
Segment liabilities	63,600					60,411,827	60,475,427	(19,585,887)	40,889,540	
Deferred tax liabilities									7,516,000	
Current tax liabilities									6,237,727	
									54,643,267	

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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
	2022	2021
	RM	RM
Revenue from external customers		
Malaysia	270,261,504	157,300,658
United States	29,892,362	62,617,351
Singapore	28,431,904	48,344,135
India	4,503,998	3,739,955
France	4,385,698	3,410,003
Netherlands	2,647,371	2,109,978
China	2,628,113	6,707,796
Others	2,880,019	794,279
	345,630,969	285,024,155

### (b) Major customers

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

	(	Group
	2022	2021
	RM	RM
Customer A	181,969,235	54,372,187
Customer B	46,217,511	35,912,943
Customer C	*	52,019,725
Customer D	*	35,692,357
Customer E	*	29,518,205
	228,186,746	207,515,417

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

	Buildings	Plant, machinery and Pr Buildings equipment eq	Production equipment	Furniture, fittings, office equipment and computer system	Motor vehicles	Fire and electrical installation	Air conditioning	Security control systems	Renovation	Solar	Capital work-in- progress	Total
Group	RM	R	RM	R	RM	RM	RM	R	RM	RM	RM	RM
31 July 2022												
At cost												
Balance as at 1 August 2021	31,197,471	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
Additions	0	0 10,549,453	1,657,693	2,187,264	519,880	369,875	99,433	5,910	1,126,225	0	1,866,357	18,382,090
Disposals	0	(5,291,134)	0	0	0	0	0	0	0	0	0	(5,291,134)
Reclassifications	0	2,122,165	307,002	134,982	0	0	0	0	139,181	0	(2,703,330)	0
Balance as at 31 July 2022	31,197,471	122,653,991	5,980,385	9,525,247	2,463,704	578,911	617,931	278,087	3,021,907	2,782,956	3,125,160	182,225,750
Accumulated depreciation												
Balance as at 1 August 2021	1,406,170	1,406,170 50,631,384	1,469,398	4,161,670 1,248,444	1,248,444	33,202	81,013	76,100	261,304	440,634	0	59,809,319
Current charge	519,958	519,958 10,877,219	482,214	1,184,078	311,947	38,973	58,957	27,266	484,344	278,295	0	14,263,251
Disposals	0	(4,571,572)	0	0	0	0	0	0	0	0	0	(4,571,572)
Balance as at 31 July 2022	1,926,128	56,937,031	1,951,612	5,345,748	1,560,391	72,175	139,970	103,366	745,648	718,929	0	866,005,69
Carrying amount												
Balance as at 31 July 2022	29,271,343	29,271,343 65,716,960	4,028,773	4,179,499	903,313	506,736	477,961	174,721	2,276,259	2,276,259 2,064,027	3,125,160	3,125,160 112,724,752

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	Buildings	Plant, machinery and Buildings equipment	Production equipment	Furniture, fittings, office equipment and computer system	Motor vehicles	Fire and electrical installation	Air conditioning	Security control systems	Renovation	Solar	Capital work-in- progress	Total
Group	RM	RM	RM	R	R	R	RM	R	RM	R	R	RM
31 July 2021												
At cost												
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	20,289,145	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	1,495,197 2,342,322	3,962,133	3,962,133 109,325,475

PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

- All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. After initial recognition, property, plant and equipment are stated at cost less any 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	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.

As at the end of the reporting period, building with a total carrying amount of RM18,819,299 (2021: RM29,791,301) of the Group are pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 16(d) to the financial statements.

### **RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

### The Group as lessee

Right-of-use assets	1			
	Leasehold land	Factory	Hostels	Total
Group	RM	RM	RM	RM
31 July 2022				
At cost				
Balance as at 1 August 2021	15,095,761	4,190,808	160,213	19,446,782
Additions	28,959,712	1,236,664	18,598	30,214,974
Lease modification	0	710,393	0	710,393
Derecognition	0	0	(106,575)	(106,575)
Balance as at 31 July 2022	44,055,473	6,137,865	72,236	50,265,574
Accumulated depreciation				
Balance as at 1 August 2021	1,355,431	663,765	121,900	2,141,096
Current charge	533,148	757,901	22,283	1,313,332
Derecognition	0	0	(106,575)	(106,575)
Balance as at 31 July 2022	1,888,579	1,421,666	37,608	3,347,853
Carrying amount				
Balance as at 31 July 2022	42,166,894	4,716,199	34,628	46,917,721

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### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

The Group as lessee (cont'd)

Right-of-use assets (cont'd)				
	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
Committee				
Carrying amount	40.740.000	0.507.040	22.242	17.005.000
Balance as at 31 July 2021	13,740,330	3,527,043	38,313	17,305,686
Lease liabilities				
		Factory	Hostels	Total
Group		RM	RM	RM
31 July 2022				
Balance as at 1 August 2021		3,645,381	40,048	3,685,429
Additions		1,236,664	18,598	1,255,262
Lease modification		710,393	0	710,393
Lease payments		(887,500)	(24,000)	(911,500)
Interest expense (Note 23)		206,444	1,618	208,062
Balance as at 31 July 2022		4,911,382	36,264	4,947,646
31 July 2021				
Balance as at 1 August 2020		2,672,250	155,660	2,827,910
Lease modifications		1,306,401	(26,278)	1,280,123
Lease payments		(495,000)	(93,400)	(588,400)
Interest expense (Note 23)		161,730	4,066	165,796
Balance as at 31 July 2021		3,645,381	40,048	3,685,429

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#### RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd) 6.

The Group as lessee (cont'd)

Lease liabilities (cont'd)

	Group	
	2022	2021
	RM	RM
Represented by:		
Current liabilities	947,147	397,362
Non-current liabilities	4,000,499	3,288,067
	4,947,646	3,685,429
Lease liabilities owing to non-financial institutions	4,947,646	3,685,429

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.

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	2 - 9 years
Hostels	2 - 5 years

- As at the end of the reporting period, leasehold land with a total carrying amount of RM8,734,865 (2021: RM13,740,330) of the Group are pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 16(d) to the financial statements.
- The Group has certain leases of factory and hostel 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 lowvalue assets" exemptions for these leases.
- The following are the amounts recognised in profit or loss:

	Group	
	2022	2021
	RM	RM
Depreciation charge of right-of-use assets	1,313,332	739,716
Interest expense on lease liabilities (included in finance costs)	208,062	165,796
Expense relating to short-term leases (included in other operating expenses)	595,424	0
Expense relating to leases of low-value assets (included in other operating expenses)	67,921	26,989
Variable lease payments (included in other operating expenses)	630,854	357,886
Gain on lease modification (included in other operating income)	0	(795)
_	2,815,593	1,289,592

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### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

The Group as lessee (cont'd)

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

	Group	
	2022	2021
	RM	RM
Included in net cash from operating activities:		
Payments relating to:		
- short-term leases	595,424	0
- low value assets	67,921	26,989
- variable lease payments	630,854	357,886
	1,294,199	384,875
Included in net cash used in investing activities:		
Purchase of right-of-use assets	28,959,712	0
Included in net cash used in financing activities:		
Payment of lease liabilities	911,500	588,400
Total cash outflows for leases	31,165,411	973,275

- (g) The Group has a lease contract for hostel 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.
- (h) During the financial year, the Group made the following cash payments to purchase right-of-use assets:

	Group		
	2022	2021	
	RM	RM	
Purchase of right-of-use assets	30,214,974	0	
Financed by lease liabilities	(1,255,262)	0	
Cash payments on purchase of right-of-use assets	28,959,712	0	

(i) 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	
	2022	2021
	RM	RM
Extension options expected not to be exercised		
- within five (5) years	1,087,200	57,600

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

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### 7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022	2021
	RM	RM
Unquoted shares, at cost	60,980,070	59,480,000
Equity contributions in subsidiaries in respect of share grant scheme	3,942,163	896,594
	64,922,233	60,376,594

- (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.
- (b) Details of the subsidiaries are as follows:

	Country of incorporation/ Principal place	Effection owner inte	rship	
Name of company	of business	%	%	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	60	Provision of engineering, designing, manufacturing and assembling for automation solutions
USurface Technology Sdn. Bhd. *	Malaysia	51	N/A	Manufacturing of machinery, provision of sheet metal fabrication and finishing treatment
C Max Manufacturing Sdn. Bhd. *	Malaysia	70	N/A	Provision of precision sheet metal fabrication
Subsidiary of UWC Holdings Sdn. Bhd.				
UWC Automation Sdn. Bhd. #	Malaysia	100	100	Provision of precision machined components

<sup>#</sup> Subsidiaries are audited by BDO PLT, Malaysia.

(c) On 10 February 2022, the Company incorporated USurface Technology Sdn. Bhd. ('USurface') with paid-up share capital of RM100 comprising of 100 ordinary share. The Company subscribed 51 ordinary shares for a total consideration of RM51. Persuant to that, the Company holds 51 ordinary shares representing 51% equity interest in USurface.

Subsequently on 20 June 2022, USurface further issued an additional 1,999,900 new ordinary shares of RM1 each. The Company further subscribed of 1,019,949 ordinary shares for a total consideration of RM1,019,949. Persuant to that, the equity interest in USurface remained at 51%.

(d) On 11 February 2022, the Company incorporated C Max Manufacturing Sdn. Bhd. ('C Max') with paid-up share capital RM100 comprising of 100 ordinary share. The Company subscribed 70 ordinary shares for a total consideration of RM70. Persuant to that, the Company holds 70 ordinary shares representing 70% equity interest in C Max.

<sup>\*</sup> The results are consolidated based on the unaudited financial statements.

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

(e) Previously, on 2 November 2020, equity interest in UPLUS Solutions Sdn. Bhd. ('UPLUS') was reduced from 100% to 60% persuant to issuance of additional 199,999 new ordinary shares of RM1 each which the Company subscribed 119,999 ordinary shares for total consideration of RM119,999.

On 31 January 2022, UPLUS issued an additional 800,000 new ordinary shares of RM1 each. The Company subscribed 480,000 ordinary shares for a total consideration of RM480,000. Persuant to that, the Company now holds 600,000 ordinary shares representing 60% equity interest in UPLUS.

(f) The subsidiaries of the Group that has non-controlling interest ('NCI') is as follow:

31 July 2022	UPLUS Solutions Sdn. Bhd.	USurface Technology Sdn. Bhd.	C Max Manufacturing Sdn. Bhd.	Total
NCI percentage of ownership interest and voting interest	40%	49%	30%	
Carrying amount of NCI (RM)	391,514	817,318	(989)	1,207,843
Loss allocated to NCI (RM)	(5,085)	(162,682)	(1,019)	(168,786)
31 July 2021				UPLUS Solutions Sdn. Bhd.
NCI percentage of ownership interest and voti	ng interest			40%
Carrying amount of NCI (RM)				76,599
Loss allocated to NCI (RM)				(3,401)

(g) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of reporting period are as follows:

31 July 2022	UPLUS Solutions Sdn. Bhd.	USurface Technology Sdn. Bhd.	C Max Manufacturing Sdn. Bhd.	Total
Assets and liabilities				
Non-current assets	48,863	1,980,096	0	2,028,959
Current assets	1,034,100	678,574	91,672	1,804,346
Non-current liabilities	0	(163,771)	0	(163,771)
Current liabilities	(104,179)	(826,904)	(94,970)	(1,026,053)
Net assets/(liabilities)	978,784	1,667,995	(3,298)	2,643,481

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

(g) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of reporting period are as follows (cont'd):

31 July 2022	UPLUS Solutions Sdn. Bhd.	USurface Technology Sdn. Bhd.	C Max Manufacturing Sdn. Bhd.	Total
Results				
Revenue Loss for the financial year/period	737,210	382,554	(3.300)	1,119,764
Total comprehensive loss	(12,713) (12,713)	(332,005)	(3,398)	(348,116)
Cash flows (used in)/from operating activities Cash flows used in investing activities	(101,337) (48,903)	(40,976) (1,793,949)	88,846 0	(53,467) (1,842,852)
Cash flows from financing activities	800,000	1,991,000	100	2,791,100
Net increase in cash and cash equivalents	649,760	156,075	88,946	894,781
				UPLUS Solutions Sdn. Bhd.
31 July 2021				RM
Assets and liabilities				
Current assets Current liability				193,695 (2,198)
Net assets				191,497
Results				
Revenue				0
Loss for the financial period Total comprehensive loss				(8,503) (8,503)
Cash flows used in non-operating activities				(7,305)
Cash flow from financing activity  Net increase in cash and cash equivalents				199,999 192,694

## 8. INVESTMENT IN AN ASSOCIATE

		Group		Company	
	2022	2021	2022	2021	
	RM	RM	RM	RM	
Unquoted shares, at cost	3	3	3	3	
Share of post acquisition reserves	91,093	88,486	0	0	
	91,096	88,489	3	3	

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### 8. INVESTMENT IN AN ASSOCIATE (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:

	Country of ownership incorporation/ interest		ership	
Name of company	Principal place of business	<b>2022</b> %	<b>2021</b> %	Principal activities
WEPLUS Greentech Sdn. Bhd.	Malaysia	30	30	To provide designing, manufacturing and engineering of related components for green technology

The associate above is audited by BDO PLT, Malaysia.

- (c) In the previous financial year, the Company incorporated WEPLUS Greentech Sdn. Bhd. ('WEPLUS') for a cash consideration of RM1 comprising of 1 ordinary share. Subsequently on 1 September 2020, 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:

	RM	RM
Assets and liabilities		
Current assets	426,982	1,080,315
Current liabilities	(123,329)	(785,352)
Net assets	303,653	294,963
Results		
Revenue	48,195	1,650,054
Profit for the financial year/period	8,690	294,953
Total comprehensive income	8,690	294,953
Cash flows from operating activities	12,460	209,377
Cash flow from investing activity	626	26
Cash flow from financing activity	0	9
Net increase in cash and cash equivalents	13,086	209,412
Share of result for the financial year/period		
Share of profit for the financial year/period	2,607	88,486
Share of other comprehensive income for the financial year/period	0	0
Share of total comprehensive income for the financial year/period	2,607	88,486

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### 9. INVENTORIES

	Group	
	2022	2021
	RM	RM
At cost		
Raw materials	38,048,087	21,908,155
Work-in-progress	21,387,181	19,116,048
Finished goods	4,856,983	12,386,741
	64,292,251	53,410,944

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out formula. The cost of raw materials 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		
	2022	2021	2022	2021	
	RM	RM	RM	RM	
Trade receivables					
Third parties	163,225,161	81,347,939	0	0	
Dividend receivable from subsidiaries	0	0	33,636,480	19,353,600	
	163,225,161	81,347,939	33,636,480	19,353,600	
Less: Impairment losses	(1,033,557)	(644,139)	0	0	
	162,191,604	80,703,800	33,636,480	19,353,600	
Other receivables					
Third parties	8,311,786	4,652,403	70,000	30,000	
Amounts owing by subsidiaries	0	0	56,333,003	45,453,277	
	8,311,786	4,652,403	56,403,003	45,483,277	
Less: Impairment losses	(15,483)	(181)	0	0	
	8,296,303	4,652,222	56,403,003	45,483,277	
Deposits and prepayments					
Deposits	476,104	342,100	0	0	
Prepayments	2,017,365	987,372	0	0	
	2,493,469	1,329,472	0	0	
	172,981,376	86,685,494	90,039,483	64,836,877	

<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 (2021: 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 in cash and cash equivalents.
- (d) The currency exposure profile of trade and other receivables, net of deposits and prepayments are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Ringgit Malaysia	116,917,913	23,477,039	90,039,483	64,836,877
United States Dollar	52,014,335	60,883,860	0	0
Euro	1,529,455	957,272	0	0
Others	26,204	37,851	0	0
	170,487,907	85,356,022	90,039,483	64,836,877

(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.

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

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

	Not	$\longleftarrow$ Tr	ade receivables	s - days past due	$\longrightarrow$	
Group	past due	1-30	31 - 60	61 - 90	> 90	Total
31 July 2022						
Trade receivables, gross (RM)	128,888,890	24,195,075	2,925,177	1,725,027	5,490,992	163,225,161
Impairment losses (RM)	(214,572)	(160,449)	(33,811)	(33,000)	(591,725)	(1,033,557)
	128,674,318	24,034,626	2,891,366	1,692,027	4,899,267	162,191,604
31 July 2021						
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)	(35,882)	(110,812)	(58,348)	(386,102)	(644,139)
(IXIVI)	58,714,907	9,801,256	8,779,527	1,641,259	1,766,851	80,703,800

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

Group Lifetime ECL - not credit impaired		
		2022
RM	RM	
644,139	117,784	
389,418	526,355	
1,033,557	644,139	
	Lifetim - not credit 2022 RM 644,139 389,418	

The Group did not renegotiate the terms of any trade receivables for the financial year ended 31 July 2022 and 31 July

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

	Group Lifetime ECL - not credit impaired	
	2022	2021
	RM	RM
Balance as at 1 August 2021/2020	181	146
Impairment losses during the year	15,302	35
Balance as at 31 July 2022/2021	15,483	181

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

- (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	
	2022	2021
	RM	RM
Financial assets at fair value through profit or loss		
In Malaysia		
Marketable securities - unit trust	20,012,414	19,697,409

- (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 RM115,005 (2021: 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.

#### 13. CASH AND BANK BALANCES

	Group		(	Company
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash and bank balances	39,605,371	71,698,513	675,362	11,653,208

(a) Cash and bank balances are classified as financial assets measured at amortised cost.

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#### 13. CASH AND BANK BALANCES (cont'd)

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

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Ringgit Malaysia	19,237,990	27,863,560	675,362	11,653,208
United States Dollar	17,843,878	42,955,846	0	0
Euro	2,487,820	840,786	0	0
Others	35,683	38,321	0	0
	39,605,371	71,698,513	675,362	11,653,208

- (c) No expected credit loss is recognised arising from cash and bank balances as it is negligible.
- (d) Information on financial risks of cash and bank balances is disclosed in Note 31 to the financial statements.

#### 14. SHARE CAPITAL

	Group and Company			
		2022	2021	
	Number of shares	RM	Number of shares	RM
Issued and fully paid-up ordinary shares with no par value				
Balance as at 1 August 2021/2020	1,100,632,606	116,363,862	550,200,003	115,467,268
Bonus issue	0	0	550,200,003	0
Share grant scheme	732,400	3,045,569	232,600	896,594
Balance as at 31 July 2022/2021	1,101,365,006	119,409,431	1,100,632,606	116,363,862

(a) During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 1,100,632,606 ordinary shares to 1,101,365,006 ordinary shares by way of issuance of 732,400 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.

- (b) In the previous financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 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:
  - (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 shares pursuant to the SGS as disclosed in Note 25 to the financial statements.
- (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.

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#### 15. RESERVES

	Group		Co	ompany
	2022	2021	2022	2021
	RM	RM	RM	RM
Non-distributable:				
Reorganisation debit reserve	(56,225,600)	(56,225,600)	0	0
Distributable:				
Retained earnings	333,129,240	244,567,499	36,206,030	20,453,918
	276,903,640	188,341,899	36,206,030	20,453,918

#### 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	
	2022	2021
	RM	RM
Non-current liabilities		
Term loans	0	1,133,278
Current liabilities		
Term loans	1,134,143	1,497,034
Total borrowings		
Term loans	1,134,143	2,630,312
The term loans are repayable as follows:		
Current liabilities:		
- not later than one (1) year	1,134,143	1,497,034
Non-current liabilities:		
- later than one (1) year and not later than five (5) years	0	1,133,278
	1,134,143	2,630,312

<sup>(</sup>a) Borrowings are classified as financial liabilities measured at amortised cost.

<sup>(</sup>b) Borrowings are denominated in Ringgit Malaysia.

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#### 16. BORROWINGS (cont'd)

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

		Group	
	2022	2021	
	%	%	
Term loans	3.27 - 3.77	3.27 - 3.33	

- (d) The term loans of the Group are secured by the following:
  - (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 RM1,134,143 (2021: RM2,492,812).
- (e) Information on financial risks of borrowings is disclosed in Note 31 to the financial statements.

#### 17. GOVERNMENT GRANTS

	Group	
	2022	
	RM	RM
Balance as at 1 August 2021/2020	3,562,341	4,740,511
Amortised during the financial year	(1,178,170)	(1,178,170)
Balance as at 31 July 2022/2021	2,384,171	3,562,341
Represented by:		
Current liabilities	1,178,170	1,178,170
Non-current liabilities	1,206,001	2,384,171
	2,384,171	3,562,341

- (a) Government grants related to costs are recognised as income in profit or loss in the period in which the grants had been received to match them with the costs which they are intended to compensate.
- (b) 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.
- (c) 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	
	2022	2021
	RM	RM
Balance as at 1 August 2021/2020	7,516,000	5,267,300
Recognised in profit or loss (Note 24)	1,004,400	2,248,700
Balance as at 31 July 2022/2021	8,520,400	7,516,000
Net deferred tax liabilities		
Deferred tax assets (before offsetting)	(540,900)	(286,900)
Offsetting	540,900	286,900
Deferred tax assets (after offsetting)	0	0
Deferred tax liabilities (before offsetting)	9,061,300	7,802,900
Offsetting	(540,900)	(286,900)
Deferred tax liabilities (after offsetting)	8,520,400	7,516,000
	8,520,400	7,516,000

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 2021	7,802,900	(225,600)	(61,300)	7,516,000
Recognised in profit or loss	1,244,600	(315,300)	75,100	1,004,400
Balance as at 31 July 2022	9,047,500	(540,900)	13,800	8,520,400
				_
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

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#### 19. TRADE AND OTHER PAYABLES

	Group		C	Company
	2022	2021	2022	2021
	RM	RM	RM	RM
Trade payables				
Third parties	28,176,306	25,106,899	0	0
Other payables				
Third parties	2,683,388	1,215,316	27,786	17,402
Amounts owing to related parties	48,422	27,885	0	0
Accrued expenses	7,398,418	4,660,928	57,500	45,000
Deposits received	430	430	0	0
	10,130,658	5,904,559	85,286	62,402
	38,306,964	31,011,458	85,286	62,402

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 60 days (2021: 30 to 60 days).
- (c) Non-trade portion of amounts owing to related parties are unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.
- (d) The related parties are companies incorporated in Malaysia in which certain Directors have significant and controlling financial interests.
- (e) The currency exposure profile of trade and other payables are as follows:

	Group		Com	pany
	2022 2021		2022	2021
	RM	RM	RM	RM
Ringgit Malaysia	36,857,615	29,560,231	85,286	62,402
United States Dollar	1,256,755	1,188,957	0	0
Singapore Dollar	180,615	232,701	0	0
Euro	232	27,145	0	0
Others	11,747	2,424	0	0
	38,306,964	31,011,458	85,286	62,402

<sup>(</sup>f) Information on financial risks of trade and other payables is disclosed in Note 31 to the financial statements.

#### 20. CAPITAL COMMITMENTS

	Group	
	2022	2021
	RM	RM
Capital expenditure in respect of purchase of property, plant and equipment:		
- Contracted but not provided for	14,443,726	4,691,777

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#### 21. REVENUE

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Revenue from contracts with customers:				
- Sales of goods	345,587,472	284,969,898	0	0
- Contract revenue	43,497	54,257	0	0
	345,630,969	285,024,155	0	0
Other revenue:				
- Dividend income	0	0	34,636,480	19,353,600
	345,630,969	285,024,155	34,636,480	19,353,600
				Group
			2022	2021
			RM	RM
Timing of revenue recognition:				
- Transferred over time			43,497	54,257
- Transferred at a point in time			345,587,472	284,969,898
			345,630,969	285,024,155

Disaggregation of revenue of the Group by geographical market is disclosed in Note 4(a) 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.

#### (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.

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#### 22. EMPLOYEE BENEFITS

	Group		C	ompany
	2022	2021	2022	2021
	RM	RM	RM	RM
Salaries and allowances	46 597 240	22 757 644	0	0
	46,587,240	33,757,644	U	U
Directors' remuneration:				
- fees	144,000	144,000	144,000	144,000
- share grant scheme	1,446,368	0	0	0
- emoluments other than fees	3,640,576	2,336,541	10,000	8,000
Contributions to defined contribution				
plan	3,751,584	2,500,650	0	0
Share grant scheme	1,599,201	896,594	0	0
Other benefits	4,131,999	1,422,890	0	0
	61,300,968	41,058,319	154,000	152,000

Included in Directors' remuneration of the Group are contributions to a defined contribution plan amounting to RM269,998 (2021: RM216,329).

#### 23. FINANCE COSTS

	Group		
	2022 RM		
Interest on:			
- lease liabilities (Note 6)	208,062	165,796	
- term loans	58,522	114,405	
	266,584	280,201	

#### 24. TAX EXPENSE

	C	Group	С	ompany
	2022	2021	2022	2021
	RM	RM	RM	RM
Current tax expense based on profit for the financial year	32,206,600	21,557,700	17,300	80,000
Overprovision of tax expense in prior				
years	(248,791)	(550,698)	(1,166)	(3,107)
	31,957,809	21,007,002	16,134	76,893
Deferred tax (Note 18):				
<ul> <li>relating to origination and reversal of temporary differences</li> </ul>	1,125,400	1,853,700	0	0
<ul> <li>(over)/underprovision of deferred tax in prior years</li> </ul>	(121,000)	395,000	0	0
	1,004,400	2,248,700	0	0
	32,962,209	23,255,702	16,134	76,893

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#### 24. TAX EXPENSE (cont'd)

- The Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated taxable profits for the fiscal year.
- 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		
	2022	2021	2022	2021	
	RM	RM	RM	RM	
Profit before tax	139,735,728	114,788,693	34,148,810	18,961,953	
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	33,536,600	27,549,300	8,195,800	4,550,900	
Tax effects in respect of:					
- non-allowable expenses	2,062,400	577,094	134,300	174,000	
- income not subject to tax	(594,400)	(673,994)	(8,312,800)	(4,644,900)	
- tax incentives and allowances	(1,673,400)	(4,041,000)	0	0	
Deferred tax assets not recognised during the financial year	800	0	0	0	
Overprovision of tax expense in prior years	(248,791)	(550,698)	(1,166)	(3,107)	
(Over)/underprovision of deferred tax in prior years	(121,000)	395,000	0	0	
	32,962,209	23,255,702	16,134	76,893	

The estimated amount of net deferred tax assets calculated at the applicable tax rate, which are not recognised in the financial statements are as follows:

		Group
	2022	2021
	RM	RM
Unabsorbed capital allowances	3,300	0

Deferred tax assets of certain subsidiary has not been recognised in respect of this item as it is not probable that taxable profit of the subsidiary will be available against which the deductible temporary differences can be utilised.

#### 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.

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 subsidiaries and has attained the age of eighteen (18) years.

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#### 25. SHARE GRANT SCHEME ('SGS') (cont'd)

The salient features of the SGS are as follows (cont'd):

- 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			1	Balance as at
31 July 2022	1.8.2021	Granted	Vested	Forfeited	31.7.2022
2020 grant	1,600,800	0	(124,200)	(180,700)	1,295,900
2021 grant	140,800	0	(74,600)	(16,200)	50,000
2022 grant	0	831,100	(533,600)	(62,600)	234,900
	1,741,600	831,100	(732,400)	(259,500)	1,580,800

### **Group and Company**

### Number of ordinary shares granted under the SGS

31 July 2021	Balance as at 1.8.2020	Granted	Bonus 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

- (a) During the financial year, the Company granted 831,100 (2021: 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 stipulated in the SGS By-Laws are met.
- The share grants vested during the financial year resulted in the issuance of 732,400 (2021: 232,600) 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 RM4.16 (2021: RM3.85).
- The outstanding share grants at the end of the financial year are to be vested on specific dates in the following (c) periods:
  - (i) The 2020 grant is to be vested within 7 years.
  - (ii) The 2021 grant is to be vested within 1 years.
  - (iii) The 2022 grant is to be vested within 3 years.

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#### 26. DIVIDENDS

		Group	and Company	
		2022		2021
	Dividend per share	Amount of dividend	Dividend per share	Amount of dividend
	RM	RM	RM	RM
In respect of financial year ended 31 July 2020:				
Interim single-tier dividend	Nil	Nil	0.0200	11,004,000
In respect of financial year ended 31 July 2021:				
Interim single-tier dividend	0.0167	18,380,564	Nil	Nil

On 6 September 2022, the Directors declared an interim single-tier dividend of RM0.0291 per ordinary share amounting to RM32,049,722 in respect of the financial year ended 31 July 2022, which was paid on 5 October 2022.

18,380,564

0.0200

11,004,000

0.0167

The financial statements for the financial year ended 31 July 2022 do not reflect this dividend. This dividend will be accounted for as an appropriation of retained earnings in the financial year ending 31 July 2023.

#### 27. EARNINGS PER SHARE

#### (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
	2022	2021
Profit for the financial year attributable to owners of the parent (RM)	106,942,305	91,536,392
Weighted average number of ordinary shares in issue	1,101,365,006	1,100,632,606
Basic earnings per share (sen)	9.71	8.32

#### (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.

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#### 27. EARNINGS PER SHARE (cont'd)

(b) Diluted (cont'd)

		Group
	2022	2021
Profit for the financial year attributable to owners of the parent (RM)	106,942,305	91,536,392
Weighted average number of ordinary shares in issue  Effect of dilution due to SGS  Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	1,101,365,006 1,580,800 1,102,945,806	1,100,632,606 1,741,600 1,102,374,206
Diluted earnings per share (sen)	9.70	8.30

#### 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 could 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
	2022	2021	2022	2021
	RM	RM	RM	RM
Immediate and ultimate holding:				
Dividend paid	9,658,729	5,783,670	9,658,729	5,783,670
Related parties:				
- Rental expense	795,584	560,600	0	0
- Subcontract charges charged	0	937,158	0	0
Subsidiaries:				
- Advances to	0	0	12,875,260	25,667,530
- Advances from	0	0	974,464	0
- Dividend income	0	0	34,636,480	19,353,600

Information regarding outstanding 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:

		Group		Company
	2022	2021	2022	2021
	RM	RM	RM	RM
Short term employee benefits	4,563,235	3,569,103	154,000	152,000
Contributions to defined	, ,	- <b>,</b> ,	,,,,,,,	,,,,,,,
contribution plan	375,178	321,941	0	0
Share grant scheme	1,653,982	144,422	0	0
	6,592,395	4,035,466	154,000	152,000

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.

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#### 29. CONTINGENT LIABILITIES

The Group provides corporate guarantees up to a total amount of RM1,134,143 (2021: RM2,492,812) 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 this insurance contracts as recognised insurance liability 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 2022 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 2022 and 31 July 2021 are as follows:

			Group	C	Company
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Borrowings	16	1,134,143	2,630,312	0	0
Lease liabilities	6	4,947,646	3,685,429	0	0
Less: Cash and bank balances	13	(39,605,371)	(71,698,513)	(675,362)	(11,653,208)
Net cash	-	(33,523,582)	(65,382,772)	(675,362)	(11,653,208)
Total capital	-	397,520,914	304,782,360	155,615,461	136,817,780
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 2022.

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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.

#### Credit risk (a)

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	022	20	)21
Group	RM	% of total	RM	% of total
By countries				
Malaysia	133,945,250	83%	42,722,244	53%
United States	11,912,437	7%	24,784,716	31%
Singapore	10,813,135	7%	9,002,160	11%
Others	5,520,782	3%	4,194,680	5%
	162,191,604	100%	80,703,800	100%

At the end of each reporting period, approximately 78% (2021: 60%) of the trade receivables of the Group were due from two (2) (2021: three (3)) major customers.

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#### 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
2022				
Financial liabilities Trade and other payables Borrowings Lease liabilities	38,306,964 1,148,772 1,041,600	0 0 2,995,500	0 0 1,350,000	38,306,964 1,148,772 5,387,100
Financial guarantees Total undiscounted financial liabilities	1,134,143 41,631,479	2,995,500	1,350,000	1,134,143 45,976,979
2021				
Financial liabilities Trade and other payables Borrowings Lease liabilities Financial guarantees Total undiscounted financial liabilities	31,011,458 1,555,017 558,400 2,492,812 35,617,687	0 1,147,884 2,184,000 0 3,331,884	0 0 1,665,000 0 1,665,000	31,011,458 2,702,901 4,407,400 2,492,812 40,614,571 On demand or within
Company				one (1) year RM
2022				
<b>Financial liability</b> Trade and other payables Total undiscounted financial liabil	ity		-	85,286 85,286
2021				
Financial liability				C2 402
Trade and other payables Total undiscounted financial liabil	ity		-	62,402 62,402

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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 prof	it after tax
		2022	2021
Group		RM	RM
USD/RM	- strengthen by 15% (2021: 15%)	7,820,566	11,702,185
	- weaken by 15% (2021: 15%)	(7,820,566)	(11,702,185)
EUR/RM	- strengthen by 15% (2021: 15%)	457,943	201,884
	- weaken by 15% (2021: 15%)	(457,943)	(201,884)
SGD/RM	- strengthen by 15% (2021: 15%)	(18,406)	(22,252)
	- weaken by 15% (2021: 15%)	18,406	22,252

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:

	G	roup
	2022	2021
	RM	RM
Profit after tax		
- Increase by 0.5% (2021: 0.5%)	(23,111)	(24,000)
- Decrease by 0.5% (2021: 0.5%)	23,111	24,000

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FINANCIAL RISK MANAGEMENT (cont'd)

Interest rate risk (cont'd) (p)

The following table sets out the carrying amounts, the weighted average effective interest rates ('WAEBR') as weighted average incremental borrowing rates ('WAIBR') as

		WAEIR/	Within one	One (1) to two (2)	Two (2) to three (3)	Three (3) to four (4)	Four (4) to five (5)	Over five (5)	
Group	Note	WAIBR* (%)	(1) year RM	years RM	years RM	years RM	years RM	years RM	Total RM
31 July 2022									
Floating rates Lease liabilities	9	4.56*	947,147	983,651	602,254	549,637	575,804	1,289,153	4,947,646
Term loans	16	3.27	1,134,143	0	0	0	0	0	1,134,143
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

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#### 32. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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 located in Batu Kawan Industrial Park, Penang at the purchase price of RM28,959,712. The sales and purchase transaction was completed during the year.

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

On 9 August 2022, the Company acquired additional 60,902 ordinary shares in WEPLUS Greentech Sdn. Bhd. ('WEPLUS'), by way of acquiring 29,001 ordinary shares of RM1.00 each from Lim Kean Tong and 31,901 ordinary shares of RM1.00 each from Usotech Solution Sdn. Bhd. for total consideration of RM60,902. Pursuant to that, the equity interest of the Company in WEPLUS increased from 30% to 51% and became a subsidiary of UWC Berhad.

#### 34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

#### 34.1 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

Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

1 January 2021

Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)

1 April 2021

# 34.2 New MFRSs and Amendments to MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 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
MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17 Insurance Contracts - Initial Application of MFRS 17 and MF	FRS 9 -
Comparative Information	1 January 2023
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Fin	
Statements)	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Ch	3
in Accounting Estimates and Errors)	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Transaction	•
	1 January 2023
Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an In and its Associate or Joint Venture	vestor Deferred
and horizontate or come venture	Deterred

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 2022 (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 53 years)	15,206	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	326,029	60 years leasehold expiring on 6 December 2075 (remaining tenure of 54 years)	27,554	06-Aug-14
3	UWC Industrial Sdn. Bhd. Plot 1, Batu Kawan, Industrial Park, Lot 282, Mukim 13, Batu Kawan, 14100 Simpang Ampat, Pulau Pinang	Plot 1(d) of the Master Land with a unit of factory	526,540	60 years leasehold expiring on 8 October 2082 (remaining tenure of 59 years)	28,678	8-Nov-21

# **ANALYSIS OF SHAREHOLDINGS**

AS AT 19 OCTOBER 2022

**Total Number of Issued Shares** 1,101,365,006 Ordinary shares Class of Share

**Voting Rights** One vote per ordinary share

#### **DISTRIBUTION OF SHAREHOLDINGS**

Size of Shareholding	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	41	0.38	779	0.00
100 to 1,000	4,430	41.24	2,864,786	0.26
1,001 to 10,000	5,033	46.86	18,608,946	1.68
10,001 to 100,000	978	9.11	28,609,166	2.60
100,001 to 55,068,249	256	2.38	355,147,047	32.25
55,068,250 and above	3	0.03	696,134,282	63.21
Total	10,741	100.00	1,101,365,006	100.00

#### **SUBSTANTIAL SHAREHOLDERS AS AT 19 OCTOBER 2022**

		Direct Interest		Indirect Interest		
No.	Name	No. of Shares	% of Shares	No. of Shares	% of Shares	
1	UWC Capital Sdn. Bhd.	578,367,006	52.51	-	-	
2	Dato' Ng Chai Eng	83,078,938	7.54	578,742,206 #	52.55	
3	Lau Chee Kheong	82,476,938	7.49	578,367,006 *	52.51	

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, Dr. Ng Chin Liang pursuant to Section 8 of the Companies Act 2016

#### **DIRECTORS' SHAREHOLDINGS AS AT 19 OCTOBER 2022**

		Direct		Indirect	
No.	Name	Interest	%	Interest	%
1	Dato' Ng Chai Eng	83,078,938	7.54	578,742,206 #	52.55
2	Lau Chee Kheong	82,476,938	7.49	578,367,006 *	52.51
3	Dato' Wan Hashim Bin Wan Jusoh	480,000	0.04	46,000 ^	-
4	Dato' F'ng Meow Cheng	600,000	0.05	-	-
5	Dato' Lio Chee Yeong	1,110,000	0.10	-	-
6	Dr. Ng Chin Liang	375,200	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, Dr. Ng Chin Liang pursuant to Section 8 of the Companies Act 2016

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

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

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 19 OCTOBER 2022

#### 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	52.51
2	NG CHAI ENG	61,590,338	5.59
3	LAU CHEE KHEONG	56,176,938	5.10
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	37,129,987	3.37
5	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG VALUE FUND	30,950,000	2.81
6	HSBC NOMINEES (TEMPATAN) SDN BHD HBAP FOR LAU CHEE KHEONG (PB-SGDIV)	21,800,000	1.98
7	HSBC NOMINEES (TEMPATAN) SDN BHD HBAP FOR NG CHAI ENG (PB-SGDIV)	21,001,000	1.91
8	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG BALANCED FUND	11,580,000	1.05
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	9,693,900	0.88
10	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	9,401,700	0.85
11	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	8,249,300	0.75
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	7,210,100	0.65
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	6,000,000	0.54
14	TAN KEAN HEAN	5,956,584	0.54
15	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR NORGES BANK (FI 17)	5,348,800	0.49
16	AMANAHRAYA TRUSTEES BERHAD PUBLIC STRATEGIC SMALLCAP FUND	5,000,000	0.45
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	4,942,100	0.45
18	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	4,921,000	0.45
19	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD DBS BANK LTD FOR LAU CHEE KHEONG (SG0114483238-PB)	4,500,000	0.41
20	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,332,800	0.39
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	4,219,600	0.38
22	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (AMUNDI)	4,083,500	0.37
23	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	4,080,000	0.37
24	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH OPPORTUNITIES FUND (50154 TR01)	4,028,200	0.37
25	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	3,974,200	0.36
26	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	3,937,600	0.36
27	AMANAHRAYA TRUSTEES BERHAD PUBLIC DIVIDEND SELECT FUND	3,847,700	0.35
28	AMANAH RAYA BERHAD KUMPULAN WANG BERSAMA SYARIAH	3,300,000	0.30
29	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND	3,154,400	0.29
30	HSBC NOMINEES (ASING) SDN BHD TNTC FOR FEDERATED HERMES GLOBAL EMERGING MARKETS SMID EQUITY FUND	3,037,200	0.28

### NOTICE OF FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting ("5<sup>th</sup> 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, 9 January 2023 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 2022 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' Wan Hashim Bin Wan Jusoh
  - (b) Dato' Ng Chai Eng

Ordinary Resolution 1
Ordinary Resolution 2

3. 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 10 January 2023 until the conclusion of the next AGM of the Company.

Ordinary Resolution 3

4. To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to determine their remuneration.

**Ordinary Resolution 4** 

#### **AS SPECIAL BUSINESS**

To consider and if thought fit, pass the following resolution with or without modifications:

5. **Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016** "THAT, subject always to the Companies Act 2016 ("the Act"), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant government or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons, as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being.

**Ordinary Resolution 5** 

AND THAT the Directors are also empowered to obtain the approval from the Bursa Securities for the listing and quotation for the additional shares to be issued and THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

AND THAT pursuant to Section 85 of the Act, read together with Clause 31 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued of the Company arising from issuance of new shares pursuant to this mandate.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

### NOTICE OF FIFTH ANNUAL GENERAL MEETING (CONT'D)

Proposed grant of options under the Employees Share Grant Scheme ("SGS" or "Scheme") to Ng Sze Chie, an employee of the Group and a person connected to Dato' Ng Chai Eng, Director of the Company

Ordinary Resolution 6

"THAT the Board of Directors be and is hereby authorised at any time and from time to time during the duration of the SGS, to grant such number of SGS Shares to Ng Sze Chie, the daughter of Dato' Ng Chai Eng, the Executive Director / Group Chief Executive Officer of UWC, subject to the provisions of the By-Laws of the SGS, provided always that:

- she must not participate in the deliberation or discussion of her own allocation, as well as that of the persons connected with her, under the SGS; and
- (ii) not more than ten percent (10%) (or such other percentage as may be permitted by Bursa Malaysia Securities Berhad ("Bursa Securities") or any other relevant authorities from time to time) of the total number of shares to be issued under the SGS shall be allocated to her, if she either singly or collectively through persons connected (as defined in the Main Market Listing Requirements of Bursa Securities ("MMLR")) with her, holds twenty percent (20%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any),

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the SGS and any prevailing guidelines issued by Bursa Securities, the MMLR or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to issue and/or transfer such number of shares arising from the SGS, from time to time, to the abovementioned person."

7. 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) Company Secretary

Penang 30 November 2022

#### Notes:

#### **Appointment of Proxy**

**IMPORTANT NOTICE** 

Given the still subsisting Covid-19 pandemic, the health and safety of all participants at the 5<sup>th</sup> AGM is of paramount concern to the Company. In view of the foregoing, the Company wishes to advise that all members/proxies/corporate representatives who wish to attend the 5<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 https:// tiih.online.com no later than **Saturday, 7 January 2023** at **2.30 p.m.**. Please follow the Pre-Register procedures as set out in the Administrative Guide for 5<sup>th</sup> AGM.

- A member who has appointed a proxy or attorney or corporate representative to attend and vote at the 5<sup>th</sup> AGM must request his/her proxy or attorney or corporate representative to PRE-REGISTER their attendance at TIIH Online website at https:// tiih.online no later than Saturday, 7 January 2023 at 2.30 p.m.. Please follow the Pre-Register procedures as set out in the Administrative Guide for the 5<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.

(1274239-A)

### **NOTICE OF FIFTH ANNUAL GENERAL MEETING (CONT'D)**

#### Notes: (cont'd)

#### Appointment of Proxy (cont'd)

- 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 **29 December 2022** (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.
- 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, 7 January 2023 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.

# **NOTICE OF FIFTH ANNUAL GENERAL MEETING (CONT'D)**

#### **Explanatory Note:**

Ordinary Resolutions 1 and 2 deal with the re-election of Dato' Wan Hashim Bin Wan Jusoh and Dato' Ng Chai Eng. Both are standing for re-election and being eligible, have offered themselves for re-election at this 5<sup>th</sup> AGM.

The profiles of the directors standing for re-election are set out under Profile of Directors in the Annual Report 2022. The Board of Directors ("Board") had, through the Nomination Committee ("NC"), considered the evaluation of Dato' Wan Hashim and Dato' Ng and concluded that both met the criteria as prescribed by paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") on character, experience, integrity, competence and time to effectively discharge their roles as Directors. The Board and the NC is satisfied with the outcome of the fit and proper assessment and confirmation of his independence (as the case may be) under the annual evaluation. The retiring directors do not have any conflict of interest with the Company and its subsidiaries (collectively "the Group") save as disclosed in the notes to the audited financial statements and had also abstained from deliberation and decision-making on their re-

The Board approved the recommendations from the NC and is supportive of the re-election of the retiring directors based on the justifications below:

- Dato' Ng Chai Eng is the Executive Director and Group Chief Executive Officer. He is the founder of the Group. Dato' Ng's invaluable experience and in-depth knowledge of management, sales and production as well as his extensive network of business connections in Malaysia and oversees have been instrumental in sustaining the continued growth of the Group. He leads corporate development and business development having successfully concluded several business acquisitions and led initiatives to expand market outreach that has contributed to building our businesses and value creation.
- Dato' Wan Hashim Bin Wan Jusoh is an Independent Non-Executive Director ("INED") and Chairman of the Board. He has fulfilled the requirements on independence as set out in the MMLR. As Chairman of the Board, he has demonstrated sound leadership skills by consensus building and encouraging open discussion for fellow directors to raise issues of concern without inhibition. He also exhibited his objectivity through his proactive engagements during meetings by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion.
- Ordinary Resolution 3 is to seek shareholders' approval on the directors' fees and benefits payable to the INEDs. These have been reviewed by the Remuneration Committee and the Board which recognise that the fees and benefits payable is in the best interest of the Company. The quantum of fees and benefits is computed based on the anticipated number of meetings of Board and Board Committees, assuming full attendance by all INEDs. The amount also includes a contingency sum to cater for unforeseen circumstances such as the appointment of any additional INED and additional unscheduled meetings.
  - Upon approval, this will facilitate payment of directors' fees and benefits payable on current financial year basis, based on the current board size and assuming that all INEDs shall hold office until the end of the financial year. In the event the proposed directors' fees and benefits payable is insufficient (due to the enlarged board size), approval will be sought at the next AGM for additional fees to meet the shortfall. It will also authorised payment to be made by the Company on a monthly basis and/or as and when incurred. The Board is of the view that it is fair and equitable for the INEDs to be paid on a monthly basis and/or as and when incurred particularly after they have discharged their responsibilities and rendered their services to the Company throughout the relevant period.
  - Details of directors' fees and benefits paid/payable for the financial year ended 31 July 2022 are detailed in the Corporate Governance Overview Statement in the Annual Report 2022.
- Ordinary Resolution 5, is for the purpose of granting a renewed general mandate ("General Mandate") and if passed, will give authority to the Board 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.
  - It is also to approve the disapplication of statutory pre-emption rights under the Section 85 of the Act, to allot new shares (or to grant rights over shares) without first offering them to existing shareholders in proportion to their holdings pursuant to the said General Mandate.
  - 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 10 January 2022 and which will lapse at the conclusion of this 5<sup>th</sup> AGM. The renewal of this General Mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.
  - At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the General Mandate is obtained, the Company will make announcement in respect thereof.
- Ordinary Resolution 6, if passed, will empower the Board to offer and grant to Ng Sze Chie up to a defined maximum entitlement of new shares of the Company subject to such terms and conditions as stipulated in the By-Laws of the SGS.

# 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 5<sup>th</sup> AGM of the Company.

### PROXY FORM



No. of Shares held	
CDS Account No.	

		CD3 ACCOUNT NO	).		
I/We			and		
, -	(Full Name in Block Letters)		and(NRIC No./F	Passport No./Reg	istration No.)
of	(Full Address)		and		
	(Full Address)		(Te	l. No./Email Addr	ess)
being	a member/members of UWC Berhad (the "Company"),	hereby appoint			
	Full Name and Address (in Block Letters)	NRIC No./Passport No.	No. of Shares	% of Sh	areholding
*and/d	or (*delete if not applicable)		<u></u>		
	Full Name and Address (in Block Letters)	NRIC No./Passport No.	No. of Shares	% of Sh	areholding
Meetir Town, Please	ng *him/her, THE CHAIRMAN OF THE MEETING as *my, ng ("5th AGM") of the Company, to be held at Sri Mas Ball Penang, Malaysia on Monday, 9 January 2023 at 2.30 perindicate with an "X" in the appropriate space(s) provice the proxy will vote or abstain from voting at *his/her d	room, Level 4, Bayview Hotel Geo b.m., or at any adjournment there ded below on how you wish your v	rgetown Penang, 25A Foof.	arquhar Street,	10200 Georg
No.	Ordinary Resolutions			For	Against
1.	Re-election of Dato' Wan Hashim Bin Wan Jusoh as D	irector of the Company.			
2.	Re-election of Dato' Ng Chai Eng as Director of the Co	ompany.			
3.	Payment of Directors' fees and benefits payable to th	e Independent Non-Executive Dir	ectors.		
4.	Re-appointment of BDO PLT as Auditors of the Comp	any.			
5.	Authority to allot and issue shares by directors pursu	ant to Sections 75 and 76 of the C	ompanies Act 2016.		
6.	To approve the Share Grant Scheme to Ms. Ng Sze Ch	ie.			
Signed	d thisday of20				

Signature of Shareholder(s)/ Common Seal

#### IMPORTANT NOTICE

IMPORTANT NOTICE
Given the still subsisting Covid-19 pandemic, the health and safety of all participants at the 5<sup>th</sup> AGM is of paramount concern to the Company. In view of the foregoing, the Company wishes to advise that all members/proxies/corporate representatives who wish to attend the 5<sup>th</sup> AGM in person ARE REQUIRED TO PRE-REGISTER with the Company's Share Registrar, Tricro 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, 7 January 2023 at 2.30 p.m., Please follow the Pre-Register procedures as set out in the Administrative Guide for 5<sup>th</sup> AGM.

A member who has appointed a proxy or attorney or corporate representative to attend and vote at the 5<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, 7 January 2023 at 2.30 p.m.. Please follow the Pre-Register procedures as set out in the Administrative Guide for the 5<sup>th</sup> 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.

- 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 under the hand of the appointor or of his attorney duly authorised in writing.
- 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 which the exempt authorised nominee may appoint in respect of each 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 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

X

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.

By electronic means via email

The Proxy Form must be received via email at <a href="mailto:is.enquiry@my.tricorglobal.com">is.enquiry@my.tricorglobal.com</a>.

#### 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.

- In respect of deposited securities, only members whose names appear on the Record of Depositors on 29 December 2022 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote in his/her
- 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.
- said Proxy Form duly signed and dated.
- 12. Last date and time for lodging this Proxy Form is Saturday, 7 January 2023 at 2.30
- 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:
  - 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:

    - (ii) 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.

#### 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 a ccordance with the Personal Data Protection Act 2010, for the purpose of the 5th AGM of the Company and any adjournment thereof.

<sup>\*</sup> Strike out whichever is not desired.

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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 FIFTH ANNUAL GENERAL MEETING ("5th AGM" or "AGM")

Day & Date : Monday, 9 January 2023

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")

Welcome to our 5<sup>th</sup> AGM. Your health and safety remain our utmost priority. This Administrative Guide is necessary to introduce safety measures and controls to be undertaken by the Company in consideration of the still evolving Covid-19 pandemic and the Reopening Safely Guidelines issued by Ministry of Health on 1 April 2022.

#### **MEASURES TO MINIMISE RISKS OF COVID-19 INFECTION**

- (1) All participants must practice proper hygiene including the use of hand sanitisers provided at the venue.
- (2) All participants are required to wear a face mask at all times.
- (3) To enhance social distancing measures, the seats allocated for Attendees at the AGM venue are maintained at a certain distance from one another.
- (4) If you are unwell with sore throat, flu, fever, cough, aches and pains, nasal congestion, diarrhoea or shortness of breath, you are required to comply with the directives issued by Ministry of Health to self-quarantine or seek medical advice and will not be allowed to attend the 5<sup>th</sup> AGM. Nonetheless you are advised to submit your Proxy Form prior to the 5<sup>th</sup> AGM due date.

#### INDIVIDUAL MEMBERS

- (5) All Members who intend to attend the 5<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> online no later than **Saturday, 7 January 2023** at **2.30 p.m.** Kindly refer to the Pre-Register procedures below.
- (6) 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 5<sup>th</sup> AGM by indicating the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

#### **CORPORATE MEMBERS**

- (7) Corporate members who wish to appoint corporate representatives instead of a proxy to attend and vote at the 5<sup>th</sup> AGM must deposit their original or duly certified certificate of appointment of corporate representative to Tricor no later than **Saturday, 7 January 2023** at **2.30 p.m.**.
- (8) Attorneys appointed by power of attorney are required to deposit their power of attorney to Tricor no later than **Saturday, 7 January 2023** at **2.30 p.m.** to attend and vote at the 5<sup>th</sup> AGM.
- (9) A member who has appointed a proxy/attorney/corporate representative to attend and vote at the 5<sup>th</sup> AGM must request his/her proxy/attorney/corporate representative to submit their Pre-Register at TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>.
- (10) If a corporate member (through its corporate representative(s) or appointed proxy(ies)) is unable to attend the 5<sup>th</sup> AGM, you may appoint the Chairman of the Meeting to act as your proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.



### **ADMINISTRATIVE GUIDE (CONT'D)**

OF FIFTH ANNUAL GENERAL MEETING ("5th AGM" or "AGM")

#### PRE-REGISTRATION BEFORE 5<sup>™</sup> AGM

(11) In order to assist the Company in managing the turnout for 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:-

Proc	edure	Action
BEF	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. Wednesday, 30 November 2022 up to 2.30 p.m. Saturday, 7 January 2023.</li> <li>Login with your user ID and password and select the corporate event: "(REGISTRATION) UWC 5TH 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 29 December 2022, the system will send you an e-mail after 7 January 2023 to approve or reject your registration for pre-register to attend the 5th AGM.</li> </ul>

#### REGISTRATION ON THE DAY OF 5<sup>TH</sup> AGM

- (12) Registration will commence at 1.15 p.m. and shall remain open until the conclusion of the 5<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.
- (13) 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.
- (14) 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;
  - (c) no person will be allowed to enter the meeting hall without wearing the identification wristband;
  - (d) there will be no replacement in the event that you lose/misplace the identification wristband;
  - (e) a polling form will be given to you thereafter and there will be no replacement should you lose or misplace the polling form; and
  - (f) you may proceed to the meeting venue thereafter.
- (15) Registration must be done in person. Please also note that you will not be allowed to register on behalf of another person even with presenting the original NRIC or Passport of that other person.
- (16) 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.



# **ADMINISTRATIVE GUIDE (CONT'D)**

OF FIFTH ANNUAL GENERAL MEETING ("5th AGM" or "AGM")

#### **NO DOOR GIFTS / REFRESHMENT**

(17) To maintain physical distancing and to reduce crowding situations at the meeting, there will be no door gift, food or beverage served at the 5<sup>th</sup> AGM.

#### **PARKING (IS NOT SUBSIDISED)**

(18) A flat parking fee will be charged subject to the hotel validation.

#### **MEETING**

(19) The Meeting will start promptly at 2.30 p.m.. Members are reminded to be punctual.

#### **GENERAL MEETING RECORD OF DEPOSITORS**

(20) For the purpose of determining one's eligibility to attend the 5<sup>th</sup> AGM, the Company will obtain from Bursa Malaysia Depository Sdn. Bhd. the General Meeting Record of Depositors as at **29 December 2022** and only depositors whose names appear on such Record of Depositors shall be eligible to attend the 5<sup>th</sup> AGM.

#### **PROXY**

- (21) 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.
- (22) 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, 7**<a href="January 2023">January 2023</a> at **2.30 p.m.**. Please do read and follow the procedures to submit Proxy Form electronically below.
- (23) 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, <a href="otherwise the Proxy Form shall not be treated as valid">otherwise the Proxy Form shall not be treated as valid</a>. No proof of despatch of Proxy Form will be entertained.
- (24) The Proxy Form is not required if you are attending the meeting.
- (25) 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.



# **ADMINISTRATIVE GUIDE** (CONT'D) OF FIFTH ANNUAL GENERAL MEETING ("5<sup>th</sup> AGM" or "AGM")

#### **ELECTRONIC LODGEMENT OF PROXY FORM**

(26) The procedures to lodge your Proxy Form electronically via Tricor's TIIH Online website are summarised as below:

Pro	cedure	Action
<u>Ste</u>	ps for Individual Membe	ers
(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 5TH 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>
Ste	ps for Corporation or In	stitutional 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 5TH 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>



### **ADMINISTRATIVE GUIDE (CONT'D)**

OF FIFTH ANNUAL GENERAL MEETING ("5th AGM" or "AGM")

#### **MOBILE DEVICES**

(27) 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.

#### **NON-SMOKING POLICY**

(28) Smoking is prohibited in the meeting hall. Your cooperation is much appreciated.

#### **PERSONAL BELONGINGS**

(29) Please be reminded to take care of your personal belongings as the Company will not be responsible for any lost items and resulted monetary losses.

#### **ANNUAL REPORT 2022**

(30) The Annual Report 2022 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**

(31) If you have any enquiry prior to the 5<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 / E: Chee.Onn.Too@my.tricorglobal.com

: En. Aiman Nuri : +603-2783 9262 / E: muhamad.aiman@my.tricorglobal.com

#### 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 5<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 after attending the 5<sup>th</sup> AGM.





**Tel**: 604 – 555 6937 **Fax**: 604 – 589 9509

www.uwcberhad.com.my