

UMS HOLDINGS BERHAD
(198101008008 (74125-V))
(Incorporated in Malaysia)

Minutes of the 39th Annual General Meeting of the Company held at the Broadcast Venue at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Monday, 8 March 2021 at 10:00 a.m.

PRESENT	:	<u>Directors</u> Mr. Ng Siow Hwa @ Ng Kok Hwa (Executive Chairman) Mr. Ng Seng Kong (Acting Chairman for this meeting) Mr. Lee Kok Wei Ms. Oon Kim Suan Ms. Kor Yann Ning Mr. Ng Seng Huat Mr. Ng Sing Huat Mr. Thing Hua @ Ng Thing Hua Mr. Ng Sing Kun @ Ng Seng Kuon
		<u>Shareholders & Proxies</u> As per attendance list(s)
IN ATTENDANCE	:	Ms. Adelyn Ho Mun Yee } Secretaries Ms. Karyn Tam Fong Ying } Ms. Quinnie Tam Chee Kheng }
BY INVITATION	:	Ms. Chuah Sue Yin } - representing Auditors from Mr. Jamson Gan Jian Wei } PCCO PLT Puan Ros Sakila Binti Bahari – representing Tricor Investor & Issuing House Services Sdn Bhd Ms. Tam Kit Wai – representing Best Corporate and Mgt Services

Mr. Ng Siow Hwa @ Ng Kok Hwa called upon Mr. Ng Seng Kong to chair this meeting.

Mr. Ng Seng Kong took the Chair and welcomed the Shareholders to the 39th Annual General Meeting (“AGM”). The AGM proceeded as there was a quorum present.

The Acting Chairman informed that all the resolutions set out in the Notice of the 39th AGM will be voted by poll. He added that the shareholders/proxies may proceed to vote on the resolutions set out in the Notice of the AGM until the end of the voting session which will be announced later.

The Acting Chairman then invited the representative of Tricor Investor & Issuing House Services Sdn Bhd, the Polling Administrator, to brief the shareholders/proxies on the polling process. The video on the polling process was projected on the screen for the shareholders’ information.

The Acting Chairman further informed that for the purpose of the poll voting, the Company had appointed:-

- a) Messrs Tricor Investor & Issuing House Services Sdn Bhd as the Polling Administrator to conduct the poll voting; and
- b) Best Corporate and Mgt Services as the Scrutineer to scrutinise the e-polling procedures and to verify the poll results.

NOTICE

The Notice of the meeting was taken as read.

The Acting Chairman informed that the Company has received a letter from the Minority Shareholder Watch Group (“MSWG”) raising several queries in relation to the operational and financial matters and corporate governance matters of the Company. He then informed that the questions and answers to the letter as well as the questions and answers that were pre-submitted by the shareholder will be shared with the shareholders after he has finished tabling all the matters in the Agenda as follows.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Acting Chairman then proceeded with the first item on the Agenda which was to lay the Audited Financial Statements for the year ended 30 September 2020 and the Reports of the Directors and auditors.

2. DIRECTORS’ FEES

The Acting Chairman informed that the next item on Agenda was the payment of Directors’ fee. He informed that the Board has recommended the Directors’ fees of RM306,000.00 in respect of the financial year ended 30 September 2020.

The Acting Chairman informed that the Directors who are Shareholders and persons connected with them will abstain from voting on this Resolution.

3. DIRECTORS’ BENEFITS

The Acting Chairman proceeded to item 3 on the Agenda which was to table the resolution on the payment of Directors’ benefits (excluding Directors’ fees) up to an amount of RM100,000 payable to the Directors for the period from 1 October 2020 until the next Annual General Meeting of the Company in the year 2022.

The Acting Chairman also informed that the Directors who are Shareholders and persons connected with them will abstain from voting on the Resolution.

4. TO DECLARE A FINAL DIVIDEND OF 6 SEN (SINGLE-TIER)

The Acting Chairman informed that a Final Dividend of 6 sen (Single-Tier) has been recommended by the Board.

5. TO RE-ELECT DIRECTORS WHO RETIRE IN ACCORDANCE WITH CLAUSE 103(1)

The Acting Chairman informed the shareholders that the following Resolutions Nos. 4 to 6 were to re-elect the following Directors who were due to retire by rotation in accordance with Clause 103(1) of the Company’s Constitution. The retiring Directors have offered themselves for re-election.

- 5.1 Mr. Ng Seng Kong
- 5.2 Mr. Lee Kok Wei
- 5.3 Ms. Oon Kim Suan

6. TO RE-APPOINT MESSRS PCCO PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Acting Chairman informed that item 6 on the Agenda was on the reappointment of Auditors. He informed that the Auditors, Messrs PCCO PLT, has signified their willingness to continue in office.

7. ORDINARY RESOLUTION – PROPOSED SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WHICH ARE IN THE ORDINARY COURSE OF BUSINESS (RRPT)

The Meeting was informed that the full content of Resolution No. 8 was set out in the Notice the 39th AGM, and the details in relation to the resolution was as set out in Part A of the Circular To Shareholders. The interested parties (as set out in Part A, Section 6 of the said Circular) would abstain from voting on this resolution.

8. ORDINARY RESOLUTION - PROPOSED SHARE BUY-BACK

The Acting Chairman informed the shareholders that this resolution was to consider the proposed renewal of authority to buy-back shares of the Company up to a limit of 10% of the existing total number of issued shares.

9. ORDINARY RESOLUTION – RETENTION OF INDEPENDENT DIRECTOR

The Acting Chairman informed the shareholders that this resolution was in relation to the retention of Mr. Lee Kok Wei as an Independent Non-Executive Director who has served the Board for a cumulative term of more than 12 years. He added that justification for his recommendation to continue to act as Independent Non-Executive Director was set out on page 6 of the Annual Report.

The Acting Chairman further informed that this Resolution 10 will be voted through a 2-tier voting process.

10. ANY OTHER MATTERS

The Acting Chairman informed that no notice had been received to transact any other business at this Meeting.

The following presentations were then projected on the screen to be shared with the shareholders:

- Questions and answers to the letter from MSWG (Appendix I);
- Questions and answers to the pre-submitted questions from the shareholder (Appendix II).

The Chairman informed that the Company has also received some questions from the shareholders/proxies during the meeting. A summary of the questions raised by the shareholders/proxies together with the corresponding responses are set out in Appendix III of the minutes.

11. CONDUCT OF POLL

The poll voting session was carried out for 5 minutes after the tabling and deliberations of all the items on the Agenda for the Meeting.

The Meeting was also informed that the results of the polling would be announced after validation by the Scrutineer.

The polling process commenced at 10.30 a.m. and the Meeting was adjourned for the polling to take place.

The polling process was declared closed by the Chairman at 10:35 a.m. and the meeting was adjourned for the counting and verification of the poll results.

12. ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 10:50 a.m. for the declaration of poll results as the Acting Chairman had received the said results from the Scrutineer.

The poll results were projected onto the screen. The Acting Chairman then announced that all the resolutions as stated in the Notice of the 39th AGM of the Company were duly carried as follows.

12.1 *Payment of Directors' Fees*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 1	10,758,031	100	0	0

The Acting Chairman declared that the following Ordinary Resolution 1 was duly passed as follows:-

"That the payment of Directors' Fees amounting to RM306,000.00 for the financial year ended 30 September 2020 be and is hereby approved."

12.2 *Payment of Directors' Benefits*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 2	10,758,031	100	0	0

The Acting Chairman declared that Ordinary Resolution 2 was duly passed as follows:-

"That the payment of Directors' benefits (excluding Directors' Fees) up to an amount of RM100,000 for the period from 1 October 2020 until the next Annual General Meeting of the Company to be held in the year 2022 be and is hereby approved."

12.3 *Final Dividend of 6 sen (Single-Tier)*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 3	24,111,081	100	0	0

The Acting Chairman declared that Ordinary Resolution 3 was duly passed as follows:-

"That a Final dividend of 6 sen (Single-Tier) per share in respect of the financial year ended 30 September 2020 be and is hereby approved."

12.4 *Re-election of Directors retiring pursuant to Clause 103(1) of the Company's Constitution*

12.4.1 *Mr. Ng Seng Kong*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 4	24,111,081	100	0	0

The Acting Chairman declared that Ordinary Resolution 4 was duly passed as follows:-

“That Mr. Ng Seng Kong who retires under Clause 103(1) of the Company’s Constitution be and is hereby re-elected as a Director of the Company.”

12.4.2 *Mr. Lee Kok Wei*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 5	24,110,981	99.9996	100	0.0004

The Acting Chairman declared that Ordinary Resolution 5 was duly passed as follows:-

“That Mr. Lee Kok Wei who retires under Clause 103(1) of the Company’s Constitution be and is hereby re-elected as a Director of the Company.”

12.4.3 *Ms. Oon Kim Suan*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 6	24,111,081	100	0	0

The Acting Chairman declared that Ordinary Resolution 6 was duly passed as follows:-

“That Ms. Oon Kim Suan who retires under Clause 103(1) of the Company’s Constitution be and is hereby re-elected as a Director of the Company.”

12.5 *Re-appointment of Auditors*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 7	24,111,081	100	0	0

The Acting Chairman declared that Ordinary Resolution 7 was duly passed as follows:-

“That Messrs PCCO PLT, Chartered Accountants, be and are hereby re-appointed as Auditors of the Company for the financial year ending 30 September 2021 and that the Directors be and are hereby authorised to fix their remuneration.”

12.6 *Proposed Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 8	11,258,031	100	0	0

The Acting Chairman declared that Ordinary Resolution 8 was duly passed as follows:-

“THAT, subject to the Companies Act, 2016 (“Act”), the Constitution of the Company and the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), approval be and is hereby given to UMS and/or its subsidiaries to enter into any of the category of recurrent related party transactions of a revenue or trading nature as set out in Part A, Section 2.3 of the Circular to Shareholders of the Company dated 29 January 2021 (“the Circular”) with the related parties mentioned therein which are necessary for UMS Group’s day-to-day operations subject further to the following:-

- a) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public; and
- b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Proposed Shareholder Mandate during the financial year;

AND THAT such approval shall continue to be in force until :-

- a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following this AGM, at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
- b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND THAT authority be and is hereby given to the Board of Directors (“Board”) to take all such steps as necessary to implement, finalise and give full effect to and to implement the Proposed Shareholder Mandate for Recurrent Related Party Transactions with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required or imposed by the relevant authorities from time to time and to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.”

12.7 *Proposed Share Buy-Back*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 9	24,111,081	100	0	0

The Acting Chairman declared that Ordinary Resolution 9 was duly passed as follows:-

“THAT, subject to the Companies Act, 2016, the Constitution of the Company, the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approval of such relevant government and/or regulatory authorities where necessary, the Company be and is hereby authorized to purchase its own ordinary shares (“Shares”) on Bursa Securities (“Proposed Share Buy-Back”) at any time, upon such terms and conditions as the Board of Directors (“Board”) shall in their discretion deem fit and expedient in the best interest of the Company provided that:-

- (a) The aggregate number of Shares in the Company which may be purchased and/or held by the Company shall not exceed ten percent (10%) of the prevailing total number of issued shares of the Company at the time of purchase and the compliance with the public shareholding spread requirements as stipulated in

Paragraph 8.02(1) of the Listing Requirements or such other requirements as may be determined by Bursa Securities from time to time;

- (b) The maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the Company's latest audited retained profits of RM2,949,761 as at 30 September 2020;
- (c) The authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:-
 - (i) the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first; and

- (d) Upon the purchase by the Company of its own Shares, the Board be and is hereby authorized to:-
 - (i) cancel all or part of the Shares purchased pursuant to the Proposed Share Buy-Back ("Purchased Shares"); and/or
 - (ii) retain all or part of the Purchased Shares as Treasury Shares; and/or
 - (iii) distribute the treasury shares as share dividends to the Company's shareholders for the time being; and/or
 - (iv) resell all or part of the treasury shares on Bursa Securities; and/or
 - (v) transfer all or part of the treasury shares for the purpose of or under an employees' share scheme; and/or
 - (vi) transfer all or part of the treasury shares as purchase consideration; and/or
 - (vii) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe.

AND that authority be and is hereby given to the Board to take all such steps as necessary to implement, finalise and give full effect to and to implement the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required or imposed by the relevant authorities from time to time and to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

12.8 Retention of Independent Director

Ordinary Resolution 10	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Tier 1	8,700,000	100	0	0
Tier 2	15,410,981	96.6667	100	0.0006

The Acting Chairman declared that Ordinary Resolution 10 was duly passed as follows:-

“That Mr. Lee Kok Wei who have served the Board for more than twelve years be retained as Independent Non-Executive Director of the Company.”

TERMINATION

There being no other business, the meeting terminated at 10:55 a.m. with a vote of thanks to the Chair.

SIGNED

CHAIRMAN



UMS HOLDINGS BERHAD (74125-V)

March 3, 2021

Minority Shareholders Watch Group
Tingkat 11, Bangunan KWSP
No 3, Changkat Raja Chulan
Off Jalan Chulan
50200 Kuala Lumpur

Attention : Mr Devanesan Evanson

Dear Sir,

Re: 39th Annual General Meeting (AGM) of UMS Holdings Berhad (UMS) to be held on Monday, 8 March 2021

With reference to your letter 1 March 2021, we are please to reply as follows:

Operational and Financial Matters

Question 1

Group revenue and profit attributable to owners of the Company (PATAMI) have both been generally declining over the last 5 financial years. Group revenue has decreased from RM96.2 million in FY2016 to RM57.3 million in FY2020 while PATAMI has dropped from RM7.8 million in FY2016 to RM1.4 million in FY2020. (Page 8 of the Annual Report - AR).

What were the reasons for the continuing decline in revenue and PATAMI?
What has the Board done to arrest the Group's deteriorating financial performance and to grow the business?

Answer to question 1

Revenue trended from RM96.2 million in 2016 to RM57.3 million in 2020 was mainly due to sales to one off project of RM18.6 million in 2016 and RM8.5 million in 2017/2018 ;the tapering of OEM supply to Proton in 2019 from RM7.8 million in 2018 to RM3.3 million in 2019 and RM0.00 in 2020 as well as a project sale in Singapore which declined from RM2.7 million in 2018 to RM0.8 million in 2019. The total lockdown between March 2020 to May 2020 due to Covid 19 has adversely affected our sales during this period and for FY2020.

Correspondently to this trend PATAMI dropped from RM7.8 million in FY2016 to RM1.4 million in 2020.

Depending on the economic performance of Malaysia, the Board will proactively identify for opportunities and participate in projects relevant to the Group core business on top of striving to increase our market share through competitive strategies.

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Question 2

The Group's revenue is generated mainly in Malaysia, with a certain portion arising from Singapore. The Group also serves various diverse industries such as palm oil, rubber, power generation, quarrying and cement industries, latex glove manufacturing and electrical and electronic industries

- (a) Apart from Singapore, is the Group planning to venture regionally to grow its revenue? If not, why?
- (b) Which industries are the major contributors to the Group's revenue and what is the outlook in 2021?

Answer to Question 2

2(a). No.

Our core business is in the marketing of industrial and engineering products with emphasis on customer services. Going forward, it is strategically important to locate our business operations in the markets we serve. Expanding operations overseas is not viable and effective as it will stretch our resources in cash flow and logistics. Moreover as stated in our reply to MSWG letter dated 2.3.2020 most of our core franchises are appointed for the Malaysian territory only.

2(b). Most of our products are used and applied to a wide spectrum of industries such as palm oil, latex based industries, mining and quarry as well as automotive spares for aftermarket.

As such, there is no specific industries that drive the sales of any specific item within our diversified portfolio of products.

Question 3

On Pages 38 - 41, of the Annual Report states extensively the outlook for 2021 covering various economies and industries.

- (a) What are the major challenges and which industries will contribute significantly to the Group?
- (b) Does the Group serve the booming technology sector specifically the semiconductor segment?

Answer to Question 3

3(a). The major challenges will be the negative impact of the COVID 19 pandemic on the global, regional and domestic Malaysian economy.

As highlighted in 2(b), any slowdown of economic activities in the manufacturing, agriculture, construction and mining sectors will definitely have a cumulative negative impact on our revenue.

3(b). Booming Technology sector will stimulate manufacturing of electrical and engineering products and will be a positive contributor for our industrial engineering products.

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Question 4.

Whilst revenue from West and East Malaysia registered a decline, revenue from Singapore increased from RM3.706 million in FY2019 to RM5.420 million in FY2020 and segmental results shows a profit of RM682,964 in FY2020 compared to a loss of (RM715,255) in FY2019. (Page 104 of AR)

What were the major reasons for this and which industries contributed to the better financial performance in Singapore? What is the outlook in 2021? Could the better performance in FY2020 be sustained or even surpassed?

Answer to Question 4

Sales in Singapore increased mainly due to a major project in the downstream oil and gas sector which contributed to the revenue of RM1.6 million in 2020 and RM0.8 million in 2019.

This is an ongoing project and whether there is better or sustainable performance in 2021 depends on the customers' expansion plan projected for 2021.

Corporate Governance Matters

Question 1

1. For FY2020, Mr. Thing Hua @ Ng Thing Hua, the Non-Independent NonExecutive Director attended only 3 out of 6 Board meetings. (Page 16 of AR) (should be 3 out of 5 Board Meetings)

Please explain why Mr. Thing Hua @ Ng Thing Hua was absent from three (should be two)of the Board meetings as he is expected to have the time commitment to carry out his duties as a director.

Answer to Question 1

Mr Thing Hua @ Ng Thing Hua did not attend two out of five meetings due:-
i) sudden request from the overseas manufacturer to discuss important matters in January 2020 and

ii) In February 2020, he did not want to take the risk of flying from Kota Kinabalu (Sabah) to Kuala Lumpur when the Covid19 cases were rampant in Sabah. Also we were not in a position to do an online meeting at that point in time. Since then we now have tap on to the technology to conduct online meetings.

Thank You

Ng Seng Kong

Managing Director
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UMS HOLDINGS BERHAD 39TH AGM.

Pre-Meeting

Report Of Question Posed

No	Name / IC	Email	Mobile No.	Created At	Status	Security
1	TEH KIAN LANG / 570908-08-5003 Question: 1)strategy for next 12 months?	kteh3@yahoo.com	60122118476	27/02/2021 19:42:59	Holder	2,100
2	TEH KIAN LANG / 570908-08-5003 Question: 1)COVID IMPACT ON BUSINESS? 2)STRATEGY FOR NEXT 12 MONTHS?	kteh3@yahoo.com	60122118476	27/02/2021 22:24:57	Holder	2,100

Answer to shareholder questions.

Questions by Shareholder Mr Teh Kian Lang

Question 1 : Covid Impact On Business

Answer to Question 1

During the total lockdown from March 2020 to May 2020, the economy was adversely affected. Our sales for this period was also negatively impacted. Subsequent to this period, sales has gradually improved marginally.

Question 2 : Strategy for the next 12 months

Answer to Question 2

Our strategy for the next 12 months will be dependent on the dynamics and trajectory of the pandemic in 2021, the effectiveness of the vaccine roll outs and the relaxation of MCO lockdowns

It is vital to maintain a tight cost control of our business operations and a healthy balance sheet with good cash flow to take advantage of any recovery in 2022 when the pandemic subsides and the prospects of business opportunities arising from activation of the Regional Comprehensive Economic Partnership (RCEP).

Questions raised by Shareholders / proxies at the meeting	Board of Directors / Management's response
What will be the expected financial performance for this year compared to the year 2020, considering the slight improvement in the first quarter result ended 31 December 2020?	Mr. Ng Seng Kong informed the Meeting that it was hard to predict the financial performance for the year 2021 due to the Covid-19 pandemic crisis. It would largely depend on the progress of the vaccination and when the Government decides to open up its border.