



UWC

UWC BERHAD

(201801012223)

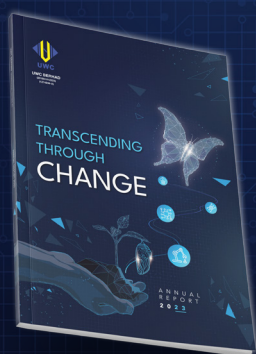
(1274239-A)

# TRANSCENDING THROUGH CHANGE



ANNUAL  
REPORT  
**2023**





## TRANSCENDING THROUGH CHANGE

Indicating that opportunities lie in the hands of UWC Berhad to grasp and gradually grow and bloom from, the palm holds a mound of soil with a shoot planted in it. The leaves on the stem illustrate the strengths and expertise in UWC coming together to make the shoot whole.

Depicting the company's advancement towards transformation, the fruit of UWC's labour falls off the leaf onto the path leading towards the illuminated butterfly, which is a symbol of growth and hope. Icons of tools and technology are scattered along the path, to portray UWC's milestones in enhancing their manufacturing processes and service offerings while blooming in evolution.

Incorporating blue-coloured elements to correspond to the main colour of UWC, it also represents openness and stability, conveying UWC's steady but bold transcend through changes.

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

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

**CORE VALUES** U – Unity  
W – Willpower  
C – Commitment

# CONTENTS

02	Corporate Information
03	Corporate Structure
04 - 05	Media Highlights
06	Financial Highlights
07 - 08	Chairman's Statement
09 - 14	Management Discussion & Analysis
15	Board of Directors
16 - 23	Profile of Directors
24 - 25	Profile of Key Senior Management
26 - 32	Corporate Governance Overview Statement
33 - 60	Sustainability Report
61 - 63	Statement on Risk Management and Internal Control
64 - 69	Audit Committee Report
70 - 72	Nomination Committee Statement
73	Directors' Responsibility Statement
74	Additional Compliance Information
75 - 130	Financial Statements
131	List of Properties
132 - 133	Analysis of Shareholdings
134 - 136	Notice of Sixth Annual General Meeting
137	Statement Accompanying Notice of AGM
	Proxy Form
	Administrative Guide

## SIXTH ANNUAL GENERAL MEETING



Sri Mas Ballroom, Level 4,  
Bayview Hotel Georgetown Penang,  
25A Farquhar Street,  
10200 George Town,  
Penang, Malaysia



Monday, 8 January 2024  
2.30 p.m.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Dato' Wan Hashim

#### Bin Wan Jusoh

*Independent Non-Executive Chairman*

### Dato' Ng Chai Eng

*Executive Director/Group CEO*

### Dato' 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

##### *Member*

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

#### REMUNERATION COMMITTEE

##### *Chairman*

Dato' Lio Chee Yeong

##### *Member*

Dato' Wan Hashim Bin Wan Jusoh  
Dato' F'ng Meow Cheng

#### NOMINATION COMMITTEE

##### *Chairman*

Dato' Lio Chee Yeong

##### *Member*

Dato' Wan Hashim Bin Wan Jusoh  
Dato' F'ng Meow Cheng

#### RISK MANAGEMENT COMMITTEE

##### *Chairman*

Dato' F'ng Meow Cheng

##### *Member*

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

#### COMPANY SECRETARY

Ong Tze-En

SSM PC no. : 202008003397

MAICSA no. : 7026537

#### AUDITORS

BDO PLT (201906000013  
(LLP0018825-LCA) & AF 0206)  
Chartered Accountants  
51-21-F, Menara BHL  
Jalan Sultan Ahmad Shah  
10050 Pulau Pinang  
Tel : (604) 222 0288  
Fax : (604) 222 0299

#### REGISTERED OFFICE

170-09-01, Livingston Tower  
Jalan Argyll  
10050 George Town  
Pulau Pinang  
Tel : (604) 229 4390  
Fax : (604) 226 5860

#### HEAD OFFICE/ PRINCIPAL PLACE OF BUSINESS

PMT 744-745, Jalan Cassia Selatan 5/1  
Taman Perindustrian Batu Kawan  
14110 Bandar Cassia  
Pulau Pinang  
Tel : (604) 555 6937  
Fax : (604) 589 9509  
Website : [www.uwcberhad.com.my](http://www.uwcberhad.com.my)  
E-mail : [uwc@uwcberhad.com.my](mailto:uwc@uwcberhad.com.my)

#### 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  
Fax : (603) 2783 9222

#### 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

#### STOCK EXCHANGE LISTING

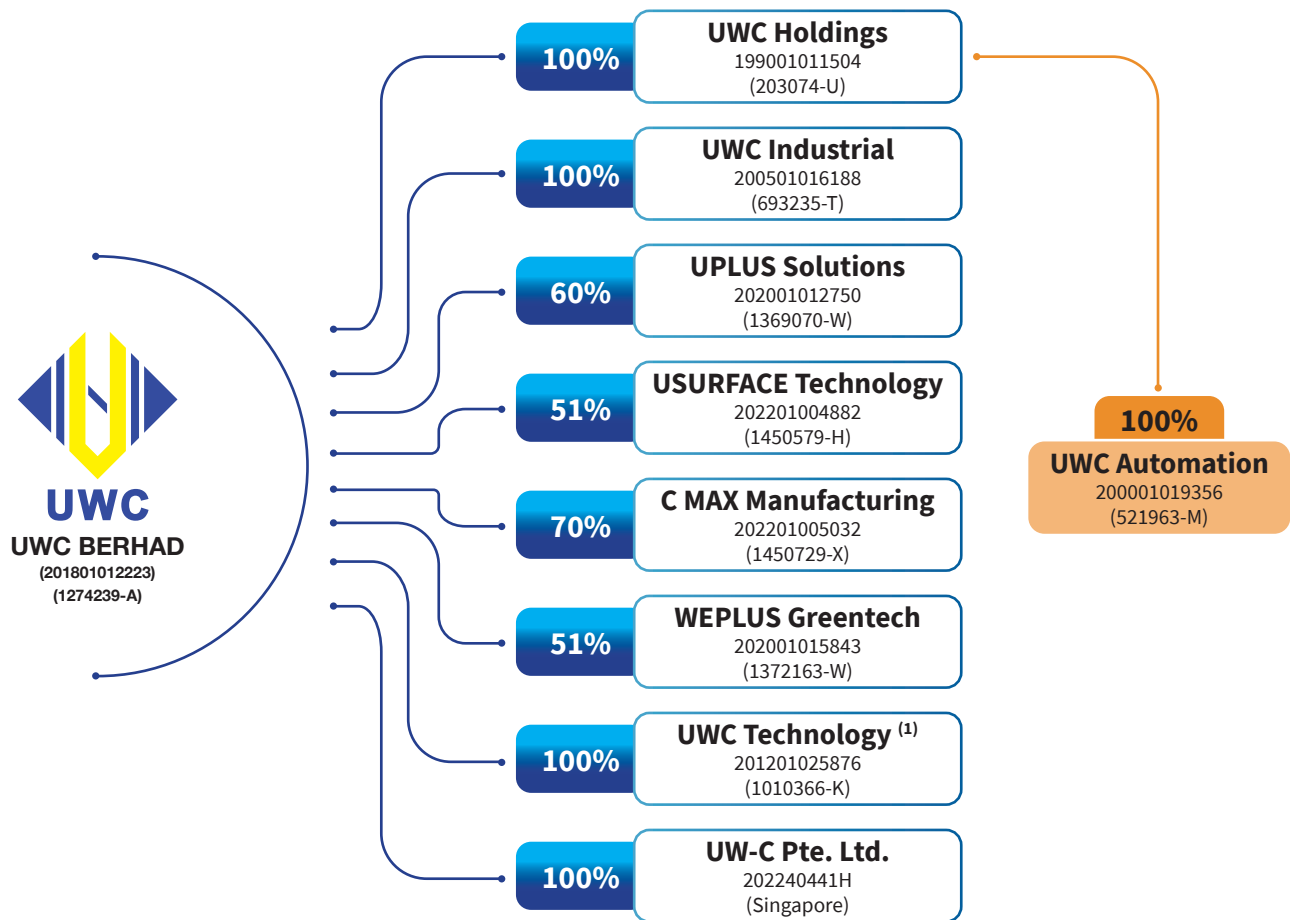
Main Market of Bursa Malaysia  
Securities Berhad  
Stock Name : UWC  
Stock Code : 5292  
Sector : Technology  
Sub-sector : Semiconductor





# CORPORATE STRUCTURE

AS AT 31 JULY 2023



<sup>(1)</sup> Acquired on 28 April 2023

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
WEPLUS Greentech Sdn. Bhd.	29 June 2020	51%	Provision of designing, manufacturing and engineering of related components for green technology
UWC Technology Sdn. Bhd. (Formerly known as Surfplate Technology Sdn. Bhd.)	18 July 2012	100%	Manufacturing of front-end semiconductor equipment and components
UW-C Pte. Ltd.	14 November 2022	100%	Trading of fabricated precision machined components and life science products







# MEDIA HIGHLIGHTS (CONT'D)

## FTSE4Good Bursa Malaysia Index sees 8 new inclusions

MARKETS  
Thursday, 08 Jun 2023  
7:35 PM MYT



KUALA LUMPUR: Bursa Malaysia Bhd has announced eight new additions to the constituents of the FTSE4Good Bursa Malaysia (F4GBM) Index and six new additions to the constituents of the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index.

"For the latest review period of June 2023, the F4GBM Index will see eight additions and seven deletions, bringing the total number of constituents to 98.

"Separately, the F4GBMS Index will have six additions and seven deletions, resulting in a total of 77 constituents. All constituent changes will take effect at the start of business on June 19", Bursa Malaysia said in a statement.

The F4GBM inclusions are namely, Berjaya Corp Bhd, Berjaya Food Bhd, FM Global Logistics Holdings Bhd, Heineken Malaysia Bhd, Hextar Global Bhd, Legenda Properties Bhd, Tansco Bhd and UWC Bhd. The F4GBM Index, which was launched in December 2014 with 24 constituents, measures the performance of public-listed companies (PLCs) that demonstrate strong environmental, social and governance (ESG) practices.

Meanwhile, the F4GBMS Index that was launched in July 2021 with 54 constituents, is designed to track constituents in the F4GBM that are Shariah-compliant in accordance with the Shariah Advisory Council screening methodology.

Both indices are reviewed semi-annually in June and December against international benchmarks.

## UWC acquires two companies for expansion

### CORPORATE NEWS

Friday, 16 Jun 2023  
8:43 PM MYT

PETALING JAYA: UWC Bhd has agreed to buy MCE Technologies Sdn Bhd and MCT Thailand Co Ltd, wholly-owned subsidiaries of Meta Health Ltd, for a price which is to be determined.

UWC said the purchase will be funded with internal resources.

The two proposed subsidiaries are primarily engaged in metal stamping as well as manufacturing of tools and fixtures in Malaysia and Thailand.

UWC, in a release yesterday, noted the acquisition will help to ramp up its production capacity while offering geographical diversification in terms of manufacturing sites.

By strategically locating closer to customers in the southern Malaysia region and the greater south east asian region, UWC anticipates its streamlined operations will enhance customer satisfaction.

"These two subsidiaries will not only fortify our position in the industry but also play an important role in creating a synergistic combination with our existing business.

"We are optimistic about the potential of the acquisitions, in anticipation of the strong recovery of the semiconductor industry," UWC executive director and group CEO Datuk Ng Chai Eng said.

UWC is an integrated engineering supporting services provider, principally involved in fabrication and full turnkey assembly services for automated test equipment in the semiconductor, life science and medical technology, and heavy equipment industries.

It also collaborates with customers in the initial designs and development of their products to achieve cost reduction and improve production cycle time.

UWC is an integrated engineering supporting services provider, principally involved in fabrication and full turnkey assembly services for automated test equipment in the semiconductor, life science and medical technology, and heavy equipment industries.

It also collaborates with customers in the initial designs and development of their products to achieve cost reduction and improve production cycle time.

## AWARDS

### Malaysia Sustainability Excellence Awards and SDG Icon Leadership Awards

19 June 2023, Berjaya Times Square Hotel, Kuala Lumpur

KSI awarded 21 organisations and individuals with the Malaysia Sustainability Excellence Awards in recognition of those who made it a point to heed the need to implement Environmental, Social, and Governance practices in their operations – putting in place sustainable practices in line with the United Nations SDGs. Similarly, the All Party Parliamentary Group Malaysia for the SDGs conferred the SDG Icon Leadership Awards on 10 individuals for their role and leadership in implementing the SDGs through their various initiatives.



Recipients of the Malaysia Sustainability Excellence Awards posed with Hon. Karima El Kort, UN Resident Coordinator in Malaysia, Brunei Darussalam and Singapore



Recipients of the SDG Icon Leadership Awards



The awards were conferred by Puan Farah Adura binti Hamidi, Deputy Secretary General of the Ministry of Women, Family and Community Development, Malaysia, on behalf of his Minister YB Dato' Sri Hajar Nancy Shukri

## UWC optimistic on business, industries outlook

### CORPORATE NEWS

Wednesday, 21 Dec 2022



PETALING JAYA: UWC Bhd is maintaining an optimistic outlook on both its business and the industries in which it operates in for the coming years.

In a filing with Bursa Malaysia yesterday, the company said it will still evaluate any looming uncertainties relating to the technological landscape.

UWC added that it will take relentless efforts to strategise plans and capitalise potential business opportunities as part of its diversification strategy amid market volatility in the global economy.

UWC is an integrated engineering supporting services provider, principally involved in fabrication and full turnkey assembly services for automated test equipment in the semiconductor, life science and medical technology, and heavy equipment industries.

For its first quarter ended Oct 31, 2022, UWC's net profit rose to RM29.25mil from RM23.04mil in the previous corresponding period, mainly driven by higher revenue and other income generated in the current quarter.

"As the group transacted sales in US dollars extensively, the appreciation of the dollar against the ringgit led to a gain on foreign exchange in the quarter.

"The rise in staff costs and other operating expenses in the quarter were in line with the enlarging scale of business."

TYT Penang is at Eastern & Oriental Hotel, Penang  
25 January - George Town



TYT Penang is at Eastern & Oriental Hotel, Penang  
25 January - George Town

24 JAN 2023 - TYT Tun Dato' Seri Utama Ahmad Fuzi bin Haji Abdul Razak and YABhg. Toh P Dato' Seri Utama Khadijah binti Mohd Nor attended the Chinese New Year Luncheon organised by YBhg. Dato' Seri Dr. Ooi Eng Hock, Chairman of 88 Captains at E&O Hotel.

Also present were YAB CM Chow Kon Yeow, EXCO members YB. Chong Eng, YB. Phee Boon P YB. Dato' Abdul Halim Hussain, YB. Jagdeep Singh Deo and YB. Dr. Norleila Ariefin and Deputy Minister YB. Lim Hui Ying.

The event started off with the tossing of Yee Sang, followed by a welcome address by YBhg. I Ooi Eng Bin, the organising chairman, a brief overview of the TYT Coffee Table Book 2022 by YBhg. Dato' Ashok Rudy Ratnesan, CEO of ACQUIRE Sdn. Bhd. and a speech by YAB. Chow TYT Tun, accompanied by YAB. Chow, YBhg. Dato' Seri Dr. Ooi YBhg. Dato' Ong and YBhg. D Ashok, launched the coffee table book, a photographic journal produced by ACQUIRE Sdn. B collaboration with 88 Captains.

The coffee table book documents historic moments of TYT Tun and Toh Puan at a variety of meaningful activities that have taken place over a short period of 20 months.

TYT Tun presented a certificate of appreciation to Mr. Lau Chee Kheong as the main sponsor witnessed the presentation of fundraising contributions amounting to RM 200,000 to YBhg. I Seri Sr. Hj. Rozali bin Hj. Mohamad, CEO of the Yayasan Amal TYT as well as coffee table book sponsors.

#tytpenang #tunfuzi #negeripulaupinang #penang #tytpulaupinang #govormopenang #gongxifacai #happychinesenewyear



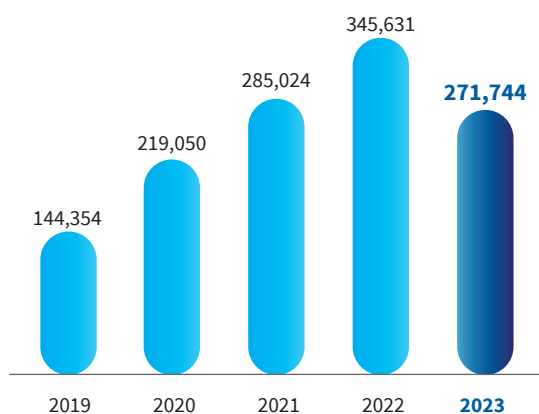
# FINANCIAL HIGHLIGHTS

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Revenue (in RM'000)	144,354	219,050	285,024	345,631	271,744
Profit Before Taxation (in RM'000)	46,191	72,629	114,789	139,736	67,876
Profit After Taxation (in RM'000)	36,236	57,764	91,533	106,774	53,826
EBITDA (in RM'000)	55,950	81,266	125,840	154,069	82,342
Basic EPS (sen)	7.6 <sup>(1)</sup>	5.3 <sup>(1)</sup>	8.3	9.7	5.0
Diluted EPS (sen)	7.6 <sup>(1)</sup>	5.2 <sup>(1)</sup>	8.3	9.7	5.0
Shareholders' Equity (in RM'000)	176,517	223,277	304,782	397,521	422,241
Return on Equity	21%	26%	30%	27%	13%
Current ratio (times)	3.9	3.9	5.8	6.4	10.3
Gearing ratio	0.1	0.0	0.0	0.0	0.0

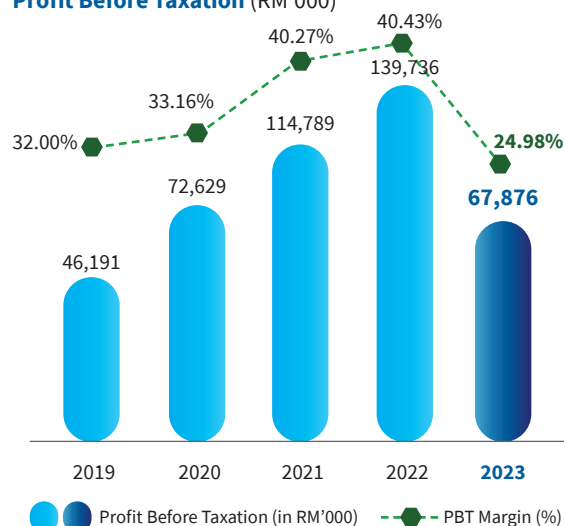
Notes:

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

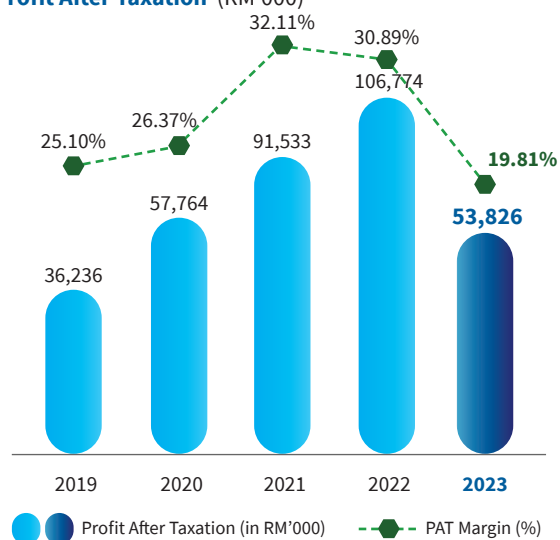
Revenue (RM'000)



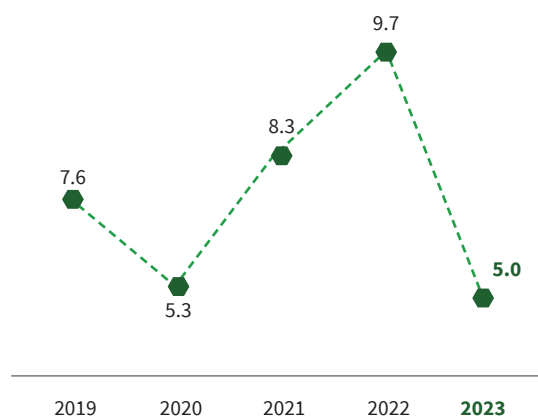
Profit Before Taxation (RM'000)



Profit After Taxation (RM'000)



Basic Earnings Per Share (Sen)



# CHAIRMAN'S STATEMENT



**DATO' WAN HASHIM BIN WAN JUSOH**

Independent Non-Executive Chairman

UWC Berhad (“UWC” or the “Group”) holds an optimistic view of its future prospects, driven by the anticipated robust recovery following the recent industry slowdown. Notably, the Group has observed an uptick in new product introduction (“NPI”) activities from its key customers and foresees a continued increase in NPI demand in the upcoming year. Thereby, the Group is committed to its expansion strategy, aimed at meeting the increasing demand on the horizon and elevating its current position within the semiconductor value chain.

Dear valued shareholders,

It is my pleasure, on behalf of the Board of Directors of UWC, to present you with UWC's fifth annual report and audited financial statements for the financial year ended 31 July 2023 (“FYE 2023”).

FYE 2023 marked another year characterised by numerous challenges, including macroeconomic issues such as geopolitical tensions and inflationary pressures, as well as industry-specific challenges like a slowdown in demand and supply chain disruptions. However, these headwinds began to ease in 2023, and therefore, UWC upholds a positive perspective on its business prospects and remains steadfast about propelling it to new heights in line with the expected resurgence of demands within the semiconductor industry.

## FINANCIAL PERFORMANCE

Despite the multiple headwinds and slowdown in demand for semiconductor products, the Group delivered a profitable financial performance. For FYE 2023, the Group recorded a revenue of RM271.7 million and a profit after tax of RM53.8 million. Notably, the semiconductor segment continues to serve as the Group's main revenue stream, followed by the life science and medical technology segment.

Furthermore, the Group continues to maintain a healthy balance sheet position with cash and cash equivalents of RM95.7 million on the back of negligible gearing of 0.2%. The Group's current ratio also improved from 6.4 times in FYE 2022, to 10.3 times in FYE 2023. The sturdy balance sheet position has been crucial in mitigating financial strains during these challenging times.

## ECONOMIC OUTLOOK AND INDUSTRY PROSPECTS

According to International Monetary Fund, the Malaysian economy is expected to continue its positive growth, with a forecast of 4.3% in real gross domestic product for 2024 backed by higher export demand, particularly from the technology industry.

The global semiconductor market is predicted to experience a downturn of 10.3% in 2023. This is largely due to the increasing inflation and weakening demand in the end markets. Nevertheless, the slowdown is expected to be followed by a strong rebound of 11.8% in 2024. On top of that, Malaysia's semiconductor market is expected to benefit from the rising US-China trade tension. Thus, we believe our expansion plan positions us well to align with the expected economic growth and the rebound in semiconductor demand.



# CHAIRMAN'S STATEMENT (CONT'D)

## MOVING FORWARD

Despite the current challenges in semiconductor markets, UWC is forging ahead and looking beyond the cyclical downturn in the semiconductor industry. The Group's primary focus is on internal growth in preparation for the predicted recovery in 2024 such as focusing on expanding talent resource to effectively serve new businesses from both existing and potential customers. The Group remains dedicated in bolstering its' engineering capabilities through investments in machineries, upgrading infrastructure, recruitment of professionals and continuous development of the skills and competencies of the existing engineering resources.

In FYE 2023, the Group secured several NPI projects from our key customers. These projects encompass advanced technologies such as the regenerative 3-phase alternating current/direct current emulator and ultra-high purity (UHP) weldment. These projects are technologically complex and demand strict adherence to engineering tolerances. However, the Group is fully equipped with cutting-edge technology capabilities and expertise to meet these stringent requirements. We are optimistic to progress these projects at increased momentum from current initial phase to mass production phase and fetch deserving financial contribution in the near future.

Besides that, UWC recently acquired two companies, namely MCE Technologies Sdn. Bhd. and MCT (Thailand) Co. Ltd., both are expected to support ramp up the Group's production capacity and offer geographical diversification to UWC's manufacturing sites. With the strategic locations of acquired subsidiaries in Johor and Thailand, we are closer to our customers in the southern region and the greater Southeast Asia region. The Group expects a streamlined operation that is able to enhance customer satisfaction.

Furthermore, UWC is actively advancing its' position into the front-end semiconductor engineering services segment, which inherently poses a greater challenge to enter due to the demand for specialised expertise and technology. Fortunately, given our years of experience in the back-end semiconductor engineering services segment, our team is equipped with sufficient supplementary knowledge and skills to make gradual transition to become a front-end semiconductor engineering services provider. We are confident that this accomplishment will unlock a wealth of opportunities for the Group.

While the Group has felt the impact of the global semiconductor market slowdown, it is imperative to acknowledge that such occurrences are common with the technology sector which experiences cyclical trends. Accordingly, the Group maintains its confidence in navigating through this period and is well-prepared to harness opportunities as they arise. Taking all factors into account, UWC anticipates a promising outlook.

## BUILDING A SUSTAINABLE FUTURE

We hold a strong belief in fostering a sustainable business for the future, and we consider strict corporate governance as an essential element in creating lasting value for our stakeholders. We consistently adopt best practices related to environmental, social and governance (ESG) that align with our objectives.

We are committed to promote environment-friendly practices such as the installation of solar power systems to reduce our carbon footprint, and advocating for energy and paper conservation to reduce electricity and paper consumption. Our shareholders will be able to familiarise themselves with our latest developments and efforts by referring 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 your unity during these challenging times, your commitment to achieve common goals, and your willpower that drives its success. Your unwavering dedication is what empowers us to navigate and overcome these challenges.

I would like to extend our gratitude to our customers for their trust and loyalty. We are excited to continue supporting your business needs while fostering a lasting relationship. I would also like to convey our heartiest gratitude to our suppliers, business partners, associates, bankers and the respective regulatory authorities for their support and assistance.

Finally, I want to express my sincere gratitude to the esteemed shareholders of UWC for your trust and confidence in our abilities. It is an honour to have you, which motivates us to pursue sustainable growth. We are committed to having a continuous engagement with you.

Your faithfully,

**DATO' WAN HASHIM BIN WAN JUSOH**

Independent Non-Executive Chairman

# MANAGEMENT DISCUSSION & ANALYSIS

## REVIEW OF 2023

UWC confronted significant challenges that required decisive breakthroughs in the financial year ended (“FYE”) 2023. We are pleased to report that the Group stood its ground in this formidable battle, notably being the cyclical downturn in the semiconductor market. For FYE 2023, UWC experienced a decline in both revenue and earnings as comparison to FYE 2022. These adverse results were closely related to the broader global economic landscape. Uncertainties prevailing in this environment prompted shifts in consumer behaviours, resulting in fluctuations in market demand for electronic products and technological devices. Consequently, it has a tumble-down effect on the semiconductor industry. Meanwhile, our operating costs, specifically material pricing, skilled labour recruitment and minimum wage adjustment, continued to escalate on the back of our business expansion.

Although FYE 2023 is one of the most challenging times for UWC, the Group remains optimistic on its outlook. Based on the forecast by World Semiconductor Trade Statistics, the semiconductor market is predicted to experience a robust recovery in 2024.

At UWC, every action is guided by the core values: Unity, Willpower, and Commitment. We consistently and steadily go beyond our boundaries to provide sustainable value to our stakeholders. Moving forward, guided by our core vision and mission, the Group will excel in the industry to become a reliable technology partner in the industry. Collaborating closely with our stakeholders, we remain at the forefront of technology through our unwavering commitment to innovation and creativity.

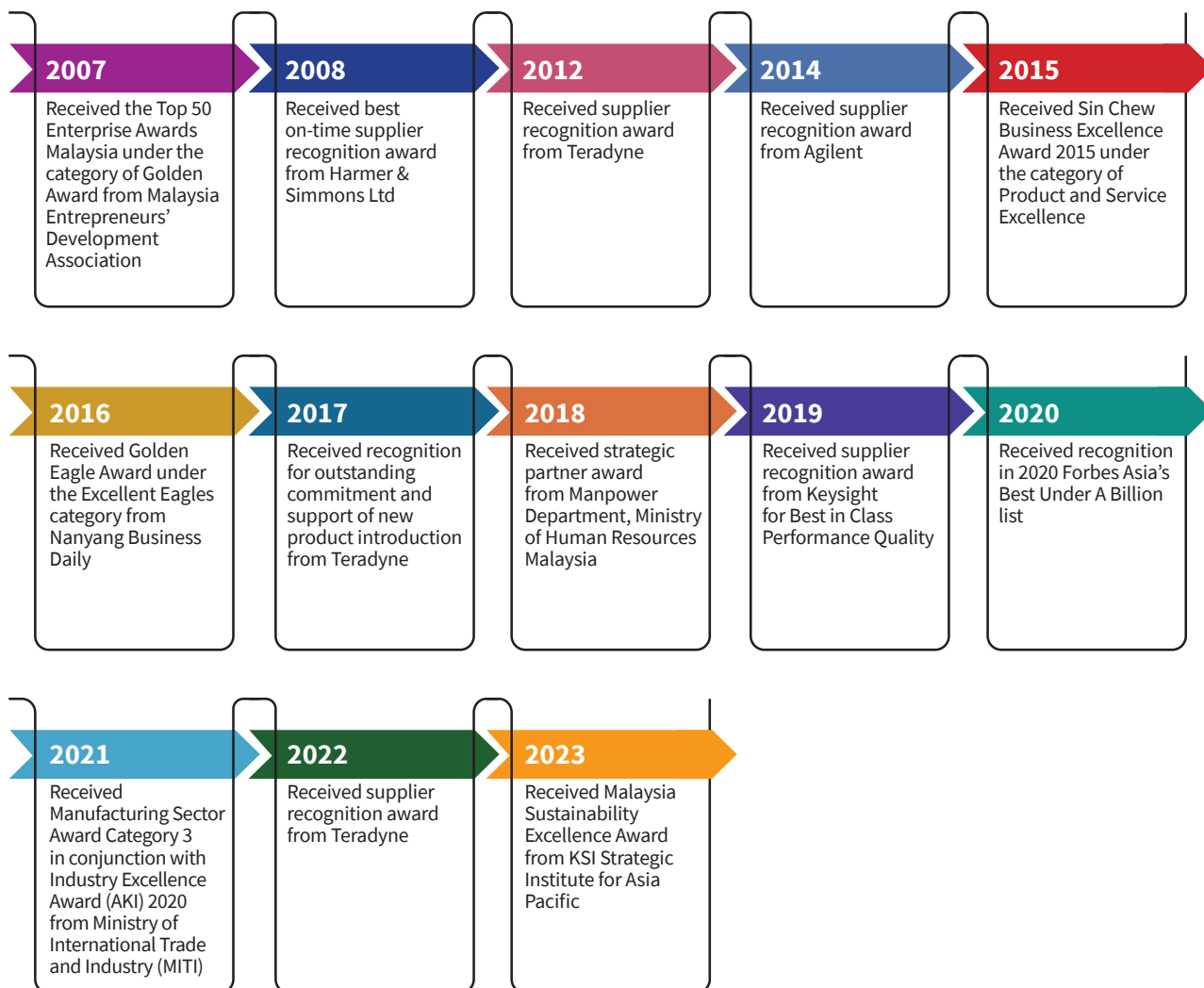
## KEY MILESTONES





# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

## KEY AWARDS



## BUSINESS OVERVIEW

UWC is an integrated engineering service provider, offering one-stop solution to companies across the semiconductor, life science and medical technology industries. With a comprehensive suite of services, we are committed to meet clients' needs, from supplying piece parts to the delivery of a full turnkey assembly.

In our extensive manufacturing capabilities, we provide fabrication services that involve various processes of working with metal such as cutting, forming, joining and other associated processes to produce intermediate metal products. Our services extend beyond traditional metal fabrication, incorporating value-added assembly services where we sub-assemble metal piece-parts into machine structures, metal enclosures and metal chassis. Leveraging our expertise in integrating related fields, we provide sub-assembly integration and system integration services to our customers. Furthermore, we assist our clients in the testing and validation processes. With this comprehensive services portfolio, we aim to provide time-saving and convenient solutions for our clients.

Through our expertise and advanced technologies, we have strategically placed ourselves in the high-value supply chain, capitalizing on the emerging trend of front-end semiconductors. This venture is characterized by increased complexity and entry barriers, which will fortify our position in the semiconductor sector. We believe that this recent development in our services will act as a driving force for our growth.

# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

## FINANCIAL REVIEW

Despite the multiple global challenges in FYE 2023, the Group delivered a profitable financial performance, posting revenue of RM271.7 million and profit after tax of RM53.8 million. The decline in revenue was primarily attributed to reduced semiconductor sales as a result of technology industry cyclical downturn. Notably, the semiconductor segment remains our largest revenue generator, followed by the life science and medical technology segment.

Nonetheless, we are anticipating a robust recovery in semiconductor sales in FYE 2024 through observing an increase in new product introduction ("NPI") activities engaged with customers. The US-China tension is also benefitting the local semiconductor players which include UWC. Additionally, our product diversification into the life science and medical technology sector is expected to remain strong, driven by heightened health awareness among the population.

The decrease in earnings had impacted our basic earnings per share ("EPS") and diluted EPS, at 5.0 sen and 5.0 sen respectively. The diluted EPS is based on the weighted average number of shares in issue as a further 302,200 shares were vested to reward employees and directors under the share grant scheme during the year. Overall, return on equity was 13% in FYE 2023.

As at 31 July 2023, the Group's financial position remained healthy, with a cash and cash equivalent of RM95.7 million and marketable securities of RM28.9 million. Notably, gearing ratio had reduced to a negligible 0.2%. The combination of ample cash reserves and low gearing ratio provide solid foundation for UWC to execute its business expansion strategy, positioning UWC well to capture the expected resurgence in semiconductor demand in FYE 2024. Additionally, the Group's net tangible assets experienced a growth of 6.2%, rising from RM397.5 million in FYE 2022 to RM422.2 million in FYE 2023.

## REVIEW OF OPERATING ACTIVITIES

### Technology

Our internal capacity to embrace cutting-edge technologies is crucial to maintain our competitiveness. To that end, we work closely with our customers and suppliers to strengthen technical know-how and collaborate on NPI projects as well as process improvements to provide innovative solutions at a competitive price.

The Group takes pride in its innovation capabilities, exemplified by the successful implementation of automation initiatives designed to reduce the reliance on human intervention in the day-to-day operation. Our primary focus is on enhancing production line efficiency by integrating CNC Milling Machine with a robotic arm tending included material storage module with a zero clamping system comprises polishing and deburring process with automated machine. These system and machine introductions not only enhance production line efficiency but also result in higher quality work when compared to manual processes.

In FYE 2023, we intensified our efforts to digitalise our operations, including the deployment of wireless measuring equipment and replacement of manual recording and reporting with an IoT (Internet of Things) data analytical platform. All these advancements signify our substantial progress towards full adoption of Industry 4.0 principles, reinforcing our position as an effective one-stop solution centre.

As we continue to expand and move up the value chain, technology capabilities play a crucial role in our success. In light of this, we are committed to invest in enhancing our production line. This includes the introduction of innovative technologies like combination of machining process by rotary table, online measurement probing system aimed at improving the accuracy and productivity during the machining process, high pressure vacuum clamping system and hyperMILL Computer Aided Manufacturing software. These integrated systems will significantly bolster our competitive edge by providing us with cutting-edge technology. As a result, we will be well-prepared to undertake more complex and stringent tolerance projects for our clients.

To meet the increasing demands from our clients, we have taken proactive steps to strengthen our engineering capabilities through a talent resource expansion programme. We are also continuously growing our engineering team by recruiting experienced professionals and offering programmes that enhance the skills and competencies of our existing engineering staff. Additionally, we are placing special emphasis on enhancing the technical expertise of our team in areas such as mechatronics, control systems, and system integration through customized training courses designed for specific engineering personnel. UWC is also dedicated to enhance its expertise in packaging and testing.

We observed a significant uptick in semiconductor demand, driven by recent NPI activities by our clients. Throughout the year, we collaborated closely with key customers to develop their maiden articles and explore potential NPI. One noteworthy achievement has been the creation of an automotive and energy test solution product for electric vehicle/electric vehicle supply equipment charging test applications.

Furthermore, we have secured a project involving the development of weldment project. These are welded assemblies created in a Class 100 cleanroom environment to minimize impurities and contaminants, meeting the stringent cleanliness and purity requirements of industries like semiconductors. UWC successfully established a Class 100 cleanroom and the required facilities for front-end semiconductor weldment manufacturing within a span of six (6) months and met its key customers' qualification standards.



# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

## REVIEW OF OPERATING ACTIVITIES (CONT'D)

### Technology (cont'd)

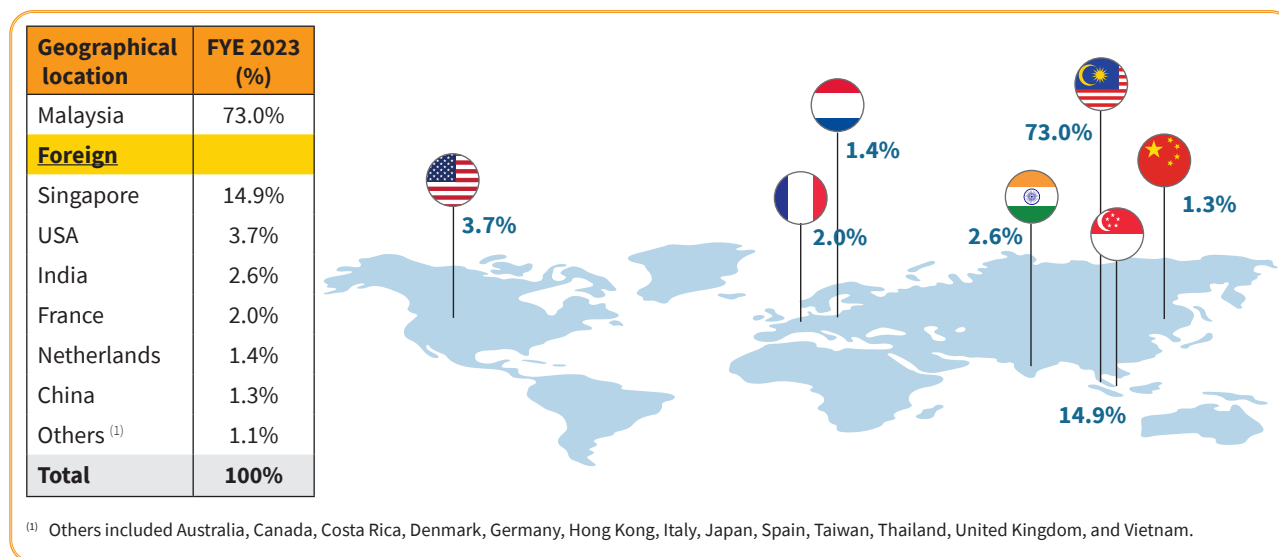
In addition to our accomplishments, we are currently working closely with a major client on the assembly and testing of a sophisticated product that combines mechanical, electronic, and software components. This intricate assembly project demands a wide range of skills, including expertise in mechanics, electronics, and software, along with a steadfast commitment to quality, safety, and problem-solving. We are delighted to share that UWC successfully completed the rigorous new supplier selection and qualification process of our key client.

While our order and delivery increased, we also ensured the counterbalance of engineering headcounts was equally focused at the Quality Assurance department, therefore able to deliver end products of expected quality to our customers.

### Sales and Marketing

UWC's financial performance in FYE 2023 demonstrated resilience and adaptability in a dynamic market environment. Despite industry headwinds, the Group managed to achieve a revenue of RM271.7 million. The semiconductor segment remains the cornerstone of UWC's revenue structure. It contributed 65.5% of the total revenue in FYE 2023. This highlights the Group's sustained presence and performance in the semiconductor industry, even in adverse market conditions. Additionally, the life science and medical technology sector played a significant role, accounting for 25.3% of the Group's revenue. The remaining 9.2% of the revenue was from diverse business activities that the Group actively engages in.

UWC's business operations are strategically distributed across various regions. Malaysia remained the primary revenue generator, constituting 73.0% of the total revenue. The neighbouring country, Singapore, contributed 15.0% of the revenue, indicating the Group's commitment to regional growth and expansion. In addition to its Southeast Asian presence, the Group maintains a global footprint with market presence in countries such as the United States ("USA"), India, France, Netherlands, China, and various smaller markets.



We value sustainable relationships with our customers and take proactive efforts to foster close ties with them. The fast response time and efforts of periodic visits foster an environment of customer satisfaction. In UWC, we believe that 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, the state in which UWC is primarily located, continues to assert itself as a key strategic technological hub. Its allure as one of the preferred destinations for foreign direct investment ("FDI") in the establishment of new manufacturing facilities, remains intact. The authorities in Penang have demonstrated remarkable efficacy in attracting FDI, thereby facilitating the development of a robust supply chain ecosystem that significantly benefits local businesses. This strategic location grants us access to a wealth of talent, innovative resources, and synergistic opportunities that underpin our growth and sustainability.

As an integral part of the Penang technological landscape, UWC actively participates in this dynamic ecosystem. Our commitment to operational excellence, innovation, and market leadership aligns seamlessly with the region's strategic objectives. We benefit from Penang's investment-friendly environment by expanding our manufacturing capabilities, attracting top-tier talent, and fostering partnerships that drive our own growth and global competitiveness. By building upon our established track record of consistent delivery, we have every reason to be confident that we will continue to attract lucrative business opportunities.

# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

## CHALLENGES AND STRATEGY

### Constantly identify and deploy latest technologies

In an industry inherently exposed to the ever-evolving landscape of manufacturing technologies, UWC strives to remain at the forefront of innovation and progress. We maintain our competitiveness by actively engaging with industry players, staying updated on the latest technological trends, and nurturing a constant flow of communication with our stakeholders. This commitment to stay informed and responsive ensures that we can swiftly implement improvements to enhance our production capabilities, meet evolving market requirements, and fulfil the dynamic needs of our valued customers.

The life science and medical technology sector, characterized by stringent regulations, presents unique challenges that we readily embrace. To ensure our competitiveness and maintain the necessary qualifications for this industry, we consistently enrol our staff in exhibitions, intensive training programmes, and workshops. Additionally, our investment in cutting-edge equipment provides a wide range of validated application protocols, further underlining our dedication to deliver quality and precision in the life science and medical technology field.

We recognise the ongoing need to stay at the forefront of technological advancements. To fulfil this commitment, we invest in new technologies, continually upgrade our machinery and equipment, and cultivate the necessary processes and skills. This long-term mission is aimed at meeting the ever-evolving demands of our customers. The Group's achievement lies in its embrace of digitalization in the workflow and increased focus on automation.

### Customer Performance

Our semiconductor business heavily relies on the prospect and demand of end-user markets which affect the volume of orders we receive. As the primary consumers of our products are individuals in general, we maintain a vigilant eye on global economic conditions to anticipate their spending trends.

FYE 2023 has presented a challenging landscape for our semiconductor business, characterized by a cyclical downturn, which is a common occurrence in the technology sector. However, we maintain confidence in the resurgence of demand in the semiconductor industry in FYE 2024. Therefore, we stand firm in our commitment to this sector, understanding the cyclicity of markets and the opportunities that can emerge from such phases.

Our life science and medical technology is more susceptible to technological advancement and industry standards. These elements will compel our customers to change product designs and/or specifications regularly. In view of the unpredictability, we secure from the customers of their rolling forecasts of 6 to 12 months to plan ahead. Our sales are secured through purchase orders from our customers, which may differ from the forecasted volume.

Our involvement in the life science and medical technology industry has provided UWC with sustainable revenue over the years. This diversification has significantly reduced our dependency on the semiconductor sector. Recent lifestyle changes, fostering health consciousness among consumers, and an aging population have contributed to a steady increase in the demand for life science equipment. UWC has been proactive in collaborating with customers to develop cutting-edge life science and medical equipment. We are optimistic about the industry outlook as global health awareness continues to rise. We anticipate that the life science and medical technology segment will play a pivotal role in ensuring our long-term business sustainability.

In our pursuit to extend our clientele, we emphasize diversification of business segments. Over the years, we have taken gradual steps to enter the front-end semiconductor supply chain. Our proven capabilities have allowed us to secure more front-end projects. As part of the corporate strategy, the Group made the decision to exit the heavy-duty business in order to reallocate its capacity towards higher-margin segments with greater growth potential.

### Human Capital

Skilled workers and technical experts are the backbone of our operations. To minimise disruptions to the operations, the Group maintains an adequate succession plan covering key functions. We are committed to retain our staff by offering programmes that facilitate professional development, ensuring competitive remuneration packages, and fostering a positive corporate culture. These measures collectively contribute to the continued strength and stability of our workforce.

The Group further extends its appreciation to eligible employees by granting shares through the Share Grant Scheme, aimed at rewarding those who have made significant contributions to the Group's success. This additional benefit has proven to be a strong motivator, encouraging employees to achieve better performance, increased productivity, and fostering corporate loyalty. In the year 2023, the Group granted approximately 276,100 shares under the Share Grant Scheme, rewarding employees for their contributions in the preceding year.

As part of our expansion strategy, we remain dedicated to expand our engineering resources. This involves the recruitment of experienced professionals and recent graduates, achieved through collaborations with local universities and colleges. During the year, we have net hiring of total 435 new employees. Furthermore, we are actively enhancing their skills and competencies through a skill-up training programme, with the aim of bolstering our overall capabilities.

# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

## CHALLENGES AND STRATEGY (CONT'D)

### Human Capital (cont'd)

UWC is one of the pioneer academies in the country that has been accredited the National Dual Training System ("SLDN"), where we are the pioneer in Malaysia to establish Academy in industry. UWC SLDN Accredited Centre was launched on 12 January 2023 by Malaysia Productivity Commission. The SLDN programme offered by UWC has obtained recognition by the Malaysian education, International Trade and Industry, and Department of Skills Development (JPK). SLDN is a work-and-study scheme built upon the Academy in Industry (AiI) concept which encompasses practical training and theoretical learning within the training center. The apprentice whom completed the programme successfully will be awarded Malaysia Skills Certificate (SKM) Level Two and Three. The core objective of the SLDN is to produce a knowledge worker (K-Workers) which means that employee who possesses three elements of competencies which are technical, social & humanitarian, and methodologies & learning. By having the certificate, SLDN graduates are able to land a job with the technical skills obtained during the study or elect to pursue a higher level of study.

We can reassure you that the Group adopts all means necessary to ensure the manpower is able to scale up with its increasing business demands. Meantime, the Group leverages automation solutions to ramp up production and also reduce its reliance on manpower.

## FORWARD-LOOKING STATEMENT

Despite the inherent short-term fluctuations in cyclical demand, we remain resolute in our optimism for the promising year ahead. Our commitment to sustained excellence and growth remains steadfast as we navigate through the dynamic landscape of our business sector. We hold on to the belief that the technology sector will experience a robust market recovery, while the life science and medical technology industry will remain the growth catalyst for UWC. Based on the latest forecast by World Semiconductor Trade Statistics, the semiconductor market is predicted to experience a robust recovery of 11.8% in year 2024, primarily driven by memory and artificial intelligence segments.

As mentioned above, we have secured a few NPI projects from the key customers. While these projects are currently in their initial stages, we hold strong confidence that they will contribute significantly to our income in the upcoming phase. Our collaboration with these key customers on cutting-edge technologies will showcase our capabilities and expertise in handling high-complexity projects. This, in turn, will pave the way for more opportunities to secure similar projects in the future.

In conjunction with the increase in global health awareness and living quality, UWC also expects an increase in demand for both high-end life science and medical devices. Based on market reports, the global medical devices market is expected to grow at a compound annual growth rate (CAGR) of 6.2% during the forecast period of 2023-2031 to reach a value of USD965.2 billion by 2031. We are aware of the huge opportunity offered by the life science and medical technology industry, therefore we started to venture into this industry. The Group's involvement in the medical instrument manufacturing industry is presumed to benefit in the long run with the success of mRNA technology that opens up possibilities of developing vaccines for cancer and therapeutic treatments. The Group continues to maintain virus extraction machines, DNA analyser and cell electroporation instrument in its products pipeline as part of its future business direction. We place equal importance on the life science and medical technology 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.

## CONCLUSION

Despite the market has been volatile due to various uncertainties that are affecting the global economy, we remain confident that, guided by the right corporate strategies and reinforced by our expansion plans, UWC should continue to deliver remarkable performance for its shareholders as it has proven to emerge stronger after each hurdle.

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 its leadership, invaluable advice and unconditional support over the past year. Last but not least, we wish to acknowledge and thank our dedicated staff and management team at UWC for their relentless efforts in contributing to the success of UWC.

**Dato' Ng Chai Eng**  
Executive Director/Group CEO



## BOARD OF DIRECTORS



From left to right:

**1. DATO' F'NG MEOW CHENG**

Independent Non-Executive Director

**2. DATO' LAU CHEE KHEONG**

Executive Director/Group COO

**3. DATO' WAN HASHIM BIN WAN JUSOH**

Independent Non-Executive Chairman

**4. DATO' NG CHAI ENG**

Executive Director/Group CEO

**5. DR. NG CHIN LIANG**

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

**6. DATO' LIO CHEE YEONG**

Independent Non-Executive Director



## PROFILE OF DIRECTORS



**DATO' WAN HASHIM BIN WAN JUSOH**

*Independent Non-Executive Chairman*

**AGE** | 66

**GENDER** | Male

**NATIONALITY** | Malaysian

### 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

### Number of board meetings attended in the financial year

5/5

## PROFILE OF DIRECTORS (CONT'D)

### Qualification

1. Malaysian Skills Certificate Level 1 (formerly known as Sijil Kecekapan Ketukangan Peringkat Asas)
2. Malaysian Skills Certificate Level 2 (formerly known as Sijil Kecekapan Ketukangan Peringkat Pertengahan)
3. Certificate in Administrative Management, Centre 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

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

### Present Appointment

1. Advisor of the Federation of Malaysian Foundry and Engineering Industries Associations (FOMFEIA)
2. Member of Machinery and Equipment Investment Advisory Panel of MIDA
3. Chairman in Sekolah Jenis Kebangsaan (C) Beng Teik (Pusat)
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

### Number of board meetings attended in the financial year

5/5



### DATO' NG CHAI ENG

*Executive Director/Group Chief Executive Officer*

**AGE** | 60

**GENDER** | Male

**NATIONALITY** | Malaysian



## PROFILE OF DIRECTORS (CONT'D)



**DATO' LAU CHEE KHEONG**

*Executive Director/Group Chief Operations Officer*

**AGE** | 60

**GENDER** | Male

**NATIONALITY** | Malaysian

### Qualification

1. Sekolah Menengah Jenis Kebangsaan Hua Lian Taiping, Perak
2. Professional Diploma in Business Administration (Finance), Genovasi Centre for Higher Learning

### Date first appointed to the Board

29 March 2018

### Membership of Board Committee

None

### Working Experience and Occupation

1. Technical Supervisor, Tekskill Component Sdn. Bhd. (1980 – 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 (Resigned on 5 October 2023)
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
5. Vice President of Lembaga Jemaah Pengurus Sekolah SJK (C) Chiao Nan, Pulau Pinang
6. Member of Persatuan Kebajikan 88 Kapten Pulau Pinang

### 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

### Number of board meetings attended in the financial year

5/5

## PROFILE OF DIRECTORS (CONT'D)

### Qualification

1. 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
3. 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

### Number of board meetings attended in the financial year

5/5



**DATO' F'NG MEOW CHENG**

*Independent Non-Executive Director*

**AGE** | 57

**GENDER** | Female

**NATIONALITY** | Malaysian

## PROFILE OF DIRECTORS (CONT'D)



**DATO' LIO CHEE YEONG**

*Independent Non-Executive Director*

**AGE** | 53

**GENDER** | Male

**NATIONALITY** | Malaysian

### **Qualification**

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

### **Date first appointed to the Board**

7 November 2018

### **Membership of Board Committee**

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

### **Working Experience and Occupation**

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

### **Present Appointment**

1. Honorary Consul of Denmark (Penang, Perlis and Kedah)
2. Honorary Consul of Norway (Penang, Perlis and Kedah)
3. 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

### **Number of board meetings attended in the financial year**

5/5



## PROFILE OF DIRECTORS (CONT'D)

### 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)
2. Assistant Finance Manager, UWC Holdings Sdn. Bhd. (2016 – 2018)
3. Head of Corporate Affairs and Communications, UWC Berhad (2018 – 2019)

### Present Appointment

1. Chairman, Youth Club, Federation Malaysia Manufacturer, Penang Branch
2. Vice Chairman of Penang Skill and Development Centre
3. 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 (Resigned on 6 March 2023)
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

### Number of board meetings attended in the financial year

5/5



### DR. NG CHIN LIANG

*Alternate Director to Dato' Ng Chai Eng/  
Deputy Group Chief Executive Officer*

**AGE** | 30

**GENDER** | Male

**NATIONALITY** | Malaysian

## PROFILE OF DIRECTORS (CONT'D)

### Training Programs attended by the Director

The following are the seminar, conference, webinar and sharing session attended by the Directors as at financial year ended 31 July 2023 ("FYE 2023").

Name of Directors	Mode of Training	Title
Dato' Wan Hashim Bin Wan Jusoh	Webinar Webinar Webinar Webinar Webinar	Guide Book on Public Listed Companies Transformation Programme Corporate Briefing on Sustainability & ESG Managing Your Transfer Pricing Risk ESG Disclosure: Development & Future Trend Preparing for Corporate Liability Provision Corporate Governance Monitor 2022
Dato' Ng Chai Eng	Webinar  Webinar Webinar Webinar  External	PowerTalk ESG Series #5 – Climate Change and Carbon: From the Financial Risk & Reporting Perspectives PowerTalk ESG Series #6 – Characteristics of ESG & Sustainability Leadership Rising to the ESG Challenge: Routes Towards Effective Governance Investor Expectations on Climate Change: Introducing the FBM Top 100 ESG Low Carbon Select Indices MGTC Fulfilling Your ESG Agenda with Eco-Schools Programme by Green Growth Asia Foundation
Dato' Lau Chee Kheong	Webinar  Webinar Webinar Webinar  External External External External	PowerTalk ESG Series #5 – Climate Change and Carbon: From the Financial Risk & Reporting Perspectives PowerTalk ESG Series #6 – Characteristics of ESG & Sustainability Leadership Rising to the ESG Challenge: Routes Towards Effective Governance Investor Expectations on Climate Change: Introducing the FBM Top 100 ESG Low Carbon Select Indices Industrial Transformation Asia Pacific 2022 (Industry 4.0 For Business Sustainability) 26 <sup>th</sup> International Sheet Metal Working Technology Exhibition at Hannover Germany The 2 <sup>nd</sup> Malaysian Sustainability Leadership Summit 6 <sup>th</sup> Asia Economic & Entrepreneurship Summit
Dato' F'ng Meow Cheng	Webinar  Webinar Webinar Webinar  Webinar Webinar	PowerTalk ESG Series #5 – Climate Change and Carbon: From the Financial Risk & Reporting Perspectives PowerTalk ESG Series #6 – Characteristics of ESG & Sustainability Leadership MIA Webinar Series: Auditing in Inventories and Production Costs Webinar Series: MBRS for Preparers of Group Consolidated Financial Statements – Incorporating Changes in Accounting Policies and Prior Year Adjustments Webinar Series: Corporate Governance Case Studies MIA Blended Learning Series: How Compliance with IFRS/MFRS Influences Obtaining Sufficient and Appropriate Audit Evidence
Dato' Lio Chee Yeong	Webinar  Webinar Webinar Webinar Webinar Webinar	PowerTalk ESG Series #5 – Climate Change and Carbon: From the Financial Risk & Reporting Perspectives PowerTalk ESG Series #6 – Characteristics of ESG & Sustainability Leadership Rising to the ESG Challenge: Routes Towards Effective Governance Risk Management and Updates on Proposed Amendments on Sustainability Reporting Advancing Cyber Resilience: Board's Top 3 Must-Knows Generative AI – An Opportunity or Risk? Finance Essentials for Non-Finance Directors
Dr. Ng Chin Liang	Webinar  Webinar Webinar Webinar  Webinar  Seminar Conference Sharing session	PowerTalk ESG Series #5 – Climate Change and Carbon: From the Financial Risk & Reporting Perspectives PowerTalk ESG Series #6 – Characteristics of ESG & Sustainability Leadership Rising to the ESG Challenge: Routes Towards Effective Governance ESG Webinar – Investor Expectations on Climate Change: Introducing the FBM Top 100 ESG Low Carbon Select Indices International Environmental, Social, and Governance (ESG) Forum: Cultivation and Practices Towards Sustainability Seminar on Malaysia-Japan: Moving Ahead with Trade & Sustainability National Human Capital Conference & Exhibition (NHCCE) 2023 – Northern Region CEO Roundtable Session for the Sydney Business School, University of Wollongong – Executive MBA Program Students Study

## PROFILE OF DIRECTORS (CONT'D)

### Remuneration

The following are the remuneration breakdown of all directors as at FYE 2023.

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	1,012	-	1,020	124	120	-	2,276
Dato' Lau Chee Kheong	1,012	-	1,020	104	120	-	2,256
Dato' Wan Hashim Bin Wan Jusoh	-	72	-	-	6	-	78
Dato' F'ng Meow Cheng	-	36	-	-	3	-	39
Dato' Lio Chee Yeong	-	36	-	-	3	-	39
Dr. Ng Chin Liang	228	-	67	28	18	41	382



# PROFILE OF KEY SENIOR MANAGEMENT

## Lee Boon Chien

Financial Controller

Age: 36 Gender: Male Nationality: Malaysian

### Qualification

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

### Date first appointed to the Key Senior Management

14 February 2022

### Working Experience and Occupation

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

## Ng Sze Yen

General Manager

Age: 40 Gender: Female Nationality: Malaysian

### Qualification

1. Bachelor of Mechanical Engineering, Universiti Tun Hussein Onn

### Date first appointed to the Key Senior Management

1 May 2018

### Working Experience and Occupation

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

### Present Appointment

None

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

1. Niece of Dato' Ng Chai Eng

### 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

## Tan Kean Hean

Head of Machining Division

Age: 58 Gender: Male Nationality: Malaysian

### Qualification

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

### Date first appointed to the Key Senior Management

1 May 2018

### Working Experience and Occupation

1. Technician, Loh Kim Teow Engineering Sdn. Bhd. (1986 – 1991)
2. Sales and Application Engineer, George Cohen (Malaysia) Sdn. Bhd. (1992 – 1997)
3. Director, Numeric Precision Engineering Sdn. Bhd. (1997 – 2000)
4. 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



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

### Chong Yee Beng

Senior Manager of Engineering Division

Age: 54 Gender: Male Nationality: Malaysian

#### Qualification

1. Bachelor of Mechanical Engineering, Universiti Teknologi Malaysia

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

1 May 2018

#### Working Experience and Occupation

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

#### 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

### Khor Kean Seng

Senior Manager of Industrial Engineering and Production Division

Age: 53 Gender: Male Nationality: Malaysian

#### Qualification

1. Diploma in Electrical Engineering, Institut Teknologi Butterworth

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

1 May 2018

#### Working Experience and Occupation

1. Engineer, Penang Seagate Industries (M) Sdn. Bhd. (1992 – 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)
5. 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 (“MLLR”) 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 2023 (“FYE 2023”). In accordance with Malaysian Code on Corporate Governance (“MCCG”) issued 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 [www.uwcberhad.com.my](http://www.uwcberhad.com.my) as well as the Company’s announcement made to Bursa Securities on 30 November 2023 together with the announcement of Annual Report FYE 2023.

## 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 is 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 practice within the Group. The Code of Conduct serve as a tool for the Board to convey and instil its values into the organisation. During the financial year, the Board has reviewed and approved the revised Whistle Blowing Policy and Code of Conduct to ensure they are implemented effectively and kept compliance with the changes in regulatory requirements.

In putting the Diversity Policy into action, the Board, through Nomination Committee, will conduct all prospective Board appointment processes in a manner that promotes diversity on. Candidates will be identified and shortlisted based on meritocracy focusing on variety of factors, including, among others, professional experiences, business experiences, skills, expertise and academic grounding whilst taking into consideration diversity of gender, age and ethnicity.

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

The Board had also approved enhancement of disclosure in the Board Charter, Terms of Reference of Audit Committee and Code of Conduct to incorporate the amendments to MMLR announced on 26 May 2023 in relation to conflict of interest. No change to the Terms of Reference of Risk Management Committee following a review.

The Board Charter, Code of Conduct, 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 published onto the corporate website at [www.uwcberhad.com.my](http://www.uwcberhad.com.my). The Board Committees referred to the Audit Committee, Risk Management Committee, Nomination Committee and the Remuneration Committee.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## Principle A: Board Leadership and Effectiveness (cont'd)

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

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.

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 agenda discussed.

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 of this Annual Report. In order to discharge their duties effectively as Director, the Board attended appropriate seminars, trainings, or workshops during the year to continuously enhance their knowledge and stay abreast of latest developments relating to sustainability matters. In line with Practice 4.5 of the MCGG, the Board has appointed Dr. Ng Chin Liang, the Deputy Group CEO to lead the sustainability initiatives 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:

Name of Directors	Mode of Training	Title
Dato’ Wan Hashim Bin Wan Jusoh	Webinar	Guide Book on Public Listed Companies Transformation Programme
	Webinar	Corporate Briefing on Sustainability & ESG
	Webinar	Managing Your Transfer Pricing Risk
	Webinar	ESG Disclosure: Development & Future Trend
	Webinar	Preparing for Corporate Liability Provision
Dato’ Ng Chai Eng	Webinar	Corporate Governance Monitor 2022
	Webinar	PowerTalk ESG Series #5 – Climate Change and Carbon: From the Financial Risk & Reporting Perspectives
	Webinar	PowerTalk ESG Series #6 – Characteristics of ESG & Sustainability Leadership
	Webinar	Rising to the ESG Challenge: Routes Towards Effective Governance
	Webinar	Investor Expectations on Climate Change: Introducing the FBM Top 100 ESG Low Carbon Select Indices
	External	MGTC Fulfilling Your ESG Agenda with Eco-Schools Programme by Green Growth Asia Foundation

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## Principle A: Board Leadership and Effectiveness (cont'd)

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

Name of Directors	Mode of Training	Title
Dato' Lau Chee Kheong	Webinar	PowerTalk ESG Series #5 – Climate Change and Carbon: From the Financial Risk & Reporting Perspectives
	Webinar	PowerTalk ESG Series #6 – Characteristics of ESG & Sustainability Leadership
	Webinar	Rising to the ESG Challenge: Routes Towards Effective Governance
	Webinar	Investor Expectations on Climate Change: Introducing the FBM Top 100 ESG Low Carbon Select Indices
	External	Industrial Transformation Asia Pacific 2022 (Industry 4.0 For Business Sustainability)
	External	26 <sup>th</sup> International Sheet Metal Working Technology Exhibition at Hannover Germany
Dato' F'ng Meow Cheng	External	The 2 <sup>nd</sup> Malaysian Sustainability Leadership Summit
	External	6 <sup>th</sup> Asia Economic & Entrepreneurship Summit
	Webinar	PowerTalk ESG Series #5 – Climate Change and Carbon: From the Financial Risk & Reporting Perspectives
	Webinar	PowerTalk ESG Series #6 – Characteristics of ESG & Sustainability Leadership
	Webinar	MIA Webinar Series: Auditing in Inventories and Production Costs
	Webinar	Webinar Series: MBRS for Preparers of Group Consolidated Financial Statements – Incorporating Changes in Accounting Policies and Prior Year Adjustments
Dato' Lio Chee Yeong	Webinar	Webinar Series: Corporate Governance Case Studies
	Webinar	MIA Blended Learning Series: How Compliance with IFRS/MFRS Influences Obtaining Sufficient and Appropriate Audit Evidence
	Webinar	PowerTalk ESG Series #5 – Climate Change and Carbon: From the Financial Risk & Reporting Perspectives
	Webinar	PowerTalk ESG Series #6 – Characteristics of ESG & Sustainability Leadership
	Webinar	Rising to the ESG Challenge: Routes Towards Effective Governance
	Webinar	Risk Management and Updates on Proposed Amendments on Sustainability Reporting
Dr. Ng Chin Liang	Webinar	Advancing Cyber Resilience: Board's Top 3 Must-Knows
	Webinar	Generative AI – An Opportunity or Risk?
	Webinar	Finance Essentials for Non-Finance Directors
	Webinar	PowerTalk ESG Series #5 – Climate Change and Carbon: From the Financial Risk & Reporting Perspectives
	Webinar	PowerTalk ESG Series #6 – Characteristics of ESG & Sustainability Leadership
	Webinar	Rising to the ESG Challenge: Routes Towards Effective Governance
Dr. Ng Chin Liang	Webinar	ESG Webinar – Investor Expectations on Climate Change: Introducing the FBM Top 100 ESG Low Carbon Select Indices
	Webinar	International Environmental, Social, and Governance (ESG) Forum: Cultivation and Practices Towards Sustainability
	Seminar	Seminar on Malaysia-Japan: Moving Ahead with Trade & Sustainability
	Conference	National Human Capital Conference & Exhibition (NHCCE) 2023 – Northern Region
	Sharing session	CEO Roundtable Session for the Sydney Business School, University of Wollongong
	Sharing session	– Executive MBA Program Students Study

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## Principle A: Board Leadership and Effectiveness (cont'd)

### II. Board Composition

Presently, the majority of the board members are Independent Non-Executive Directors. This composition is on par with 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 in 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 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.

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

The Board has adopted a Fit and Proper Policy for Directors. 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.

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, 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' F'ng 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 cognisance of Practice 1.4 and Practice 5.9 of the MCCG. As at to-date, 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 12 September 2023, the Company Secretary tabled following evaluations performed by the directors for the financial year 2023 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 and sustainability targets,
- iv. Review the required mix of skills and experience and other qualities, including core competences of the members of the Board,



# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## Principle A: Board Leadership and Effectiveness (cont'd)

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

On 12 September 2023, the Company Secretary tabled following evaluations performed by the directors for the financial year 2023 to the NC: (cont'd)

- 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 corporate website.

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 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 Board also believes that non-disclosure of the remuneration information on top five (5) senior management (who are not Board members) 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 aligned to 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, experiences and knowledge in accountancy, business management, commercial and corporate laws as well as national investment policies and administration.

None of the members of the AC are former audit partners of the current External Auditors of the Group. The AC 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 Auditors.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### I. Audit Committee (cont'd)

The present External Auditors have been appointed since financial year 2011. Nonetheless, the External Auditor practises 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.

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 2023, 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 20 June 2023.

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](http://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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (cont'd)

### 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 fifth (5<sup>th</sup>) AGM was despatched to the shareholders on 30 November 2022, which is at least 28 days prior to the meeting held on 9 January 2023. 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 sixth (6<sup>th</sup>) AGM will be conducted on 8 January 2024 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 at the general meeting in accordance with the requirements of Paragraph 8.29A of the MMLR of Bursa Securities. 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.

Members of the Board and Board Committees, the management, Company Secretary and external auditors were present during the 5<sup>th</sup> AGM held on 9 January 2023 to address any areas of interest or concerns brought up by the shareholders. During the general meeting, 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.

The minutes of the 5<sup>th</sup> AGM detailing the meeting proceedings and outcome of the voting results was published on the Company's corporate website in a timely manner.

The Board has deliberated, reviewed and approved this Statement in line with the principles of the MCGG. The Board is satisfied that the Company has fulfilled its obligation under the Code, MCGG, Bursa Securities and all applicable laws and regulations throughout the FYE 2023.

This Statement is made in accordance with a resolution of the Board on 29 November 2023.





# 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 17 United Nations Sustainability Development Goals and will progressively integrated these goals into our sustainability practices.**



FTSE4Good

*FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that UWC Berhad has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (“ESG”) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.*

UWC Berhad has met the globally recognised standards and successfully been inclusion to the constituents of the FTSE4Good Bursa Malaysia (“F4GBM”) Index and constituents of the FTSE4Good Bursa Malaysia Shariah (“F4GBMS”) Index.

The F4GBM Index, which was launched in December 2014 with 24 constituents, measures the performance of public listed companies (PLCs) that demonstrate strong ESG practices. Meanwhile, the F4GBMS Index that was launched in July 2021 with 54 constituents, is designed to track constituents in the F4GBM Index that are Shariah-compliant in accordance with the Shariah Advisory Council screening methodology. Both indices are reviewed semi-annually in June and December against international benchmarks.

For the latest review period of June 2023, UWC has become a member of the F4GBM Index, effective from 19 June 2023.

In addition, UWC Berhad has received Sustainability Excellence Award in Year 2023 from KSI Strategic Institute for Asia Pacific. The award is to recognize UWC Berhad’s commitment to excellence and innovation in areas such as environmental protection, social responsibility and economic sustainability.

The ESG ratings and award received during the year had demonstrated our ongoing commitment to enhance ESG performance, as we are dedicated to incorporating the highest standards of sustainability practices throughout our business and it is a testament to our global commitment. We are pleased to have instilled a strong sustainability mindset among our employees and all stakeholders, which we will continue to seek opportunities to advance our ESG and Sustainability initiatives.

## SCOPE OF REPORTING

This report covers the sustainability performance of our core business operations for the financial year ended 31 July 2023 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.

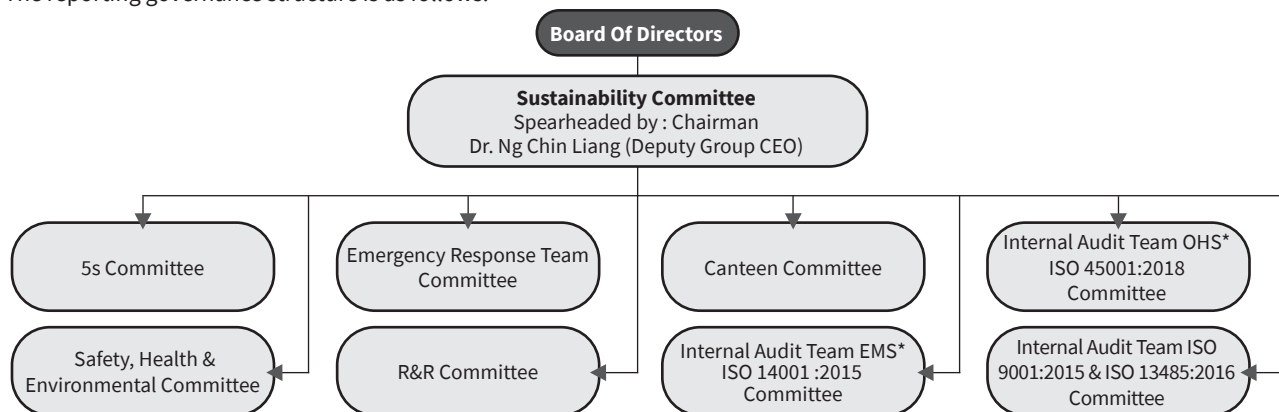
# SUSTAINABILITY REPORT (CONT'D)

## COMMITMENT TO SUSTAINABILITY (CONT'D)

The Executive Director cum Group Chief Operations Officer (“COO”), Dato’ Lau Chee Kheong was appointed in 2018 as the Chairman of the Safety, Health & Environmental (“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 fine-tune our sustainability goals and we are endeavoured to achieve a better and more sustainable future for all.

The reporting governance structure is as follows:



\* EMS: Environmental Management System

\* OHS: Occupational Health and Safety

The roles and responsibilities of the above governance bodies are:

### The Board

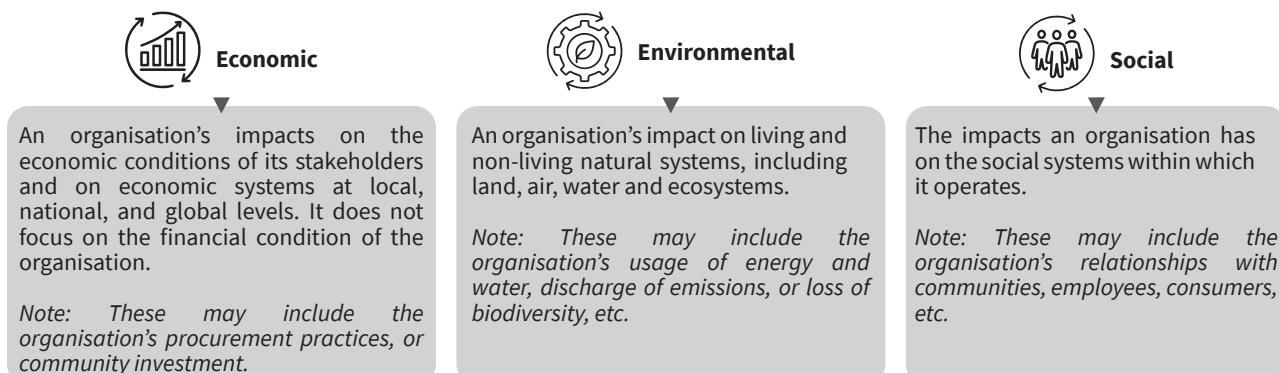
- Oversees the sustainability efforts and initiatives of the Group;
- Reviews and endorses the Group’s material sustainability matters;
- Reviews and endorses the sustainability initiatives proposed by the Sustainability Committee;
- Reviews and endorses the annual sustainability report for inclusion 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:



(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 style="list-style-type: none"> <li>Return on investment</li> <li>Business prospects</li> <li>Future roadmap</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <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 style="list-style-type: none"> <li>Return on investment</li> <li>Business prospects</li> <li>Future roadmap</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Board of Directors meetings</li> <li>Business updates and CEO reports</li> <li>Company events</li> </ul>
 Management	<ul style="list-style-type: none"> <li>Human capital</li> <li>Financial performance</li> <li>Production performance</li> <li>Business strategy</li> </ul>	<ul style="list-style-type: none"> <li>Continuous management progress meeting and reporting</li> <li>On-going interaction</li> <li>Company events</li> <li>ESG related briefings</li> </ul>
 Employees	<ul style="list-style-type: none"> <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 style="list-style-type: none"> <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 style="list-style-type: none"> <li>Product quality</li> <li>Reliable delivery</li> <li>Competitive prices</li> <li>Technical advancement</li> <li>Customer service and responsiveness</li> </ul>	<ul style="list-style-type: none"> <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 style="list-style-type: none"> <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 style="list-style-type: none"> <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 style="list-style-type: none"> <li>Impact of operations on surrounding environment</li> <li>Corporate social responsibility</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with local communities</li> <li>Provide job opportunities</li> <li>Pay attention to polluting emissions and effluents</li> </ul>
 Regulatory authorities	<ul style="list-style-type: none"> <li>Compliance with existing laws</li> <li>Standards and certification</li> </ul>	<ul style="list-style-type: none"> <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> <li>Member of Malaysia Semiconductor Industry Association</li> </ul>



# SUSTAINABILITY REPORT (CONT'D)

## Sustainability Matters

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

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

## United Nations 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 world.

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

Sustainability Matters	UN SDGs	Sustainability Initiatives
<b>Economic</b> <ul style="list-style-type: none"> <li>- Product Quality</li> <li>- Customer Satisfaction</li> <li>- Supply Chain Management</li> <li>- Innovation</li> <li>- Data Protection and Privacy</li> <li>- Corporate Governance and Ethics</li> </ul>		<ul style="list-style-type: none"> <li>• Deliver quality products and services</li> <li>• Meet customers' requirements and expectations</li> <li>• Promote local procurement</li> <li>• Practise the philosophy of Kaizen</li> <li>• Deliver financial values to shareholders such as growth in revenue and earnings and dividend pay out</li> <li>• No cases reported for data breach</li> <li>• Uphold the high standard of corporate governance and ethics</li> <li>• Established Code of Conduct and Whistle Blowing Policy</li> <li>• Established Anti-Bribery and Anti-Corruption Policy and conducted training for all employees</li> <li>• No cases reported for non-compliance with regulatory requirement</li> </ul>
<b>Environmental</b> <ul style="list-style-type: none"> <li>- Climate Change and Greenhouse Gas Emissions</li> <li>- Environmental Compliance</li> <li>- Energy Management</li> <li>- Waste Management</li> <li>- Water Management</li> </ul>		<ul style="list-style-type: none"> <li>• Accreditation of ISO 14001:2015 Environmental Management Systems</li> <li>• Installation of solar power system to reduce carbon footprint</li> <li>• Installation of electric vehicle ("EV") Charging Station</li> <li>• Advocate energy and paper conservation practise to reduce electricity and paper consumption</li> <li>• Compliance with local regulatory requirements for scheduled waste disposal</li> <li>• Recognition of climate change risk and opportunities</li> <li>• Adopting water management initiatives in water conservation</li> </ul>
<b>Workplace</b> <ul style="list-style-type: none"> <li>- Equal Employment Opportunities</li> <li>- Development and Talent Retention</li> <li>- Employee Benefits and Welfare</li> <li>- Human and Labour Rights</li> <li>- Occupational Safety and Health</li> </ul>		<ul style="list-style-type: none"> <li>• Provide employment with development and talent retention initiatives</li> <li>• Provide equal employment and career growth opportunities for all irrespective of race, religion and disabilities</li> <li>• Uphold human rights and support internationally proclaimed human rights</li> <li>• Support gender equality in our organisation where the women in leadership role comprises 24% of our workforce</li> <li>• Zero tolerance to discrimination and harassment</li> <li>• Zero cases reported for forced or child labour, grievances and discrimination on human right</li> <li>• Safety, Health and Environment ("SHE") Committee led by Group COO to oversight management of SHE</li> </ul>

# SUSTAINABILITY REPORT (CONT'D)

## United Nations Sustainable Development Goals (“SDGs”) (cont’d)

Sustainability Matters	UN SDGs	Sustainability Initiatives
<b>Local Communities</b> - Local Communities Employment - Corporate Social Responsibility	  	<ul style="list-style-type: none"> <li>Established UWC Scholarship Fund in 2017</li> <li>Community investment with total of approximately RM36,000 to non-profit organizations such as education institutions 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 several educational institutions</li> <li>Offer internship programme and hired 64 students in current year</li> </ul>

## ECONOMIC

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

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

### Marketplace

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

#### ► Product quality

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

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

- 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;
- to serve our customers better by helping them to reduce the number of suppliers to whom they outsource for their manufacturing needs; and
- 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.

# SUSTAINABILITY REPORT (CONT'D)

## ECONOMIC (CONT'D)

### ► **Product quality**

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

- 2007 Top 50 Enterprise Awards Malaysia under the category of Golden Award from Malaysia Entrepreneurs' Development Association
- 2008 Best On-Time Supplier Recognition Award from Harmer & Simmons Ltd
- 2012 Supplier Recognition Award from Teradyne
- 2014 Supplier Recognition Award from Agilent
- 2015 Sin Chew Business Excellence Award 2015 under the category of Product and Service Excellence
- 2016 Golden Eagle Award under the Excellent Eagles category from Nanyang Business Daily
- 2017 Outstanding Commitment and Support and New Product Introduction from Teradyne
- 2018 Strategic Partner Award from Manpower Department, Ministry of Human Resources Malaysia
- 2019 Supplier Recognition Award from Keysight for Best in Class Performance Quality
- 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)
- 2022 Supplier Recognition Award from Teradyne
- 2023 Malaysia Sustainability Excellence Award from KSI Strategic Institute for Asia Pacific



### ► **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.

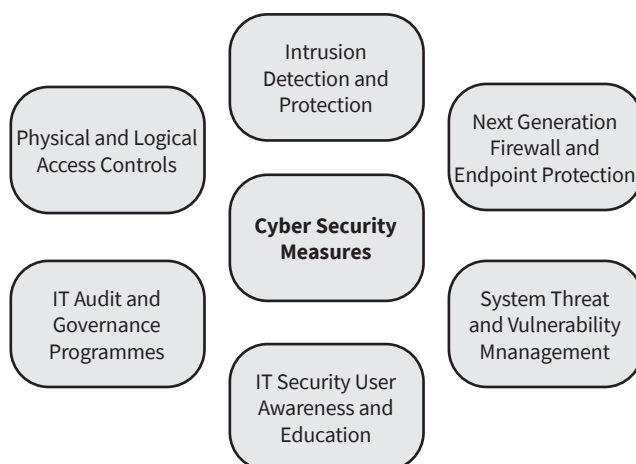
The Group has also signed a commitment in meeting responsible sourcing of conflict material in response to inhuman treatment in mining from the Republic of Congo and adjoining countries throughout their supply chain.

### ► **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.



# SUSTAINABILITY REPORT (CONT'D)

## ECONOMIC (CONT'D)

### ► **IT security and data privacy (cont'd)**

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

- Deployment of Next Generation Firewall, Endpoint Protection, Antimalware Systems, Access Management System throughout entire Infrastructure
- Data/traffic transmitted through our network is protected for any malicious activities attempting to exploit a known vulnerability and identify and prevent any suspicious activity to ensure detect and prevent the threat
- Apply system and application security patches and perform system vulnerability assessment regularly to prevent malicious attack via the exploitation of vulnerability to ensure maintained secure systems and environment
- Information Security awareness published in UWC Portal and constantly remind and share to employees to ensure that employees are aware of the security standard that need to adhere and maintain awareness of cyber risk
- Regular audit and governance assessment to ensure the robustness of entire IT system and infrastructure
- Limit and control of employee's access to data information and limit the number of privileged accounts 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 [www.uwcberhad.com.my](http://www.uwcberhad.com.my). We communicated these Code and Policies to all Directors and employees to ensure the uphold with our core value.

### ► **Board of Directors**

The Board of UWC 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.

In order to ensure the effective discharge of the Board's duties, the Board has established four committees, each with delegated specific responsibilities in discharging its duties:

- Audit Committee ("AC")
- Remuneration Committee ("RC")
- Nomination Committee ("NC")
- Risk Management Committee ("RMC")

In FY2023, the Board met five (5) times to deliberate and consider routine matters and significant issues requiring thorough deliberation. Attendance at the meetings of the Board and Board Committees was 100% as tabulated below:

Name	BOD	AC	RC	NC	RMC
<b>Executive Director</b>					
Dato' Ng Chai Eng	5/5	-	-	-	-
Dato' Lau Chee Kheong	5/5	-	-	-	-
<b>Independent Non-Executive Chairman</b>					
Dato' Wan Hashim Wan Jusoh	5/5	5/5	3/3	2/2	1/1
<b>Independent Non-Executive Director</b>					
Dato' F'ng Meow Cheng	5/5	5/5	3/3	2/2	1/1
Dato' Lio Chee Yeong	5/5	5/5	3/3	2/2	1/1
<b>Alternate Director</b>					
Dr. Ng Chin Liang	5/5	-	-	-	-

All Directors are subject to retire by rotation, at least once every three (3) years but shall be eligible for re-election in accordance with Clause 165.1 of the Company's Constitution. New Director appointed by the Board during the year, if any, is required to retire at the next AGM and stand for election by shareholders. The details regarding the Directors standing for re-election at the next AGM are contained in the Company's notice of AGM. At the AGM, shareholders are given the right to vote on the Director's re-election.

The AC assist the Board to review any related party transaction and conflict of interest situation that persist or may arise within the Group to mitigate any potential conflict of interest and safeguard the interest of the Group and its minority shareholders. During the year, 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.



# SUSTAINABILITY REPORT (CONT'D)

## ECONOMIC (CONT'D)

### ► **Board of Directors (cont'd)**

As at 31 July 2023, our board consists six (6) members which make up of two (2) Executive Directors, one (1) Independent Non-Executive Chairman, two (2) Independent Non-Executive Directors and one (1) Alternate Director. We have one (1) female director, equivalent to 17% of the Board as of year-end until the date of this Report. The Boards members are from various professional backgrounds and oversees the operations of the group. 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 will continue to review this Practice annually.

### ► **Code of Conduct**

Code of Conduct is formulated to reflect UWC corporate value on commitment of integrity, responsibility, diligence and professionalism. The Code sets 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 FY2023 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.

	FY2021	FY2022	FY2023
Number of staff disciplined or dismissed due to non-compliance with Anti-Bribery and Anti-Corruption Policy (Headcount)	0	0	0
Cost of fines, penalties, or settlements in relation to corruption (RM)	0	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.

### ► **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.



# SUSTAINABILITY REPORT (CONT'D)

## ECONOMIC (CONT'D)

### ► **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 FY2023, UWC is pleased to report zero incidents or claims of non-compliance 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.

UWC has Business Continuity Plan (“BCP”) Risk Assessment and Mitigating Action Plan for the catastrophic events, for instance natural disaster, disaster incidents such as fire, electrical failure and hazardous material explosion, information system, operation, material supply and disease. The mitigating or available control and contingency action are deliberated in the plan. The BCP Risk Assessment and Mitigating Action Plan is reviewed annually to ensure it is applicable and up-to-date following our latest business environment.

## ENVIRONMENT

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 it into two major categories as aligned with the classification of Task Force on Climate-Related Financial Disclosures (“TCFD”) framework as below:

- o Transition risks are the risks related to transition to a lower-carbon economy;
- o 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 style="list-style-type: none"> <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	<ul style="list-style-type: none"> <li>Changing customer or community perceptions of an organization’s transition to climate-neutral economy</li> </ul>
	Technological and industry risks	Medium	<ul style="list-style-type: none"> <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

# SUSTAINABILITY REPORT (CONT'D)

## ENVIRONMENT (CONT'D)

### Climate-Related Opportunities



Type	Description
Market	<ul style="list-style-type: none"> <li>Growing demand in electric vehicle ("EV") create business opportunities as UWC is in the product development of AC Emulator</li> </ul>
Resource Efficiency	<ul style="list-style-type: none"> <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> <li>Replace Inverter air compressor by phase</li> <li>Installation of timer for existing air conditioner</li> <li>Installation of Inverter air conditioner for new setup</li> <li>Installation of motion sensor for washroom's light</li> </ul>



Installation of EV Charging Station

### Greenhouse gas emission

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	Type	Source
Scope 1 	Direct	<ul style="list-style-type: none"> <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	<ul style="list-style-type: none"> <li>Consumption of electricity in operation</li> </ul>

GHG Emissions (tCO <sub>2</sub> e)	FY2021	FY2022	FY2023
Scope 1 <sup>(1)</sup>	1,421	1,437	958
Scope 2 <sup>(1)</sup>	3,152	4,078	4,288
Total GHG emissions	4,573	5,515	5,246
Reduction of GHG emissions from installation of solar power system	(800)	(801)	(764)

GHG Emissions Intensity (tCO <sub>2</sub> e/RM'000 revenue)	FY2021	FY2022	FY2023
GHG emissions intensity	0.0160	0.0160	0.0193

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

<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.

Approximately 82% of total GHG emissions from UWC's operations are attributable to Scope 2. The decrease in Scope 1 emissions in tonnes of carbon dioxide equivalent ("tCO<sub>2</sub>e"), as compared to FY2022 was due to UWC's relentless effort to reduce consumption of fuel and diesel in operation and vehicles as well as liquefied petroleum gas ("LPG") in the production, while partly affected by lower level of activities during the year. The increase in Scope 2 emissions resulted from higher electricity consumption is mainly attributable by Matang plant extension and complete running of cleanrooms as part of business expansion setup, these are expected to generate intended revenue over time to normalise the GHG emissions intensity. We monitor GHG emissions intensity which is defined as GHG emissions per RM thousand revenue, the GHG intensity ratio was 0.0193 in the current year.

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

- o To achieve 3% reduction in GHG emissions intensity in 2027 (5 years from FY2022) as compared to FY2022 as base year; and
- o 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.

# SUSTAINABILITY REPORT (CONT'D)

## ENVIRONMENT (CONT'D)

### ► **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. In order to further reduce the GHG emissions, UWC has replaced air-compressor with inverters by phases. Moreover, UWC has installed inverter air conditioner for new setup sites and motion sensor to trigger washroom's lighting as initiatives to reduce the GHG emissions.

Electricity Consumption	FY2021	FY2022	FY2023
Total electricity consumption (kWh)	5,388,436	6,970,092	7,329,637
Percentage of total kWh over total revenue (%)	1.89%	2.02%	2.70%

We consumed a total of 7,329,637 kWh of electricity in FY2023, representing an increase of 5% in our total energy consumption which was mainly caused by Matang plant extension and complete running of cleanrooms as part of business expansion setup. Electricity consumption has been buffered by installation of solar power system. The solar power system was able to save up to 1.37 million kWh of electricity during the year and this is equivalent to 932 tonnes of CO<sub>2</sub> equivalent reduction from Scope 2 emission of power plant. The total cost savings from installation of solar panel is approximately 13% of our electricity bills in current year.

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	FY2021	FY2022	FY2023
Metal waste recycled (tonne)	673.4	713.2	733.3
Metal waste non-recycled (tonne)	0	0	0

We recorded slight increase in waste generation as compared to prior years which was mainly due to a higher New Product Introduction ("NPI") activity, nonetheless still consciously 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)	FY2021	FY2022	FY2023
SW410	187	320	275
SW409	0	64	189
SW307	0	430	70
SW110	0	25	46



# SUSTAINABILITY REPORT (CONT'D)

## ENVIRONMENT (CONT'D)

### ► **Waste management (cont'd)**

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.

### ► **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	FY2021	FY2022	FY2023
Total no. of paper reams	3,433	3,904	2,995
No. of paper reams per employee per year	3.7	3.2	2.1

In 2023, our consumption of A4 paper is at 2,995 reams, which is equivalent to 180 trees. There is a notable decrease in average paper consumption per employee per year by 34.4%, from 3.2 reams to 2.1 reams. In addition, the lower paper consumption by headcount in FY2023 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 have 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	FY2021	FY2022	FY2023
Water withdrawal in water stressed regions	0	0	0
Water withdrawal from municipal water supply system (m <sup>3</sup> )	101,101	147,552	164,923
Percentage of total water withdrawal over total revenue (%)	0.0355%	0.0427%	0.0607%

The water consumption has increased over years from 101,101m<sup>3</sup> in FY2021 to 164,923m<sup>3</sup> in FY2023, meanwhile the percentage of total water withdrawal over total revenue increased as well. The surge in water withdrawal mainly arise from the operation activities carried out by UWC newly setup surface finishing treatment facilities which consume larger portion of water as compared to existing fabrication and assembly activities. We are endeavouring to look for initiatives in water conservation. During the year, we continue focus on tracking water leakage, increase the cognizant among the employees and encouraging environmentally sustainable practices in the plant. We performed maintenance 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.



# SUSTAINABILITY REPORT (CONT'D)

## ENVIRONMENT (CONT'D)

### ► 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.

### ► 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.

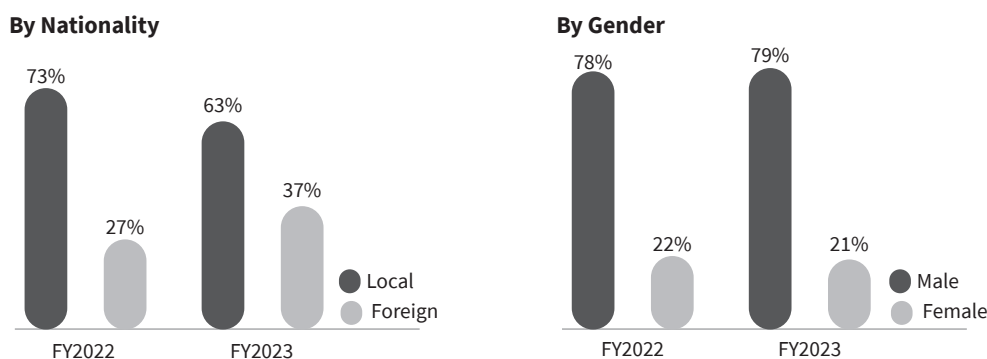
### Workplace

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 strive to offer competitive remuneration package which is comparable to the industry, as well as creating a healthy and conducive workplace. This strategy will provide us with a stable and productive workforce that contributes to our sustainability efforts. Furthermore, 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. We take initiatives continuously to improve workforce diversity, provide equal employment opportunities and diminish discrimination. 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.



	FY2021	FY2022	FY2023
Staff voluntary turnover rate	20.3%	22.5%	17.3%



# SUSTAINABILITY REPORT (CONT'D)

## SOCIAL (CONT'D)

### ► **Equal employment opportunity (cont'd)**

As at 31 July 2023, 21% of our total employees are female. On average, 63% of our employees are local hires comparing to 37% of foreign hires. During the year, we have net hiring of total 435 new employees. We saw 2022 and 2023 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. During the year, UWC have hired 46 employees who are under contract basis. The contract basis employees' rate is 3% out of the total headcounts during FY2023.

We are committed to hiring strategies that focus on local talent and development. We have given precedence to recruit Malaysian in our workplace. We are actively participating in various initiatives to hire unemployed individuals, early school leavers, former prisoners, aborigines as well as people with disabilities. During last year, we had participated in the Resident Reintegration Programme for inmates from Pusat Pemulihan Penagihan Narkotik ("PUSPEN") as a socially responsible alternative to reduce reliance on foreign workers. We also visited several Aborigine's (Orang Asli) Villages in Cameron Highlands and offered opportunities to address the unemployment woes in rural area. We acknowledge that local hiring and skills development can generate significant economic benefits for the communities.



Resident Reintegration Programme for inmates



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 personal development. Providing appropriate training to our employees will inspire better customer service, productivity improvements, amplified efficiency and enhanced workplace safety practices. Ultimately, we hope to step up business performance and profitability together with positive 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.

# SUSTAINABILITY REPORT (CONT'D)

## SOCIAL (CONT'D)

### ► Employee development and talent retention (cont'd)

#### 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.

#### 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 enhancement.
- 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 for his mentorship to the 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.

UWC had also established the UWC Toastmasters Club with the intention of cultivating employees to become better communicator and leader. Participating club members are trained in public speaking for various scenario purposes and impromptu speeches to navigate daily conversations. We trust employees had benefited from the program and able to apply these developed skills in communication, leadership, language, organising and teamwork to execute jobs with increased effectiveness.

# SUSTAINABILITY REPORT (CONT'D)

## SOCIAL (CONT'D)

### ► **Employee development and talent retention (cont'd)**

UWC trained staffs through curated internal or external development programs, OJT, comprehensive orientation, mandatory regulatory/compliance trainings, monthly seminars by prominent industry speakers, as well as open access to Talent-LMS on-line learning. During the year, total 2,893 courses were assigned to the learners through the Online LMS platform. A total of 1,450 employees had completed these trainings through the Online LMS platform.

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



UWC Toastmaster Class 2023

### ► **Compensations and benefits**

We adhere to the Employment Act, 1955 which is the main legislation governing labour matters in Malaysia. We ensure that employees' remuneration package 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 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 Benefits	Leave Provision	Employment Benefits	Employee Welfare Benefits	Facilities
<ul style="list-style-type: none"> <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 style="list-style-type: none"> <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 style="list-style-type: none"> <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> <li>Long Service Awards</li> </ul>	<ul style="list-style-type: none"> <li>Wedding congratulatory gift</li> <li>New-born baby gift</li> <li>Employee recommendation reward</li> </ul>	<ul style="list-style-type: none"> <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>Personal lockers</li> <li>Prayer rooms</li> <li>Refurbished rest area</li> <li>Transportation</li> </ul>



# SUSTAINABILITY REPORT (CONT'D)

## SOCIAL (CONT'D)

### ► **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 advocate unproductive 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 ensuring no excessive working hours through capacity building and workload distribution review. UWC has established UWC Sports Club as endeavour to look after employees' physical and mental health. The purpose of the club is to promote healthy life style after work. The club had organised Futsal, Badminton, Hiking, Table Tennis and Zumba sessions on weekly intervals as well an annual grand sports tournament. UWC Sports Club fostered great camaraderie and teamwork spirits amongst our employees.



### ► **Team Building**

UWC believe that team building is able to enhance the levels of collaboration and communication, bonding people closer together meaningfully, and positively recharge our employees. By catering time-off for employees to relax and spending quality moments with each other beyond office hours, we aim to cultivate a high performance corporate culture where employees will enjoy coming to work, trusting each other under common objectives and challenge their very best.



## SOCIAL (CONT'D)

### ► **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 with the support by the Sustainability Committee. At a strategic and operational level, human rights work is led by our Human Resources Manager while internal audit team monitors third-party compliance to the mandatory standards and regulations.

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.

Our human rights due diligence obligations are guided by the Code of Conduct. In order to identify potential improvements, our Human Resources team consult internal parties to formally gather their feedback that are then used to revise the Code of Conduct. Our human rights practices are clearly stated in our Code of Conduct and Employee Handbook and all employees are expected to adhere to these high standards that enshrines the following:

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

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.

# SUSTAINABILITY REPORT (CONT'D)

## SOCIAL (CONT'D)

### ► **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. Moreover, briefing of sexual harassment, discrimination and bullying topic are provided to newly joined employees during their orientation. Furthermore, the briefing has been provided to the existing employees through the annual Townhall meeting to raise awareness within the corporation.

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.



# SUSTAINABILITY REPORT (CONT'D)

## SOCIAL (CONT'D)

### ► **Employee engagement (cont'd)**

We endeavour to promote employee diversity and inclusion. UWC also embraces Malaysia's multicultural background by having employees regardless of ethnicity and races. As part of the effort in promoting multicultural harmony, all of our employees participate in multicultural celebrations together in UWC. 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. The major festivals celebrated by UWC with our employees are in conjunction with Hari Raya Aidilfitri, Chinese New Year, Deepavali and Christmas Day.

### ► **Recognition awards**

As an ongoing initiative to appreciate contributions by our employees, UWC rewards special gift items to employees with outstanding performances. During the UWC Outstanding Achievers Award ceremony, a total 111 employees were being recognised. The same was extended to UWC managerial staffs as they surpassed goals set and played pivotal roles in elevating the company onto next level of business scale, thus bringing UWC one step closer towards its' long-term mission.

### ► **Annual Dinner**

UWC proudly organized its' 33<sup>rd</sup> Anniversary Annual Dinner at PICCA Convention Centre within Butterworth Arena. This annual event serves as a needed pause in time for all to reflect on past achievements, show appreciation for dedication demonstrated, coming together to celebrate accomplishments and milestones achieved together. UWC also presented long service awards to employees who stayed on with the company since past many years of which their loyalty is what make our company thrived.

### ► **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
- Continuously minimize work hazards and environmental pollution.
- The training of subordinates in the proper use of equipment and safe working practices.
- The development of electrical, environmental, health, and safety consciousness.
- Securing full cooperation of all employees for the attainment of these objectives.
- 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, Dato' 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 devise and oversee 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.



# SUSTAINABILITY REPORT (CONT'D)

## SOCIAL (CONT'D)

### ► **Safety and health management (cont'd)**

#### **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.

#### **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:

	FY2021	FY2022	FY2023
No. of work-related illness	0	0	0
No. of injury incidents - Own staff	4	4	1
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 <sup>(1)</sup>	1.49	1.21	0.24

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

UWC is committed continue to achieving the following annual target for FY2024 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.

# SUSTAINABILITY REPORT (CONT'D)

## SOCIAL (CONT'D)

### ► *Safety and health management (cont'd)*

#### **Incident Response and Reporting (cont'd)**



Type of Injury	Causes	Corrective Action
Hand laceration	Happened when taking the tooling equipment from the rack	Provided training to all staffs within same team on safe method of handling tooling and punch dies

#### **Local Communities**

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 through 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 FY2023, the total amount of corporate donations and community investments made to communities and organizations was RM36,094.

### ► **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 practice-oriented 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"), University of Malaya and Wawasan Open University the courses covered from certificate to degree level. In FY2023, UWC awarded scholarship amounting to total RM210,000 to 8 students who study in different courses and fields such as electrical engineering and mechatronic engineering.

# SUSTAINABILITY REPORT (CONT'D)



## SOCIAL (CONT'D)

### 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 are integrated into the company after SPM and continue with TVET dual education and training programmes. In FY2023, we sponsor 17 students with sponsorship amount up to RM342,800 to support them pursue certificate or dual program (certificate and diploma) under TVET scholarship programmes.

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. Moreover, UWC had signed Memorandum of Understanding with University Tunku Abdul Rahman (“UTAR”) on 1 December 2022. The collaboration is to initiate joint projects involving collaborative research and share expertise, facilitate exchanges of ideas and facilities between the Parties.

Furthermore, UWC also signed Education Sponsorship Collaboration Agreement with University Tunku Abdul Rahman (“UTAR”) and Hua Lian High School on 13 April 2023 for sponsor to maximum 4 students per year to pursue the programmes of study in Bachelor of Electronic Engineering with Honours, Bachelor of Industrial Engineering with Honours, Bachelor of Technology (Honours) in Industrial Management and Bachelor of Technology (Honours) in Electronic Systems.

UWC also organized an Engineering Insight Day for the tertiary institutions, UTAR and KDU by offering their students a glimpse into the intriguing world of engineering. The event involved a series of purposeful activities including workshops, interviews and networking whereby UWC engineers were on hand to walk the students through the working life within UWC. The new-found exposure reinforced the students’ awareness about workplace etiquette beyond academia.

During the year, UWC is one of the pioneer academies in the country that has been accredited the National Dual Training System (“SLDN”), where we are the pioneer in Malaysia to establish Academy in industry. UWC SLDN Accredited Centre was launched on 12 January 2023 by Malaysia Productivity Commission. The SLDN programme offered by UWC has obtained recognition by the Malaysian education, International Trade and Industry, and Department of Skills Development (JPK). SLDN is a work-and-study scheme built upon the Academy in Industry (Aii) concept which encompasses practical trainings and theoretical learning within the training centre.

The SLDN program has also involved several talents of the Group to launch the program. The program is led by the Accredited Centre Manager & Trainer, Coordinator, Trainers and Coaches. The students who enrol in the programme will receive an allowance. The apprentice who completed the training will be awarded Malaysia Skills Certificate (SKM) Level Two and Three. The core objective of the SLDN is to produce a knowledge worker (K-Workers) which means that employee who possess three elements of competencies which are technical, social & humanitarian and methodologies & learning. By having the certificate, SLDN graduates are able to land a job with the technical skills obtained during the study or elect to pursue a higher level of study. UWC have 20 apprentices took part in the programme, 2 trainers and 2 coaches lead the programme.

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 64 students in various department that relevant to their course of study.

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

Moreover, we have organized UWC Industry Insight Day for high-school students that undergoing final year or penultimate year to experience working in the factory for a day. On top of that, to motivate students in STEM, we bring along these students’ parents to join UWC Industry Insight Day, whereby the parents will be able to observe actual factory operation throughout the day.

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 talent.





# SUSTAINABILITY REPORT (CONT'D)

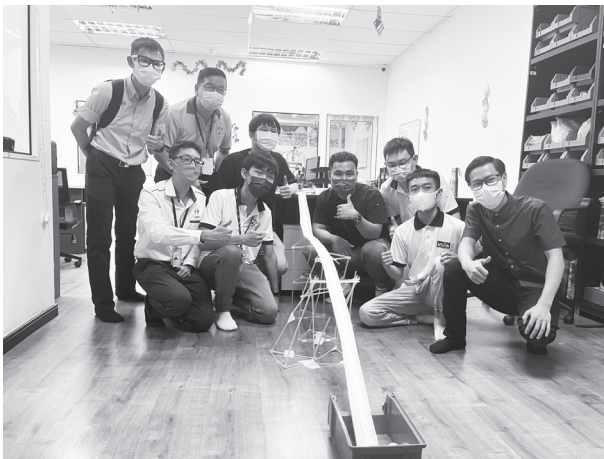
## SOCIAL (CONT'D)

### Local Communities (cont'd)

#### ► Education and employment opportunities (cont'd)



UWC Industry Insight Day with Parents



UWC Industrial Day for UTAR Engineering Students



# SUSTAINABILITY REPORT (CONT'D)

## SOCIAL (CONT'D)

### *Local Communities (cont'd)*

#### ► *Education and employment opportunities (cont'd)*



Industrial Visit from UOW Malaysia KDU Penang on 15 November 2022



UWC SLDN Accredited Centre – 1<sup>st</sup> Batch

# SUSTAINABILITY REPORT (CONT'D)

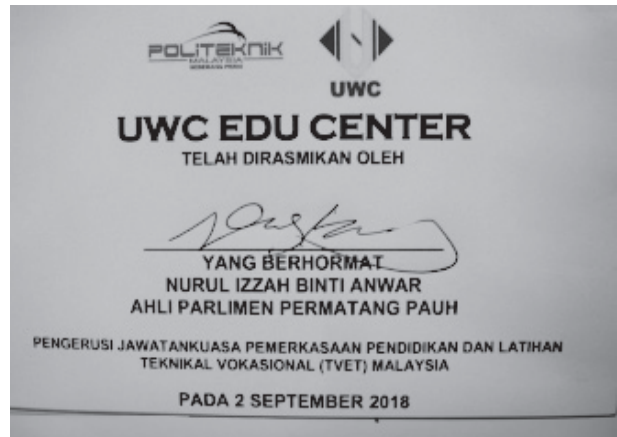
## SOCIAL (CONT'D)

### Local Communities (cont'd)

#### ► Education and employment opportunities (cont'd)



UWC Scholarship Fund established in 2017



UWC Education Center at Politeknik Malaysia in Seberang Perai



Memorandum of Understanding with MIU on 18 March 2022



Memorandum of Understanding with TAR UC on 15 July 2022



Memorandum of Understanding with UTAH on 01 December 2022



UWC SLDN Accredited Centre was launched on 12 January 2023



# SUSTAINABILITY REPORT (CONT'D)

## SOCIAL (CONT'D)

### Local Communities (cont'd)

#### ► Education and employment opportunities (cont'd)



Education Sponsorship Collaboration Agreement  
with UTAR and Hua Lian High School  
on 13 April 2023

#### ► Corporate social activities

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

##### **Charity Donation**

UWC donated RM10,000 to the Christian Federation of Malaysia (Penang) for the Charities of Penang 2022 in FY2023. Besides, UWC also sponsored some of the organization to support their events or activities during the year. These donations are helping the development of the local communities in various aspects including sports, education and costs of living. UWC look forward to these donations help to provide and develop better living standards and education system for the communities.

##### **Education Donation**

UWC donated 4 machines to TVET institutions in FY2023 to help the students accelerate their operation of the institution and learning process of the students. UWC also donated RM2,800 and RM5,000 to Binary University and HELP University respectively to facilitate the school events.

Donation of Cash to the Christian Federation  
of Malaysia (Penang)



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 2023. 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 Chief Executive Officer and Chief Operating Officer 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
a	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 realign the proportion of sales by shifting focus to increase the portfolio of other customer base.
c	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.
e	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.

## 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.



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

## INTERNAL AUDIT (cont'd)

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 2023 with audit scope and focus area on "Procurement Process and Human Resource". The internal audit findings and recommendations for improvement, including action plans agreed with operation level management, were reported to the AC on 20 June 2023.

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 UWC Industrial Sdn. Bhd.	The manufacturing of sheet metal fabrication, precision engineering parts, mechanical and electrical assembly of automated equipment.	<ul style="list-style-type: none"> <li>ISO 9001:2015 (Quality Management Systems)</li> <li>ISO 14001:2015 (The Environment Management Systems)</li> </ul>
	Contract manufacturing of sheet metal fabrication, precision engineering and mechanical parts for medical device and hospital furniture.	<ul style="list-style-type: none"> <li>ISO 13485:2016 (Medical Devices-Quality Management System)</li> </ul>
UWC Automation Sdn. Bhd.	Manufacturer of machining part.	<ul style="list-style-type: none"> <li>ISO 9001:2015 (Quality Management Systems)</li> <li>ISO 14001:2015 (The Environment Management Systems)</li> </ul>

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

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

## 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 29 November 2023.

# AUDIT COMMITTEE REPORT

## COMPOSITION AND DESIGNATION

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)

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

The AC Chairlady, Dato' F'ng 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](http://www.uwcberhad.com.my).

### 1.0 Objectives

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

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

### 2.0 Composition

- a. The AC of the Company shall be appointed from amongst the Board and shall comprise not less than three (3) members who fulfils the following requirements:
  - i. all the AC members must be non-executive directors, with all of them being independent directors; and
  - ii. have at least one (1) member who is a member of the 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.
- c. The Chairman, who shall be elected by the AC, shall be an Independent Director and shall not be the Chairman of the Board.
- d. In the event of any vacancy resulting in non-compliance with the terms of reference hereof, the vacancy must be filled within three (3) months.
- e. The term of office and 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.



# AUDIT COMMITTEE REPORT (CONT'D)

## TERMS OF REFERENCE (cont'd)

### 3.0 Functions And Duties

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

- i. the adequacy of the experience and resources of the accounting firm;
  - ii. the persons assigned to the audit;
  - iii. the accounting firm's audit engagements;
  - iv. the size and complexity of the Group being audited; and
  - v. the number and experience of supervisory and professional staff assigned to the particular audit;
- to also consider the performance of the External Auditors and its independence such as:
- i. the auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
  - ii. the nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and
  - iii. whether there are procedures in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or length of service tenure of the External Auditors;
- 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;



# AUDIT COMMITTEE REPORT (CONT'D)

## TERMS OF REFERENCE (cont'd)

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

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

# AUDIT COMMITTEE REPORT (CONT'D)

## TERMS OF REFERENCE (cont'd)

### 4.0 Rights

The AC shall:

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

### 5.0 Meetings

- a. The AC shall meet at least four (4) times in each financial year. The quorum for a meeting shall be two (2) members. Additional meetings may be conducted if the need arises.
- b. A circular resolution in writing signed by the members of the AC who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the AC duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the AC and shall include signed copies via legible facsimile transmission or other written electronic means.
- c. Any member of the AC may participate in any meeting of the AC via telephone conferencing, video conferencing or by means of any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- d. The Company Secretary or any other person approved by the AC shall act as the Secretary of the AC and shall attend all meetings and minute the proceedings thereof.
- e. The Chairman shall upon request of the Internal or External Auditors convene a meeting of the AC to consider any matter the Internal or External Auditors believe should be brought to the attention of the AC members or shareholders.
- f. The External Auditors, the Head of Finance and the Head of Internal Audit shall attend any meeting of the AC at the invitation of the AC.
- g. The Audit Committee should meet with the External Auditors without Executive Directors or management representatives present at 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.

# AUDIT COMMITTEE REPORT (CONT'D)

## TERMS OF REFERENCE (cont'd)

### 8.0 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; and
- b. Statement about the state of risk management and internal controls of the Group.

### 9.0 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 2023, 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.

During the year, the AC had considered the acquisition of entire 100% equity stake in UWC Technology Sdn. Bhd. (formerly known as Surfplate Technology Sdn. Bhd.) from Dato' Ng Chai Eng and Dato' Lau Chee Kheong for total cash consideration of RM1.33 million ("UWCTech Acquisition"). Dato' Ng Chai Eng and Dato' Lau Chee Kheong are Directors and the major shareholders of the Company. After ascertaining that the UWCTech Acquisition is fair, reasonable, entered into on normal commercial terms not less favourable to third party, in the best interest of the Company and the Group and not detrimental to the interest of the minority shareholders, the AC authorised the UWCTech Acquisition.

### b. Reviewing FYE 2023 External Audit Planning Memorandum and the Independence of the External Auditors

Private sessions were held between the AC and the External Auditors on 6 September 2022, 23 November 2022 and 20 June 2023 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.



# AUDIT COMMITTEE REPORT (CONT'D)

## SUMMARY OF ACTIVITIES (cont'd)

### c. Reviewing FYE 2022 Audited Financial Statements

The AC has reviewed the Audited Financial Statements for the financial year ended 31 July 2022 together with the Reports of Directors and Auditors on 23 November 2022 before presentation to the Board for approval and for release to the authorities and public.

### d. Reviewing the Interim Financial Results

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

### e. Reviewing the Internal Audit Functions

The AC has reviewed and approved the Internal Audit Plans FYE 2023 presented by Internal Auditor on 20 December 2022. The Internal Auditor reported its findings together with the management action plan and recommendations to the AC for review on 20 June 2023. 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.

During the year, the AC endorsed the set-up of an in-house internal audit team. The primary purposes of the in-house internal audit team are to supplement the internal audit services of KPMG Management & Risk Consulting Sdn. Bhd. and to undertake ad-hoc internal audit engagements requested by the management.

### 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 2022 on 23 November 2022.

## INTERNAL AUDIT FUNCTION

During the FYE 2023, 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 2023 was RM27,500.

The internal audit engagement is led by an Executive Director, namely Encik Mohd Khaidzir Shahari who is with the Governance, Risk and Compliance Services ("GRCS") 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	Procurement Process and Human Resource	13 June 2023

Findings arising from the internal audit exercise were reported and discussed at the AC meeting on 20 June 2023.



# 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 [www.uwcberhad.com.my](http://www.uwcberhad.com.my).

### 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 ("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 not less 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:

- a. 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)

- b. where there is a vacancy in Board seat or a need to add additional director on Board, to search across a diverse candidate pool, then identify, nominate and make recommendations to the Board, the appointment of new candidates to the Board, based on recruitment criteria set by the Board;
- c. to recommend to the Board, candidates to fill memberships in the Board Committees; and
- d. to ensure that new appointees to the Board undergo Mandatory Accreditation Programme as prescribed by Bursa Malaysia Securities Berhad ("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:

- a. 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;
- b. 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, employees and external parties.
- b. The NC may obtain independent professional or other external advice at the expense of the Company, with prior consent of the Board.

# NOMINATION COMMITTEE STATEMENT (CONT'D)

## TERMS OF REFERENCE (cont'd)

### 5.0 Meetings

- 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 2023, there were two (2) meetings held. These meetings were attended by all members of the NC.

## SUMMARY OF ACTIVITIES

On 23 November 2022, the NC reviewed its terms of reference in alignment with the requirements of Main Market Listing Requirements ("MMLR") of Bursa Securities in relation to NC.

On 12 September 2023, 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 MMLR 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' Lau Chee Kheong and Dato' F'ng Meow Cheng, 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 2023. 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.

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 ("Bursa Securities"), 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 2023, 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.

The Directors have also ensured that the Group's quarterly reports and annual audited financial statements are promptly released to Bursa Securities in order to keep the investing public well-informed of the Group's latest performance and developments.

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 2023 ("FYE 2023") by the Company's Auditors are as follows:

Category	Audit Fees (RM)	Non-Audit Fees (RM)*
Company	40,500	8,100
Subsidiaries	86,600	26,560
	127,100	34,660

\* Non-audit fees comprise of review of Statement on Risk Management and Internal Control, tax fee and Agreed-Upon Procedure Engagements.

### 2. RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions of revenue or trading nature conducted pursuant to shareholders' mandate during FYE 2023.

### 3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests during FYE 2023.

# FINANCIAL STATEMENTS

## 75 - 80 Directors' Report

### 81 Statement by Directors

### 81 Statutory Declaration

## 82 - 84 Independent Auditors' Report

### 85 Statements of Financial Position

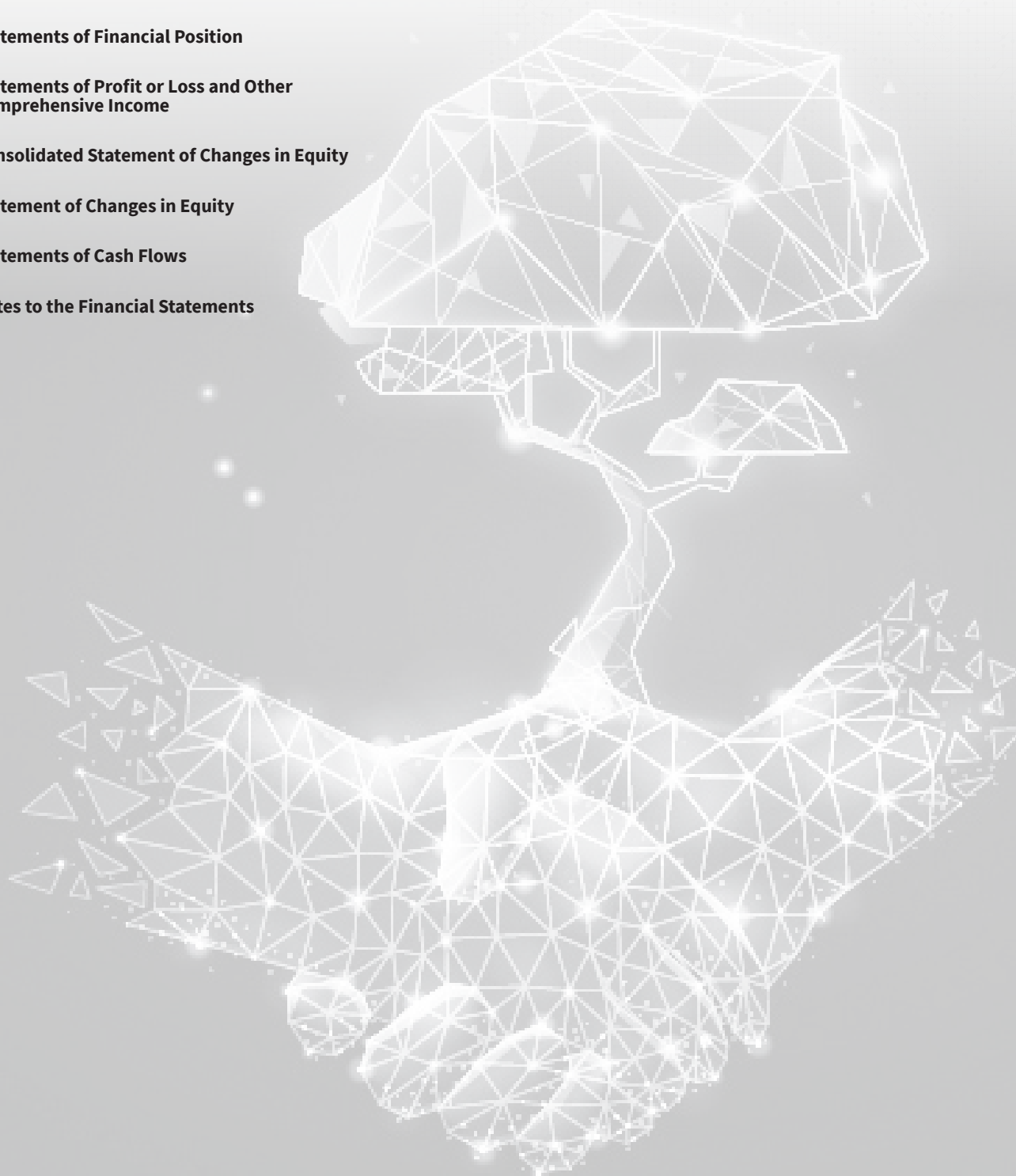
### 86 Statements of Profit or Loss and Other Comprehensive Income

## 87-88 Consolidated Statement of Changes in Equity

### 89 Statement of Changes in Equity

## 90 - 91 Statements of Cash Flows

## 92 - 130 Notes to the Financial Statements



# DIRECTORS' REPORT

## FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

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 2023.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are mainly provision of precision sheet metal fabrication, precision machined components, value-added assembly services and other related activities. Further details of the subsidiaries are set out 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	<u>53,826,148</u>	<u>4,687,117</u>
Attributable to:		
Owners of the parent	55,021,995	4,687,117
Non-controlling interests	<u>(1,195,847)</u>	<u>0</u>
	<u>53,826,148</u>	<u>4,687,117</u>

### 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 2022:	
Interim single-tier dividend of RM0.0291 per ordinary share, declared on 6 September 2022, paid on 5 October 2022	<u>32,049,722</u>

The Directors do not recommend any payment of dividend for the financial year ended 31 July 2023.

### RESERVES AND PROVISIONS

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

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 1,101,365,006 to 1,101,667,206 by way of issuance of 302,200 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.



# DIRECTORS' REPORT (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

### 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 as follows:

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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.

During the financial year, the Company granted 276,100 shares under the SGS to eligible Executive Directors and employees of the Group. The outstanding share grants at the end of the financial year are to be vested on specific dates in the following periods:

- (i) The 2020 grant is to be vested within 6 years.
- (ii) The 2023 grant is to be vested within 2 years.

### 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 \*

Dato' 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)

\* This Director of the Company is also Director of the subsidiaries of the Company.

Subsidiaries of UWC Berhad (excluding those who are listed above)

Tan Kean Hean

Yeap Hock Chye

Tang Chee Seng

Khor Say Yin @ Xu Shiyin



# DIRECTORS' REPORT (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

### 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 2023 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 1.8.2022	Bought	Sold	Balance as at 31.7.2023
Shares in the Company				
<u>Indirect interests:</u>				
Dato' Ng Chai Eng	88,578,938	0	(5,500,000)	83,078,938
Dato' Lau Chee Kheong	87,976,938	0	(5,500,000)	82,476,938
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)	375,200	27,400	0	402,600
<u>Indirect interests:</u>				
Dato' Ng Chai Eng *	578,742,206	27,400	(24,959,000)	553,810,606
Dato' Lau Chee Kheong #	578,367,006	0	(24,959,000)	553,408,006

\* 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 1.8.2022	Granted	Forfeited	Exercised	Balance as at 31.7.2023
Shares in the Company					
Dr. Ng Chin Liang (Alternate Director to Dato' Ng Chai Eng)	70,400	14,400	(14,400)	(15,400)	55,000

By virtue of Dato' Ng Chai Eng's and Dato' 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.

### 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) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the following:

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

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



# DIRECTORS' REPORT (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

### DIRECTORS' REMUNERATION

The fees and other benefits of Directors who have held office during the financial year ended 31 July 2023 were as follows:

	Group RM	Company RM
Fees	144,000	144,000
Salaries and other emoluments	4,468,130	12,000
Contributions to defined contribution plan	293,916	0
Share grant scheme	2,280	0
Other benefits	9,776	0
	<u>4,918,102</u>	<u>156,000</u>

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

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

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

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

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
  - (i) 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
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

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

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

# DIRECTORS' REPORT (CONT'D)

## FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

### 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.

#### SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 28 April 2023, the Company had completed the acquisition of 100% of equity interest in UWC Technology Sdn. Bhd. ('UWCT') (formerly known as Surfplate Technology Sdn. Bhd.) for a purchase consideration of RM1,330,000.

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

On 22 September 2023, the Company had entered into a Sale and Purchase Agreement with Meta Health Limited ('META') for the proposed acquisition of 3,825,000 ordinary shares in MCE Technologies Sdn. Bhd. ('MCET'), representing 51% equity interest in MCET and 100% equity interest in MCT (Thailand) Co., Ltd, which is a wholly-owned subsidiary of MCET, for a total cash consideration of SGD2,719,075 (equivalent to RM9,323,709).

The proposed acquisition was completed on 8 November 2023 and the companies became subsidiaries of UWC Berhad.

#### HOLDING COMPANY

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

#### AUDITORS

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 2023 amounted to RM40,500 and RM86,600 respectively.

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

---

**Dato' Ng Chai Eng**  
Director

Penang  
29 November 2023

---

**Dato' Lau Chee Kheong**  
Director



## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 85 to 130 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2023 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

---

**Dato' Ng Chai Eng**  
Director

Penang  
29 November 2023

---

**Dato' Lau Chee Kheong**  
Director

## STATUTORY DECLARATION

I, Dr. Ng Chin Liang (CA 42709), being the Director primarily responsible for the financial management of UWC Berhad, do solemnly and sincerely declare that the financial statements set out on pages 85 to 130 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the  
abovenamed at Georgetown in the State of  
Penang this 29 November 2023

**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 2023 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 85 to 130.

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 2023, 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 2023 were RM59,772,083 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:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

# 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):

- (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.
- (e) 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.
- (f) 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 subsidiary 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.

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

Penang  
29 November 2023

**Goh Chee Beng**  
03535/11/2024 J  
Chartered Accountant



# STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	127,370,296	112,724,752	0	0
Right-of-use assets	6	48,320,038	46,917,721	0	0
Investments in subsidiaries	7	0	0	109,787,892	64,922,233
Investment in an associate	8	0	91,096	0	3
		<u>175,690,334</u>	<u>159,733,569</u>	<u>109,787,892</u>	<u>64,922,236</u>
<b>Current assets</b>					
Inventories	9	63,373,491	64,292,251	0	0
Trade and other receivables	10	74,839,572	172,981,376	5,876,951	90,039,483
Contract assets	11	579,263	43,497	0	0
Other investments	12	36,828,183	20,012,414	7,900,000	0
Current tax assets		16,834,695	819,437	91,121	63,666
Cash and bank balances	13	95,746,517	39,605,371	5,459,366	675,362
		<u>288,201,721</u>	<u>297,754,346</u>	<u>19,327,438</u>	<u>90,778,511</u>
<b>TOTAL ASSETS</b>		<u>463,892,055</u>	<u>457,487,915</u>	<u>129,115,330</u>	<u>155,700,747</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	14	120,182,983	119,409,431	120,182,983	119,409,431
Reserves	15	299,875,690	276,903,640	8,843,425	36,206,030
		<u>420,058,673</u>	<u>396,313,071</u>	<u>129,026,408</u>	<u>155,615,461</u>
Non-controlling interest		2,182,451	1,207,843	0	0
<b>TOTAL EQUITY</b>		<u>422,241,124</u>	<u>397,520,914</u>	<u>129,026,408</u>	<u>155,615,461</u>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	16	905,668	0	0	0
Government grants	17	27,831	1,206,001	0	0
Lease liabilities	6	3,106,550	4,000,499	0	0
Deferred tax liabilities	18	9,745,416	8,520,400	0	0
		<u>13,785,465</u>	<u>13,726,900</u>	<u>0</u>	<u>0</u>
<b>Current liabilities</b>					
Trade and other payables	19	25,560,962	38,306,964	88,922	85,286
Borrowings	16	95,439	1,134,143	0	0
Government grants	17	1,178,170	1,178,170	0	0
Lease liabilities	6	1,029,920	947,147	0	0
Current tax liabilities		975	4,673,677	0	0
		<u>27,865,466</u>	<u>46,240,101</u>	<u>88,922</u>	<u>85,286</u>
<b>TOTAL LIABILITIES</b>		<u>41,650,931</u>	<u>59,967,001</u>	<u>88,922</u>	<u>85,286</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>463,892,055</u>	<u>457,487,915</u>	<u>129,115,330</u>	<u>155,700,747</u>

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 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	21	271,744,137	345,630,969	5,353,600	34,636,480
Other operating income		6,652,672	8,201,888	77,032	71,957
Changes in inventories of finished goods and work-in-progress		(2,431,682)	(5,258,624)	0	0
Raw materials and consumables used		(82,805,753)	(97,677,706)	0	0
Employee benefits	22	(73,594,861)	(61,300,968)	(156,000)	(154,000)
Depreciation		(18,289,490)	(15,576,583)	0	0
Net gains/(losses) on impairment of trade and other receivables		211,299	(404,720)	0	0
Other operating expenses		(33,351,948)	(33,614,551)	(569,144)	(405,627)
Shares of profit of an associate, net of tax	8(c)	0	2,607	0	0
Profit from operations		68,134,374	140,002,312	4,705,488	34,148,810
Finance costs	23	(258,765)	(266,584)	0	0
Profit before tax		67,875,609	139,735,728	4,705,488	34,148,810
Tax expense	24	(14,049,461)	(32,962,209)	(18,371)	(16,134)
<b>Profit for the financial year</b>		<b>53,826,148</b>	<b>106,773,519</b>	<b>4,687,117</b>	<b>34,132,676</b>
<b>Other comprehensive income</b>					
<b>Item that may be reclassified subsequently to profit or loss</b>					
Foreign currency translation		(223)	0	0	0
Total comprehensive income		<u>53,825,925</u>	<u>106,773,519</u>	<u>4,687,117</u>	<u>34,132,676</u>
Profit for the financial year and total comprehensive income attributable to:					
Owners of the parent		55,021,995	106,942,305	4,687,117	34,132,676
Non-controlling interests		(1,195,847)	(168,786)	0	0
		<u>53,826,148</u>	<u>106,773,519</u>	<u>4,687,117</u>	<u>34,132,676</u>
Total comprehensive income attributable to:					
Owners of the parent		55,021,772	106,942,305	4,687,117	34,132,676
Non-controlling interests		(1,195,847)	(168,786)	0	0
		<u>53,825,925</u>	<u>106,773,519</u>	<u>4,687,117</u>	<u>34,132,676</u>
Earnings per share attributable to owners of the parent					
Basic (sen)	27(a)	<u>4.99</u>	<u>9.71</u>		
Diluted (sen)	27(b)	<u>4.99</u>	<u>9.70</u>		

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



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

Group	Note	Share capital RM	Reorganisation debit reserve RM	Exchange translation reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non- controlling interest RM	Total equity RM
Balance as at 1 August 2022		119,409,431	(56,225,600)	0	333,129,240	396,313,071	1,207,843	397,520,914
Profit/(Loss) for the financial year		0	0	0	55,021,995	55,021,995	(1,195,847)	53,826,148
Foreign currency translation		0	0	(223)	0	(223)	0	(223)
Total comprehensive income/(loss)		0	0	(223)	55,021,995	55,021,772	(1,195,847)	53,825,925
<b>Transactions with owners:</b>								
Acquisition of shares by non-controlling interest	26	0	0	0	0	0	2,170,455	2,170,455
Dividend paid		0	0	0	(32,049,722)	(32,049,722)	0	(32,049,722)
Issuance of ordinary shares pursuant to Share Grant Scheme	14	773,552	0	0	0	773,552	0	773,552
Total transactions with owners		773,552	0	0	(32,049,722)	(31,276,170)	2,170,455	(29,105,715)
Balance as at 31 July 2023		120,182,983	(56,225,600)	(223)	356,101,513	420,058,673	2,182,451	422,241,124

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

Group	Note	Share capital RM	Reorganisation debit reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non- controlling interest RM	Total equity RM
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
<b>Transaction with owners:</b>							
Acquisition of shares by non-controlling interest		0	0	0	0	1,300,030	1,300,030
Dividend paid	26	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		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

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



# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

Company	Note	Share capital RM	Retained earnings RM	Total equity RM
Balance as at 1 August 2022		119,409,431	36,206,030	155,615,461
Profit for the financial year		0	4,687,117	4,687,117
Other comprehensive income, net of tax		0	0	0
Total comprehensive income		0	4,687,117	4,687,117
<b>Transactions with owners:</b>				
Dividend paid	26	0	(32,049,722)	(32,049,722)
Issuance of ordinary shares pursuant to Share Grant Scheme	14	773,552	0	773,552
Total transactions with owners		773,552	(32,049,722)	(31,276,170)
Balance as at 31 July 2023		120,182,983	8,843,425	129,026,408
Balance as at 1 August 2021		116,363,862	20,453,918	136,817,780
Profit for the financial year		0	34,132,676	34,132,676
Other comprehensive income, net of tax		0	0	0
Total comprehensive income		0	34,132,676	34,132,676
<b>Transactions with owners:</b>				
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

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



# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		67,875,609	139,735,728	4,705,488	34,148,810
Adjustments for:					
Amortisation of government grants	17	(1,178,170)	(1,178,170)	0	0
Net (gains)/losses on impairment of:					
- trade receivables	10(g)	(226,256)	389,418	0	0
- other receivables	10(h)	14,957	15,302	0	0
Depreciation of property, plant and equipment	5	16,489,766	14,263,251	0	0
Depreciation of right-of-use assets	6	1,799,724	1,313,332	0	0
Dividend income	21	0	0	(5,353,600)	(34,636,480)
Gain on fair value adjustment on other investment	12(c)	(271,927)	(115,005)	0	0
Interest expense	23	258,765	266,584	0	0
Interest income		(2,903,880)	(331,651)	(77,020)	(71,957)
(Gain)/Loss on disposal of property, plant and equipment		(257,406)	61,256	0	0
Share grant expenses		773,552	3,045,569	0	0
Share of profit of an associate	8(c)	0	(2,607)	0	0
Unrealised loss/(gain) on foreign exchange		633,175	(1,198,037)	0	0
Operating profit/(loss) before changes in working capital		83,007,909	156,264,970	(725,132)	(559,627)
Decrease/(Increase) in inventories		918,760	(10,881,307)	0	0
Decrease/(Increase) in trade and other receivables		97,116,131	(85,619,226)	16,579,653	(10,919,726)
(Increase)/Decrease in contract assets		(535,766)	10,760	0	0
(Decrease)/Increase in trade and other payables		(13,426,274)	7,409,175	3,636	22,884
Cash generated from/(used in) operations		167,080,760	67,184,372	15,858,157	(11,456,469)
Interest paid		(49,357)	(58,522)	0	0
Tax paid		(33,599,607)	(33,181,936)	(45,826)	(66,300)
Tax refunded		87,202	0	0	0
Net cash from/(used in) operating activities		133,518,998	33,943,914	15,812,331	(11,522,769)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Acquisition of interest in subsidiary		0	0	(4,792,105)	(1,500,070)
Acquisition of subsidiary, net of cash and cash equivalents acquired	7(c)	(1,312,456)	0	0	0
Dividends received		0	0	33,636,480	20,353,600
Interest received		2,661,378	331,651	77,020	71,957
Proceeds from disposal of property, plant and equipment		453,853	658,306	0	0
Proceeds from disposal of other investments		8,598,660	2,300,000	0	0
Purchase of other investments		(24,900,000)	(2,500,000)	(7,900,000)	0
Purchase of property, plant and equipment	5	(31,331,757)	(18,382,090)	0	0
Purchase of right-of-use assets	6(h)	(31,200)	(28,959,712)	0	0
Proceeds from subscription of equity interest by non-controlling interest		2,170,455	1,300,000	0	0
Net cash (used in)/from investing activities		(43,691,067)	(45,251,845)	21,021,395	18,925,487



# STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividends paid	26	(32,049,722)	(18,380,564)	(32,049,722)	(18,380,564)
Proceed from banker acceptance		7,000,000	0	0	0
Repayment of banker acceptance		(7,000,000)	0	0	0
Repayment of term loans		(1,152,884)	(1,496,169)	0	0
Payments of lease liabilities	6(f)	(1,191,425)	(911,500)	0	0
Net cash used in financing activities		<u>(34,394,031)</u>	<u>(20,788,233)</u>	<u>(32,049,722)</u>	<u>(18,380,564)</u>
Net increase/(decrease) in cash and cash equivalents		55,433,900	(32,096,164)	4,784,004	(10,977,846)
Effect of exchange rate changes		707,246	3,022	0	0
Cash and cash equivalents at beginning of financial year		<u>39,605,371</u>	<u>71,698,513</u>	<u>675,362</u>	<u>11,653,208</u>
Cash and cash equivalents at end of financial year	13	<u>95,746,517</u>	<u>39,605,371</u>	<u>5,459,366</u>	<u>675,362</u>

## RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 6) RM	Term loans (Note 16) RM
Balance as at 1 August 2022	4,947,646	1,134,143
Cash flows	(1,191,425)	(1,152,884)
Non-cash flows:		
- additions	170,841	0
- acquisition of a subsidiary	0	1,019,848
- unwinding of interest	209,408	0
Balance as at 31 July 2023	<u>4,136,470</u>	<u>1,001,107</u>
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	<u>4,947,646</u>	<u>1,134,143</u>

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

# NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2023

## 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 2023 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 29 November 2023.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are mainly provision of precision sheet metal fabrication, precision machined components, value-added assembly services and other related activities. Further details of the subsidiaries are set out 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.

## 4. OPERATING SEGMENTS

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

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.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 4. OPERATING SEGMENTS (CONT'D)

Within Segment II, the Group's revenue are disaggregated and reported by industries as follows:

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

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).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 4. OPERATING SEGMENTS (CONT'D)

	Segment I	Segment II				
	Investment holding RM	Semi-conductor RM	Life science and medical technology RM	Others RM	Total RM	Aggregate Total RM
2023						
Revenue from external customers	0	177,923,969	68,693,038	25,127,130	271,744,137	271,744,137
Inter-segment revenue	5,353,600	82,503,540	0	196,350	82,699,890	88,053,490
Total revenue	5,353,600	260,427,509	68,693,038	25,323,480	354,444,027	359,797,627
Interest income	77,020				2,826,860	2,903,880
Finance costs	0				(258,765)	(258,765)
Net finance income	77,020				2,568,095	2,645,115
<b>Segment profit before tax</b>	<b>4,705,488</b>				<b>68,796,966</b>	<b>73,502,454</b>
						<b>(5,626,845)</b>
						<b>67,875,609</b>
Tax expense						(14,049,461)
Other material non-cash items:						
- amortisation of government grants	0				1,178,170	1,178,170
- depreciation of investment property	0				(109,269)	(109,269)
- depreciation of property, plant and equipment	0				(16,415,544)	(16,415,544)
- depreciation of right-of-use assets	0				(1,765,113)	(1,765,113)
- net gains on impairment of trade and other receivables	0				147,182	147,182
- share grant expenses	0				(773,552)	(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)
						0
						(773,552)
						211,299
						(773,552)
						0
						(773,552)</



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 4. OPERATING SEGMENTS (CONT'D)

	Segment I	Segment II				
	Investment holding RM	Semi-conductor RM	Life science and medical technology RM	Others RM	Total RM	Aggregate Total RM
2023 (cont'd)						
Additions to non-current assets other than financial instruments	44,092,108				31,560,925	75,653,033
						(44,119,235)
						31,533,798
<b>Assets</b>						
Segment assets	123,564,843				369,921,779	493,486,622
Current tax assets						351,310,843
						16,834,695
Cash and bank balances						95,746,517
						463,892,055
<b>Liabilities</b>						
Segment liabilities	88,922				62,479,569	62,568,491
Deferred tax liabilities						31,904,540
Current tax liabilities						9,745,416
						975
						41,650,931

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 4. OPERATING SEGMENTS (CONT'D)

	Segment I	Segment II					Aggregate Total	Eliminations	Consolidated
	Investment holding RM	Semi-conductor RM	Life science and medical technology RM	Heavy duty RM	Others RM	Total RM	RM	RM	RM
<b>2022</b>									
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	0	331,651
Finance costs	0					(269,297)	(269,297)	2,713	(266,584)
Net finance income	71,957					(9,603)	62,354	2,713	65,067
<b>Segment profit before tax</b>	<b>34,148,810</b>					<b>140,545,896</b>	<b>174,694,706</b>	<b>(34,961,585)</b>	<b>139,733,121</b>
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)
- net losses on impairment of trade and other receivables	0					(501,627)	(501,627)	96,907	(404,720)
- share grant expenses	0					(3,045,569)	(3,045,569)	0	(3,045,569)

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 4. OPERATING SEGMENTS (CONT'D)

	Segment I	Segment II				Total	Aggregate	Eliminations	Consolidated
		Investment holding	Semi-conductor	Life science and medical technology	Heavy duty				
	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>2022 (cont'd)</b>									
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	(212,460,465)	417,063,107
Current tax assets									819,437
Cash and bank balances									39,605,371
									<u>457,487,915</u>
<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
									<u>59,967,001</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 4. OPERATING SEGMENTS (CONT'D)

### (a) Geographical information

Segment revenue disaggregated based on geographical location of customers of the Group are as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Revenue from external customers</b>		
Malaysia	198,274,711	270,261,504
Singapore	40,622,237	28,431,904
United States	10,073,857	29,892,362
India	7,137,108	4,503,998
France	5,313,321	4,385,698
Netherlands	3,671,573	2,647,371
China	3,652,053	2,628,113
Others	2,999,277	2,880,019
	<u>271,744,137</u>	<u>345,630,969</u>

### (b) Major customers

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

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Customer A	106,682,981	181,969,235
Customer B	48,030,523	46,217,511
	<u>154,713,504</u>	<u>228,186,746</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 5. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings	Plant, machinery and equipment	Production equipment	Furniture, fittings, office equipment and computer system	Motor vehicles	Fire and electrical installation	Air conditioning	Security control systems	Renovation	Solar panel	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>31 July 2023</b>												
<b>At cost</b>												
Balance as at 1 August 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
Additions	0	14,743,099	1,424,703	1,413,442	149,622	71,393	36,432	17,502	1,034,546	7,400	12,433,618	31,331,757
Disposals	0	(402,948)	(16,200)	0	0	0	0	0	0	0	0	(419,148)
Reclassifications	0	563,814	526,508	33,300	0	48,130	11,068	0	921,514	0	(2,104,334)	0
Balance as at 31 July 2023	31,197,471	137,557,956	7,915,396	10,971,989	2,613,326	698,434	665,431	295,589	4,977,967	2,790,356	13,454,444	213,138,359
<b>Accumulated depreciation</b>												
Balance as at 1 August 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	69,500,998
Current charge	519,959	12,348,354	691,889	1,314,170	281,244	66,198	63,707	28,461	897,057	278,727	0	16,489,766
Disposals	0	(221,621)	(1,080)	0	0	0	0	0	0	0	0	(222,701)
Balance as at 31 July 2023	2,446,087	69,063,764	2,642,421	6,659,918	1,841,635	138,373	203,677	131,827	1,642,705	997,656	0	85,768,063
<b>Carrying amount</b>												
Balance as at 31 July 2023	28,751,384	68,494,192	5,272,975	4,312,071	771,691	560,061	461,754	163,762	3,335,262	1,792,700	13,454,444	127,370,296



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Buildings		Plant, machinery and equipment		Production equipment		Furniture, fittings, office equipment and computer system		Motor vehicles		Fire and electrical installation		Air conditioning		Security control systems		Renovation		Solar panel		Capital work-in-progress		Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>31 July 2022</b>																								
<b>At cost</b>																								
Balance as at 1 August 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												
Additions	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												
<b>Accumulated depreciation</b>																								
Balance as at 1 August 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												
Current charge	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	69,500,998												
<b>Carrying amount</b>																								
Balance as at 31 July 2022	29,271,343	65,716,960	4,028,773	4,179,499	903,313	506,736	477,961	174,721	2,276,259	2,064,027	3,125,160	112,724,752												

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) 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.

- (c) As at the end of the previous financial year, building with a total carrying amount of RM18,819,299 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.

## 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### The Group as lessee

#### Right-of-use assets

Group	Leasehold land RM	Factory RM	Hostels RM	Motor vehicle RM	Total RM
<b>31 July 2023</b>					
<b>At cost</b>					
Balance as at 1 August 2022	44,055,473	6,137,865	72,236	0	50,265,574
Additions	0	0	46,041	156,000	202,041
Acquisition of a subsidiary	3,119,900	0	0	0	3,119,900
Balance as at 31 July 2023	47,175,373	6,137,865	118,277	156,000	53,587,515
<b>Accumulated depreciation</b>					
Balance as at 1 August 2022	1,888,579	1,421,666	37,608	0	3,347,853
Current charge	752,550	981,940	39,234	26,000	1,799,724
Acquisition of a subsidiary	119,900	0	0	0	119,900
Balance as at 31 July 2023	2,761,029	2,403,606	76,842	26,000	5,267,477
<b>Carrying amount</b>					
Balance as at 31 July 2023	44,414,344	3,734,259	41,435	130,000	48,320,038

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

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

#### Right-of-use assets (cont'd)

Group	Leasehold land RM	Factory RM	Hostels RM	Total RM
<b>31 July 2022</b>				
<b>At cost</b>				
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
<b>Accumulated depreciation</b>				
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
<b>Carrying amount</b>				
Balance as at 31 July 2022	42,166,894	4,716,199	34,628	46,917,721

#### Lease liabilities

Group	Factory RM	Hostels RM	Motor vehicle RM	Total RM
<b>31 July 2023</b>				
<b>Balance as at 1 August 2022</b>	4,911,382	36,264	0	4,947,646
Additions	0	46,041	124,800	170,841
Lease payments	(1,128,000)	(41,600)	(21,825)	(1,191,425)
Interest expense (Note 23)	201,393	2,327	5,688	209,408
Balance as at 31 July 2023	3,984,775	43,032	108,663	4,136,470
<b>31 July 2022</b>				
Balance as at 1 August 2021	3,645,381	40,048	0	3,685,429
Additions	1,236,664	18,598	0	1,255,262
Lease modifications	710,393	0	0	710,393
Lease payments	(887,500)	(24,000)	0	(911,500)
Interest expense (Note 23)	206,444	1,618	0	208,062
Balance as at 31 July 2022	4,911,382	36,264	0	4,947,646



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

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

#### Lease liabilities (cont'd)

	Group	
	2023	2022
	RM	RM
Represented by:	1,029,920	947,147
Current liabilities	3,106,550	4,000,499
Non-current liabilities	4,136,470	4,947,646
Lease liabilities owing to financial institutions	108,663	0
Lease liabilities owing to non-financial institutions	4,027,807	4,947,646
	4,136,470	4,947,646

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

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

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

Leasehold land	60 years
Factory	2 - 9 years
Hostels	2 - 5 years
Motor vehicle	5 years

- (c) As at the end of the reporting period, leasehold land with a total carrying amount of RM2,981,707 (2022: RM8,734,865) 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.

- (d) 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 low-value assets' exemptions for these leases.

- (e) The following are the amounts recognised in profit or loss:

	Group	
	2023	2022
	RM	RM
Depreciation charge of right-of-use assets	1,799,724	1,313,332
Interest expense on lease liabilities (included in finance costs)	209,408	208,062
Expense relating to short-term leases (included in other operating expenses)	1,196,802	595,424
Expense relating to leases of low-value assets (included in other operating expenses)	99,106	67,921
Variable lease payments (included in other operating expenses)	1,361,231	630,854
	4,666,271	2,815,593

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 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	
	2023	2022
	RM	RM
Included in net cash from/(used in) operating activities:		
Payments relating to:		
- short-term leases	1,196,802	595,424
- low value assets	99,106	67,921
- variable lease payments	1,361,231	630,854
	<u>2,657,139</u>	<u>1,294,199</u>
Included in net cash (used in)/from investing activities:		
Purchase of right-of-use assets	31,200	28,959,712
Included in net cash used in financing activities:		
Payment of lease liabilities	1,191,425	911,500
Total cash outflows for leases	<u>3,879,764</u>	<u>31,165,411</u>

(g) The Group has a lease contract for hostels 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	
	2023	2022
	RM	RM
Purchase of right-of-use assets	202,041	30,214,974
Financed by lease liabilities	(170,841)	(1,255,262)
Cash payments on purchase of right-of-use assets	<u>31,200</u>	<u>28,959,712</u>

(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	
	2023	2022
	RM	RM
Extension options expected not to be exercised		
- within five (5) years	<u>1,087,200</u>	<u>1,087,200</u>

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





# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 7. INVESTMENTS IN SUBSIDIARIES

	Group	
	2023	2022
	RM	RM
Unquoted shares, at cost	66,872,178	60,980,070
Redeemable preference shares ('RPS')	38,200,000	0
Equity contributions in subsidiaries in respect of share grant scheme	4,715,714	3,942,163
	<u>109,787,892</u>	<u>64,922,233</u>

(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:

Name of company	Country of incorporation/ Principal place of business	Effective ownership interest		Principal activities
		2023 %	2022 %	
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	51	Manufacturing of machinery, provision of sheet metal fabrication and finishing treatment
C Max Manufacturing Sdn. Bhd. #	Malaysia	70	70	Provision of precision sheet metal fabrication
WEPLUS Greentech Sdn. Bhd. #	Malaysia	51	^	To provide designing, manufacturing and engineering of related components for green technology
UWC Technology Sdn. Bhd. #	Malaysia	100	0	Manufacturing front end semiconductor equipment and components
UW-C Pte Ltd *	Singapore	100	0	Dormant
<u>Subsidiary of</u> <u>UWC Holdings Sdn. Bhd.</u>				
UWC Automation Sdn. Bhd. #	Malaysia	100	100	Provision of precision machined components

# Subsidiaries are audited by BDO PLT, Malaysia.

^ The change of equity interest is disclosed in Note 7(d)(iv) to the financial statements.

\* The results are consolidated based on the unaudited financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

### (c) Acquisition of a subsidiary

On 28 April 2023, the Company had acquired 100,000 ordinary shares in UWC Technology Sdn. Bhd. ('UWCT'), representing 100% equity interest in UWCT for a purchase consideration of RM1,330,000 ('Acquisition').

Fair value of the identifiable total assets and liabilities acquired and the effects on cash flows arising from the acquisition were as follows:

	<b>At date of acquisition RM</b>
Right-of-use assets	3,000,000
Other receivables	19,563
Cash and bank balances	17,544
Borrowings	(1,019,848)
Other payables	(687,259)
Total identifiable net assets	<u>1,330,000</u>

The effects of the acquisition on cash flows of the Group are as follows:

	<b>RM</b>
Consideration paid in cash	1,330,000
Less: Cash and cash equivalents of subsidiary acquired	(17,544)
Net cash outflows on the acquisition	<u>1,312,456</u>

The acquisition of UWCT was accounted for as an acquisition of assets.

### (d) Changes in investments in subsidiaries during the financial year are as follows:

#### (i) UWC Technology Sdn. Bhd. ('UWCT')

On 19 June 2023, UWCT further issued an additional 2,400,000 new ordinary shares of RM1 each. The Company further subscribed of 2,400,000 ordinary shares for a total consideration of RM2,400,000. Subsequently on 6 July 2023, the Company has further subscribed 1,000,000 Redeemable Preference Shares ('RPS') with total consideration of RM1,000,000. Pursuant to that, the equity interest in UWCT remained at 100%.

#### (ii) UWC Holdings Sdn. Bhd. ('UWCH')

On 1 July 2023, the Company has subscribed 6,000,000 RPS at an issue price of RM1.00 per share in its wholly-owned subsidiary, UWCH by way of capitalisation of amount owing by subsidiary amounted to RM6,000,000. Pursuant to that, the equity interest of the Company in UWCH remained at 100%.

#### (iii) USurface Technology Sdn. Bhd. ('USurface')

Previously, on 10 February 2022, the Company incorporated USurface with paid-up share capital of RM100 comprising of 100 ordinary shares. The Company subscribed 51 ordinary shares for a total consideration of RM51. Subsequently on 20 June 2022, USurface further issued an additional 1,999,990 new ordinary shares of RM1.00 each. The Company further subscribed 1,019,949 ordinary shares for a total consideration of RM1,019,949.

On 20 July 2023, the Company subscribed 2,040,000 ordinary shares at an issue price of RM1.00 per share in USurface by way of capitalisation of amount owing by subsidiary amounted to RM2,040,000. Pursuant to that, the equity interest of the Company remained at 51%.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Changes in investments in subsidiaries during the financial year are as follows: (cont'd)

(iv) WEPLUS Greentech Sdn. Bhd. ('WEPLUS')

On 9 August 2022, the Company acquired additional 60,902 ordinary shares in WEPLUS, by way of acquiring 29,001 ordinary shares of RM1.00 each from Lim Kean Tong and 31,901 ordinary shares of RM1 each from Usotech Solution Sdn. Bhd. for total consideration of RM60,902.

On 20 July 2023, WEPLUS issued additional 120,000 new ordinary shares of RM1.00 each. The Company subscribed 61,200 ordinary shares by way of capitalisation of amount owing by subsidiary amounted to RM60,000 and by way of cash amounted to RM1,200. Pursuant to that, the Company now holds 209,105 ordinary shares and the equity interest in WEPLUS increased from 30% to 51% and became a subsidiary of UWC Berhad.

(v) UWC Industrial Sdn. Bhd. ('UWCI')

On 20 July 2023, the Company has subscribed 31,200,000 RPS at an issue price of RM1.00 per share in its wholly-owned subsidiary, UWCI by way of capitalisation of amount owing by subsidiary amounted to RM31,200,000. Pursuant to that, the equity interest of the Company remained at 100%.

(vi) C Max Manufacturing Sdn. Bhd. ('C Max')

Previously, on 11 February 2022, the Company incorporated 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. Pursuant to that, the Company holds 70 ordinary shares representing 70% equity interest in C Max.

(vii) UPLUS Solutions Sdn. Bhd. ('UPLUS')

Previously, on 31 January 2022, UPLUS issued an additional 800,000 new ordinary shares of RM1.00 each. The Company subscribed 480,000 ordinary shares for a total consideration of RM480,000. Pursuant to that, the Company now holds 600,000 ordinary shares representing 60% equity interest in UPLUS.

(e) On 14 November 2022, the Company incorporated a wholly-owned subsidiary, UW-C Pte Ltd in Singapore with an issued and paid-up share capital of SGD1 (equivalent to RM3.34).

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

31 July 2023	UPLUS Solutions Sdn. Bhd.	USurface Technology Sdn. Bhd.	C Max Manufacturing Sdn. Bhd.	WEPLUS Greentech Sdn. Bhd.	Total
NCI percentage of ownership interest and voting interest	40%	49%	30%	49%	
Carrying amount of NCI (RM)	364,475	1,629,363	2,554	186,059	2,182,451
(Loss)/Profit allocated to NCI (RM)	(27,039)	(1,147,955)	3,543	(24,396)	(1,195,847)
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)

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 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:

31 July 2023	UPLUS Solutions Sdn. Bhd.	USurface Technology Sdn. Bhd.	C Max Manufacturing Sdn. Bhd.	WEPLUS Greentech Sdn. Bhd.	Total
<b>Assets and liabilities</b>					
Non-current assets	56,068	3,594,860	0	0	3,650,928
Current assets	960,831	1,107,955	1,111,753	385,054	3,565,593
Non-current liabilities	0	(147,821)	0	0	(147,821)
Current liabilities	(105,713)	(1,229,764)	(1,103,241)	(5,342)	(2,444,060)
Net assets	911,186	3,325,230	8,512	379,712	4,624,640
<b>Results</b>					
Revenue	981,371	2,149,726	0	115,261	3,246,358
(Loss)/Profit for the financial year/period	(67,598)	(2,342,765)	11,810	(43,941)	(2,442,494)
Total comprehensive (loss)/income	(67,598)	(2,342,765)	11,810	(43,941)	(2,442,494)
Cash flows (used in)/from operating activities	(576,086)	(2,139,078)	998,239	(25,513)	(1,742,438)
Cash flows (used in)/from investing activities	(1,815)	(2,253,832)	23,568	1,721	(2,230,358)
Cash flows from financing activities	0	4,262,334	0	13,200	4,275,534
Net (decrease)/increase in cash and cash equivalents	(577,901)	(130,576)	1,021,807	(10,592)	302,738
31 July 2022	UPLUS Solutions Sdn. Bhd.	USurface Technology Sdn. Bhd.	C Max Manufacturing Sdn. Bhd.	Total	
<b>Assets and liabilities</b>					
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	
<b>Results</b>					
Revenue	737,210	382,554	0	1,119,764	
Loss for the financial year/ period	(12,713)	(332,005)	(3,398)	(348,116)	
Total comprehensive loss	(12,713)	(332,005)	(3,398)	(348,116)	
Cash flows (used in)/from operating activities	(101,337)	(40,976)	88,846	(53,467)	
Cash flows used in investing activities	(48,903)	(1,793,949)	0	(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	



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 8. INVESTMENT IN AN ASSOCIATE [2022 only]

	<b>Group 2022 RM</b>	<b>Company 2022 RM</b>
Unquoted shares, at cost	3	3
Share of post acquisition reserves	91,093	0
	<u>91,096</u>	<u>3</u>

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

Name of company	Country of incorporation/ Principal place of business	Effective ownership interest		Principal activities
		2023 %	2022 %	
WEPLUS Greentech Sdn. Bhd.	Malaysia	*	30	To provide designing, manufacturing and engineering of related components for green technology

The associate above is audited by BDO PLT, Malaysia.

- \* 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.

- (c) The summarised financial information of the associate is as follows:

	<b>2022 RM</b>
<b>Assets and liabilities</b>	
Current assets	426,982
Current liabilities	(123,329)
Net assets	<u>303,653</u>
<b>Results</b>	
Revenue	48,195
Profit for the financial year	8,690
Total comprehensive income	<u>8,690</u>
Cash flows from operating activities	12,460
Cash flow from investing activity	626
Net increase in cash and cash equivalents	<u>13,086</u>
<b>Share of result for the financial year</b>	
Share of profit for the financial year	2,607
Share of other comprehensive income for the financial year	0
Share of total comprehensive income for the financial year	<u>2,607</u>



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 9. INVENTORIES

	Group	
	2023 RM	2022 RM
<b>At cost</b>		
Raw materials	39,406,855	38,048,087
Work-in-progress	9,627,960	21,387,181
Finished goods	14,338,676	4,856,983
	<u>63,373,491</u>	<u>64,292,251</u>

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	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Trade receivables</b>				
Third parties	59,772,083	163,225,161	0	0
Dividend receivable from subsidiaries	0	0	5,353,600	33,636,480
	59,772,083	163,225,161	5,353,600	33,636,480
Less: Impairment losses	(807,301)	(1,033,557)	0	0
	<u>58,964,782</u>	<u>162,191,604</u>	<u>5,353,600</u>	<u>33,636,480</u>
<b>Other receivables</b>				
Third parties	12,905,425	8,311,786	0	70,000
Amounts owing by subsidiaries	0	0	0	56,333,003
	12,905,425	8,311,786	0	56,403,003
Less: Impairment losses	(30,440)	(15,483)	0	0
	<u>12,874,985</u>	<u>8,296,303</u>	<u>0</u>	<u>56,403,003</u>
<b>Deposits and prepayments</b>				
Deposits	965,767	476,104	352,716	0
Prepayments	2,034,038	2,017,365	170,635	0
	2,999,805	2,493,469	523,351	0
	<u>74,839,572</u>	<u>172,981,376</u>	<u>5,876,951</u>	<u>90,039,483</u>

- (a) Total trade and other receivables (excluding prepayments) are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 90 days (2022: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) Amounts owing by subsidiaries are unsecured, interest-free and repayable within the next twelve (12) months in cash and cash equivalents.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 10. TRADE AND OTHER RECEIVABLES (CONT'D)

- (d) The currency exposure profile of trade and other receivables, net of deposits and prepayments are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	33,134,065	116,917,913	5,353,600	90,039,483
United States Dollar	37,592,380	52,014,335	0	0
Euro	1,073,373	1,529,455	0	0
Others	39,949	26,204	0	0
	<u>71,839,767</u>	<u>170,487,907</u>	<u>5,353,600</u>	<u>90,039,483</u>

- (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, Industrial Production Index and Inflation Rate) 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.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 10. TRADE AND OTHER RECEIVABLES (CONT'D)

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

Group	Not past due	← Trade receivables - days past due →				Total
		1 - 30	31 - 60	61 - 90	> 90	
31 July 2023						
Trade receivables, gross (RM)	43,371,903	7,418,303	2,955,308	456,692	5,569,877	59,772,083
Impairment losses (RM)	(17,107)	(21,105)	(27,905)	(9,063)	(732,121)	(807,301)
	<u>43,354,796</u>	<u>7,397,198</u>	<u>2,927,403</u>	<u>447,629</u>	<u>4,837,756</u>	<u>58,964,782</u>
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)
	<u>128,674,318</u>	<u>24,034,626</u>	<u>2,891,366</u>	<u>1,692,027</u>	<u>4,899,267</u>	<u>162,191,604</u>

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

	Group Lifetime ECL - not credit impaired	
	2023 RM	2022 RM
Balance as at 1 August 2022/2021	1,033,557	644,139
Impairment losses during the year	0	389,418
Reversal of impairment losses	(226,256)	0
Balance as at 31 July	<u>807,301</u>	<u>1,033,557</u>

The Group did not renegotiate the terms of any trade receivables for the financial year ended 31 July 2023 and 31 July 2022.

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

	Group Lifetime ECL - not credit impaired	
	2023 RM	2022 RM
Balance as at 1 August 2022/2021	15,483	181
Impairment losses during the year	14,957	15,302
Balance as at 31 July	<u>30,440</u>	<u>15,483</u>

(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.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 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		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>In Malaysia</b>				
<b>Financial assets at fair value through profit or loss</b>				
Marketable securities - unit trust	28,928,183	20,012,414	0	0
<b>Financial assets at fair value through profit or loss</b>				
Unquoted shares	7,900,000	0	7,900,000	0
	<u>36,828,183</u>	<u>20,012,414</u>	<u>7,900,000</u>	<u>0</u>

- (a) Other investments classified as financial assets at fair value through profit or loss and other comprehensive income 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 RM271,927 (2022: RM115,005) with regards to the marketable securities.
- (d) Marketable securities are grouped under Level 1 of the fair value hierarchy based on the degree to which the fair value is observable.
- Level 1 fair value measurement are those derived from quoted prices (unadjusted) in active market for identical assets and liabilities.
- (e) Unquoted shares are categorised as Level 3 in the fair value hierarchy. Fair value of unquoted shares are estimated based on adjusted recent transacted price.
- (f) There is no transfer between levels in the hierarchy during the financial year.

## 13. CASH AND BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	<u>95,746,517</u>	<u>39,605,371</u>	<u>5,459,366</u>	<u>675,362</u>

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 13. CASH AND BANK BALANCES (CONT'D)

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	64,244,549	19,237,990	5,459,366	675,362
United States Dollar	31,097,396	17,843,878	0	0
Euro	368,079	2,487,820	0	0
Others	36,493	35,683	0	0
	<u>95,746,517</u>	<u>39,605,371</u>	<u>5,459,366</u>	<u>675,362</u>

(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			
	2023	2022	2023	2022
	Number of shares	Amount RM	Number of shares	Amount RM
<b>Issued and fully paid-up ordinary shares with no par value</b>				
Balance as at 1 August 2022/2021	1,101,365,006	119,409,431	1,100,632,606	116,363,862
Share grant scheme	302,200	773,552	732,400	3,045,569
Balance as at 31 July	<u>1,101,667,206</u>	<u>120,182,983</u>	<u>1,101,365,006</u>	<u>119,409,431</u>

(a) During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 1,101,365,006 ordinary shares to 1,101,667,206 ordinary shares by way of issuance of 302,200 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 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.

(c) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

## 15. RESERVES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Non-distributable:</b>				
Reorganisation debit reserve	(56,225,600)	(56,225,600)	0	0
Exchange translation reserve	(223)	0	0	0
<b>Distributable:</b>				
Retained earnings	<u>356,101,513</u>	<u>333,129,240</u>	<u>8,843,425</u>	<u>36,206,030</u>
	<u>299,875,690</u>	<u>276,903,640</u>	<u>8,843,425</u>	<u>36,206,030</u>





# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 15. RESERVES (CONT'D)

### (a) 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.

### (b) Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity of foreign operation.

## 16. BORROWINGS

	Group	
	2023 RM	2022 RM
<b>Non-current liabilities</b>		
Term loans	905,668	0
<b>Current liabilities</b>		
Term loans	95,439	1,134,143
<b>Total borrowings</b>		
Term loans	<u>1,001,107</u>	<u>1,134,143</u>
The term loans are repayable as follows:		
Current liabilities:		
- not later than one (1) year	95,439	1,134,143
Non-current liabilities:		
- later than one (1) year and not later than five (5) years	365,376	0
- later than five (5) years	540,292	0
	<u>1,001,107</u>	<u>1,134,143</u>

(a) Borrowings are classified as financial liabilities measured at amortised cost.

(b) Borrowings are denominated in Ringgit Malaysia.

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

	Group	
	2023 %	2022 %
Term loans	<u>4.89</u>	<u>3.27 - 3.77</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 16. BORROWINGS (CONT'D)

- (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 and a related party amounting to RM1,001,107 (2022: RM1,134,143).
- (e) Information on financial risks of borrowings is disclosed in Note 31 to the financial statements.

## 17. GOVERNMENT GRANTS

	Group	
	2023 %	2022 %
Balance as at 1 August 2022/2021	2,384,171	3,562,341
Amortised during the financial year	(1,178,170)	(1,178,170)
Balance as at 31 July	<u>1,206,001</u>	<u>2,384,171</u>
Represented by:		
Current liabilities	1,178,170	1,178,170
Non-current liabilities	27,831	1,206,001
	<u>1,206,001</u>	<u>2,384,171</u>

- (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').

## 18. DEFERRED TAX LIABILITIES

	Group	
	2023 RM	2022 RM
Balance as at 1 August 2022/2021	8,520,400	7,516,000
Recognised in profit or loss (Note 24)	1,225,016	1,004,400
Balance as at 31 July	<u>9,745,416</u>	<u>8,520,400</u>
<u>Net deferred tax liabilities</u>		
Deferred tax assets (before offsetting)	(468,262)	(540,900)
Offsetting	468,262	540,900
Deferred tax assets (after offsetting)	0	0
Deferred tax liabilities (before offsetting)	10,213,678	9,061,300
Offsetting	(468,262)	(540,900)
Deferred tax liabilities (after offsetting)	9,745,416	8,520,400
	<u>9,745,416</u>	<u>8,520,400</u>



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 18. DEFERRED TAX LIABILITIES (CONT'D)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities/(assets)

Group	Property, plant and equipment RM	Accrued expenses RM	Others RM	Total RM
Balance as at 1 August 2022	9,047,500	(540,900)	13,800	8,520,400
Recognised in profit or loss	1,155,578	72,638	(3,200)	1,225,016
Balance as at 31 July 2023	10,203,078	(468,262)	10,600	9,745,416
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

## 19. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Trade payables</b>				
Third parties	14,693,385	28,176,306	0	0
<b>Other payables</b>				
Third parties	3,647,489	2,683,388	30,419	27,786
Amounts owing to related parties	76,220	48,422	0	0
Amount owing to a subsidiary	0	0	3	0
Accrued expenses	7,143,528	7,398,418	58,500	57,500
Deposits received	340	430	0	0
	10,867,577	10,130,658	88,922	85,286
	25,560,962	38,306,964	88,922	85,286

- Trade and other payables are classified as financial liabilities measured at amortised cost.
- Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 60 days (2022: 30 to 60 days).
- Non-trade portion of amounts owing to related parties and a subsidiary are unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.
- The related parties are companies incorporated in Malaysia in which certain Directors have significant and controlling financial interests.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 19. TRADE AND OTHER PAYABLES (CONT'D)

(e) The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	23,404,862	36,857,615	88,922	85,286
United States Dollar	1,469,211	1,256,755	0	0
Singapore Dollar	618,361	180,615	0	0
Euro	62,875	232	0	0
Others	5,653	11,747	0	0
	<u>25,560,962</u>	<u>38,306,964</u>	<u>88,922</u>	<u>85,286</u>

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

## 20. CAPITAL COMMITMENTS

	Group	
	2023 RM	2022 RM
Capital expenditure in respect of purchase of property, plant and equipment:		
- contracted but not provided for	<u>12,858,418</u>	<u>14,443,726</u>

## 21. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Revenue from contracts with customers:</b>				
- sales of goods	271,164,874	345,587,472	0	0
- contract revenue	<u>579,263</u>	<u>43,497</u>	<u>0</u>	<u>0</u>
	<u>271,744,137</u>	<u>345,630,969</u>	<u>0</u>	<u>0</u>
<b>Other revenue:</b>				
- dividend income	<u>0</u>	<u>0</u>	<u>5,353,600</u>	<u>34,636,480</u>
	<u>271,744,137</u>	<u>345,630,969</u>	<u>5,353,600</u>	<u>34,636,480</u>

	Group	
	2023 RM	2022 RM
Timing of revenue recognition:		
- transferred over time	<u>579,263</u>	<u>43,497</u>
- transferred at a point in time	<u>271,164,874</u>	<u>345,587,472</u>
	<u>271,744,137</u>	<u>345,630,969</u>

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



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 21. REVENUE (CONT'D)

### (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.

## 22. EMPLOYEE BENEFITS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries and allowances	56,675,428	46,587,240	0	0
Directors' remuneration:				
- fees	144,000	144,000	144,000	144,000
- share grant scheme	2,280	1,446,368	0	0
- emoluments other than fees	4,771,822	3,640,576	12,000	10,000
Contributions to defined contribution plan	4,526,115	3,751,584	0	0
Share grant scheme	771,271	1,599,201	0	0
Other benefits	6,703,945	4,131,999	0	0
	<u>73,594,861</u>	<u>61,300,968</u>	<u>156,000</u>	<u>154,000</u>

Included in Directors' remuneration of the Group are contributions to a defined contribution plan amounting to RM293,916 (2022: RM269,998).

## 23. FINANCE COSTS

	Group	
	2023 RM	2022 RM
Interest on:	15,235	0
- bankers' acceptances	209,408	208,062
- lease liabilities (Note 6)	34,122	58,522
- term loans	<u>258,765</u>	<u>266,584</u>



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 24. TAX EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense based on profit for the financial year	14,014,500	32,206,600	18,500	17,300
Overprovision of tax expense in prior years	(1,190,055)	(248,791)	(129)	(1,166)
	<u>12,824,445</u>	<u>31,957,809</u>	<u>18,371</u>	<u>16,134</u>
Deferred tax (Note 18):				
- relating to origination and reversal of temporary differences	1,469,816	1,125,400	0	0
- overprovision of deferred tax in prior years	(244,800)	(121,000)	0	0
	<u>1,225,016</u>	<u>1,004,400</u>	<u>0</u>	<u>0</u>
	<u>14,049,461</u>	<u>32,962,209</u>	<u>18,371</u>	<u>16,134</u>

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated taxable profits for the fiscal year.
- (b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	<u>67,875,609</u>	<u>139,735,728</u>	<u>4,705,488</u>	<u>34,148,810</u>
Tax at Malaysian statutory tax rate of 24%(2022: 24%)	16,290,100	33,536,600	1,129,400	8,195,800
Tax effects in respect of:				
- non-allowable expenses	1,750,801	2,062,400	174,000	134,300
- income not subject to tax	(902,813)	(594,400)	(1,284,900)	(8,312,800)
- tax incentives and allowances	(2,067,100)	(1,673,400)	0	0
Deferred tax assets not recognised during the financial year	413,328	800	0	0
Overprovision of tax expense in prior years	(1,190,055)	(248,791)	(129)	(1,166)
Overprovision of deferred tax in prior years	(244,800)	(121,000)	0	0
	<u>14,049,461</u>	<u>32,962,209</u>	<u>18,371</u>	<u>16,134</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 24. TAX EXPENSE (CONT'D)

- (c) 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:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Unabsorbed capital allowances	251,800	102,800
Unused tax losses		
- expires by 31 July 2032	625,200	625,200
- expires by 31 July 2033	1,573,200	0
	<u>2,450,200</u>	<u>728,000</u>

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

Any unused tax losses shall be deductible for a maximum period of ten (10) consecutive years of assessment immediately following that year of assessment. Any amount which is not deducted at the end of the period of ten (10) years of assessment shall be disregarded.

- (d) Tax on each component of other comprehensive income is as follows:

	<b>Before tax</b>	<b>Tax effect</b>	<b>After tax</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Group</b>			
<b>2023</b>			
<b>Item that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation	<u>(223)</u>	<u>0</u>	<u>(223)</u>

## 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.
- 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.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 25. SHARE GRANT SCHEME ('SGS') (CONT'D)

- (iv) 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:

31 July 2023	Group and Company				
	Number of ordinary shares granted under the SGS				
	Balance as at 1.8.2022	Granted	Vested	Forfeited	Balance as at 31.7.2023
2020 grant	1,295,900	0	(167,700)	(27,400)	1,100,800
2021 grant	50,000	0	0	(50,000)	0
2022 grant	234,900	0	0	(234,900)	0
2023 grant	0	276,100	(134,500)	(8,200)	133,400
	1,580,800	276,100	(302,200)	(320,500)	1,234,200

31 July 2022	Group and Company				
	Number of ordinary shares granted under the SGS				
	Balance as at 1.8.2021	Granted	Vested	Forfeited	Balance as at 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

- (a) During the financial year, the Company granted 276,100 (2022: 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 stipulated in the SGS By-Laws are met.
- (b) The share grants vested during the financial year resulted in the issuance of 302,200 (2022: 732,400) 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 RM2.56 (2022: RM4.16).
- (c) The outstanding share grants at the end of the financial year are to be vested on specific dates in the following periods:
- The 2020 grant is to be vested within 6 years.
  - The 2023 grant is to be vested within 2 years.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 26. DIVIDENDS

	Group and Company			
	2023		2022	
	Dividend per share RM	Amount of dividend RM	Dividend per share RM	Amount of dividend RM
In respect of financial year ended 31 July 2021:				
Interim single-tier dividend	0	0	0.0167	18,380,564
In respect of financial year ended 31 July 2022:				
Interim single-tier dividend	0.0291	32,049,722	0	0
	<u>0.0291</u>	<u>32,049,722</u>	<u>0.0167</u>	<u>18,380,564</u>

## 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	
	2023 RM	2022 RM
Profit for the financial year attributable to owners of the parent (RM)	<u>55,021,995</u>	<u>106,942,305</u>
Weighted average number of ordinary shares in issue	<u>1,101,667,206</u>	<u>1,101,365,006</u>
Basic earnings per share (sen)	<u>4.99</u>	<u>9.71</u>

### (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.

	Group	
	2023 RM	2022 RM
Profit for the financial year attributable to owners of the parent (RM)	<u>55,021,995</u>	<u>106,942,305</u>
Weighted average number of ordinary shares in issue	<u>1,101,667,206</u>	<u>1,101,365,006</u>
Effect of dilution due to SGS	<u>1,234,200</u>	<u>1,580,800</u>
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	<u>1,102,901,406</u>	<u>1,102,945,806</u>
Diluted earnings per share (sen)	<u>4.99</u>	<u>9.70</u>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 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.
- (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	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Immediate and ultimate holding:</b>				
Dividend paid	16,830,480	9,658,729	16,830,480	9,658,729
<b>Related parties:</b>				
Acquisition of a subsidiary	0	0	1,330,000	0
Rental expense	1,259,102	795,584	0	0
<b>Subsidiaries:</b>				
Advances to	0	0	1,785,000	12,875,260
Advances from	0	0	0	974,464
Dividend income	0	0	5,353,600	34,636,480

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	
	2023 RM	2022 RM	2023 RM	2022 RM
Short term employee benefits	6,096,103	4,563,235	156,000	154,000
Contributions to defined contribution plan	428,556	375,178	0	0
Share grant scheme	204,167	1,653,982	0	0
	<u>6,728,826</u>	<u>6,592,395</u>	<u>156,000</u>	<u>154,000</u>

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.





# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 29. CONTINGENT LIABILITIES

In the previous financial year, the Group provides corporate guarantees up to a total amount of RM1,134,143 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 2023 and 31 July 2022 are as follows:

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Borrowings	16	1,001,107	1,134,143	0	0
Lease liabilities	6	4,136,470	4,947,646	0	0
Less: Cash and bank balances	13	(95,746,517)	(39,605,371)	(5,459,366)	(675,362)
Net cash		(90,608,940)	(33,523,582)	(5,459,366)	(675,362)
Total capital		422,241,124	397,520,914	129,026,408	155,615,461
Net debt-to-equity ratio		*	*	*	*

\* 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 2023.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 31. FINANCIAL RISK MANAGEMENT

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group is exposed mainly to credit risk, liquidity and cash flow risk, foreign currency risk and interest rate risk. Information on the management of the related exposures is detailed below.

### (a) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are organisations that the Group has dealt with for numerous years, and with whom the Group maintains regular visits and communications. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables while the Company's primary exposure is through dividend receivable from subsidiaries and amounts owing by subsidiaries and an associate. The trading terms of the Group with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period ranges between 30 days to 90 days. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Major classes of financial assets of the Group comprise trade and other receivables and cash and bank balances.

Bank balances possessed by the Group are placed with reputable financial institutions with high credit ratings and no history of default.

#### Exposure to credit risk

At the end of each reporting period, the maximum exposure of the Group to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

#### Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of the reporting period are as follows:

Group	2023		2022	
	RM	% of total	RM	% of total
<b>By countries</b>				
Malaysia	35,015,869	60%	133,945,250	83%
Singapore	15,468,690	26%	10,813,135	7%
United States	3,790,400	6%	11,912,437	7%
Others	4,689,823	8%	5,520,782	3%
	<u>58,964,782</u>	<u>100%</u>	<u>162,191,604</u>	<u>100%</u>

At the end of each reporting period, approximately 56% (2022: 78%) of the trade receivables of the Group were due from two (2) (2022: two (2)) major customers.

### (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.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 31. FINANCIAL RISK MANAGEMENT (CONT'D)

### (b) Liquidity and cash flow risk (cont'd)

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
<b>2023</b>				
<b>Financial liabilities</b>				
Trade and other payables	25,560,962	0	0	25,560,962
Borrowings	134,958	485,659	607,336	1,227,953
Lease liabilities	1,197,100	2,769,029	702,000	4,668,129
Total undiscounted financial liabilities	26,893,020	3,254,688	1,309,336	31,457,044
<b>2022</b>				
<b>Financial liabilities</b>				
Trade and other payables	38,306,964	0	0	38,306,964
Borrowings	1,148,772	0	0	1,148,772
Lease liabilities	1,041,600	2,995,500	1,350,000	5,387,100
Financial guarantees	1,134,143	0	0	1,134,143
Total undiscounted financial liabilities	41,631,479	2,995,500	1,350,000	45,976,979
<b>Company</b>				<b>On demand or within one (1) year RM</b>
<b>2023</b>				
<b>Financial liability</b>				
Trade and other payables				88,922
Total undiscounted financial liability				88,922
<b>2022</b>				
<b>Financial liability</b>				
Trade and other payables				85,286
Total undiscounted financial liability				85,286

### (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').

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 31. FINANCIAL RISK MANAGEMENT (CONT'D)

### (c) Foreign currency risk (cont'd)

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:

Group		Effect on profit after tax	
		2023 RM	2022 RM
USD/RM	- strengthen by 15% (2022: 15%)	7,663,144	7,820,566
	- weaken by 15% (2022: 15%)	(7,663,144)	(7,820,566)
EUR/RM	- strengthen by 15% (2022: 15%)	157,158	457,943
	- weaken by 15% (2022: 15%)	(157,158)	(457,943)
SGD/RM	- strengthen by 15% (2022: 15%)	(65,990)	(18,406)
	- weaken by 15% (2022: 15%)	65,990	18,406

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:

	Group	
	2023 RM	2022 RM
Profit after tax		
- increase by 0.5% (2022: 0.5%)	(19,523)	(23,111)
- decrease by 0.5% (2022: 0.5%)	19,523	23,111

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 31. FINANCIAL RISK MANAGEMENT (CONT'D)

### (d) Interest rate risk (cont'd)

The following table sets out the carrying amounts, the weighted average effective interest rates ('WAEIR') or weighted average incremental borrowing rates ('WAIBR') as at the end of each reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk:

Group	Note	WAEIR/ WAIBR*	Within one (1) year	One (1) to two (2) years	Two (2) to three (3) years	Three (3) to four (4) years	Four (4) to five (5) years	Over five (5) years	Total
		(%)	RM	RM	RM	RM	RM	RM	RM
<b>31 July 2023</b>									
<b>Floating rates</b>									
Lease liabilities	6	4.31*	1,029,920	630,793	575,825	603,617	610,378	685,937	4,136,470
Term loans	16	4.89	95,439	91,344	91,344	91,344	91,344	540,292	1,001,107
<b>31 July 2022</b>									
<b>Floating rates</b>									
Lease liabilities	6	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



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2023

## 32. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 28 April 2023, the Company had completed the acquisition of 100% of equity interest in UWC Technology Sdn. Bhd. ('UWCT') (formerly known as Surfplate Technology Sdn. Bhd.) for a purchase consideration of RM1,330,000.

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

On 22 September 2023, the Company had entered into a Sale and Purchase Agreement with Meta Health Limited ('META') for the proposed acquisition of 3,825,000 ordinary shares in MCE Technologies Sdn. Bhd. ('MCET'), representing 51% equity interest in MCET and 100% equity interest in MCT (Thailand) Co., Ltd, which is a wholly-owned subsidiary of MCET, for a total cash consideration of SGD2,719,075 (equivalent to RM9,323,709).

The proposed acquisition was completed on 8 November 2023 and the companies became subsidiaries 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	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

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

### 34.2 New MFRSS and Amendments to MFRSS that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	See MFRS 112 paragraph 98M
Amendments to MFRS 16 <i>Leases - Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments to 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 2023 (RM'000)	Date of acquisition
1	<b>UWC Holdings Sdn. Bhd.</b> 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 52 years)	14,932	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 double-storey office building annexed with a single-storey detached factory building	326,029	60 years leasehold expiring on 6 December 2075 (remaining tenure of 53 years)	27,057	06-Aug-14
3	<b>UWC Industrial Sdn. Bhd.</b> 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 58 years)	28,195	8-Nov-21
4	<b>UWC Technology Sdn. Bhd.</b> <b>(Formerly known as Surfplate Technology Sdn. Bhd.)</b> PT 5906 (Lot 21576), Jalan Cassia Selatan 5/4, Taman Perindustrian Batu Kawan, Mukim 13, Seberang Perai Selatan, Pulau Pinang	A double-storey detached factory building which still under construction	46,102	60 years leasehold expiring on 21 July 2075 (remaining tenure of 52 years)	2,982	18-Aug-14

# ANALYSIS OF SHAREHOLDINGS

AS AT 20 OCTOBER 2023

Total Number of Issued Shares	:	1,101,667,206
Class of Share	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	40	0.42	668	0.00
100 to 1,000	3,830	39.93	2,473,094	0.22
1,001 to 10,000	4,530	47.23	16,625,485	1.51
10,001 to 100,000	924	9.64	27,986,770	2.54
100,001 to 55,083,359	264	2.75	383,405,907	34.80
55,083,360 and above	3	0.03	671,175,282	60.93
<b>Total</b>	<b>9,591</b>	<b>100.00</b>	<b>1,101,667,206</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1	UWC Capital Sdn. Bhd.	553,408,006	50.23	-	-
2	Dato' Ng Chai Eng	83,078,938	7.54	553,810,606 <sup>#</sup>	50.27
3	Dato' Lau Chee Kheong	82,476,938	7.49	553,408,006 <sup>*</sup>	50.23

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

<sup>\*</sup> Deemed interest through shares held in UWC Capital Sdn. Bhd. by virtue of Section 8(4) of the Companies Act 2016

## DIRECTORS' SHAREHOLDINGS

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
1	Dato' Ng Chai Eng	83,078,938	7.54	553,810,606 <sup>#</sup>	50.27
2	Dato' Lau Chee Kheong	82,476,938	7.49	553,408,006 <sup>*</sup>	50.23
3	Dato' Wan Hashim Bin Wan Jusoh	480,000	0.04	46,000 <sup>^</sup>	-
4	Dato' F'ng Meow Cheng	534,100	0.05	-	-
5	Dato' Lio Chee Yeong	1,110,000	0.10	-	-
6	Dr. Ng Chin Liang	402,600	0.04	-	-

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

<sup>\*</sup> Deemed interest through shares held in UWC Capital Sdn. Bhd. by virtue of Section 8(4) of the Companies Act 2016

<sup>^</sup> Indirect interest through shares held by his spouse, Che Mazni Binti Che Wook pursuant to Section 59(11)(c) of the Companies Act 2016



# ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 20 OCTOBER 2023

## LIST OF 30 LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	% OF SHARES
1	UWC CAPITAL SDN. BHD.	553,408,006	50.23
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	37,479,112	3.40
5	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG VALUE FUND	31,706,000	2.88
6	HSBC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - HBAP SG FOR LAU CHEE KHEONG (PB-SGDIV)	21,800,000	1.98
7	HSBC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - HBAP SG FOR NG CHAI ENG (PB-SGDIV)	21,001,000	1.91
8	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	15,836,764	1.44
9	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG BALANCED FUND	12,680,000	1.15
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	12,028,400	1.09
11	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	9,194,400	0.83
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	8,750,000	0.79
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	6,244,500	0.57
14	TAN KEAN HEAN	5,553,284	0.50
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	5,295,075	0.48
16	AMANAHRAYA TRUSTEES BERHAD PUBLIC STRATEGIC SMALLCAP FUND	5,000,000	0.45
17	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC ASEAN GROWTH FUND	4,978,200	0.45
18	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	4,921,000	0.45
19	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,641,700	0.42
20	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	4,593,400	0.42
21	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD DBS BANK LTD FOR LAU CHEE KHEONG (SG0114483238-PB)	4,500,000	0.41
22	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	4,487,700	0.41
23	AMANAHRAYA TRUSTEES BERHAD PUBLIC DIVIDEND SELECT FUND	4,103,900	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 TNTC FOR BARINGS ASEAN FRONTIERS FUND	3,958,300	0.36
26	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	3,737,500	0.34
27	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	3,678,500	0.33
28	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	3,668,901	0.33
29	AMANAHA RAYA BERHAD KUMPULAN WANG BERSAMA SYARIAH	3,549,600	0.32
30	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND	3,154,400	0.29

# NOTICE OF SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting (“6<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, 8 January 2024 at 2.30 p.m. for the following purposes:

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 July 2023 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’ Lau Chee Kheong Ordinary Resolution 1
  - (b) Dato’ F’ng Meow Cheng 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 9 January 2024 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** Ordinary Resolution 5  
“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.  
  
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.”
6. 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 2023





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

## Notes:

### Appointment of Proxy

1. 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.
2. 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.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing.
4. 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.
5. 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.
6. 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) By hardcopy 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 [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com).

#### (d) By electronic means via Tricor System, TIIH Online

The Proxy Form can be lodged electronically via TIIH Online website at <https://tiih.online>. 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.

7. In respect of deposited securities, only members whose names appear on the Record of Depositors on **28 December 2023** (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.
8. 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 Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
9. Please ensure that ALL particulars as required in the Proxy Form are completed and said Proxy Form duly signed and dated.
10. Last date and time for lodging this Proxy Form is **Saturday, 6 January 2024 at 2.30 p.m.**
11. 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 SIXTH ANNUAL GENERAL MEETING (CONT'D)

## Explanatory Notes on Ordinary Business:

1. **Ordinary Resolutions 1 and 2** deal with the re-election of Dato' Lau Chee Kheong and Dato' F'ng Meow Cheng. Both are standing for re-election and being eligible, have offered themselves for re-election at this 6<sup>th</sup> AGM.

The profiles of the retiring Directors are set out under Profile of Directors in the Annual Report 2023. The Board of Directors ("Board") had, through the Nomination Committee ("NC"), considered the evaluation of Dato' Lau Chee Kheong and Dato' F'ng Meow Cheng and concluded that both met the criteria as prescribed by paragraph 2.20A of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") 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 own eligibility to stand for re-election.

The Board approved the recommendations from the NC and is supportive of the retiring Directors based on the justifications below:

- 1.1 Dato' Lau Chee Kheong is the Executive Director and Group Chief Operations Officer. He is the co-founder of the Group together with Dato' Ng Chai Eng. Dato' Lau's extensive experience in management and invaluable in-depth technical knowledge in mechanical engineering have been instrumental in the research and development of machinery and equipment for customers. This has contributed to business expansion and value creation for the Group.
- 1.2 Dato' F'ng Meow Cheng is the Independent Non-Executive Director ("INED"). She chairs the Audit Committee and is a member of the Remuneration Committee, Nomination Committee and Risk Management Committee. Dato' F'ng has fulfilled the requirements on independence as set out in the MMLR. She has exhibited her objectivity through proactive engagements during meetings of both Board and Board Committees by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion.

2. **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 2023 are detailed in the Corporate Governance Report 2023.

## Explanatory Notes on Special Business:

1. **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 9 January 2023 and which will lapse at the conclusion of this 6<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.



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

This page is intentionally left blank.

**UWC BERHAD**(Company No: 201801012223) (1274239-A)  
(Incorporated in Malaysia)**PROXY FORM**

No. of Shares held	
CDS Account No.	

I / We ..... and .....  
(Full Name in Block Letters) (NRIC No./Passport No./Registration No.)of ..... and .....  
(Full Address) (Tel. No./Email Address)

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 Shareholding

\*and/or (\*delete if not applicable)

Full Name and Address (in Block Letters)	NRIC No./Passport No.	No. of Shares	% of Shareholding

or failing \*him/her, THE CHAIRMAN OF THE MEETING as \*my/our \*proxy/proxies, to vote for \*me/us on \*my/our behalf at the Sixth Annual General Meeting ("6<sup>th</sup> AGM") of the Company, to be held at Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25A Farquhar Street, 10200 George Town, Penang, Malaysia on Monday, 8 January 2024 at 2.30 p.m., or at any adjournment thereof.

Please indicate with an "X" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at \*his/her discretion.

No.	Ordinary Resolutions	For	Against
1.	To re-elect of Dato' Lau Chee Kheong as Director of the Company.		
2.	To re-elect of Dato' F'ng Meow Cheng as Director of the Company.		
3.	To approve the payment of Directors' fees and benefits payable to the Independent Non-Executive Directors.		
4.	To re-appoint of BDO PLT as Auditors of the Company.		
5.	To approve the authority to allot and issue shares by directors pursuant to Sections 75 and 76 of the Companies Act 2016.		

Signed this ..... day of ..... 20.....

Signature of Shareholder(s)/Common Seal

\* Strike out whichever is not desired.

**Notes:**

- A proxy need not be a member and a member may appoint any person to be his proxy without limitation save that the proxy must be of full age.
  - A member of the Company entitled to attend, participate, speak and vote at the meeting is entitled to appoint one (1) or more proxies (who need not be members) to attend, participate, speak and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
  - The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing.
  - Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
  - Where a member is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
  - 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):
    - By hardcopy 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.
    - 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 [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com).
    - By electronic means via Tricor System, TIIH Online**  
The Proxy Form can be lodged electronically via TIIH Online website at <https://tiih.online>. 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 **28 December 2023** (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.
  - 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 Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
  - Please ensure that ALL particulars as required in the Proxy Form are completed and said Proxy Form duly signed and dated.
  - Last date and time for lodging this Proxy Form is Saturday, **6 January 2024 at 2.30 p.m.**
  - For corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please bring the **original/duly certified** certificate of appointment executed in the manner as stated in this Proxy Form if this has not been lodged at the office of the Share Registrar earlier. The certificate of appointment of authorised representative should be executed in the following manner:
    - If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.
    - If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
      - at least two (2) authorised officers, of whom one shall be a director; or
      - any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

**Personal Data Privacy**

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 6<sup>th</sup> AGM of the Company and any adjournment thereof.



1<sup>st</sup> fold here

---

Affix  
Stamp

The Share Registrar

**UWC BERHAD**

Registration No. 201801012223 (1274239-A)

**c/o Tricor Investor & Issuing House Services Sdn. Bhd.**

Unit 32-01, Level 32, Tower A,  
Vertical Business Suite,  
Avenue 3, Bangsar South,  
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

---

Then fold here



## UWC BERHAD

Registration No. 201801012223 (1274239-A)  
(Incorporated in Malaysia)

# ADMINISTRATIVE GUIDE OF SIXTH ANNUAL GENERAL MEETING (“6<sup>th</sup> AGM” or “AGM”)

Day & Date : Monday, 8 January 2024  
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**”)

### INDIVIDUAL MEMBERS

- (1) 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 6<sup>th</sup> AGM by indicating the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

### CORPORATE MEMBERS

- (2) Corporate members who wish to appoint corporate representatives instead of a proxy to attend and vote at the 6<sup>th</sup> AGM must deposit their original or duly certified certificate of appointment of corporate representative to Tricor no later than **Saturday, 6 January 2024 at 2.30 p.m.**
- (3) Attorneys appointed by power of attorney are required to deposit their power of attorney to Tricor no later than **Saturday, 6 January 2024 at 2.30 p.m.** to attend and vote at the 6<sup>th</sup> AGM.
- (4) If a corporate member (through its corporate representative(s) or appointed proxy(ies)) is unable to attend the 6<sup>th</sup> AGM, you may appoint the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

### REGISTRATION ON THE DAY OF 6<sup>TH</sup> AGM

- (5) Registration will commence at 1.15 p.m. and shall remain open until the conclusion of the 6<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.
- (6) 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.
- (7) Upon verification and registration:
  - (a) please sign on the attendance list and an identification wristband will be provided at the registration counter;
  - (b) if you are attending the AGM as a member as well as a proxy, you will be registered once and will only be given one identification wristband; and
  - (c) no person will be allowed to enter the meeting hall without wearing the identification wristband. There will be no replacement in the event that you lose/misplace the identification wristband.
  - (d) a polling form will be given to you thereafter. There will be no replacement should you lose or misplace the polling form; and
  - (e) you may proceed to the meeting venue thereafter.
- (8) Registration must be done in person. Please also note that you will not be allowed to register on behalf of another person even with the original NRIC or Passport of that other person.
- (9) The registration counters will only handle verification of identity, registration and revocation of proxy/ proxies. If you have other queries, please proceed to the Help Desk.

### NO DOOR GIFTS / REFRESHMENT

- (10) There will be no distribution of door gifts, food or beverage served at the 6<sup>th</sup> AGM.

### PARKING (IS NOT SUBSIDISED)

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

### MEETING

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



## UWC BERHAD

Registration No. 201801012223 (1274239-A)  
(Incorporated in Malaysia)

# ADMINISTRATIVE GUIDE (CONT'D) OF SIXTH ANNUAL GENERAL MEETING (“6<sup>th</sup> AGM” or “AGM”)

### GENERAL MEETING RECORD OF DEPOSITORS

- (13) For the purpose of determining who shall be entitled to attend the 6<sup>th</sup> AGM, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at **28 December 2023** and only a depositor whose name appears on such Record of Depositors shall be eligible to attend the 6<sup>th</sup> AGM.

### PROXY

- (14) 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.
- (15) You may submit the Proxy Form electronically via TIIH Online website at <https://tiih.online> no later than **Saturday, 6 January 2024 at 2.30 p.m.**. Please do read and follow the procedures to submit Proxy Form electronically below.
- (16) Otherwise, you may also submit your Proxy Form to Tricor by facsimile at 03-2783 9222 or email to [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com). However, please ensure that the **Original Proxy Form** is deposited at Tricor's Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof, otherwise the Proxy Form shall not be treated as valid. No proof of despatch of Proxy Form will be entertained.
- (17) The Proxy Form is not required if you are attending the meeting.
- (18) 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.

### ELECTRONIC LODGEMENT OF PROXY FORM

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

Procedure		Action
<b>Steps for Individual Members</b>		
(a)	Register as a User with TIIH Online	<ul style="list-style-type: none"><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 “<b>Create Account by Individual Holder</b>”. 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 style="list-style-type: none"><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: “<b>UWC 6<sup>TH</sup> AGM – Submission of Proxy Form</b>”.</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>
<b>Steps for Corporation or Institutional Members</b>		
(a)	Register as a User with TIIH Online	<ul style="list-style-type: none"><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 “<b>Create Account by Representative of Corporate Holder</b>”.</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></ul> <p><i>(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.)</i></p>



## UWC BERHAD

Registration No. 201801012223 (1274239-A)  
(Incorporated in Malaysia)

# ADMINISTRATIVE GUIDE (CONT'D) OF SIXTH ANNUAL GENERAL MEETING (“6<sup>th</sup> AGM” or “AGM”)

## ELECTRONIC LODGEMENT OF PROXY FORM (cont'd)

(19) The procedures to lodge your Proxy Form electronically via Tricor's TIH Online website are summarised as below: (cont'd)

Procedure	Action
<b>Steps for Corporation or Institutional Members (cont'd)</b>	
(b) Proceed with submission of Proxy Form	<ul style="list-style-type: none"><li>• Login to TIH Online at <a href="https://tiah.online">https://tiah.online</a>.</li><li>• Select the corporate event: “<b>UWC 6<sup>th</sup> AGM – Submission of Proxy Form</b>”.</li><li>• Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li><li>• Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Notes set therein.</li><li>• Prepare the file for the appointment of proxies by inserting the required data.</li><li>• Proceed to upload the duly completed proxy appointment file.</li><li>• Select “Submit” to complete your submission.</li><li>• Print the confirmation report of your submission for your record.</li></ul>

## MOBILE DEVICES

(20) 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

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

## PERSONAL BELONGINGS

(22) Please be reminded to take care of your personal belongings as the Company will not be responsible for any lost items that has gone missing resulted in any monetary losses.

## ANNUAL REPORT 2023

(23) The Annual Report 2023 is available on Bursa Malaysia Securities Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com) under the Company's Announcement of UWC Berhad and the Company website at [www.uwcberhad.com.my](http://www.uwcberhad.com.my).

## ENQUIRIES

(24) If you have any enquiry prior to the 6<sup>th</sup> AGM, please contact 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

Facsimile Number : +603-2783 9222

Email : [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@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 6<sup>th</sup> AGM of the Company and any adjournment thereof.

This page is intentionally left blank.

**UWC BERHAD**

(201801012223)

(1274239-A)

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

**Tel** : 604 - 555 6937

**Fax** : 604 - 589 9509

[www.uwcberhad.com.my](http://www.uwcberhad.com.my)