

UWC BERHAD
(Company No. 201801012223) (1274239-A)
(Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 APRIL 2022 ⁽¹⁾

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|-------------------------------|---|-------------------------------------|--|
| | Current Year Quarter ended | Preceding Year Corresponding Quarter ended | Current Period-to- date ended | Preceding Year Corresponding Period ended |
| | 30 April 2022 | 30 April 2021 | 30 April 2022 | 30 April 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 87,321 | 71,775 | 242,491 | 221,085 |
| Other operating income | 3,753 | 580 | 6,210 | 2,373 |
| | <u>91,074</u> | <u>72,355</u> | <u>248,701</u> | <u>223,458</u> |
| Changes in inventories of finished goods and work-in-progress | 10,081 | 4 | 14,366 | 4,403 |
| Raw materials and consumables used | (33,018) | (22,926) | (82,338) | (70,354) |
| Staff costs | (17,328) | (11,300) | (44,465) | (29,363) |
| Depreciation expenses | (4,041) | (3,298) | (11,424) | (9,216) |
| Impairment losses in trade and other receivables | (455) | (132) | (304) | (366) |
| Other operating expenses | (8,264) | (7,431) | (24,178) | (27,459) |
| Shares of profit of an associate | (1) | - | 2 | - |
| Profit from operations | <u>38,048</u> | <u>27,272</u> | <u>100,360</u> | <u>91,103</u> |
| Finance costs | (65) | (70) | (201) | (214) |
| Profit before tax | <u>37,983</u> | <u>27,202</u> | <u>100,159</u> | <u>90,889</u> |
| Taxation | (9,283) | (4,162) | (23,388) | (18,901) |
| Profit for the financial period | <u><u>28,700</u></u> | <u><u>23,040</u></u> | <u><u>76,771</u></u> | <u><u>71,988</u></u> |
| Profit attributable to: | | | | |
| Owners of the parent | 28,712 | 23,040 | 76,832 | 71,988 |
| Non-controlling interest | (12) | - | (61) | - |
| | <u>28,700</u> | <u>23,040</u> | <u>76,771</u> | <u>71,988</u> |
| Earnings per share attributable to owners of the parent: | | | | |
| Basic ⁽²⁾ (sen) | <u>2.61</u> | <u>2.09</u> | <u>6.98</u> | <u>6.54</u> |
| Diluted ⁽³⁾ (sen) | <u>2.60</u> | <u>2.09</u> | <u>6.96</u> | <u>6.53</u> |

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 APRIL 2022 ⁽¹⁾ (continued)

Notes:

- (1) The Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 July 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) Based on weighted average number of ordinary shares outstanding during the period under review.
- (3) Based on weighted average number of ordinary shares outstanding during the period under review adjusted for the effects of dilutive potential ordinary shares.

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UWC BERHAD
(Company No. 201801012223) (1274239-A)
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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2022 ⁽¹⁾

| | Unaudited as at 30 April 2022 RM'000 | Audited as at 31 July 2021 RM'000 |
|--|---|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 112,311 | 109,325 |
| Right-of-use assets | 46,780 | 17,306 |
| Investment in associate | 90 | 88 |
| | <u>159,181</u> | <u>126,719</u> |
| Current assets | | |
| Inventories | 67,743 | 53,412 |
| Trade and other receivables | 139,889 | 86,685 |
| Contract assets | 86 | 54 |
| Marketable securities | 19,747 | 19,697 |
| Current tax assets | 440 | 1,159 |
| Cash and bank balances | 43,324 | 71,699 |
| | <u>271,229</u> | <u>232,706</u> |
| TOTAL ASSETS | <u><u>430,410</u></u> | <u><u>359,425</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Share capital | 119,409 | 116,364 |
| Reserves | 246,793 | 188,342 |
| | <u>366,202</u> | <u>304,706</u> |
| Non-controlling interest | 336 | 77 |
| TOTAL EQUITY | <u><u>366,538</u></u> | <u><u>304,783</u></u> |
| Non-current liabilities | | |
| Borrowings | 200 | 1,133 |
| Government grants | 1,500 | 2,384 |
| Lease liabilities | 3,880 | 3,288 |
| Deferred tax liabilities | 8,385 | 7,516 |
| | <u>13,965</u> | <u>14,321</u> |
| Current liabilities | | |
| Trade and other payables | 37,069 | 31,011 |
| Borrowings | 1,277 | 1,497 |
| Government grants | 1,178 | 1,178 |
| Lease liabilities | 726 | 397 |
| Current tax liabilities | 9,657 | 6,238 |
| | <u>49,907</u> | <u>40,321</u> |
| TOTAL LIABILITIES | <u><u>63,872</u></u> | <u><u>54,642</u></u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>430,410</u></u> | <u><u>359,425</u></u> |

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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2022 ⁽¹⁾
(continued)

Note:

- (1) The Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 July 2021 and the accompanying explanatory notes attached to this interim financial report.

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UWC BERHAD
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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 APRIL 2022 ⁽¹⁾

← **Attributable to owners of the Company** →

| | <u>Non-distributable</u> | | <u>Distributable</u> | | Non-controlling Interest RM'000 | Total Equity RM'000 |
|--|--------------------------|--|-----------------------------|-----------------|------------------------------------|------------------------|
| | Share capital RM'000 | Reorganisation debit reserve RM'000 | Retained earnings RM'000 | Total RM'000 | | |
| Balance as at 1 August 2021 | 116,364 | (56,226) | 244,568 | 304,706 | 77 | 304,783 |
| Profit/ (Loss) for the financial period | - | - | 76,832 | 76,832 | (61) | 76,771 |
| Total comprehensive income/ (expenses) | - | - | 76,832 | 76,832 | (61) | 76,771 |
| Transactions with owners: | | | | | | |
| Issuance of ordinary shares pursuant to share grant scheme | 3,045 | - | - | 3,045 | - | 3,045 |
| Dividend paid | - | - | (18,381) | (18,381) | - | (18,381) |
| Acquisition of shares by non-controlling interest | - | - | - | - | 320 | 320 |
| Total transactions with owners | 3,045 | - | (18,381) | (15,336) | 320 | (15,016) |
| Balance as at 30 April 2022 | 119,409 | (56,226) | 303,019 | 366,202 | 336 | 366,538 |

Note:

- (1) The Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 July 2021 and the accompanying explanatory notes attached to this interim financial report.

UWC BERHAD
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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 APRIL 2022 ⁽¹⁾

| | Current Period- to-date ended 30 April 2022 RM'000 | Preceding Year Corresponding Period ended 30 April 2021 RM'000 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 100,159 | 90,889 |
| Adjustments for: | | |
| Amortisation of government grants | (884) | (884) |
| Allowance for impairment losses | 304 | 366 |
| Depreciation of property, plant and equipment | 10,523 | 8,663 |
| Depreciation of right-of-use assets | 901 | 554 |
| Loss/ (Gain) on fair value adjustment on marketable securities | 150 | (30) |
| Finance costs | 201 | 214 |
| Interest income | (233) | (624) |
| Property, plant and equipment written off | - | 3 |
| Gain on disposal of property, plant and equipment | (37) | (252) |
| Gain on lease modification | - | (1) |
| Share grant expenses | 3,045 | 897 |
| Share of profit of an associate | (2) | - |
| Unrealised gain on foreign exchange | (1,443) | - |
| Operating profit before changes in working capital | <u>112,684</u> | <u>99,795</u> |
| Increase in inventories | (14,331) | (7,473) |
| Increase in trade and other receivables | (52,136) | (22,771) |
| (Increase)/ Decrease in contract assets | (32) | 304 |
| Increase/ (Decrease) in trade and other payables | 6,126 | (1,790) |
| Cash generated from operations | <u>52,311</u> | <u>68,065</u> |
| Interest paid | (47) | (92) |
| Tax paid | (18,381) | (11,848) |
| Net cash from operating activities | <u>33,883</u> | <u>56,125</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 233 | 624 |
| Proceeds from disposal of property, plant and equipment | 556 | 542 |
| Purchase of marketable securities | (200) | (13,000) |
| Purchase of property, plant and equipment | (14,028) | (23,468) |
| Purchase of right-of-use assets | (28,960) | - |
| Proceeds from subscription of equity interest by non-controlling interest | 320 | 80 |
| Net cash used in investing activities | <u>(42,079)</u> | <u>(35,222)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid | (18,381) | (11,004) |
| Repayment of term loans | (1,153) | (1,608) |
| Payments of lease liabilities | (648) | (439) |
| Net cash used in financing activities | <u>(20,182)</u> | <u>(13,051)</u> |
| Net (decrease)/ increase in cash and cash equivalents | (28,378) | 7,852 |
| Effects of exchange rate changes on cash and cash equivalents | 3 | - |
| Cash and cash equivalents at beginning of financial period | <u>71,699</u> | <u>57,812</u> |
| Cash and cash equivalents at end of financial period | <u>43,324</u> | <u>65,664</u> |

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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 APRIL 2022 ⁽¹⁾ (continued)

Note:

- (1) The Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 July 2021 and the accompanying explanatory notes attached to this interim financial report.

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A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report of UWC Berhad (“**UWC**” or the “**Company**”) and its subsidiaries (collectively, the “**Group**”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“**MFRS**”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“**MASB**”) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”).

This interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 July 2021 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation applied by the Group’s in these unaudited interim financial statements are consistent with those adopted in audited financial statements for the financial year ended 31 July 2021, except for the adoption of the following MFRSs and Amendment to MFRSs and IC Interpretation.

(a) 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’) for annual financial periods beginning on or after 1 January 2021:

| Title | Effective Date |
|--|-----------------------|
| <i>Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)</i> | 1 January 2021 |
| <i>Amendment to MFRS 16 Leases Covid-19-Related Rent Concessions beyond 30 June 2021</i> | 1 April 2021 |

The adoption of the above Standards did not have any material impact on the Group’s financial statements.

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A2. Significant Accounting Policies (continued)

(b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022.

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

| 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 |
| MFRS 17 <i>Insurance Contracts</i> | 1 January 2023 |
| Amendments to MFRS 17 <i>Insurance Contracts</i> | 1 January 2023 |
| <i>Initial Application of MFRS 17 and MFRS 9 — Comparative Information</i> (Amendment to MFRS 17 <i>Insurance Contracts</i>) | 1 January 2023 |
| Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2023 |
| <i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>) | 1 January 2023 |
| <i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</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 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | Deferred |

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

A3. Auditors' Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 July 2021.

A4. Seasonal or Cyclical Factors

The business operations of the Group were not affected by any seasonal or cyclical trend during the current quarter and the financial period under review.

A5. Material Unusual Items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and the financial period under review.

A6. Material Changes in Estimates

There were no changes in estimates that have a material effect in the current quarter and the financial period under review.

A7. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current quarter and the financial period under review.

A8. Dividend Paid

No dividend was paid during the current quarter.

A9. Segmental Information

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

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

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

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

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

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A9. Segmental Information (continued)

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

| | ← Segment I | | Segment II → | | | | Aggregate Total RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|---|---------------------------------|-------------------------|---|-------------------------|------------------|-----------------|------------------------------|------------------------|------------------------|
| | Investment holding RM'000 | Semiconductor RM'000 | Life science and medical technology RM'000 | Heavy duty RM'000 | Others RM'000 | Total RM'000 | | | |
| Cumulative quarter ended 30 April 2022 | | | | | | | | | |
| Results | | | | | | | | | |
| Revenue from external customers | - | 188,262 | 41,804 | 84 | 12,341 | 242,491 | 242,491 | - | 242,491 |
| Inter-segment revenue | 1,000 | 50,021 | - | - | 4 | 50,025 | 51,025 | (51,025) | - |
| Total revenue | 1,000 | 238,283 | 41,804 | 84 | 12,345 | 292,516 | 293,516 | (51,025) | 242,491 |
| Interest income | 67 | | | | | 166 | 233 | - | 233 |
| Interest expense | - | | | | | (204) | (204) | 3 | (201) |
| Net Interest income | 67 | | | | | (38) | 29 | 3 | 32 |
| Segment profit before tax | 530 | | | | | 101,024 | 101,554 | (1,395) | 100,159 |

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A10. Material Events Subsequent to the End of the Quarter

Save as disclosed in Note B6 on the Status of Corporate Proposals, there were no other material events subsequent to the end of the current quarter and the financial period under review that have not been reflected in this interim financial report.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter and financial period under review that have not been reflected in the interim financial report, except the following:

- (a) On 10 February 2022, UWC incorporated a 51% subsidiary known as USurface Technology Sdn. Bhd. ("USurface") capitalised at RM100 comprising of 100 ordinary shares of RM1 each. Its intended principal activities is to provide surface treatment for metal parts. The incorporation of this subsidiary company is mainly to facilitate the expansion of the business activities of UWC group.
- (b) On 11 February 2022, C Max Manufacturing Sdn. Bhd. ("C Max") is incorporated with capital of RM100 represented by 100 ordinary shares with UWC holding a 70% equity interest and the remaining by two other independent parties. The intended principal activities of C Max included provision of precision sheet metal fabrication.

A12. Contingent Liabilities and Contingent Assets

There were no material contingent liabilities or contingent assets as at the date of this interim financial report.

A13. Material Capital Commitment

Save as disclosed below, as at 30 April 2022, the Group does not have any other material capital commitment:

| | RM'000 |
|---|---------------|
| Capital expenditure in respect of purchase of property, plant and equipment | |
| - Approved and contracted for | 7,144 |
| - Approved but not contracted for | - |
| Total | 7,144 |

A14. Significant Related Party Transactions

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

A15. Fair Value of Financial Liabilities

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current quarter and the financial period under review.

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

B1. Review of Performance

Comparison with the corresponding period in the previous financial year

The Group's revenue for the current quarter was RM87.3 million, representing a growth of 21.7% from RM71.8 million achieved in the corresponding quarter of the previous year. The increase was mainly attributed to the continued demand from the Group's global customers in the semiconductor industry.

The Group's profit before tax ("**PBT**") for the current quarter surged by 39.6% to RM38.0 million from RM27.2 million recorded in the corresponding quarter of the previous financial year. The improved profitability was attributed to the Group's focus in delivering higher value products to customers. Other operating income reported an increase in the current quarter due to hiring incentive received through UWC's participation in the JomKerja@NCER programme introduced by Northern Corridor Implementation Authority (NCIA) and Malaysia's Short-Term Economic Recovery Plan (PENJANA) as the Group provides employment opportunities to unemployed graduates and retrenched workforce. The Group transacted in United States Dollar ("**USD**") extensively, therefore the gain on foreign exchange due to appreciation of USD against the Ringgit Malaysia also contributed to the Group's performance during the current quarter.

B2. Comparison with Immediate Preceding Quarter

| | Individual Quarter 3-months ended | | | |
|---|-----------------------------------|-----------------------------|-------------|-------|
| | 30 April 2022 (RM'000) | 31 January 2022 (RM'000) | Differences | |
| | | | RM'000 | % |
| Revenue | 87,321 | 79,915 | 7,406 | 9.3% |
| Profit before tax (" PBT ") | 37,983 | 32,177 | 5,806 | 18.0% |
| Profit for the financial period | 28,700 | 25,031 | 3,669 | 14.7% |
| Profit attributable to owners of the parent | 28,712 | 25,077 | 3,635 | 14.5% |

The Group's revenue for the quarter under review of RM87.3 million was 9.3% higher as compared to the revenue registered in the immediate preceding quarter of RM79.9 million. Higher revenue generated mainly derived from increasing orders from the semiconductor industry.

The Group recorded PBT of RM38.0 million, an increase of 18.0% from RM32.2 million recorded in the immediate preceding quarter driven by higher revenue and favourable foreign exchange. The increase was partially offset by the share grant expenses incurred in the current quarter.

B3. Prospects

The Malaysian economy registered a positive growth of 5.0% in the first quarter of 2022. Bank Negara Malaysia expected the nation's economy to improve further in year 2022, with gross domestic product (GDP) growth projected at 5.3%-6.3%. This is underpinned by the easing of restrictions, reopening of international borders, stronger domestic demand and continued expansion in external demand. On the other hand, based on the latest World Semiconductor Trade Statistics, the worldwide semiconductor market is expected to grow by 10.4% in 2022, with all regions, including Asia-Pacific, expected to record positive growth rates.

Being acquainted with the global disruption such as weaker-than-expected global growth, further escalation of Russia-Ukraine geopolitical conflicts, China's lockdown owing to omicron cases outbreak which worsened supply chain disruptions, and heightened financial market volatility, the Group has

B3. Prospects (continued)

taken continuous effort to sustain its operations and seize business opportunities in this dynamic yet challenging market. The Group anticipates positive prospects for its business and the industries that it is participating in, namely semiconductor, life science and 5G technology as catalysts of growth for the coming years.

SEMICONDUCTOR

As the Group tapped into the opportunities arising from the upcoming trends of 5G and Artificial Intelligence technologies, the Group is striving to build continuous flows of strong order books of front-end semiconductor equipment, life science and 5G test equipment. The functional tester product is expected to be launched by end of this calendar year, while the new simulation system tester product is expected to be ramped up progressively in the third quarter of this calendar year. The development progress of 5G millimetre-wave testers and vehicle-to-vehicle (V2V) testers remains on track. The respective testers are expected to undergo mass production commencement by July 2022. Furthermore, autonomous vehicle chip testers production continues to run healthy loadings.

CAPACITY EXPANSION

As part of production capacity expansion initiatives, the Group expanded its Taiping operations to leverage on the more ample workforce available locally. The Group also incorporated a new subsidiary, USurface Technology Sdn. Bhd. in Taiping during the quarter. The subsidiary company has since commenced its surface treatment operation in April 2022 to support the Group's business expansion as well as driving it towards higher value projects. In conjunction with the reopening of Malaysia's international borders effective 1 April 2022 as transition into the endemic phase, the Group accesses the wider labour market to bridge its shortages.

LIFE SCIENCE

Life science and medical technology segment continue to be an important part of the Group's diversification strategy. The industry is anticipated to experience sustainable growth especially magnified in time of COVID-19 pandemic and with new virus strains emerging across the globe. The Group has been developing medical diagnostic testing and virus extraction machines to test new or mutated strains. Moreover there are new products in the pipeline, such as DNA analyser and cell electroporation instrument. The Group is working with customers on project transfers over the longer term to secure full box-build jobs.

We will continue to execute our strategic expansion and diversification plans in 2022 through dedication and commitment to achieve sustainable competitive advantage.

B4. Profit Forecast

The Group did not issue any revenue or profit estimate, forecast, projection or internal targets in any public document.

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B5. Taxation

| | Current Period-to-date ended 30 April 2022 RM'000 | Preceding Year Corresponding Period ended 30 April 2021 RM'000 |
|--------------------------------|--|---|
| Income tax | | |
| • Current year provision | 22,767 | 17,796 |
| • Over provision in prior year | (249) | (544) |
| Deferred tax | | |
| • Current year provision | 991 | 1,649 |
| • Over provision in prior year | (121) | - |
| Overall tax expenses | 23,388 | 18,901 |
| Effective tax rate (%) | 23.4 | 20.8 |
| Statutory tax rate (%) | 24.0 | 24.0 |

The Group's effective tax rate is lower than the statutory tax rate mainly due to capital allowances and reinvestment allowances enjoyed by its' subsidiaries.

B6. Status of Corporate Proposals

There were no corporate proposals announced and not completed as at the date of this interim financial report.

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B7. Group Borrowings and Debt Securities

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

| | Unaudited as at 30 April 2022 (RM'000) | Audited as at 31 July 2021 (RM'000) |
|--------------------------------|---|--|
| Current liabilities | | |
| Term loan | 1,277 | 1,497 |
| Non-current liabilities | | |
| Term loan | 200 | 1,133 |
| Total borrowings | 1,477 | 2,630 |

All the Group's borrowings are denominated in RM, secured and interest-bearing.

B8. Material Litigation

As at the date of this interim financial report, the Group is not engaged in any material litigation or arbitration proceedings, either as plaintiff or defendant, and the Directors are not aware of any proceedings pending or threatened against the Group, which may materially and adversely affect the financial position or business performance of the Group.

B9. Dividend

No dividend was declared for the current quarter ended 30 April 2022.

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B10. Earnings Per Share (“EPS”)

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

(a) Basic EPS

| | Current Period-to-date ended 30 April 2022 | Preceding Year Corresponding Period ended 30 April 2021 |
|--|---|--|
| Profit after tax attributable to the owners of the parent (RM'000) | 76,832 | 71,988 |
| Weighted average number of ordinary shares in issue ('000) | 1,101,365 | 1,100,633 |
| Basic EPS ⁽¹⁾ (sen) | 6.98 | 6.54 |

(b) Diluted EPS

| | Current Period-to-date ended 30 April 2022 | Preceding Year Corresponding Period ended 30 April 2021 |
|--|---|--|
| Profit after tax attributable to the owners of the parent (RM'000) | 76,832 | 71,988 |
| Weighted average number of ordinary shares in issue ('000) | 1,101,365 | 1,100,633 |
| Effect of dilution due to share grant scheme ('000) | 1,840 | 1,082 |
| Adjusted weighted average number of ordinary shares applicable to diluted EPS ('000) | 1,103,205 | 1,101,715 |
| Diluted EPS ⁽²⁾ (sen) | 6.96 | 6.53 |

Notes:

- (1) Basic EPS is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period under review.
- (2) Diluted EPS is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period under review adjusted for the effects of dilutive potential ordinary shares.

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UWC BERHAD
(Company No. 201801012223) (1274239-A)
(Incorporated in Malaysia under the Companies Act 2016)

B11. Profit Before Tax

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

| | Current Period-to-date ended 30 April 2022 RM'000 | Preceding Year Corresponding Period ended 30 April 2021 RM'000 |
|--|--|---|
| Interest income | (233) | (624) |
| Other income including investment income | (2,285) | (835) |
| Interest expense | 201 | 214 |
| Depreciation of property, plant and equipment | 10,523 | 8,663 |
| Depreciation of right-of-use assets | 901 | 554 |
| Amortisation of government grants | (884) | (884) |
| Impairment losses in trade and other receivables | 304 | 366 |
| Provision for and write off of inventories | - | - |
| (Gain)/ Loss on foreign exchange | | |
| - realised | (1,443) | 2,571 |
| - unrealised | (1,512) | - |
| Loss/ (Gain) on fair value adjustment on marketable securities | 150 | (30) |
| Impairment of assets | - | - |

Note:

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

BY ORDER OF THE BOARD
21 June 2022