CORPORATE GOVERNANCE REPORT

STOCK CODE **:** 7137
COMPANY NAME **:** UMS HOLDINGS BERHAD
FINANCIAL YEAR **:** September 30, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	The Board is accountable and responsible for the overall performance and affairs of the Group by overseeing and appraising the Group's strategies and policies in achieving the objectives and long term goals of the Group. The Managing Director ("MD"), who is appointed by the Board, is responsible for the management of the Group's operations and business as well as implementation of business plans and strategies, policies and decisions approved by the Board, and is further supported by a Management Team whose members are tasked to oversee key operating areas within the Group. The Board is guided by the prevailing legal and regulatory requirements as well as the Group's policies in discharging its fiduciary duties and responsibilities. There are eight (8) members on the Board, comprising three (3) Executive Directors ("ED"), three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. The duties, powers and functions of the Board are governed by the Board Charter, the Companies Act 2016, Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other regulatory guidelines and requirements that are in force. The Board meets quarterly to review performances and strategies of the Group, with the convening of special Board meetings when the need arises. The Board assumes the following key duties which are discharged in the best interest of the Group, in pursuance of integrated regulatory and commercial objectives: • ***Overseeing the conduct of the Group's business*** In discharging its fiduciary functions, the Board has acted in the best interest of the Group. The ED focus on the Group's core strength and oversee the day-to-day running of the Group's activities as they have pertinent information about the Group's business and industry's trends. The Board on the other hand questions whether the strategic plans proposed are appropriate for the Group and institute proactive measures and initiatives to overcome any headwinds going forward.

	The measurement of the Management's performance are based on the results of the Group taking into consideration the current economic and market conditions. These parameters are evaluated against achievement of strategic and financial objectives such as turnover, profitability and market shares of prime product groups spanning across business operating divisions of the Group. • ***Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures*** Frequent engagements with both the internal and external auditors have constantly reminded the Board of the risks faced by the processes that support the operations of the business, and how such risks can be mitigated by better operating procedures. In understanding that risks are unavoidable, the Board strives to strike a balance between risks and gains. A mechanism to mitigate all risks (including but not limited to operational and financial risks) has been incorporated/instituted in the form of a working group to continuously assess risks posing to the Group and report to the Risk Management and Sustainability Committee and then to the Board of Directors on quarterly basis. • ***Succession planning*** The Board has put in place a Succession Planning Policy to address the issue of succession planning as part of the long term strategic plan to reinvent the UMS Group. The policy outlines the objectives, responsibilities and the processes in relation to succession planning and it applies to the succession planning of the EDs, Key Senior Management and all Head of Divisions. The Board is aware that suitability of candidates as well as availability of the appropriate talents and skills are crucial to the appointment of candidates whenever there are positions to be succeeded. The Board recognise the need to identify those among their staff who are capable of moving up to the management hierarchy, and to mentor them on an informal basis. As already in practiced, many important positions have been filled internally by people who already understand the culture and the shared values of the Group. The internal promotions also provide employees with a viable career path and achievement that they can aspire to. Failing which, if internal talent and skill set are not available amongst the existing employees, and if necessary the Board will consider hiring external talents. • ***Overseeing the development and implementation of a shareholder communications policy for the Company*** Where communication is concerned, the Company has a website (https://umsh.com) and under the heading of "Financial Centre" on the home page, a user can easily access any of the announcements, circulars, reports, etc., that the Company has provided to Bursa Securities. The contact numbers and e-mail address of the Company and its subsidiaries can also be found in the website for interested parties to contact the Company and/or the Group directly. The official spokesperson for the Group is the MD for any interaction with the financial and investing community pertaining to shareholders' interest, and any new corporate information and

	developments, Environmental, Social and Governance ("ESG") issues. Direct engagement with shareholders is also conducted by the MD to ensure that shareholders are given all information needed for them to make a proper evaluation about the prospects of the Group. • ***Reviewing the adequacy and the integrity of the management information and internal control system of the Group*** In reviewing the adequacy and the integrity of the management information and internal control system of the business, the Audit Committee ("AC") plays a pivotal role. Guided by the feedback and recommendations given by the internal and external auditors, the AC engages regularly with the Board to ensure proper compliance with standards, legal provisions and regulatory requirements. Our current AC is made up of three Independent Non-Executive Directors of which two of them are Chartered Accountants, including the Chairman. The Board assumes the following key duties which are discharged in the best interest of the Group, in pursuance of integrated regulatory and commercial objectives: 1. Establishing and reviewing the Group's long-term direction, formulate business objectives and strategies through the understanding of the key drivers of the Group's performance in ensuring that the Group is responsive to changes in the business and economic environments. 2. Approving the Group's annual business plans, annual budget and carries out periodic review of the achievements by the various operating divisions against their respective business target. 3. The Board, together with Senior Management, promotes a sound corporate governance culture which reinforces ethical, business integrity, commitment to values, delivering sustainable values and managing shareholders' and stakeholders' expectation. The Board believes that upholding an effective Corporate Governance ("CG") structure and culture within the Group can enhance shareholders' value and overall competitive positioning. 4. Ensuring the Group has appropriate business risk management process, including adequate control environment, i.e. the internal control systems and management information systems. 5. Ensuring that there is in place an appropriate succession plan for members of the Board and senior management. 6. To be accountable to its shareholders and stakeholders whom may be affected by the Group's decision such as employees, suppliers, customers, the local community and the state/country where the Group is operating. The Board has delegated its power to the relevant Board Committees such as AC, Nomination Committee ("NC"), Remuneration Committee ("RC") and Risk Management and Sustainability Committee ("RMSC") to ensure the effective discharge of its functions and responsibilities. The roles for each Board Committee are as follows:

	• AC to assist the Board in overseeing the financial reporting process as well as monitoring the accuracy and integrity of the Group's annual and quarterly financial statements. The AC also reviews and evaluates the performance of external auditors in ensuring efficiency and effectiveness of the Group's operation, adequacy of internal control system, compliance with established policies and procedures, transparency in decision-making process and accountability of financial and management information. • NC is responsible for formulating nominating, selecting and reviewing succession planning for the Group. NC also determine criteria for Boards' or Board Committees' membership, structure, responsibilities and effectiveness, performance of the Directors, the Committees and the Board. • RC reviews, assesses and recommends to the Board, remuneration packages of the EDs and Key Senior Management of the Group. The Board acknowledges that in a competitive global environment where securing talents is a challenge, more attention is needed in managing human capital development. • RMSC through the working group assists the AC and the Board in fulfilling its oversight responsibilities with regard to the implementation of the Risk Management, Sustainability Framework of the Group. RMSC also continue to identify, review, manage and report on operational, financial and sustainability related risks, and to review the framework, whenever necessary. • Whistle-blowing channel has been established to protect all employees of the Group, other related parties with a business relationship with the Group or any other related persons who report with substantiated evidence, bona fide violations of legal, ethical and/or generally accepted corporate and/or workplace policies or behaviours to the Management and/or to external regulatory parties, from retaliation. The Committees are established with specific responsibilities to oversee the Group's affairs, with authority, to act on behalf of the Board as mandated in the respective committees' terms of reference / charter. The AC, NC, RC and RMSC terms of reference / charter are available at the Company's website at https://umsh.com.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	The Board is led by the Executive Chairman, Mr. Ng Siow Hwa @ Ng Kok Hwa, whose principal responsibility is to instil good corporate governance practices, leadership and effective functioning of the Board. The roles and responsibilities of the Chairman are clearly specified in the Board Charter. They include, but are not limited to, the following: 1. Leading the Board in the adoption and implementation of good corporate governance practices; 2. Provide leadership and run the Board effectively with the assistance of the Board Committees and management; 3. Ensure the whole Board plays a full and constructive part in developing and determining the Group's strategy and overall business and commercial objectives; 4. Ensure the Board annually reviews its performance and is balanced so as to achieve its effectiveness; 5. Assist and guide the MD, ensuring the Board members are well briefed and have access to information on all aspects of the Company's/Group's operations; 6. Setting the Board meeting agenda for consideration, giving emphasis on important issues challenged by the Group with emphasis on strategic, rather than operational issues; 7. Chairing of General Meetings and Board meetings; 8. Act as the Group's representative in its dealing with external parties; 9. Help guide the Group on long term strategic opportunities and represent the Group with key industry, civic and philanthropic constituents; 10. Promote the highest standards of integrity, probity and corporate governance of the Group; 11. Ensure that General Meetings of the Company are conducted efficiently and that shareholders have adequate opportunity to air their views and obtain answers to their queries. The roles and responsibilities of the Chairman of the Board have been clearly stipulated in the Board Charter which is available at the Company's website at https://umsh.com.
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	The Chairman of the Board of Directors and the MD are being held by different individuals. The roles of the Chairman and the MD are separated with Mr. Ng Siow Hwa @ Ng Kok Hwa as the Executive Chairman of the Board and Mr. Ng Seng Kong as the MD to promote accountability and facilitate the division of responsibilities between them. The Chairman is responsible in leading the Board in its collective oversight of Management whilst the MD is responsible to implement the policies and strategies approved by the Board for the purposes of running the business and the day-to-day management of the Group. The Board Charter, available at the Company's website (https://umsh.com), spells out the responsibilities of the Board as a whole and that of the Chairman and the MD in particular. The Board stresses the importance of achieving business objectives in good corporate governance manner and atmosphere. The Board's oversight is there to ensure that Management does not overstep the boundaries of legal and morally acceptable behaviours.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.			
Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Board, Mr. Ng Siow Hwa @ Ng Kok Hwa is neither a member of the Audit Committee, nor member of Nomination Committee, Remuneration Committee and Risk Management and Sustainability Committee. He did not participate in any of the Board Committee Meetings. This had better enhance the check and balance function as well as objective review by the Board on all matters recommended by the Board Committees.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	The Board is supported by two (2) qualified and competent Group Secretaries, namely Ho Mun Yee and Tam Fong Ying. Both Group Secretaries satisfy the qualification as prescribed under Section 235(2) of the Companies Act, 2016, and are Associate members of The Chartered Governance Institute, and has the requisite experience and competency in secretarial services. The Group Secretaries continuously stay updated of the evolving market environment, regulatory changes and enhancement in corporate governance best practices by attending trainings. The Group Secretaries manage all Board, Board Committees and the Group's Malaysian subsidiaries meetings and ensures accurate and proper records of the proceedings and resolutions passed are maintained in the statutory records at the registered office of the Group. The Group secretaries give clear and sound advice on the measures to be taken and requirements to be observed by the Group and the Directors arising from new statutes and guidelines issued by the regulatory authorities to comply with relevant laws, rules, regulations and governance best practices, boardroom effectiveness and directors' duties and responsibilities. The Group Secretaries play an advisory role to the Board particularly with regards to the Group's Constitution, Board policies and procedures, corporate governance best practices and its compliance with regulatory requirements, codes and legislations in relation thereto. All Board Members have access to the professional advice and services of the Group Secretaries, and are satisfied with the performance and support rendered by the Group Secretaries to the Board in discharging its functions.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	The Chairman takes responsibility in ensuring that the Directors are given advance notice of Board and Committee meetings for the year, including the Annual General Meeting ("AGM"), as well as the closed periods for dealings in securities by Directors based on the targeted dates of announcements of the Group's quarterly results. This will allow Directors to lock in their dates for advance planning. Regular Board meetings are held on a quarterly basis and ad hoc Board meetings will be held as and when required. Board papers containing management reports and proposal papers are given to the Directors at least seven (7) days before Board meetings to ensure sufficient time for reviews, setting up the agenda and to seek additional information and/or clarification on the matters to be deliberated at Board meetings. Board members are provided with pertinent information such as minutes of previous meetings, financial reports and statements, etc., necessary to enable informed decision-making. The minutes of meetings are prepared and circulated to all the Directors for review and approval. All key points discussed, fundamental questions raised, decisions made during the meeting were recorded, including declaration of interest of the directors or any abstention on any resolution by the directors. Minutes of meetings are circulated to all Board members in a timely manner and signed by the Chairman of the Board/Board Committees as a correct record of the proceedings of the meeting based on confirmation from the Board/Board Committee members. Directors may request further clarification or raise comments on the minutes prior to confirmation by the Board. The Board keeps abreast of key issues and decisions made by Board Committees through reports by the Chairman of each committee and via the minutes of Board Committee meetings presented to the Board. Each Director, subject to applicable laws, shall have unrestricted access to all information within the Group, to senior management, and to the Group Secretaries. Directors have the right, jointly or individually, at the Group's costs, to obtain independent professional advice where required.
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	The Board Charter adopted by the Board clearly sets out the respective roles and responsibilities of the Board and the management to ensure accountability. The Board Charter sets out the roles and responsibilities of the Board, Board Chairman, MD and Board Committees. The Board Charter covers the following key areas: • Role and responsibilities of the Board; • Board Structure; • Composition and Board Balance; • Appointment of Directors; • Re-election/Re-appointment of Directors; • Supply of Information to the Board; • Role of the Chairman; • Role of the MD; • Board Committees; • Board Meetings; • General Meetings; • Investor Relations and Shareholder Communication; • Relationship with other Stakeholders; and • Company Secretaries The Board Charter is periodically reviewed by the Board and updated taking into consideration the needs of the Group as well as any development in relevant rules, regulations and laws that may have an impact on the discharge of the Board's duties and responsibilities. The Board Charter is accessible for reference at the Company's website at https://umsh.com.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	The Code of Conduct are highlighted in the Group's corporate website and Employees Handbook and distributed to all the employees of the Group. The contents of the employees handbook will be reviewed as and when necessary and made known to all the existing employees in writing on the relevance of its contents. Ethical behaviour within the Group is strongly encouraged and governed within the Group by a formalised Code of Conduct ("the Code"). The Code sets out the roles and responsibilities of the Board and the standard of conduct expected of Directors. The Board's function, amongst others, is to guide the Group on its short and long term goals. All employees are being briefed pertaining to the Code as well as the Group's whistleblowing policies. The Code is also contained at the Company's website (https://umsh.com) as well as the Employees Handbook. These codes provide as a guide to appropriate behaviours that promote honesty and integrity and covers engagement with both employees and with third party stakeholders. The procedures that guide whistleblowing activities are also included in the Code. The Code covers the following two (2) broad categories: • Basic Policies; and • Compliance.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2
The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	The Whistleblowing Framework and Policy of UMS Group is committed to promote and maintain ethical behaviour, transparency and accountability and integrity at workplace which is an integral part of sound Management practice and good corporate governance. The UMS Whistleblowing Framework and Policy ("UWFP") adopted by the Board is to : • provide a formal mechanism, confidential channel in encouraging anyone to voice concerns of any wrongdoing that could adversely impact UMS, employees, shareholders, investors, or the public at large without fear of being subject to retaliation; and • prohibiting Detrimental Action with respect to good faith reporting of whistleblowing complaints. Any disclosure of information shall be treated with utmost confidentiality and assurance to the strictest level of confidentiality for persons involved and during the processes in handling the case is vital. Areas of whistle-blowing: a. Bribery and corruption; b. Fraud; c. Theft or embezzlement; d. Criminal breach of trust; e. Abuse of power; f. Conflict of interest; g. Improper accounting; h. Misappropriation of UMS's assets; i. Breach of UMS's policies; j. Harassment and/or Sexual harassment; k. Endangerment to employees or general public health or safety; and l. Deliberate concealment of any or a combination of the above. The Audit Committee ("AC") has the overall responsibility and shall oversee the implementation of the UWFP. The AC has delegated the responsibility for the administration and implementation of the UWFP to the Internal Audit Department ("IAD"). The IAD is responsible for incorporating any amendments and updates into the UWFP documents, subject to review by the Managing Director, endorsement by the AC and approval by the Board. The IAD shall

	regularly monitor and review the UWFP to ensure that it meets whistleblowing requirements and the objectives of relevant legislations.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1
The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	The Board acknowledged the importance of sustainability matters and oversight as part of Group's initiative. The Group's commitment to integrate sustainability as part of the Group's journey to transform the Group to ensure its sustainable development and long-term viability. Hence, the Group's commitment towards material sustainability will be strategized under the following: • Governance • Environment • Social To incorporate sustainability into the operations of the Group, the Board headed by the Chairman has dedicated the responsibility to Risk Management And Sustainability Committee ("RMSC") to oversee of risk management, sustainability frameworks, policies, strategies, climate-related risks, and processes for managing risks and Managing Director who heads Sustainability Working Group ("SWG") together with the senior management team support RMSC in strategic management of the sustainability risks and opportunities. Plans will be progressively executed and continuously monitored by all respective senior management team of the Group for their compliance to the stated objectives.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	The Board and Management have undertaken steps to address the Group's sustainability risks and opportunities. Management has actively engaged on the discussion of sustainability matters with various level of employments through Risk Management And Sustainability Committee ("RMSC") The Board will identify relevant sustainability issues progressively during the Group's medium and long term planning process and will incorporate them as part of our key performance indicators in our periodic review of the Group's performance in achieving the Group's vision and mission. The Board and its senior managers have adopted a cohesive approach in ensuring staff members and employees of all levels are adopting a common goal and working together in upholding the Group's commitment on economic sustainability and value creation such as business growth, profitability, and share value. The Board has also kept stakeholders abreast with the Group's transformation journey through interaction with shareholders in Annual General Meeting, Q and A sessions with shareholder/members of the investing community and periodic announcements pertaining to the Group's economic activities. The Board and Management continuously review the new practices under revised MCCG and ensures that there is an effective governance framework for Group's sustainability. Group's sustainability works to address Group's material sustainability risks and opportunity are still ongoing.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3
The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Company Secretary regularly updates the Board on the changes of the Listing Requirements upon receipt of circulars or notifications from Bursa Securities which are relevant to the Company relating to disclosures and compliances including information on sustainability issues. The Board and Management continuously keep themselves abreast with and understanding of the sustainability issues which are relevant to the Company and its stakeholders through continuous update, training, learning and education on laws, regulations and standards relating to economic, social and governance ("ESG") matters that are applicable to the Company in the environment it operates in.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Board currently does have the structure for Ethical Governance in place to review the performance of the Board and Senior Management Team in addressing the Group's sustainability risks and opportunities. This structure defines the roles and responsibilities of the Board of Directors, the Risk Management and Sustainability Committee and the Sustainability Working Group, ensuring accountability and transparency in driving sustainability initiatives.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up
The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.		
Application	:	Not adopted
Explanation on adoption of the practice	:	
Explanation for departure	:	

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Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied	
Explanation on application of the practice	:	The NC is entrusted with responsibility of reviewing the size structure and composition of the Board with a view to determine the impact on the number of Board members, and the effectiveness of the Board as a whole. Besides, there is Board evaluation of peer and self-assessment annually to review the contribution, competencies, commitment and performance of each director, including the eligibility of the Directors whether due for re-election or retiring. The Nomination Committee reviews the tenure of directors, including taking into account directors' performance, their skill sets, experience, character, integrity, independence, competency, commitment and contribution.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2
At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application :	Departure	
Explanation on application of the practice :		
Explanation for departure :	At present, one third of the Board comprised of independent directors. There are eight (8) members on the Board, comprising three (3) Executive Directors, three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors, which is in compliance with Paragraph 15.02(1) of the MMLR of Bursa Securities. The three (3) Independent Non-Executive Directors are not employees and there are no relationships or circumstances which are likely to affect, or could appear to affect the Independent Non-Executive Directors' judgement. They bring an external perspective, constructively challenge and help develop proposals on strategy, scrutinise the performance of Management in meeting approved goals and objectives, monitoring/reviewing the risk profile of the Group's business and business performances. The Independent Non-Executive Directors do not participate in the day-to-day management of the Group. They engage with senior management, external and internal auditors as and when required to address matters concerning the management and oversight of the Group's businesses and operations. The Board is constantly searching for suitably qualified personnel to fulfil the recommendation.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :	Within 3 years	

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3
The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application :	Applied	
Explanation on application of the practice :	Datin Oon Kim Suan, who was appointed to the Board as an Independent Non-Executive Director on 1 June 2015, has served the Board for a cumulative term of more than 9 years. The Board will seek shareholders' approval on the reappointment of Datin Oon Kim Suan as Independent Non-Executive Director through a two-tier voting process at the forthcoming Annual General Meeting of the Company. All other Independent Non-Executive Directors have served the Board for less than Nine (9) years.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.		
Application	:	Not Adopted.
Explanation on adoption of the practice	:	

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	The Board has adopted a diversity policy to set out the approach to diversity on the Board and workforce of the Group. The Board conducts annual reviews of its composition with the aim of achieving a diverse board that can benefit from the breadth of perspectives. In sourcing for suitable candidates, the Group takes into account the benefits of having different facets of diversity, including gender, age, professional background, skills, and experience. The Board has also adopted a Fit and Proper Policy to serve as a guide to the NC and the Board in their review and assessment of persons that are to be appointed onto the Board as well as Directors who are seeking for re-election to ensure each of the Directors has the character, experience, integrity, competence and time to effectively discharge his role as a director of the Company and its subsidiaries. The NC is responsible for assessing and considering suitable candidates for the appointment of directors taking into consideration the required mixed of skills, knowledge, expertise, experience, professionalism, integrity and other qualities of the candidate before making its recommendations to the Board. The role of the NC is detailed in its Charter, which is accessible for reference at the Company's website (https://umsh.com).
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	The Board does not solely rely on recommendations from existing Board members, management or major shareholders in identifying candidate for appointment of directors. To broaden the availability of the prospective candidates, we also seek assistance from independent sources. The Group has in place a formal and transparent procedure for the appointment of Directors to the Board via the NC. The current process with regards to the appointment of new directors to the board may come from a wide variety of sources, including industry database, senior employees of the Group, shareholders, industry associations, recruiting firms and others. It may obtain independent professional or other advice and may request the attendance of persons at meetings, if necessary. In appointing an appropriate individual to the Board, the NC will carry out the following processes in assessing the existing composition of the Board and its collective strength vis-à-vis the candidate's skill sets, expertise, experience as well as the integrity, existing commitments and potential conflict of interests before making recommendation to the Board for appointment : i. Conduct annual assessment and review, identify Gaps /Vacancy; ii. Identification of Candidates; iii. Evaluation of Suitability of Candidates; iv. Interview Shortlisted Candidates; and v. Final Deliberation by Nomination Committee.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	Each Directors' Profile is set out in the Annual Report with details disclosed as follows: (Pages 26 to 29 of Annual Report) 1. Biography includes their academic and professional qualification; 2. Present directorship; 3. Any family relationship with directors and/or any major shareholders of the Company; 4. Any conflict of interest or potential conflict of interest with the Company; 5. Any convictions for offences within the past five (5) years other than traffic offences, if any; and 6. Details of attendance at board meetings. These information provide insights to the shareholders if there is any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The Company also took cognisant that the Notice of AGM has been issued to the shareholders with the explanatory notes accompanying the Notice of AGM, containing a statement on the justification by the Board on the re-election of Directors. At the upcoming 43rdAGM, the justification on the retention of Datin Oon Kim Suan as Independent Non-Executive Director to hold office until the conclusion of the next Annual General Meeting in 2026 are as follows : a) She has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and is therefore able to give independent opinion to the Board; b) Being director for nine years has enabled her to contribute positively during deliberations/discussions at meetings as she is familiar with the operations of the Company and possess knowledge of the Company's operations; c) She has contributed sufficient time and exercised due care during her tenure as an Independent Non-Executive Director; d) She has discharged her professional duties in good faith and also in the best interest of the Company and shareholders; e) She has the calibre, qualifications, experiences and personal qualities to challenge management in an effective and constructive manner; and

	f) She has never compromised on his independent judgement. Each individual director abstained from discussions and deliberations on their own eligibility to stand for re-election at the NC and Board Meetings and AGM. The appointment and reappointment of director is processed through a thorough and transparent assessment, which is elaborated under Practice 5.1, 5.5 and 5.6 of this report. The details mentioned above will ensure that shareholders obtain sufficient information required to make an informed decision on the appointment and reappointment of directors.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied.
Explanation on application of the practice	:	The NC is chaired by Datin Oon Kim Suan (Independent Non-Executive Director). The NC carried out its duties in accordance with its Charter which can be obtained from the Company's website at https://umsh.com. The NC comprises three (3) members, all of whom are Independent Non-Executive Directors as follows - • Datin Oon Kim Suan (Chairman, Independent Non-Executive Director) • Ms. Kor Yann Ning (Member, Independent Non-Executive Director) Mr. An Li Fong (Member, Independent Non-Executive Director)
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The Board is mindful of the need to comply with the gender diversity requirement. If there is any vacancy arises, apart from gender, priority will be given to the suitable candidates for the appointment to the Board taking into consideration the required mixed of skills, knowledge, expertise, experience, professionalism, integrity and other qualities of the candidate should bring to the Board. Currently, there are three (3) female Directors on the Board, representing more than 30% of total Board Members.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	The Board Diversity Policy, including gender diversity has been established outlining the principle and objectives, independence, skills and experience, gender, age and ethnicity of Board member and senior management, and it is subject to update and/or revision, whenever necessary.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1
The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.	
Application :	Applied
Explanation on application of the practice :	As an ongoing process, the NC has undertaken annual Board performance evaluation which comprises Board assessment, peer assessment and assessment on board committees, and present the outcome to the Board, reports findings to the Board for review and recommends appropriate actions to improve the performance and function of the Board. The process was conducted through the Directors' Peer Assessment questionnaires circulated to the Directors covering a variety of areas, such as: • Provide leadership, guidance and actively developing staff through general support and continuous assessment; • Integrity & ethics • Time commitment • Understanding the business of the Group; • Contributions to the Board decisions; • Participates actively and constructively in all of the Board decisions; and • Drawing up of action plan for addressing development needs (own) The Board took cognisance of Practice 6.1 and will review the process when necessary / periodically and improve the assessment process. The duly completed questionnaires were collated and the results reported to the NC for deliberation. Thereafter, the recommendations of the NC and the results of the evaluation were tabled to the Board. The results, in particular the key strength and weaknesses identified from the evaluation, will be shared with the Board to allow enhancements to be undertaken. Based on the assessment, the Board was broadly satisfied that taking into consideration the nature and the scope of the Group's operations and its business requirements, the current size and composition of the Board was appropriate and well balanced with diversity of skill set, knowledge and experience which would facilitate effective decision-making. The Board was also satisfied with the level of independence demonstrated by the Directors throughout the year and their abilities to

	act in the best interest of the Group.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	The Group has in place a remuneration framework and procedures to determine the remuneration of the Directors which is clear and transparent, designed to attract and retain the right talent in the Board taking into consideration factors such as their fiduciary obligations and responsibilities, time commitment, and the Group's performance and market conditions. Each individual Director concerned abstained from discussion on their own remuneration/fees. The remuneration/fees of the Non-Executive Directors determined by the Board are set at a level that is market aligned and reflects the qualifications and competencies required in view of the Group's size and complexity, the responsibilities and the time the Board members are expected to allocate to discharge their obligations as Board members. The remuneration of ED is structured so as to link rewards to corporate and individual performance. The remuneration includes salary and emoluments, bonus and benefits-in-kind. The payment of Directors' fees and benefits payable to the Directors of the Company will be subject to the shareholders' approval at the forthcoming AGM. The remuneration of ED and key senior management is reviewed by the Remuneration Committee.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

Intended Outcome
The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2
The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application :	Applied	
Explanation on application of the practice :	On an annual basis, the RC reviews the MD's recommendation of the ED and Senior Management's remuneration packages. The chair of the Committee is held by an Independent Non-Executive Director, Ms. Kor Yann Ning and supported by two members, Datin Oon Kim Suan and Mr. An Li Fong . The composition, duties and authority of the Committee are disclosed in the Charter and is published at the Company's website at https://umsh.com for public viewing. The RC is responsible for making recommendations to the Board on the remuneration packages of Executive Directors and members of the Board Committees. RC Meetings shall be held at least once (1) a year. At least two (2) members must be present to constitute a quorum. Additional meetings may be called at any time at the discretion of the Chairperson of the Committee.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The breakdown details of each Director's remuneration for the financial period from 1 October 2023 to 30 September 2024 are set out in item 5 (page 16) of the section entitled "Additional Compliance Information" of the Corporate Governance Overview Statement in the Annual Report.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
6	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome
Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2
The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The MCCG has recommended that the Company should disclose on a named basis, the detailed remuneration of the top five (5) Key Senior Management who are not Board members. The Board has considered and is of the opinion that the disclosure on the remuneration of the Key Senior Management is not on a named basis as it is imperative for the Group to maintain employees' remuneration private and confidential to avoid unhealthy comparison which might lead to discontentment among employees and an unharmonious working environment. As an alternative to the recommended practice, the Board has opted to disclose a total package for the top 5 senior management as disclosed below:- **Remuneration** — **RM** Fixed — 1,474,975 Variable — 237,984 **Total** — 1,712,959 The remuneration of the mentioned top 5 senior management is a combination of an annual salary, bonus, benefits in-kind and other emoluments, which are determined in a similar manner as other management employees of the Group. This is based on their individual performance, the overall performance of the Group, inflation and benchmarked against other companies operating in similar industries. The basis of determination has been applied consistently from previous years.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.1
The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The AC Chairman is always an Independent Non-Executive Director. The Chairman of the AC is Mr. An Li Fong, an Independent Non-Executive Director. He is not the Chairman of the Board so as not to impair the objectivity of the Board's view of the AC's findings and recommendations.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.2
The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company does not practice the appointment of a former key audit partner as a member of the AC, therefore, there is no necessity to have the written policy. Nevertheless, the AC will consider setting up of the policy, when necessary. To date, the Company has not appointed any former key audit partner as Director of the Company.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	The AC has put in place policies and procedures to assess the suitability, objectivity and independence of the EA. The AC is responsible for reviewing the audit and non-audit services provided by the EA. Before the AC recommend the External Auditors' (EA) re-appointment, it will use the guidelines set by Bursa Securities to assess the EA's independence as a criteria for the appointment. The AC obtained written assurance from the EA confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. In addition, the AC also obtained annual confirmation from the EA on its independence in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). The AC is satisfied with the suitability and independence of the EA based on the quality and competency of services delivered, sufficiency of the firm and professional staff assigned to the annual audit as well as the non-audit services performed for the financial year ended 30 September 2024 and has recommended their reappointment for the financial year ending 30 September 2025.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The AC consists of three members and are exclusively Independent Non-Executive Directors. The present members of the AC of the Company are: a) Mr. An Li Fong (Independent Non-Executive Director; Chairman) b) Datin Oon Kim Suan (Independent Non-Executive Director; Member) c) Ms. Kor Yann Ning (Independent Non-Executive Director; Member)

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5
Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	All AC members are financially literate and are able to understand, analyse, critically and objectively review, challenge and make recommendations on matters under the purview of the AC, including the financial reporting process. Two of the AC members are qualified Chartered Accountants, and the other is a Certified Financial Planner. The AC members have a wide range of necessary skill, knowledge and experience to discharge their duties. The AC members will continuously keep themselves abreast with the latest development in the new accounting and auditing standards and the impact it may have on the Group as well as through briefings by the management and the EA. Having reviewed the AC's performance through the NC on a yearly basis, the Board is satisfied that the members had discharged their functions, duties and responsibilities in accordance with the terms of reference of the AC. The profile of each of the member of the AC is set out in the section of "Profile of Directors" in the Annual Report.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1
The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	The Board has established a RMC and has changed its name to Risk Management and Sustainability Committee ("RMSC") on 28 May 2024 and Internal Audit Department to oversee the risk management and internal control framework of the Group. The Board is responsible for reviewing the Group's risks, approving the risk management framework and policy and overseeing the Group's strategic risk management and internal control system. The Board has in place a risk management and internal control systems which enables Management to identify, assess, prioritise and manage risks on a continuous and systematic basis. The Board, who is further assisted by the AC, RMSC and the Management, is overall responsible for ensuring that the day-to-day management of the Group's activities is consistent with the risk strategy, including the risk appetite and policies approved by the Board. The Group's risk management and internal control system are designed to meet the Group's particular needs, to efficiently and effectively manage risks that may impede the achievement of the Group's business objectives, and to provide information for accurate reporting and ensure compliance with regulatory and statutory requirements. Any major changes to risks or emerging significant risk of the business units in the Group together with the appropriate actions and/or strategies to be taken, will be brought to the attention of the Board by the Management. For detailed information, please refer to the Statement on Risk Management and Internal Control in the Annual Report of the Group.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

Intended Outcome
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	Management is responsible to manage the key business risks of the Group and implement appropriate internal control systems to manage rather than eliminate risks and to provide reasonable but not absolute assurance against any material misstatement or loss. These systems can therefore provide only reasonable but not absolute assurance against material misstatement, loss or fraud. The Board via the AC, RMSC and the Management oversees the Group's risk management, reviews the adequacy and effectiveness of the risk management framework and system of internal controls, and the policies and compliance procedures with respect to business practices. The Board adopted a systematic Risk Management Framework which is embedded into the Group's processes and structure which encompasses communicating and consulting, establishing the context, identifying, analyzing, evaluating, treating, reviewing and monitoring risks in ensuring the implementation and maintenance of risk management process is efficient and effective across the Group. Any key risks will be recorded and updated in the risk register. Actions shall be taken on each risk issues are assessed using SWOT Analysis by the Head of Department (HOD) who are the risk owners themselves to determine if the risks fall within the acceptable level based on risk rating – "Very High", "High", "Monitoring" or "Low". The Management is also assisted by the Internal Audit function in evaluating the effectiveness of the Group's risk management and internal control system. The Board also obtains such assurance from Management and other assurance providers in ensuring the adequacy and effectiveness of its risk management and internal control system.
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up
The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	The RMSC was established by the Board, comprises five (5) members with a majority of Independent Non-Executive Directors to oversee the Group's risk management, sustainability frameworks, policies, strategies, climate-related risks and processes for managing risk as well as the sustainability-related matters within the Group. The Committee will review the Risk Management Reports submitted by the Risk Management Process Improvement Team (comprising the HOD, Internal Auditor and the EDs). The working group will identify, review, manage and report on operational, financial, sustainability and climate-related risks. The present members of the RMSC are: a) Mr. An Li Fong (Independent Non-Executive Director; Chairman) b) Datin Oon Kim Suan (Independent Non-Executive Director; Member) c) Ms. Kor Yann Ning (Independent Non-Executive Director; Member) d) Mr. Ng Seng Kong (Managing Director) e) Mr. Ng Seng Huat (Executive Director)

Intended Outcome
Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1
The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	The AC will review the internal audit process to be undertaken on a timely manner. The AC will also review and approve the Internal Audit plan annually and the IA will submit its findings directly to the AC. It is the policy of the Group to maintain an internal audit function as a primary resource of AC in the effective discharge of its duties and responsibilities by reviewing and evaluating the Group's operations, adequacy and effectiveness of the internal control and governance processes. The Internal Audit function of the Group is independent of operations and endeavours to provide independent, objective assurance and consulting services to the Board on the effectiveness and adequacy of the Group's system of internal control and performs audit assignments with impartiality, proficiency and due professional care. The Internal Audit engagements were carried out based on the audit plan as approved by the AC. During the financial year, the results of the audits as disclosed in the Internal audit reports were reviewed by the AC. The internal audit scope contained the compliance with policies, procedures and standards, relevant external rules and regulations, audit findings, management response and corrective actions in areas with significant risks and internal control deficiencies. Corrective and preventive actions as well as agreed deadlines to complete the actions will be recommended by the IA to the Management. Reports on areas that require significant improvement and/or shows critical control deficiencies were tabled to the AC for deliberation. The Internal Audit personnel constantly keep themselves abreast with developments in the profession, relevant industry and regulations through attendance at conferences/trainings. The details of the AC's oversight over the Internal Audit function are set out under the AC Report.
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2
The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	The Internal Audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The Internal Audit function is carried out in accordance with a recognized framework that is relevant to the nature of the Group's businesses. The Group has set up its own Internal Audit department which reports directly to the AC. The Internal Audit department is headed by Mr. Fong Keat Yin and assisted by Mr. Law Wing Hong to perform the internal audit work for the Group. Mr. Fong Keat Yin, Malaysian, aged 60, is the Internal Auditor of UMS Holdings Bhd since 2003 and is responsible for internal auditing of the UMS Group until present. He attained The Associated Examining Board in Accounting (Advanced Level) in 1983. The AC reviews the Internal Audit functions and monitors its relationship with the statutory auditors, including plans and performance. It reviews and assesses the quarterly internal audit reports together with Management's actions on findings to gain assurance as to the effectiveness of the internal control framework throughout the Group. The total costs incurred for the Internal Audit during the financial year was RM206,884.67.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	The Company will announce and publish on a timely and regular basis its results through Bursa Securities and the Company's website. Any other material information affecting the Group will be disseminated to all relevant authorities and stakeholders via relevant channels. The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large as a key element of good corporate governance and thus, maintains a high level of disclosure and communication with its shareholders through disclosure to Bursa Securities. The Group leverages on a number of formal channels for effective dissemination of information to shareholders and other stakeholders, particularly through the Annual Report, announcements to Bursa Securities, quarterly results, AGM and corporate website. The Group's annual report contains comprehensive information of the Group's business activities and operations, with its contents continuously enhanced to better reflect transparency and accountability. The Group maintains a corporate website at https://umsh.com. which is accessible by the shareholders, investors and members of the public to obtain information on the Group's corporate information, operation activities and financial performance. The Board Charter, Code , Terms of Reference of the AC, NC, RC as well as other relevant and related documents or reports relating to CG are made available at the aforesaid website. The Board appointed the MD as its official spokesperson to communicate with audience constituents and respond to questions in relation to the corporate version, strategies, developments, future prospects, financial plans and operations matters.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

Intended Outcome
There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2
Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is not a Large Company as its market capitalization is less than RM2 billion. The Company will consider adopting integrated reporting when the need arises to adopt integrated reporting.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1
Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	The Company issues the Notice of AGM at least 28 days prior to the AGM. The Board recognises the significance of the AGM as a platform for direct and meaningful communication between the Board and the Company's shareholders. As such, the Board strives to ensure that shareholders are accorded with sufficient time to consider the resolutions that will be discussed and decided upon at the AGM Notice of AGM for the year 2024 was issued more than twenty eight (28) days in advance than the specified timeline requirement. The notice for the AGM outlines the resolutions to be tabled during the meeting and is accompanied with explanatory notes and background information where applicable to shed clarity on the matters that will be decided at the AGM.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2
All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	All questions raised will be addressed by the relevant Directors at the General Meetings. Any questions needing any extra information will be answered to the respective shareholder at the later date. The AGM remains the principal forum for dialogue with shareholders. The Chairman of the Board encourages shareholders' active participation in the proceedings and ask questions about the resolutions being proposed and the operations of the Group. All Directors including the Chair of all the respective Board Committees attended the last AGM to engage directly with shareholders and be accountable for their stewardship of the Company. All Directors have confirmed their attendance for the forthcoming AGM to be held on 28 February 2025. The Board members who are also members of the Board Committees will attend the AGM to provide responses to questions that may be raised by the shareholders if addressed to them. The Minutes of the AGM for the year 2024 is available on the Company's website.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3
Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied.	
Explanation on application of the practice	:	Shareholders are entitled to appoint proxy/proxies to vote on their behalf in their absence. This is in line with the MMLR in mandating poll voting for all resolutions set out in the notice of general meetings. The Company shall ensure through its Polling Agent, that all valid proxy or corporate representatives or attorney appointments are properly received and recorded. The Company is supportive of any technology that can facilitate voting in absentia and remote shareholders' participation at general meetings.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.		
Application :	Applied	
Explanation on application of the practice :	The Company's AGM acts as an important platform between the Company and shareholders. The Board and Chairman ensure that shareholders are given the equal opportunity to raise questions on the Company's financial, non-financial as well as long-term strategies during the Q&A sessions and questions raised were answered by the Directors of the Company. If there are any questions which cannot be answered due to time constraint in the AGM, the Chairman will undertake to provide a response that is subsequently uploaded onto the Company's website.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5
The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.			
Application	:	Applied	
Explanation on application of the practice	:	The 43rd AGM will be conducted virtually through live streaming from the Broadcast Venue whereby the Board of Directors and senior management will be present at the Broadcast Venue and shareholders will attend and vote remotely via online meeting platform. All necessary infrastructure and tools will be in place to support among other things, a smooth broadcast of the general meeting and interactive shareholder participation. The question posed by the shareholders will be visible on the platform and will be answered by the Directors of the Company.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6
Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.			
Application	:	Applied	
Explanation on application of the practice	:	The outcome of the resolutions of the general meeting will be announced to Bursa Malaysia after the meeting and the minutes of the general meeting will be published at the UMS's website at https://umsh.com/minutes-of-general-meetings/ within thirty (30) business days after the meeting.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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