

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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UMS HOLDINGS BERHAD

198101008008 (74125-V)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

PART A

**Proposed Renewal of Shareholders’ Mandate
for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Shareholder Mandate”)**

PART B

**Proposed Renewal of the Authority for the Company to purchase
up to Ten Percent (10%) of its total number of issued shares (“Proposed Share Buy-Back”)**

The resolutions in respect of the above proposals will be tabled as Special Business at the Fortieth (“40th”) Annual General Meeting (“AGM”) of UMS Holdings Berhad to be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (“the Broadcast Venue”) on Monday, 7 March 2022 at 10:00 a.m. or at any adjourned thereof together with the Form of Proxy are set out in the Company’s Annual Report 2021. Please follow the procedures provided in the Administrative Guide for the AGM (as separately enclosed) in order to register, participate and vote remotely via the Remote Participation and Voting (“RPV”) platform.

A shareholder entitled to attend and vote at the meeting is entitled to appoint one (1) or more proxies (subject to a maximum of two (2) proxies at each meeting) to attend and vote instead of him. The Form of Proxy should be lodged at the Company’s 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, Malaysia or alternatively, the Customer Service Centre at unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, should you be unable to attend the fully virtual AGM or vote in person at the AGM via RPV platform.

The last day and time for lodging the Form of Proxy is 5 March 2022 at 10:00 a.m.

This Circular is dated 28 January 2022

DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:-

“Act”	: Companies Act 2016, as amended from time to time and any re-enactment thereof
“AGM”	: Annual General Meeting
“ATU”	: Aqua Terra Union Oilfield Supply Sdn. Bhd.
“Board”	: Board of Directors of UMS Holdings Berhad
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“CCM”	: Companies Commission of Malaysia
“CMSA”	: Capital Markets and Services Act 2007, and as amended from time to time and any re-enactment thereof
“Code”	: Malaysian Code on Take-Overs and Mergers, 2016, as amended from time to time and any re-enactment thereof
“Constitution”	: Constitution of UMS
“Director”	: Shall have the meaning given in Section 2(1) of the CMSA, and for purpose of the Proposed Shareholder Mandate to include any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of UMS, its subsidiary or holding company, or a chief executive officer of UMS, its subsidiary or holding company
“EPS”	: Earnings per share
“HPSB”	: Harmony Parade Sdn. Bhd.
“KKM”	: K.K. Machinery Sdn. Bhd.
“KIL”	: Kanway International Limited, a company incorporated in Hong Kong Special Administrative Region of The People’s Republic of China
“Listing Requirements”	: The Main Market Listing Requirements of Bursa Securities
“LPD”	: 31 December 2021, being the latest practicable date before printing of the Circular.
“Major Shareholder”	: A person who has (which includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon) an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is: (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.

For the purposes of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act

DEFINITIONS – CONT'D

“MKS”	: MKS Sdn. Bhd.
“NGTH”	: NGT Holdings Sdn. Bhd.
“NA”	: Net assets
“PAT”	: Profit after Taxation
“PBT”	: Profit before Taxation
“Proposed Shareholder Mandate”	: A proposal by the Company to obtain mandate from its shareholders for the renewal of its existing mandate for Recurrent Related Party Transactions to be entered into from the date of the forthcoming Annual General Meeting up to the date of the next Annual General Meeting.
“Proposed Share Buy-Back”	: Proposed renewal of general mandate by UMS to empower its Directors to exercise the authority to purchase and/or hold of up to 4,069,000 UMS shares representing not more than 10% of the existing total number of issued shares of the Company at any given point of time.
“Purchased Share(s)”	: Share(s) purchased pursuant to the Proposed Share Buy-Back
“Recurrent Related Party Transactions (RRPT)”	: Related Party Transactions which are recurrent, of a revenue or trading nature and which are necessary for UMS Group’s day-to day operations.
“Related Party/Parties”	: A Director, Major Shareholder or person(s) connected with such Director or Major Shareholder.
“Related Party Transactions”	: Transactions entered into by UMS Group which involves the interest, direct or indirect, of a Related Party. For the purpose of this definition, “Director” and “Major Shareholder” shall have the meanings given in paragraph 10.02 of the Listing Requirements.
“RKMD”	: Rokonma (Dongguan) Co. Ltd., a company incorporated in The People’s Republic of China
“RKM”	: Rokonma (M) Sdn. Bhd.
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“SSSB”	: Scenic Symphony Sdn. Bhd.
“Substantial Shareholder”	: Shall have the meaning given in Section 136 of the Act.
“Treasury Shares”	: Purchased Shares that are retained as treasury shares and shall have the meaning given in Section 127 of the Act.
“UMSC”	: UMS Corporation Sdn. Bhd.
“UMSE”	: UMS Engineering (S) Pte. Ltd.
“UMSJB”	: UMS (JB) Sdn. Bhd.
“UMSK”	: UMS (Kuantan) Sdn. Bhd.

DEFINITIONS – CONT'D

“UMSS” : UMS (Sarawak) Sdn. Bhd.

“UMS” or “Company” : UMS Holdings Berhad

“UMS Group” or “the Group” : UMS and its subsidiaries

“UMS Shares” or “Shares” : Ordinary Shares in UMS

“WAMP” : Weighted average market price

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

Any reference in this Circular / Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Circular / Statement shall be a reference to Malaysian time, unless otherwise stated.

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PART A

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE
OR TRADING NATURE**

(“PROPOSED SHAREHOLDER MANDATE”)



UMS HOLDINGS BERHAD

(198101008008 (74125-V))

(Incorporated in Malaysia)

Registered Office:

3rd Floor, No. 17
Jalan Ipoh Kecil
50350 Kuala Lumpur.

Date: 28 January 2022

Ng Siow Hwa @ Ng Kok Hwa (*Executive Chairman*)
Ng Seng Kong (*Managing Director*)
Ng Sing Kun @ Ng Seng Kuon
Ng Sing Huat
Ng Seng Huat
Lee Kok Wei
Thing Hua @ Ng Thing Hua
Oon Kim Suan
Kor Yann Ning

To : The Shareholders of UMS HOLDINGS BERHAD

Dear Sir/Madam

PROPOSED SHAREHOLDER MANDATE

1. INTRODUCTION

Your Board had, on 30 November 2021, made an announcement to Bursa Securities that the Company proposes to seek shareholders' approval at the forthcoming Fortieth AGM in relation to the Proposed Shareholder Mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature.

The purpose of this Circular is to provide you with relevant information relating to the Proposed Shareholder Mandate to be obtained and to seek your approval on Ordinary Resolution No. 8 under Special Business as set out in the Annual Report 2021 or at any adjournment thereof. The Notice of the AGM and the Form of Proxy are enclosed together with the Annual Report 2021 of the Company.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDER MANDATE

2.1 Provisions under the Listing Requirements

Paragraph 10.09(2) of the Listing Requirements provides that a listed issuer may seek a shareholders' mandate in respect of recurrent transactions with related parties which are of a revenue or trading nature and are necessary for its day-to-day operations subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public.
- (ii) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where:
 - (a) the consideration, value of the assets, capital outlay or costs of the aggregated transaction is RM1 million or more; or
 - (b) any one of the percentage ratios of such aggregated transaction is 1% or more;
 whichever is the lower.
- (iii) the issuance of circular to shareholders for the shareholders' mandate shall include information as may be prescribed by Bursa Securities.
- (iv) in a meeting to obtain shareholder mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder, and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.
- (v) immediately announce to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the Group exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where the Company has procured the shareholder mandate pursuant to Paragraph 10.09(2) of the Listing Requirements, the provisions of Paragraph 10.08 of the Listing Requirements shall not apply.

The authority conferred by the shareholder mandate at the forthcoming AGM shall only continue to be in full force until:

- (i) the conclusion of the first AGM of UMS following the general meeting at which such mandate for Recurrent Related Party Transactions was passed, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of UMS after the date it 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
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

2.2 Background Information

On 8 March 2021, the Company had at its AGM, obtained a mandate from its shareholders for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature, which are necessary for UMS Group's day-to-day operations and are in the ordinary course of business and on terms that are not more favourable to the Related Parties than those generally available to the public.

The said mandate shall, in accordance with the Listing Requirements, expire at the conclusion of the forthcoming Fortieth AGM unless it is renewed at the said AGM.

The Board now proposes to seek renewal of the said Recurrent Related Party Transactions mandate to allow the Company and/or its subsidiaries to continue entering into the Recurrent Related Party Transactions which include transactions such as those described in Section 2.3 below.

2.3 Class and Nature of Recurrent Related Party Transactions

UMS is primarily an investment holding company. The principal activities of the UMS Group include investment holding, distribution of mechanical power transmission and material handling products and systems and industrial spare parts.

Details of the subsidiary companies of UMS are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest	Principal Activities
UMS Corporation Sdn. Bhd.	Malaysia	100%	Distribution of mechanical power transmission and material handling products and systems and industrial spare parts.
UMS (Penang) Sdn. Bhd.	Malaysia	100%	Ceased Trading.
UMS (Kuantan) Sdn. Bhd.	Malaysia	100%	Distribution of mechanical power transmission and material handling products and systems and industrial spare parts.
UMS (JB) Sdn. Bhd.	Malaysia	100%	Distribution of mechanical power transmission and material handling products and systems and industrial spare parts.
Aqua Terra Union Oilfield Supply Sdn. Bhd.	Malaysia	100%	Investment holding company.
UMS Engineering (S) Pte Ltd	Singapore	100%	Trading in engineering products.
UMS (Sarawak) Sdn. Bhd.	Malaysia	90%	Distribution of mechanical power transmission and material handling products and systems and industrial spare parts.
UMS Manufacturing Sdn. Bhd.	Malaysia	100% held by UMS Corporation Sdn. Bhd.	Ceased trading.

In the normal course of business of UMS Group, transactions in respect of goods and/or services by UMS Group with Related Parties will occur with some degree of frequency from time to time and may arise at any time. The Recurrent Related Party Transactions and its nature are described below:-

- Sale and Purchase

Sales and purchases, include trading of mechanical power transmission and material handling products and systems and industrial spare parts, are the core business activities of UMS Group. Dealings with the Related Parties will occur as these Related Parties have similar business activities. Purchases occur when certain stocks are unavailable in UMSC, KKM, MKS, RKM, UMSS, UMSJB, UMSK, UMSE and RKMD. In such circumstances, UMSC, KKM, MKS, RKM, UMSS, UMSJB, UMSK, UMSE and RKMD would first source from its related party for immediate sales to its buyers. This arrangement would benefit the Group in terms of time-saving.

The Recurrent Related Party Transactions shall be determined based on prevailing market rates/prices (including where applicable, preferential rates/prices/discounts accorded to a class or classes of customers or for bulk purchases) which are determined by market forces, demand and supply, mode of payment, delivery and insurance terms, quality of the products and services, where relevant, and according to their usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/considerations.

- Management Fee

A management fee is received by UMSC for management consultation rendered to RKM. The agreement has been made since 1 July 2000 for a period of one (1) year and thereafter on a yearly basis until determined by thirty (30) days notice in writing given by either party to the other for the termination of the Management Consultancy Agreement.

The provision of management consultancy by UMSC to RKM is at prevailing rates and terms which are in line with industry norm.

- Rental

UMSC receives rent from MKS for the rental of office space, store space and utility usage.

Rental of office space shall be premised on negotiated rates, after taking into account prevailing market rates, areas of space occupied, length of tenancy and amenities/services offered, and shall be on normal commercial terms.

Details of rental are as follows:-

Description of rental space / Built-up Area (square feet)	Rental (per month)	Period of Tenancy
Third Floor of No. 2 Jalan Segambut Pusat Segambut 51200 Kuala Lumpur (3,000 sq.ft.)	RM1,500 Per month	1 October 2021 to 30 September 2022

The Proposed Renewal of Shareholder Mandate is sought in respect of Recurrent Related Party Transactions with the following Related Parties as detailed in the table below:-

Company in the UMS Group Involved	Interested Related Party	Related Party	Relationship	Nature of Transaction	Estimated value from the 40 th AGM to the date of next AGM in 2023 (RM)	Estimated value from the Mandate obtained at the 39 th AGM in 2021 (RM)	Actual Value from the 39 th AGM in 2021 up to LPD (RM)
UMS Corporation Sdn. Bhd. ("UMSC")	<ul style="list-style-type: none"> Thing Hua @ Ng Thing Hua Ng Seng Kong 	K. K. Machinery Sdn. Bhd. ("KKM")	<ul style="list-style-type: none"> Thing Hua @ Ng Thing Hua Director and substantial shareholder (56.67%) of KKM Director and Substantial Shareholder of UMS Ng Seng Kong Director of KKM & UMSC Director and major shareholder of UMS KKM A 43.33% associated company of UMS 	<p>Sales from UMSC to KKM, including</p> <ul style="list-style-type: none"> Mechanical power transmission and material handling products and systems Industrial spare parts 	6,000,000	6,000,000	2,787,178
UMS Corporation Sdn. Bhd. ("UMSC")	<ul style="list-style-type: none"> Ng Siow Hwa @ Ng Kok Hwa Ng Sing Kun @ Ng Seng Kuon Ng Seng Kong Ng Sing Huat Harmony Parade Sdn Bhd ("HPSB") Ng Seng Huat NGT Holdings Sdn. Bhd. ("NGTH") Thing Hua @ Ng Thing Hua 	<p>Rokomma (M) Sdn. Bhd. ("RKM")</p>	<ul style="list-style-type: none"> Ng Siow Hwa @ Ng Kok Hwa Director of RKM Shareholder of RKM through HPSB Director and shareholder of UMS Director and shareholder of HPSB Director of UMSC Ng Sing Kun @ Ng Seng Kuon Director of RKM Shareholder of RKM through HPSB Director and shareholder of UMS Director of HPSB Director of UMSC Director of SSSB 	<p>Sales from UMSC to RKM, including</p> <ul style="list-style-type: none"> Mechanical power transmission and material handling products and systems Industrial spare parts <p>Sales from RKM to UMSC, including</p> <ul style="list-style-type: none"> Conveyor rollers and parts <p>Management fees paid or payable by RKM to UMSC</p>	1,000,000	1,000,000	41,424
					2,500,000	2,500,000	87,344
					40,800	40,800	34,000

Company in the UMS Group Involved	Interested Related Party	Related Party	Relationship	Nature of Transaction	Estimated value from the 40 th AGM to the date of next AGM in 2023 (RM)	Estimated value from the Mandate obtained at the 39 th AGM in 2021 (RM)	Actual Value from the 39 th AGM in 2021 up to LPD (RM)
<i>(Cont'd from page 5)</i>			<p>Ng Seng Kong</p> <ul style="list-style-type: none"> • Director and major shareholder of UMS • Director of UMSC • Director of HPSB • Shareholder of HPSB through NGTH • Director and shareholder of NGTH • Shareholder of RKM through HPSB <p>Ng Sing Huat</p> <ul style="list-style-type: none"> • Shareholder of RKM through HPSB • Director and shareholder of UMS • Shareholder of HPSB <p>Ng Seng Huat</p> <ul style="list-style-type: none"> • Director of UMSC • Director and major shareholder of UMS • Shareholder of HPSB through NGTH • Director and shareholder of NGTH • Shareholder of RKM through HPSB <p>RKM</p> <ul style="list-style-type: none"> • Is 60% held by HPSB, while HPSB is 41.24% held by NGTH, 17.51% held by Ng Sing Huat, 11.87% held by Ng Siow Hwa @ Ng Kok Hwa, 11.87% held by Thing Hua @ Ng Thing Hua and 17.51% held by SSSB. <p>NGTH</p> <ul style="list-style-type: none"> • A Major shareholder of UMS <p>HPSB</p> <ul style="list-style-type: none"> • An associate company of NGTH and held 60% shares in RKM • HPSB does not hold any shares in UMS <p>Thing Hua @ Ng Thing Hua</p> <ul style="list-style-type: none"> • Director and Substantial Shareholder of UMS 				

Company in the UMS Group Involved	Interested Related Party	Related Party	Relationship	Nature of Transaction	Estimated value from the 40 th AGM to the date of next AGM in 2023 (RM)	Estimated value from the Mandate obtained at the 39 th AGM in 2021 (RM)	Actual Value from the 39 th AGM in 2021 up to LPD (RM)
UMS Corporation Sdn. Bhd. ("UMSC")	<ul style="list-style-type: none"> Ng Siow Hwa @ Ng Kok Hwa Ng Kok Hwa Ng Seng Kong Ng Sing Kun @ Ng Seng Kuon 	UMS (Sarawak) Sdn. Bhd. ("UMSS")	<p>Ng Siow Hwa @ Ng Kok Hwa</p> <ul style="list-style-type: none"> Director of UMSS and UMSC Director and shareholder of UMS <p>Ng Seng Kong</p> <ul style="list-style-type: none"> Director of UMSS and UMSC Director and major shareholder of UMS <p>Ng Sing Kun @ Ng Seng Kuon</p> <ul style="list-style-type: none"> Director of UMSS and UMSC Director and Shareholder of UMS <p>UMSS</p> <ul style="list-style-type: none"> A 90% subsidiary company of UMS 	<p>Sales from UMSC to UMSS, including</p> <ul style="list-style-type: none"> Mechanical power transmission and material handling products and systems Industrial spare parts <p>Sales from UMSS to UMSC, including</p> <ul style="list-style-type: none"> Mechanical power transmission and material handling products Industrial spare parts 	6,000,000	6,000,000	3,019,890
UMS Corporation Sdn. Bhd. ("UMSC")	<ul style="list-style-type: none"> Ng Seng Kong Ng Siow Hwa @ Ng Kok Hwa Ng Kok Hwa Aqua Terra Union Oilfield Supply Sdn. Bhd. ("ATU") Ng Seng Eng 	MKS Sdn. Bhd. ("MKS")	<p>Ng Seng Kong</p> <ul style="list-style-type: none"> Director of ATU and UMSC Director and shareholder of MKS Shareholder of MKS through NGTH Director and major shareholder of UMS <p>Ng Siow Hwa @ Ng Kok Hwa</p> <ul style="list-style-type: none"> Director of ATU and UMSC Director and shareholder of UMS Shareholder of MKS <p>ATU</p> <ul style="list-style-type: none"> Wholly-owned subsidiary of UMS A 45.13% Shareholder of MKS <p>Ng Seng Eng</p> <ul style="list-style-type: none"> Shareholder of MKS Major shareholder of UMS 	<p>Rental paid or payable by MKS to UMSC on a monthly basis</p> <p>Sales from UMSC to MKS, including</p> <ul style="list-style-type: none"> Mechanical power transmission and material handling products and systems Industrial spare parts 	18,000 per annum	36,000 per annum	18,000 per annum
					100,000	100,000	Nil

Company in the UMS Group Involved	Interested Related Party	Related Party	Relationship	Nature of Transaction	Estimated value from the 40 th AGM to the date of next AGM in 2023 (RM)	Estimated value from the Mandate obtained at the 39 th AGM in 2021 (RM)	Actual Value from the 39 th AGM in 2021 up to LPD (RM)
UMS (Sarawak) Sdn. Bhd. ("UMSS")	<ul style="list-style-type: none"> Ng Siow Hwa @ Ng Kok Hwa Ng Kok Hwa Ng Seng Kong Ng Sing Kun @ Ng Seng Kuon Harmony Parade Sdn Bhd ("HPSB") NGT Holdings Sdn. Bhd. ("NGTH") 	Rokonma (M) Sdn. Bhd. ("RKM")	<p>Ng Siow Hwa @ Ng Kok Hwa</p> <ul style="list-style-type: none"> Director of UMSS and RKM Director and shareholder of UMS Shareholder of RKM through HPSB Director and shareholder of HPSB <p>Ng Sing Kun @ Ng Seng Kuon</p> <ul style="list-style-type: none"> Director of UMSS and RKM Director and shareholder of UMS Shareholder of RKM through HPSB Director of HPSB Director of SSSB <p>Ng Seng Kong</p> <ul style="list-style-type: none"> Director and major shareholder of UMS Director of UMSS and HPSB Shareholder of RKM through HPSB Shareholder of HPSB through NGTH Director and shareholder of NGTH <p>RKM</p> <ul style="list-style-type: none"> Is 60% held by HPSB, while HPSB is 41.24% held by NGTH, 17.51% held by Ng Sing Huat, 11.87% held by Ng Siow Hwa @ Ng Kok Hwa, 11.87% held by Thing Hua @ Ng Thing Hua and 17.51% held by SSSB. <p>HPSB</p> <ul style="list-style-type: none"> A holding company that held 60% shares in RKM HPSB does not hold any shares in UMS <p>NGTH</p> <ul style="list-style-type: none"> A Major shareholder of UMS 	Sales from RKM to UMSS, including: <ul style="list-style-type: none"> Conveyor rollers and parts 	1,000,000	1,000,000	155,888

Company in the UMS Group Involved	Interested Related Party	Related Party	Relationship	Nature of Transaction	Estimated value from the 40 th AGM to the date of next AGM in 2023 (RM)	Estimated value from the Mandate obtained at the 39 th AGM in 2021 (RM)	Actual Value from the 39 th AGM in 2021 up to L/PD (RM)
UMS (JB) Sdn. Bhd. ("UMSJB")	<ul style="list-style-type: none"> Ng Siow Hwa @ Ng Kok Hwa Ng Seng Huat Ng Sing Kun @ Ng Seng Kuon Ng Seng Kong Harmony Parade Sdn Bhd ("HPSB") NGT Holdings Sdn. Bhd. ("NGTH") 	Rokonna (M) Sdn. Bhd. ("RKM")	<p>Ng Siow Hwa @ Ng Kok Hwa</p> <ul style="list-style-type: none"> Director of RKM Director and shareholder of UMS Shareholder of RKM through HPSB Director and shareholder of HPSB <p>Ng Sing Kun @ Ng Seng Kuon</p> <ul style="list-style-type: none"> Director of UMSJB and RKM Director and shareholder of UMS Shareholder of RKM through HPSB Director of HPSB Director of SSSB <p>Ng Seng Kong</p> <ul style="list-style-type: none"> Director and major shareholder of UMS Director of HPSB Shareholder of RKM through HPSB Shareholder of HPSB through NGTH Director and shareholder of NGTH <p>Ng Seng Huat</p> <ul style="list-style-type: none"> Director of UMSJB Director and major shareholder of UMS Shareholder of RKM through HPSB Shareholder of HPSB through NGTH Director and shareholder of NGTH <p>RKM</p> <ul style="list-style-type: none"> Is 60% held by HPSB, while HPSB is 41.24% held by NGTH, 17.51% held by Ng Sing Huat, 11.87% held by Ng Siow Hwa @ Ng Kok Hwa, 11.87% held by Thing Hua @ Ng Thing Hua and 17.51% held by SSSB. <p>HPSB</p> <ul style="list-style-type: none"> A holding company that held 60% shares in RKM HPSB does not hold any shares in UMS <p>NGTH</p> <ul style="list-style-type: none"> A Major shareholder of UMS 	Sales from RKM to UMSJB, including: Conveyor rollers and parts	1,000,000	1,000,000	60,119

Company in the UMS Group Involved	Interested Related Party	Related Party	Relationship	Nature of Transaction	Estimated value from the 40 th AGM to the date of next AGM in 2023 (RM)	Estimated value from the Mandate obtained at the 39 th AGM in 2021 (RM)	Actual Value from the 39 th AGM in 2021 up to LPD (RM)
<p>UMS (Kuantan) Sdn. Bhd. ("UMSK")</p> <ul style="list-style-type: none"> Ng Siow Hwa @ Ng Kok Hwa Ng Seng Huat Ng Sing Kun @ Ng Seng Kuon Ng Seng Kong Harmony Parade Sdn Bhd ("HPSB") NGT Holdings Sdn. Bhd. ("NGTH") 	<p>Rokonma (M) Sdn. Bhd. ("RKM")</p>	<p>Ng Siow Hwa @ Ng Kok Hwa</p> <ul style="list-style-type: none"> Director of RKM Director and shareholder of UMS Shareholder of RKM through HPSB Director and shareholder of HPSB <p>Ng Sing Kun @ Ng Seng Kuon</p> <ul style="list-style-type: none"> Director of UMSK and RKM Director and shareholder of UMS Shareholder of RKM through HPSB Director of HPSB Director of SSSB <p>Ng Seng Kong</p> <ul style="list-style-type: none"> Director and major shareholder of UMS Director of HPSB Shareholder of RKM through HPSB Shareholder of HPSB through NGTH Director and shareholder of NGTH <p>Ng Seng Huat</p> <ul style="list-style-type: none"> Director of UMSK Director and major shareholder of UMS Shareholder of RKM through HPSB Shareholder of HPSB through NGTH Director and shareholder of NGTH <p>RKM</p> <ul style="list-style-type: none"> Is 60% held by HPSB, while HPSB is 41.24% held by NGTH, 17.51% held by Ng Sing Huat, 11.87% held by Ng Siow Hwa @ Ng Kok Hwa, 11.87% held by Thing Hua @ Ng Thing Hua and 17.51% held by SSSB. <p>HPSB</p> <ul style="list-style-type: none"> A holding company that held 60% shares in RKM HPSB does not hold any shares in UMS <p>NGTH</p> <ul style="list-style-type: none"> A Major shareholder of UMS 	<p>Sales from RKM to UMSK, including:</p> <ul style="list-style-type: none"> Conveyor rollers and parts 	<p>1,000,000</p>	<p>1,000,000</p>	<p>167,975</p>	

Company in the UMS Group Involved	Interested Related Party	Related Party	Relationship	Nature of Transaction	Estimated value from the 40 th AGM to the date of next AGM in 2023 (RM)	Estimated value from the Mandate obtained at the 39 th AGM in 2021 (RM)	Actual Value from the 39 th AGM in 2021 up to LPD (RM)
<p>UMS Engineering (S) Pte. Ltd. ("UMSE")</p>	<ul style="list-style-type: none"> Ng Siow Hwa @ Ng Kok Hwa Ng Seng Kong Ng Seng Huat Ng Sing Kun @ Ng Seng Kuon Harmony Parade Sdn Bhd ("HPSB") NGT Holdings Sdn. Bhd. ("NGTH") 	<p>Rokonma (M) Sdn. Bhd. ("RKM")</p>	<p>Ng Siow Hwa @ Ng Kok Hwa</p> <ul style="list-style-type: none"> Director of RKM Director and shareholder of UMS Shareholder of RKM through HPSB Director and shareholder of HPSB <p>Ng Sing Kun @ Ng Seng Kuon</p> <ul style="list-style-type: none"> Director of RKM Director and shareholder of UMS Shareholder of RKM through HPSB Director of HPSB Director of SSSB <p>Ng Seng Kong</p> <ul style="list-style-type: none"> Director of UMSE Director and major shareholder of UMS Director of HPSB Shareholder of RKM through HPSB Shareholder of HPSB through NGTH Director and shareholder of NGTH <p>Ng Seng Huat</p> <ul style="list-style-type: none"> Director of UMSE Director and major shareholder of UMS Shareholder of RKM through HPSB Shareholder of HPSB through NGTH Director and shareholder of NGTH <p>RKM</p> <ul style="list-style-type: none"> Is 60% held by HPSB, while HPSB is 41.24% held by NGTH, 17.51% held by Ng Seng Huat, 11.87% held by Ng Siow Hwa @ Ng Kok Hwa, 11.87% held by Thing Hua @ Ng Thing Hua and 17.51% held by SSSB. <p>HPSB</p> <ul style="list-style-type: none"> A holding company that held 60% shares in RKM HPSB does not hold any shares in UMS <p>NGTH</p> <ul style="list-style-type: none"> A Major shareholder of UMS 	<p>Sales from RKM to UMSE, including:</p> <ul style="list-style-type: none"> Conveyor rollers and parts 	<p>1,000,000</p>	<p>1,000,000</p>	<p>167,055</p>

Company in the UMS Group Involved	Interested Related Party	Related Party	Relationship	Nature of Transaction	Estimated value from the 40 th AGM to the date of next AGM in 2023 (RM)	Estimated value from the Mandate obtained at the 39 th AGM in 2021 (RM)	Actual Value from the 39 th AGM in 2021 up to LPD (RM)
UMS Corporation Sdn Bhd ("UMISC")	<ul style="list-style-type: none"> Ng Seng Kong Ng Sing Kun @ Ng Seng Kuon Ng Siow Hwa @ Ng Kok Hwa Ng Sing Huat 	Rokonna (Dongguan) Co. Ltd. ("RKMD")	<p>Ng Seng Kong</p> <ul style="list-style-type: none"> Director of UMISC and RKMD Director and major shareholder of UMS Director and shareholder of KIL <p>Ng Sing Kun @ Ng Seng Kuon</p> <ul style="list-style-type: none"> Director of UMISC Director and Shareholder of UMS Shareholder of KIL <p>Ng Siow Hwa @ Ng Kok Hwa</p> <ul style="list-style-type: none"> Director of UMISC and RKMD Director and shareholder of UMS Shareholder of KIL <p>Ng Sing Huat</p> <ul style="list-style-type: none"> Director and shareholder of UMS Shareholder of KIL <p>RKMD</p> <ul style="list-style-type: none"> A wholly-owned subsidiary of KIL <p>KIL</p> <ul style="list-style-type: none"> Mr. Ng Seng Kong, Mr. Ng Sing Kun @ Ng Seng Kuon, Mr. Ng Siow Hwa @ Ng Kok Hwa and Mr. Ng Sing Huat each held 11.13% shares in KIL 	Sale from RKMD to UMISC, including: <ul style="list-style-type: none"> Conveyor rollers and parts 	4,000,000	4,000,000	112,861

Note

- KKM, RKM, UMSS, MKS, RKMD and KIL do not hold any shares, direct or indirect, in UMS.
- The above estimated amounts are based on prevailing rates/prices obtained from the Related Parties which are reasonable market-competitive prices based on the normal level of transactions entered into by UMS Group. The estimated amounts are further based on the assumptions that current levels of operations will continue and all external conditions remain constant. The estimates may vary and are subject to changes.

The breakdown of the principal sum and interest for the total outstanding amount due and owing to the Group by its related parties under Recurrent Related Party Transactions which exceeded the credit term for the following periods as at the end of the financial year ended 30 September 2021:-

Company in the UMS Group Involved	Related Party	Nature of Transaction	Credit Term Less than 1 year		Late payment charges imposed (if no, to state reasons)	Course of action to be taken or to be taken to recover the outstanding amount due (information as at LPD)	Board of Directors' opinion on any outstanding amount long overdue including comments on its recoverability
			Principal (RM)	Interest (RM)			
UMS Corporation Sdn. Bhd. ("UMSC")	K. K. Machinery Sdn. Bhd. ("KKM")	Sales from UMSC to KKM, including <ul style="list-style-type: none"> Mechanical power transmission and material handling products and systems Industrial spare parts 	477,601	Nil	Note (b)	Full payment has been made to date	Not necessary as full payment has been made
UMS Corporation Sdn. Bhd. ("UMSC")	UMS (Sarawak) Sdn. Bhd. ("UMSS")	Sales from UMSC to UMSS, including <ul style="list-style-type: none"> Mechanical power transmission and material handling products and systems Industrial spare parts 	493,152	Nil	Note (b)	Full payment has been made to date	Not necessary as full payment has been made
		Sales from UMSS to UMSC, including <ul style="list-style-type: none"> Mechanical power transmission and material handling products and systems Industrial spare parts 	Nil	Nil	Note (a)	N/A	N/A
UMS Corporation Sdn. Bhd. ("UMSC")	Rokonma (M) Sdn. Bhd. ("RKM")	Sales from UMSC to RKM, including <ul style="list-style-type: none"> Mechanical power transmission and material handling products and systems Industrial spare parts 	14,895	Nil	Note (b)	Full payment has been made to date	Not necessary as full payment has been made
		Management fees paid or payable by RKM to UMSC	Nil	Nil	N/A	N/A	N/A

Notes:

- a) As at the financial year ended 30 September 2021, there were no outstanding amount due or owing to the Group by its related parties under Recurrent Related Party Transactions which exceeded more than 1 year.
- b) There were no late payment charges levied on these companies due to the following rationale:-
1. All these companies are either subsidiaries or associated companies of the group whose main function is to market our products through their own local networks to their customers; and
 2. In order to increase market share, it is part of the Group's strategy to support their marketing efforts through an extended payment arrangement over and above the normal credit term.
- c) No necessary action need to be taken as payment can be collected within the credit terms.

2.4 Review Procedures for the Recurrent Related Party Transactions

The Company has established the following review procedures to be carried out to ensure that the Recurrent Related Party Transactions are undertaken on transaction prices and conducted at arm's length basis, on normal commercial terms not more favourable to the Related Parties than those normally available to the public and are not to the detriment of the minority shareholders:-

- (i) A list of related party(ies) is circulated within the UMS Group, with expressed notification that all Recurrent Related Party Transactions are required to be conducted at arm's length basis on normal commercial terms not more favourable to the related party(ies) than those available to the public and are not to the detriment of the minority shareholders;
- (ii) Records will be maintained to record all Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholder Mandate for Recurrent Related Party Transaction;
- (iii) The internal audit team will have to review the systems and procedures of the Group concerning Recurrent Related Party Transactions, so as to reasonably provide assurance to the Board of Directors, Audit Committee and management of the proper conduct and adherence to such systems and procedures;
- (iv) The duties and roles of the Audit Committee include the review of Recurrent Related Party Transactions;
- (v) The Audit Committee shall have the responsibility of determining review procedures with authority to sub-delegate to individuals or committees within the Company as they deem appropriate. If a member of the Audit Committee of UMS has an interest in a transaction, as the case may be, he will abstain from any decision-making by the Audit Committee in respect of the said transaction. Such review methods and procedures may be modified, supplemented or replaced from time to time by the Audit Committee;
- (vi) At least 2 other contemporaneous transactions with unrelated 3rd parties for similar products/services and/or quantities will be used as comparison, wherever possible for determining whether the price and terms offered by/to the related parties are fair and reasonable and comparable to those offered to/by other unrelated 3rd parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated 3rd parties cannot be obtained, the transaction price will be based on the group's usual business practices and is not detrimental to the Group and the minority shareholders. Other factors taken into considerations for evaluation purposes will be reliability to supply, delivery, quality materials or goods and services.
- (vii) If during the reviews, the Audit Committee is of the view that the guidelines or procedures are not adhered to or are not sufficient to ensure normal commercial terms and/or the transaction is detrimental to the minority shareholders, the Audit Committee will:-
 - a) firstly, discuss and ascertain whether it is the guideline or procedure which is at fault or whether it is the fault of the person(s) delegated with the task of ensuring compliance or otherwise; and
 - b) secondly, if the fault is the person rather than the guideline or procedure, appropriate action will be taken against the person concerned. If the defect lies with the guideline or procedure, then the Audit Committee will modify, supplement or replace as may be required, the relevant guideline or procedure and report such modification, supplement or replacement to the Board of Directors.
- (viii) Any member of the Audit Committee may, as he deems fit, request for additional information pertaining to the Recurrent Related Party Transactions from independent sources.

2.5 Statement from Audit Committee

The Audit Committee has seen and reviewed the procedures mentioned in Section 2.4 above and is of the view that the said procedures are sufficient to ensure that the Recurrent Related Party Transactions are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

In addition, the Audit Committee was of the opinion that the Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner, and the frequency of review of these procedures and processes shall be on a half yearly basis.

2.6 Validity Period of the Proposed Shareholder Mandate

If approved at the forthcoming AGM, the Proposed Shareholder Mandate will take effect upon passing of the resolution at the AGM and will continue in force until:

- (i) the conclusion of the first AGM of UMS following the general meeting at which such mandate for Recurrent Related Party Transactions was passed, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of UMS after the date it 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
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

Thereafter, shareholders' approval will be sought for the Shareholder Mandate at each subsequent AGM subject to a satisfactory review by the Audit Committee of its continued application to the Recurrent Related Party Transactions.

2.7 Disclosure

Disclosure on the breakdown of the aggregate value of transactions conducted pursuant to the Proposed Shareholder Mandate during the financial year based on the following information will be made available in the Company's Annual Report and the Annual Reports for subsequent financial years that the mandate continues in force:

- i) the type of Recurrent Related Party Transactions made; and
- ii) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company.

3. RATIONALE AND BENEFITS

The Recurrent Related Party Transactions entered or to be entered into by UMS Group are all in the ordinary course of the Group's business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time.

The rationale for and benefit of the Proposed Shareholder Mandate to UMS Group are as follows:-

- (i) The Recurrent Related Party Transactions will give additional business volume to the Group, thereby improving the turnover and profit of the Group. Furthermore, these Related Parties represent an extensive network of marketing and distribution for the products of UMS Group. Such transactions entered into by the Group are intended to meet business needs at the best possible terms. UMS Group should be able to have access to all available markets and products and services provided by all vendors including its related parties. Transacting with its related parties also enhances the ability to explore beneficial business opportunities within the Group, which will be of benefit to all the companies within the Group.

In most instances companies within the Group have a better understanding of each other's business needs thus providing a platform where all parties can benefit from relatively cheaper transaction costs.

- (ii) The management consultancy service is offered to the Related Party at a price that will enhance the income of the Group since UMSC has the expertise and human resources in product quality. The benefit will also include additional marketing network as both parties have common market interest. The arrangement has contributed to the progress of both UMS Group and its Related Party.
- (iii) The rental of premise to the Related Party will enhance management participation and effectively representing its equity interest in the Related Party by exercising its management control thereat since both the parties are located at the common premises. The transaction will also increase the income of the Group, besides better management and utilization of office space.
- (iv) The Recurrent Related Party Transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such transactions. As such, the Board is seeking the shareholders' mandate pursuant to Paragraph 10.09 of Bursa Securities Listing Requirements for the Recurrent Related Party Transactions described in Section 2.3 above to allow the Group to enter into such Recurrent Related Party Transactions made on an arm's length basis and on normal commercial terms and which are not to the detriment of the minority shareholders.
- (v) By obtaining the Proposed Shareholder Mandate, it would eliminate the necessity and the need to announce and to convene separate general meetings from time to time to seek shareholders' approval as and when such Recurrent Related Party Transactions arise. This will substantially reduce the expenses relating to convening of general meetings on ad hoc basis, improve administrative efficiency considerably and allow manpower resources and time to be channeled towards attaining other corporate objectives.
- (vi) The co-operation between UMS Group and these Related Parties has reaped mutual benefits and is expected to continue to be of benefit to the business of UMS Group.
- (vii) **Threshold of Authority**
There are no specific thresholds for approval of Recurrent Related Party Transactions within the Group. However, all Recurrent Related Party Transactions are subject to the approval by one of these level i.e. the Assistant General Manager or General Manager or Executive Director. Where any Director has an interest (direct or indirect) in any Recurrent Related Party Transaction, such Director shall abstain from deliberations and decision making.

4. EFFECTS

The Proposed Shareholder Mandate is not expected to have any effect on the share capital, the shareholdings of the substantial shareholders, consolidated EPS and consolidated NA of UMS.

5. APPROVALS REQUIRED

The Proposed Shareholder Mandate is subject to the approval being obtained from the shareholders of UMS at the forthcoming AGM of the Company to be convened.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

6.1 The shareholdings of the interested Major Shareholders and interested Directors of UMS based on the Register of Substantial Shareholders and Register of Directors' Shareholdings as at LPD are as follows:-

DIRECTORS

Name	Direct (No. of Shares)	Percentage (%)	Indirect (No. of Shares)	Percentage (%)
Ng Siow Hwa @ Ng Kok Hwa	1,476,070	3.628	436,156	1.07
Ng Seng Kong	655,954	1.612	6,768,972	16.635
Ng Sing Huat	1,810,036	4.448	–	–
Ng Sing Kun @ Ng Seng Kuon	100,000	0.25	600,000	1.47
Ng Seng Huat	107,538	0.264	6,468,972	15.898
Thing Hua @ Ng Thing Hua	2,234,480	5.491	–	–

MAJOR SHAREHOLDERS

Name	Direct (No. of Shares)	Percentage (%)	Indirect (No. of Shares)	Percentage (%)
NGT Holdings Sdn. Bhd.	6,468,972	15.898	–	–
Thing Hua @ Ng Thing Hua	2,234,480	5.491	–	–
Ng Seng Kong	655,954	1.612	6,768,972	16.635
Ng Seng Teck	284,256	0.699	6,468,972	15.898
Ng Seng Eng	68,812	0.169	6,468,972	15.898
Ng Seng Huat	107,538	0.264	6,468,972	15.898

INTERESTED PERSONS CONNECTED TO INTERESTED DIRECTORS AND/OR INTERESTED MAJOR SHAREHOLDERS

Name	Direct (No. of Shares)	Percentage (%)	Indirect (No. of Shares)	Percentage (%)
Ng Bee Wah	54,376	0.134	6,468,972	15.898
Corinna Ng Bee Hong	17,701	0.044	6,468,972	15.898
Harmony Parade Sdn. Bhd.	–	–	–	–
Aqua Terra Union Oilfield Supply Sdn. Bhd.	–	–	–	–

- 6.2**
- (i) Mr. Ng Siow Hwa @ Ng Kok Hwa and Mr. Thing Hua @ Ng Thing Hua are siblings.
 - (ii) Mr. Ng Seng Kong, Mr. Ng Seng Eng, Mr. Ng Seng Teck, Mr. Ng Seng Huat, Ms. Ng Bee Wah and Ms. Corinna Ng Bee Hong are siblings, and nephews and nieces of Mr. Ng Siow Hwa @ Ng Kok Hwa and Mr. Thing Hua @ Ng Thing Hua.
 - (iii) NGTH is a major Shareholder of UMS and 17% held by Mr. Ng Seng Eng, 17% held by Mr. Ng Seng Huat, 17% held by Mr. Ng Seng Kong, 17% held by Mr. Ng Seng Teck, 5% held by Ms. Ng Bee Wah and 5% held by Ms. Corinna Ng Bee Hong.
 - (iv) HPSB is an associate company of NGTH and is 17.51% held by Mr. Ng Sing Huat, 11.87% held by Mr. Ng Siow Hwa @ Ng Kok Hwa, 11.87% held by Mr. Thing Hua @ Ng Thing Hua and 17.51% held by SSSB. HPSB does not hold any shares in UMS.
 - (v) SSSB is a shareholder of HPSB. SSSB does not hold any shares in UMS.

6.3 The interested Directors and persons connected with them are as indicated in Section 6.1 and 6.2 above.

In this respect, Mr. Ng Seng Kong, Mr. Ng Siow Hwa @ Ng Kok Hwa, Mr. Ng Sing Kun @ Ng Seng Kuon, Mr. Ng Seng Huat, Mr. Ng Sing Huat and Mr. Thing Hua @ Ng Thing Hua, being interested Directors, have abstained and will continue to abstain from Board deliberations and voting on the resolution in relation to the Proposed Shareholder Mandate, and shall further abstain from voting, in respect of their direct and/or indirect shareholdings, on the resolution under the Proposed Shareholder Mandate at the forthcoming AGM to be convened.

In addition, the above interested Directors have undertaken that they will ensure that persons connected with them will abstain from voting on their direct and/or indirect shareholdings on the resolution under the Proposed Shareholder Mandate at the forthcoming AGM.

6.4 The interested Major Shareholders and persons connected with them are as indicated in Section 6.1 and 6.2 above.

NGT Holdings Sdn. Bhd., Mr. Thing Hua @ Ng Thing Hua, Mr. Ng Seng Kong, Mr. Ng Seng Teck, Mr. Ng Seng Eng and Mr. Ng Seng Huat, being interested major shareholders; and Ms. Ng Bee Wah, Ms. Corinna Ng Bee Hong, Harmony Parade Sdn. Bhd. and Aqua Terra Union Oilfield Supply Sdn. Bhd. being the persons connected with the interested major shareholders shall abstain from voting, in respect of their direct and/or indirect shareholdings on the resolution under the Proposed Shareholder Mandate at the forthcoming AGM to be convened.

The interested Major Shareholders have undertaken that they shall ensure that persons connected with them will abstain from voting on their direct and/or indirect shareholdings on the resolution under the Proposed Shareholder Mandate at the forthcoming AGM.

6.5 Save as disclosed above, none of the Directors, major shareholders or persons connected with the Directors or Major Shareholders as defined in the Listing Requirements, have any interest, direct or indirect, in the Proposed Shareholder Mandate.

7. DIRECTORS' RECOMMENDATION

The Board of Directors of UMS (with the exception of the interested Directors, namely Mr. Ng Seng Kong, Mr. Ng Siow Hwa @ Ng Kok Hwa, Mr. Ng Sing Kun @ Ng Seng Kuon, Mr. Ng Seng Huat, Mr. Ng Sing Huat and Mr. Thing Hua @ Ng Thing Hua) is of the opinion that the Proposed Shareholder Mandate is in the best interest of the Company and its shareholders and recommends that you vote in favour of the resolution to be tabled at the forthcoming AGM.

8. ANNUAL GENERAL MEETING

The Ordinary Resolution on the Proposed Shareholder Mandate will be tabled as Special Business at the Fortieth AGM of the Company, the Notice of which is enclosed in the Annual Report 2021 of our Company. The Fortieth AGM will be conducted entirely through live streaming from the broadcast venue at Tricor Buisness Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (“the Broadcast Venue”) on Monday, 7 March 2022 at 10:00 a.m. or at any adjourned thereof.

If you are unable to attend or vote in person at the Fortieth AGM, you may appoint a proxy by executing the Form of Proxy enclosed in the Annual Report 2021, in accordance with the instructions contained therein as soon as possible to be lodged at the Company’s 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, Malaysia or alternatively, the Customer Service Centre at unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than forty-eight (48) hours before date and time for the AGM as indicated above or at any adjourned thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently decide to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

9. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I for further information.

Yours faithfully
for and on behalf of the Board of Directors of
UMS HOLDINGS BERHAD

LEE KOK WEI
Independent Non-Executive Director

PART B

STATEMENT ON THE

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY
TO PURCHASE UP TO TEN PERCENT (10%)
OF ITS TOTAL NUMBER OF ISSUED SHARES**

(“PROPOSED SHARE BUY-BACK”)



UMS HOLDINGS BERHAD

(198101008008 (74125-V))

(Incorporated in Malaysia)

PROPOSED SHARE BUY-BACK

1. INTRODUCTION

On 8 March 2021, the Company had at the Annual General Meeting, obtained a mandate from its shareholders for the Directors to purchase and/or hold its own shares of up to 10% of the total number of issued shares of the Company.

The authority obtained shall, in accordance with the Listing Requirements, expire at the conclusion of the forthcoming Fortieth AGM unless it is renewed at the said AGM.

In connection thereto, on 30 November 2021, the Board of UMS announced that it will seek a renewal of its shareholders' authorisation for the Proposed Share Buy-Back at the forthcoming Fortieth AGM.

The purpose of this Circular is to provide you with information on the Proposed Share Buy-Back, and to seek your approval on Ordinary Resolution No. 9 under Special Business as set out in the Annual Report 2021 to be tabled at the forthcoming Fortieth AGM or at any adjournment thereof. The Notice of the AGM and the Form of Proxy are enclosed together with the Annual Report 2021 of the Company.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHARE BUY-BACK AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

The Board proposes to seek the approval from the shareholders of the Company for the Company to purchase and/or hold up to 4,069,000 UMS Shares representing 10% of the existing total number of issued shares of the Company subject to compliance with Section 127 of the Act, the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and other requirements issued by the relevant authorities.

As at LPD, the total number of issued shares of the Company was 40,690,000 UMS shares.

The approval from the shareholders of the Company for the Proposed Share Buy-Back shall be effective immediately upon the passing of the ordinary resolution pertaining to the Proposed Share Buy-Back and will continue to be in force until:-

- (i) the conclusion of the next AGM of UMS at which time the authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM 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.

3. SOURCE OF FUNDS AND TREATMENT

The Proposed Share Buy-Back shall only be effected on the market of Bursa Securities via its Automated Trading System and shall exclude any direct business transactions as defined in accordance with the Rule of Bursa Securities. Consequently, the Proposed Share Buy-Back shall be transacted through its appointed stock broker(s) as approved by Bursa Securities.

3.1 Funding

The Proposed Share Buy-Back will allow the Board to exercise the power of the Company to purchase and hold its shares at any time within the period of validity of the approval of the shareholders for the Proposed Share Buy-Back by using the internal generated funds of the Company and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on the availability of internally generated funds, actual number of UMS Shares to be purchased and/or held and other relevant cost factors. In the event that the Proposed Share Buy-Back is to be financed by bank borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the Company's cashflow. The actual number of UMS Shares to be purchased and/or held will depend on amongst others, the market conditions and sentiments of Bursa Securities as well as the availability of the retained profits and financial resources available to the Company. The Company will not purchase its own shares if it would result in the Company being insolvent and its capital being impaired. The Company should remain solvent after each buy-back during the period of 6 months after the date of the solvency statement made by the Directors.

The retained profits of the Company based on the audited financial statements for the financial year ended 30 September 2021 is as follows:

	As at 30 September 2021
	RM
Retained profits	3,247,060

3.2 Treatment of Purchased Share(s)

In accordance with Section 127 of the Act, the Board may deal with the Purchased Shares in the following manner:-

- (a) to cancel all or part of the Purchased Shares; and/or
- (b) to retain all or part of the Purchased Shares as Treasury Shares; and/or
- (c) to distribute the Treasury Shares as share dividends to the Company's shareholders; and/or
- (d) to resell the Treasury Shares on Bursa Securities; and/or
- (e) transfer the Treasury Shares for the purposes of or under an employees' share scheme; and/or
- (f) transfer all or part of the Treasury Shares as purchase consideration; and/or
- (g) sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister may by order prescribe.

Purchased Shares which are held as Treasury Shares are not conferred the right to attend or vote at meetings and to receive dividends or other distributions, whether cash or otherwise, of the Company's assets including distribution of assets in the event of the winding up of the Company. The Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including, without limiting the generality of Section 127 of the Act, the provisions of any law or requirements of the Constitution or the Listing Requirements on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

As at the date of this Circular, the Board has yet to make any decision with regard to the treatment of the Purchased Shares and will take into consideration the effects of such treatment to the Group in arriving at its decision. An immediate announcement will be made to Bursa Securities upon each purchase, cancellation and/or resale of shares pursuant to the Proposed Share Buy-Back.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES

4.1 Advantages

The Proposed Share Buy-Back provides the opportunity for UMS to stabilize the supply and demand of UMS Shares in the open market and thereby allowing the share price of UMS to better reflect the fundamental value of the Company.

In addition, the Purchased Shares may be held as Treasury Shares and resold in the open market with the intention of realizing a potential gain without affecting the total number of issued shares of the Company. Should any Treasury Shares be distributed as share dividends, this will serve to reward the shareholders of the Company for their continued support for and loyalty to the Company.

Furthermore, the shares purchased by the Company under the Proposed Share Buy-Back is expected to enhance the EPS and NA per share of UMS, depending on factors such as purchase prices of the UMS Shares and the effective funding cost and/or loss in interest income to the Company.

4.2 Disadvantages

The Proposed Share Buy-Back may result in the Group foregoing other investment opportunities which may be available in the future and may also reduce the amount of financial resources available to the Company and its subsidiaries as working capital and/or for distribution in the form of cash dividends to shareholders of UMS. However, the financial resources of the UMS Group may be restored upon the re-sale of the Purchased Shares which are held as Treasury Shares, the extent of which depends on the selling prices of the Treasury Shares.

Nevertheless, the Board will be mindful of the interests of UMS and its shareholders in undertaking the Proposed Share Buy-Back.

5. PUBLIC SHAREHOLDING SPREAD

According to the Record of Depositors and the Register of Substantial Shareholders of the Company, the public shareholding spread of UMS as at 31 December 2021 was 42.70% of its total issued shares.

The Board is mindful of the requirement that any purchase of UMS Shares by the Company must not result in the public shareholding spread of the Company falling below 25% of its issued shares.

6. RATIONALE

The Proposed Share Buy-Back is expected to potentially benefit the Company and its shareholders in the following manner:-

- (i) if the UMS Shares bought back are cancelled, the net earnings per share of UMS would generally be envisaged to improve, thereby enhancing the value of shareholders' investment in the Company;
- (ii) if the UMS Shares bought back are kept as treasury shares, it will give the Board an opportunity to sell the shares so purchased at a higher price, therefore making an exceptional gain for the Company;
- (iii) the Company may be able to stabilize the supply and demand of its shares in the open market, thereby supporting its fundamental value; and
- (iv) UMS Shares bought back and retained as treasury shares can be distributed as share dividends to shareholders.

7. EFFECTS

Assuming the Proposed Share Buy-Back is implemented in full, the effects of the Proposed Share Buy-Back on the share capital, NA, working capital, earnings and Substantial Shareholders' and Directors' shareholdings are as set out below: -

7.1 Issued Shares

In the event the maximum number of UMS Shares authorized under the Proposed Share Buy-Back are purchased and such purchased shares are cancelled, the total number of issued shares of UMS will be as follows: -

	No. of Shares
Issued shares as at LPD	40,690,000
Maximum no. of UMS Shares which may be purchased and cancelled pursuant to the Proposed Share Buy-Back	4,069,000
	<hr/>
Resultant number of issued shares upon completion of cancellation of the maximum no. of Purchased Shares	36,621,000
	<hr/>

However, if all the UMS Shares purchased under the Proposed Share Buy-Back are retained as Treasury Shares, the Proposed Share Buy-Back will not have any effect on the capital of UMS, although substantially all rights attached to the shares held as Treasury Shares would be suspended.

7.2 NA

The Proposed Share Buy-Back is likely to reduce the NA per share of the Group if the purchase price exceeds the NA per share of the Group at the time of purchase and vice versa.

In the event the Treasury Shares are resold on Bursa Securities, the NA per share of the Group will increase assuming that a gain has been realized and vice versa. Again, the quantum of the increase in NA will depend on *inter alia*, the number of Purchased Shares, the purchase price of such shares, the effective funding cost to the Group to finance the Purchased Shares or any loss in interest income to the Group and the proposed treatment of the Purchased Shares.

7.3 Working capital and Cash Flow

The Proposed Share Buy-Back will reduce the working capital of UMS Group, the quantum of which would depend on the purchase price of the UMS Shares, the number of UMS Shares purchased and the effective funding cost and/or loss of interest income to the Company.

The Proposed Share Buy-Back, if exercised, would reduce the cash reserves of the Company and the sum reduced will depend on the purchase prices and number of shares purchased pursuant to the Proposed Share Buy-Back.

However, the financial resources of UMS Group may be restored upon the resale of the Purchased Shares which are held as Treasury Shares.

7.4 Earnings

All things being equal, the Proposed Share Buy-Back, whether the UMS Shares to be purchased under the Proposed Share Buy-Back are maintained as Treasury Shares or cancelled, will result in a lower number of UMS Shares being used for the purpose of computing the EPS of the Company. The extent of the effects of the Proposed Share Buy-Back on the EPS of UMS Group will depend on the relevant purchase prices of UMS Shares purchased under the Proposed Share Buy-Back and the effective funding cost to UMS Group to finance the purchase of UMS Shares or any loss of interest income to the Company.

In the event that the Treasury Shares are resold on the open market, the EPS of UMS Group may also increase if the Company realizes a gain from the resale, and vice-versa. Assuming that the UMS Shares purchased are being retained as Treasury Shares and subsequently resold, the effects on the earnings of the Group will depend on the actual selling price, the number of Treasury Shares resold and the effective gain or loss arising from the resale.

7.5 Substantial Shareholders' and Directors' Shareholdings

Assuming that the UMS Shares purchased are from shareholders of UMS other than the Directors and Substantial Shareholders of the Company, the Proposed Share Buy-Back would increase the effective percentage shareholdings of the Directors and Substantial Shareholders in the Company, the extent of which depends on the number of UMS Shares purchased.

The effects of the Proposed Share Buy-Back on the shareholdings of the Substantial Shareholders and Directors of the Company based on the Register of Substantial Shareholders and the Register of Directors' Shareholdings of the Company as at LPD respectively assuming the Proposed Share Buy-Back is carried out in full and the number of UMS Shares held by the substantial shareholders and Directors of UMS remains unchanged, are as follows:

Substantial shareholders	----- No. of UMS Shares held ----->							
	Existing as at LPD				After the Proposed Share Buy-Back			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Ang Jwee Lee	8,700,000	21.381	–	–	8,700,000	23.757	–	–
NGT Holdings Sdn. Bhd	6,468,972	15.898	–	–	6,468,972	17.665	–	–
Thing Hua @ Ng Thing Hua	2,234,480	5.491	–	–	2,234,480	6.102	–	–
Ng Seng Kong	655,954	1.612	6,768,972	16.635	655,954	1.791	6,768,972	18.484
Ng Seng Huat	107,538	0.264	6,468,972	15.898	107,538	0.294	6,468,972	17.665
Ng Seng Teck	284,256	0.699	6,468,972	15.898	284,256	0.776	6,468,972	17.665
Ng Seng Eng	68,812	0.169	6,468,972	15.898	68,812	0.188	6,468,972	17.665
Corinna Ng Bee Hong	17,701	0.044	6,468,972	15.898	17,701	0.048	6,468,972	17.665
Ng Bee Wah	54,376	0.134	6,468,972	15.898	54,376	0.148	6,468,972	17.665

Directors	No. of UMS Shares held							
	Existing as at LPD				After the Proposed Share Buy-Back			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Ng Siow Hwa @ Ng Kok Hwa	1,476,070	3.628	436,156	1.072	1,476,070	4.031	436,156	1.191
Ng Seng Kong	655,954	1.612	6,768,972	16.635	655,954	1.791	6,768,972	18.484
Ng Seng Huat	107,538	0.264	6,468,972	15.898	107,538	0.294	6,468,972	17.665
Ng Sing Huat	1,810,036	4.448	–	–	1,810,036	4.943	–	–
Ng Sing Kun @ Ng Seng Kuon	100,000	0.250	600,000	1.474	100,000	0.273	600,000	1.638
Thing Hua @ Ng Thing Hua	2,234,480	5.491	–	–	2,234,480	6.102	–	–
Lee Kok Wei	–	–	–	–	–	–	–	–
Oon Kim Suan	–	–	–	–	–	–	–	–
Kor Yann Ning	–	–	–	–	–	–	–	–

8. IMPLICATIONS RELATING TO THE CODE

There is no implication with regard to the Code on the Company and its substantial shareholders arising from the Company's purchase of its own Shares.

The Board does not intend to undertake the Proposed Share Buy-Back such that it will trigger any obligation to undertake a Mandatory Offer pursuant to the Code. However, in the event an obligation to undertake a Mandatory Offer is expected to arise with respect to any parties resulting from the Proposed Share Buy-Back, which is an action outside its direct participation, the relevant parties shall make the necessary application to the Securities Commission for an exemption from undertaking the Mandatory Offer under Rule 4 of the Code prior to any buy-back of the Shares.

9. PURCHASE OF SHARES IN THE PREVIOUS 12 MONTHS

The Company has not made any purchase, resale or cancellation of its own shares in the twelve (12) months preceding the date of this Circular.

10. SHARE PRICES FOR THE PRECEDING TWELVE (12) MONTHS

The following table sets out the monthly highest and lowest transacted prices of the Company's shares on Bursa Securities for the preceding twelve (12) months :

Month	Highest (RM)	Lowest (RM)
January 2021	1.82	1.70
February 2021	2.00	1.75
March 2021	1.95	1.76
April 2021	2.10	1.76
May 2021	2.07	1.84
June 2021	2.10	1.92
July 2021	3.40	2.02
August 2021	2.66	2.35
September 2021	2.78	2.31

Month	Highest (RM)	Lowest (RM)
October 2021	2.46	2.23
November 2021	2.42	2.10
December 2021	2.16	1.96

The last transacted price on 31 December 2021, being the latest practicable date prior to printing of this Statement, was RM2.00.

11. INTEREST OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

Save for the consequential increase in the percentage shareholdings and/or voting rights of the Directors (if any) and Substantial Shareholders of the Company as a result of the Proposed Share Buy-Back, none of the Directors and/or Substantial Shareholders of the Company and/or persons connected with them has any interest, direct or indirect, in the Proposed Share Buy-Back or resale of the treasury shares (if any).

12. DIRECTORS' RECOMMENDATION

The Board of Directors of UMS, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is fair, reasonable and in the best interest of the Company and its shareholders. Accordingly, your Board recommends that you vote in favour of the resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM to be convened.

13. ANNUAL GENERAL MEETING

The Ordinary Resolution on the Proposed Share Buy-Back will be tabled as Special Business at the Fortieth AGM of the Company, the Notice of which is enclosed in the Annual Report 2021 of our Company. The Fortieth AGM will be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("the Broadcast Venue") on Monday, 7 March 2022 at 10:00 a.m. or at any adjourned thereof.

If you are unable to attend or vote in person at the Fortieth AGM, you may appoint a proxy by executing the Form of Proxy enclosed in the Annual Report 2021, in accordance with the instructions contained therein as soon as possible to be lodged at the Company's 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, Malaysia or alternatively, the Customer Service Centre at unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than forty-eight (48) hours before the date and time for the AGM as indicated above or at any adjourned thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently decide to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

14. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I for further information.

Yours faithfully
for and on behalf of the Board of Directors of
UMS HOLDINGS BERHAD

LEE KOK WEI
Independent Non-Executive Director

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of UMS who collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS OUTSIDE THE ORDINARY COURSE OF BUSINESS

As at LPD, neither UMS nor its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) during the two (2) years immediately preceding the date hereof.

3. MATERIAL LITIGATION

As at LPD, neither UMS nor its subsidiaries are engaged in any material litigation, material claims and arbitration either as plaintiff or defendant and the Directors are not aware of any proceedings pending or threatened against UMS or its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position and business of the Group.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of UMS at 3rd Floor, No.17 Jalan Ipoh Kecil, 50350 Kuala Lumpur, during normal business hours from the date of this Circular to the date of the AGM :-

- (a) Constitution of the Company; and
- (b) Audited consolidated financial statements of UMS for the past two (2) financial years ended 30 September 2020 and 30 September 2021.

RESOLUTIONS TO APPROVE THE PROPOSED SHAREHOLDER MANDATE AND PROPOSED SHARE BUY-BACK

1. ORDINARY RESOLUTION

- **PROPOSED SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WHICH ARE IN THE ORDINARY COURSE OF BUSINESS**

“**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 28 January 2022 (“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 to take all such steps as are necessary or expedient to finalise 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.”

2. ORDINARY RESOLUTION

- **PROPOSED SHARE BUY-BACK**

“**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 Directors 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;

APPENDIX II (cont'd)

- (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 RM3,247,060 as at 30 September 2021;
- (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 of Directors 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 purposes 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 of Directors to take all such steps as are necessary or expedient to finalise, to implement or to effect 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."

Note:

The above resolutions are for information purposes only. Please refer to the Notice of the Fortieth (40th) AGM set out in the Company's Annual Report 2021 despatched together with this Circular.

