

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7100

COMPANY NAME : UCHI TECHNOLOGIES BERHAD

FINANCIAL YEAR : December 31, 2022

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 PURSUANT 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	:	<p>The Board's responsibilities are stipulated in the Board Charter as such: "4.1 Board's Responsibilities</p> <p>The Board of Directors is responsible to provide direction, set the Company's value & standards and supervise the management of the business and affairs of the Company so as to ensure that its obligations to shareholders and other stakeholders are met.</p> <p>The Board explicitly assumes the specific duties and responsibilities as follows:</p> <p>(1) together with Management, promotes good corporate governance within the Company which reinforces ethical, prudent and professional behavior;</p> <ul style="list-style-type: none"> • foster a healthy corporate governance culture which is founded on the principles of transparency, objectivity and integrity. The Board sets "the tone from the top" by formalizing and committing to ethical values and to the extent feasible, satisfies itself as to the integrity of the Board members and Management to create a culture of integrity throughout the Company. • Overseeing the conduct of the company's business to evaluate whether the business is being properly managed notwithstanding that each of the subsidiaries has a separate Board of Directors, which include managing conflicts of interest, preventing the abuse of power, fraud, bribe and corruption, insider trading and money laundering. • review reports of the Nomination & Remuneration Committee concerning the Company's approach to corporate governance. • review reports of the Nomination & Remuneration Committee that evaluate the director independence standards established

	<p>by the Board and the Board's ability to act independently from Management in fulfilling its duties.</p> <ul style="list-style-type: none"> • adopt written Code of Conduct and Ethics applicable to directors, officers and employees of the Company. The Board shall periodically review reports of the Audit Committee relating to compliance with, or material deficiencies from, the Code and approve changes it considers appropriate. The Board shall review reports from the Audit Committee concerning investigations and any resolutions of complaints received under the Code. • review and assess the adequacy of its Charter from time to time, as required, to ensure compliance with any rules and regulations promulgated by any regulatory body and approve any modifications to this Charter as considered advisable. • Periodic review and approve Code of Ethics to align with the changes in law, governance code coupled with the changes in Company's vision, mission and business plan. <p>(2) direct and periodically review an anti-corruption compliance programme such as clear policies and objectives that adequately addresses corruption risk.</p> <p>(3) review, challenge and decide on Management's proposals for the Company, and monitor its implementation by Management;</p> <ul style="list-style-type: none"> • The Board shall bring objectivity and breadth of judgment by scrutinizing Management's proposals and satisfy itself that Management has taken into account all appropriate considerations in tabling the proposals. • The Board shall demarcate the day-to-day operational functions of the Management and the overall responsibilities of the Board by clarifying the duties and responsibilities of both parties. • The Board shall ensure that the goals and targets set for Management are met and in line with the Company's long-term objectives. <p>(4) ensure that the strategic plan and operation of the Company support long-term value creation and include strategies on economic, environmental and social consideration underpinning sustainability;</p> <ul style="list-style-type: none"> • The Board shall have in place a sound Sustainability Policy to deal with sustainability-related issues, which can significantly impact the Company's risk profile, potential liabilities, reputation and overall value. <p>(5) supervise and assess Management performance to determine whether the business is being properly managed;</p> <ul style="list-style-type: none"> • The Board must ensure that there are measures in place against which Management's performance can be assessed. The Board is obligated to oversee the performance of Management whilst
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	<p>maintaining a relationship that is supportive yet vigilant. The Board shall put in place key performance indicators for Management to ensure the Management's strategy and performance are aligned with the Company's strategic objective. The KPIs should relate with the Company's business activities, the targets set by the Board and the Company's objectives.</p> <ul style="list-style-type: none"> • The KPIs may include the following: <ul style="list-style-type: none"> ○ Financial performance and targets; ○ Strategic performance in line with the Company's strategic plan and direction including short, medium and long-term value of the business; ○ Operational performance; and ○ Corporate culture of the Company. • receiving and considering reports from the Nomination & Remuneration Committee on the performance of the Board, Board Committee and individual Directors. <p>(6) ensure there is sound framework for internal control and risk management;</p> <ul style="list-style-type: none"> • the Board shall periodically review reports provided by Management of principal risks associated with the Company's business and operations, review the implementation by Management of appropriate systems to manage these risks and review reports by Management relating to the operation of, and any material deficiencies in, these systems. <p>(7) understand the principal risk of the Company's business and recognize that business decisions involve the taking of appropriate risk;</p> <ul style="list-style-type: none"> • The Board shall be cognizant of the significant financial and non-financial elements that could result in exposures and alter the risk profile of the Company. <p>(8) set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risk;</p> <p>(9) ensure that Senior Management has the necessary skills and experience and there are measures in place to provide for the orderly succession of Board and Senior Management;</p> <ul style="list-style-type: none"> • the Board shall be satisfied that there are plans in place to provide for the orderly succession of Board members and Senior Management including the appointment, training and monitoring of such persons. • The Board shall ensure that candidates appointed to Senior Management positions are of sufficient calibre and that the collective competence of Senior Management would allow them to effectively lead the operations of the Company.
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	<ul style="list-style-type: none"> • The Board shall review a report of the Nomination & Remuneration Committee concerning the Company's approach to Board and Executive compensation. <p>(10) ensure that the Company has in place procedures to enable effective communication with stakeholders;</p> <ul style="list-style-type: none"> • The Board has adopted a Disclosure Policy for the Company. The Board, in conjunction with Executive Board, shall periodically review the Company's overall Disclosure Policy, including measures for receiving feedback from the Company's stakeholders, and Management's compliance with such policy. The Board shall, if advisable, approve material changes to the Company's Disclosure Policy. • The Board has to approve the Whistleblowing policy and procedure to encourage employees to report any legitimate concerns over any wrongdoing to the Company relating to unlawful conduct, financial malpractice or dangers to the public or the environment within as well as any suspected and/ or real corruption incidents. • The Company endeavours to keep its shareholders informed of its progress through an annual report, annual information form, quarterly interim reports and periodic press releases. In addition, the Company shall maintain on its website a contact email address that will permit shareholders to provide feedback directly to the Chair of the Board. • The Board shall promote effective and timely communication with its stakeholders. The procedures in this regard should include how feedback received from its stakeholders is considered by the Company when making business decisions. <p>(11) ensure that the Company is providing assurance to its internal and external stakeholders that it is operating in compliance with its policies and any other applicable regulatory requirements. Including the establishment of a "tone from the top" and spearheading the Company's efforts to improve on its corruption risk management framework, internal control system, review and monitoring as well as training and communication;</p> <p>(12) review and/ or acknowledge on the investigation outcome of whistleblowing issues, results of fraud, illegal acts or suspected violations of the Company policies involving all employees, Management and Directors;</p> <p>(13) ensure the integrity of the Company's financial and non-financial reporting;</p> <ul style="list-style-type: none"> • The Board should ensure that there is a sound framework on corporate reporting, including financial and non-financial reporting. Due cognizance should be given to the disclosures on corporate governance, sustainability and other non-financial aspects.
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	<p>Whilst the Board may appropriately delegate its authority to Board Committees or Management, it should not abdicate its responsibility and should at all-time exercise collective oversight of the Board Committee and Management.</p> <p>The Board should not delegate matters to Board Committee to an extent that would significantly hinder to reduce the Board’s ability to discharge its functions.”</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	<p>The roles of the Chairman are stipulated in the Board Charter:</p> <p>“4.2.1 Role of Chairman</p> <p>The Chairman is responsible for:</p> <ul style="list-style-type: none">(a) providing leadership for the board so that the Board can perform its responsibilities effectively;<ul style="list-style-type: none">• ensures that the Board plays a full and constructive part in the determination of the Company's strategies and policies, and that Board decisions taken are in the Company's best interests and fairly reflect Board's consensus; and• ensures that procedures are in place to govern the Board's operations.(b) setting board agenda and ensuring that Board members receive complete and accurate information in a timely manner;<ul style="list-style-type: none">• plans the Board meeting agenda in advance alongside the Company Secretary and the Managing Director. Other directors and key members of Management may also be consulted;• ensures the provision of accurate, timely and clear information to the other directors; and• ensures all directors are properly briefed on issues arising at Board meetings in a timely manner.(c) leading Board meetings and discussions;<ul style="list-style-type: none">• ensures that adequate time is available for thorough deliberation of key issues; and• ensures that decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the Board.(d) encouraging active participation and allowing dissenting views to be freely expressed;<ul style="list-style-type: none">• promotes a culture of openness and debate whilst ensuring that no one director dominates the discussions; and• obtains suggestions and comments from directors and encourages those who are less vocal to be more proactive in providing views.

	<p>(e) managing the interface between Board and Management;</p> <ul style="list-style-type: none"> • acts as the main conduit between Management and the Board; and • develops a positive relationship with the Managing Director. <p>(f) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;</p> <ul style="list-style-type: none"> • acts as a spokesperson for the Board; and • acts as the main representative of the Company alongside the Managing Director at shareholders' meetings and on other occasions where key or major actions are taken or statements are made in the name of the Company. <p>(g) leading the Board in establishing and monitoring good corporate governance practices in the company.</p> <ul style="list-style-type: none"> • leads the creation of an effective corporate governance system, including the establishment of Board and Committee Charters, a Committee structure and induction as well as ongoing education programmes for directors; and • oversees and facilitates Board, Committee and Board member evaluation reviews and successions planning alongside the Chairman of the Nomination & Remuneration Committee." <p>For the year under review, the Nomination & Remuneration Committee reported that all Directors have discharged their duties and responsibilities in an adequate and proper manner.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

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	:	<p>It is stipulated in the Board Charter as such:</p> <p>“5.3 Chair of the Board</p> <p>The position of Chairman and Managing Director should be held by different individuals. This is to ensure a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.”</p> <p>For 2022, the Board was chaired by Mr. Charlie Ong Chye Lee, a Senior Independent Non-Executive Director and has been re-designated as a Non-Independent Non-Executive Director effective from March 1, 2023 while Mr. Chin Yau Meng was the Managing Director of the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	As at December 31, 2022, UCHITEC is in compliance with Practice 1.4 of the MCGG whereby the Chairman of the Board, Mr. Charlie Ong Chye Lee ("the Chairman") is not a member of the Audit Committee ("AC") or the Nomination and Remuneration Committee ("NRC") of UCHITEC.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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	:	<p>Para 7.2 of the Board Charter stated that:</p> <p>“The appointment and removal of the Company Secretary is subject to the approval of the Board. The Board recognizes the fact that the Company Secretary should be suitably qualified and competent Company Secretary to provided sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.”</p> <p>For the current financial year, the Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharged of its functions. The Company Secretaries play an advisory role to the Board in the relation to the Company’s constitution, Board’s policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretaries also ensure that deliberations at the Board and Board Committee meetings are well captured and minuted, and subsequently communicated to the relevant management for necessary action.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	<p>The followings Para in the Board Charter of the Company stipulated as such:</p> <p>“7.4.1 The Chairman will establish the agenda for each Board meeting. Each Director is free to suggest the inclusion of items on the agenda and is free to bring up, at any Board meeting, subjects that are not on the agenda for that meeting. The Company Secretary shall be responsible to draw up a detailed agenda and to the extent feasible, supporting documents and proposed resolutions, and circulate it at least five business days in advance before each meeting to the Board or Committee members. Directors should review these materials in advance of the meeting. Subject to any applicable notice requirements, Directors having items to suggest for inclusion on the agenda for future Board or Committee meetings should advise the Chairman well in advance of such meeting.</p> <p>7.5.1 The Company Secretary shall minute the proceedings and resolutions of all Board and its Committee meetings. Upon conclusion of the meeting, all Directors shall ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board or Board Committee, including whether any director abstained from voting or deliberating on a particular matter.</p> <p>7.5.2 Minutes of meetings shall be entered into the books within 14 days of the relevant meeting date.”</p> <p>The Board met four times in this financial year. A formal time schedule was pre-determined in advance. The Agenda and Board papers for each meeting was circulated at least one week in advance before each meeting to the Board members to enable the Directors to review the papers in preparation for the meeting and to obtain further explanations, where necessary, in order to be briefed properly before the meeting. In addition to the Group performance discussed at the meeting, the Board also discussed, reviewed and decided the financial decision and annual plans, changes to Board or management and control structure of the Group, including strategies, key policies, procedures and authority limits. The Board and its committees were</p>

	<p>supplied with all necessary information to enable them to discharge their responsibilities efficiently and effectively.</p> <p>All decisions of the Board were duly recorded in the Board's minutes and circulated in the timely manner.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	<p>Board Charter was established and made available on the Company website, outlining a framework designed to:</p> <ul style="list-style-type: none"> • enable the Board to provide strategic guidance for the Company and effective oversight of the management; and • clarify the respective roles and responsibilities of Board, Board committees, individual directors and the management in order to facilitate the Board and the management accountability to both the Company and its shareholders; and • ensure a balance of authority so that no single individual has unfettered powers; and • identify issues and decisions reserved for the Board. <p>The Board reviewed and assessed the adequacy of Board Charter in November 2022 and resolved that the Board Charter is in compliance with relevant rules and regulations promulgated by the regulatory body.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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	:	<p>UCHITEC is committed to the highest standards of ethical business conduct. The Directors and employees continue to adhere to Code of Ethics of UCHITEC codified in Employees’ Handbook. The Code of Ethics is also available on the Company’s website. The principles on which this Code rely are those that concern transparency, integrity, accountability and civic social responsibility.</p> <p>This Code is formulated to enhance the standard of corporate governance and behaviour with a view to achieve the following objectives:</p> <ul style="list-style-type: none"> • to establish standard of ethical conduct for Directors and employees based on acceptable belief and values that one upholds; and • to uphold the spirit of social responsibility and accountability of the Group in line with legislations, regulations and guidelines governing it. <p>The Code of conduct & ethics for the Directors and Employees is published on the Company’s website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	UCHITEC has put in place a Whistle Blowing Policy to provide an avenue for all employees and stakeholders, to raise their concern about illegal or immoral conduct or behaviour in the Group to the Administrator without fear of reprisal. Informants are assured that their identity is kept confidential and their concern will be acted upon Ms. Han Chin Ling, the independent Non-Executive Director of UCHITEC is appointed for the administration, revision, interpretation and application of this policy.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	<p>One of the duties and responsibilities of the Board of UCHITEC under its Charter is to ensure that the strategic plan and operation of the Company support long-term value creation and include strategies on economic, environmental and social consideration underpinning sustainability. In this respect, the Executive Committee through the Management Committee, assist the Board in overseeing the formulation, implementation and effective management of UCHITEC’s sustainability strategies.</p> <p>Accordingly, the Board is ultimately accountable for ensuring that sustainability is integrated into the strategic direction of the Group and its operations. To achieve this, the Board continuously ensures that there is an effective governance framework for sustainability within the Group.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	<p>The Group ensures that its communication with its internal and external stakeholders are transparent and timely.</p> <p>The Group is committed to being accountable and responsive to the expectations and interests of its stakeholders. The Group identified the key stakeholder groups that impact or are directly having impact by the value creation activities. There are 4 priority areas covering key aspects of the marketplace, environment, workforce and the community. Initiatives within each priority area are driven by relevant departments across the Group.</p> <p>The Group conducts a materiality assessment once in a year as part of the regular sustainability practice to ensure that the material matters remained relevant to the stakeholders.</p> <p>Detail of the materiality assessment and stakeholder engagement are provided in the Annual Report 2022.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	<p>The Group Risk Management framework, policies and procedures set out the approach to the identification, assessment, monitoring and reporting of risks and internal control.</p> <p>The Board regards risk management as an integral part of business operations and continuously update and identify the various risk factors that could have a potentially significant impact on the Group’s mid to long term business objectives, including climate-related risks and opportunities.</p> <p>In addition, regular updates provided to the Board members on Sustainability and Environmental, Social and Governance (“ESG”) matters such as news articles or reports, to ensure the Board is kept abreast on the latest developments and trends, in the local and global scene.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	<p>In conjunction with the annual evaluation of the Board and in accordance with Practice 4.4 of the MCCG, the Nomination and Remuneration Committee at its meeting held in November 2022 reviewed the draft questionnaires in which the relevant sustainability related performance measures and questions had been incorporated for the evaluation of the Board/Committee members.</p> <p>Through the reviewed and assessed the result of the evaluation, all the members of the Board had unanimously viewed that the Board had performed its duties effectively in considering sustainability issues during its deliberations on the Group’s strategies and business plans. The Management also gave their perspectives in addressing the Company’s material sustainability risks and opportunities.</p> <p>Nevertheless, the Board’s observations and the Management’s feedback had been consistent on the need for focus and attention in Sustainability whereby Environmental, Social and Governance practices will remain as one of the areas requiring ongoing attention for continuous improvement.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	Adopted
Explanation on adoption of the practice	:	A designated person i.e. Mr. Chin Yau Meng, Managing Director of the Company, has been appointed to provide dedicated focus to manage sustainability strategically in the operations of the Company. Besides being responsible for the ongoing development and implementation of the Group's sustainability-related strategies, he will also provide progress status updates & present sustainability-related disclosures to the Board for approval.

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	:	<p><u>Refreshing the Board Composition</u> The Nomination and Remuneration Committee (“NRC”) is responsible to assist the Board (among other things) in the development and implementation of the policies on the nomination and appointment of Directors and Committee members in the Group, to achieve long-term sustainability of the organisation in accordance with the Charter of the NRC.</p> <p>In this respect, the Board is mindful that for it to be effective, its composition must include the right group of people, with an appropriate mix of skills, knowledge, experience and independence elements that fit the Company’s objective and strategic goals.</p> <p><u>Director’s Retirement/ Re-election</u> Pursuant to Clause 76(3) of the Constitution of UCHITEC, one-third of the Directors of the Company for the time being shall retire from office once at least in each 3 years but shall be eligible for re-election. The schedule of retirement by rotation was determined by the NRC and the Director’s eligibility to stand for re-election was also being considered their tenure of service.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	: <p>For the year ended December 31, 2022, the Board consists of 4 Independent Non-Executive Directors and 3 Executive Directors.</p> <p>Mr. Charlie Ong Chye Lee who has served for a cumulative term of more than twelve (12) years as an Independent Non-Executive Director has been re-designated as a Non-Independent Non-Executive Director effective from March 1, 2023</p> <p>The Board of Directors of the Company currently consists of seven (7) members; including a woman director; of whom three (3) are Executive Directors, three (3) are Independent Non-Executive Directors and one (1) is Non-Independent Non-Executive Director.</p> <p>The Board composition has considered adequate mix of skills, independence and diversity including diversity of gender, ethnicity and age of the Members who are well-equipped with relevant knowledge and/or experience for contribution towards achievement of objectives of the Company.</p> <p>The composition of the Board complies with Paragraph 15.02 Of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The Board comprises Members of strong background on the basis of, in addition to the mix referred to above, their character, integrity and time who bring value to Board deliberations.</p> <p>The Nomination Committee has examined and considered its present Board size and is satisfied that its current Board size facilitates effective decision-making and is appropriate for the nature and scope of the Group's operation. Notwithstanding that the Board does not comprise at least half of independent Directors as recommended under the Code, there is a good mix of members with diversified background and extensive experience and fair knowledge, who bring along a wide range</p>

	<p>of technical skills and expertise to the Group and have contributed significantly towards performance monitoring, control as well as governance. The present scenario does not jeopardize the position of the Board to make independent deliberations and decisions in the best interest of the Company.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	<p>In connection with Mr. Charles Ong re-designation, he has represented in writing to the Board that his vote or decision on any issue or question coming before the Board should not impede or frustrate the unanimous vote or decision of the independent directors at that Board meeting. If his casting vote is required, he will take the fellow directors' opinions into serious consideration and prudently exercise his casting vote right. We will ensure that, with this arrangement, our board performs according to the intended result of this practice.</p>
<p>Timeframe</p>	<p>:</p>	

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	:	<p>The Board is mindful of the recommendation of the Code that the tenure of an independent director should not exceed a cumulative term of nine (9) years and if the Board continues to retain the independent director after the ninth year, a two-tier voting process should be applied. In addition, the enhanced MMLR limits the tenure of an independent director to not more than a cumulative tenure of twelve (12) years.</p> <p>Mr. Charlie Ong Chye Lee who has served for a cumulative term of more than twelve (12) years as an Independent Non-Executive Director has been re-designated as a Non-Independent Non-Executive Director effective from March 1, 2023</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	<p>It is stipulated in Para 5.4 of the Board Charter that:</p> <p>“The Board adopts the Company’s Corporate Human Resource Policy to provide a diversity and equality work environment throughout the Company that is free of discrimination of any form whether based on an individual’s gender, race, ethnicity, age and religion. As such, the evaluation of the suitability of Board composition shall purely be based on the candidates’ competency, skills, character, time, commitment, knowledge, experience and other qualities in meeting the needs of the Company.”</p> <p>The Corporate Human Resource Policy is applied not only to Directors but throughout the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	<p>Para 6.5.2 of the Nomination & Remuneration Committee Charter stated as such:</p> <p>“In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The Nomination Committee may utilize the following independent sources to identify suitably qualified candidates:</p> <ul style="list-style-type: none"> • Directors’ registry (e.g. Institute of Corporate Directors Malaysia); • Industry and professional association; • Open advertisement; • Independent search firm.”
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:	Choose an item.	
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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 5.7

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	:	<p>The profiles of Directors are published in the Annual Report and on UCHITEC's website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any.</p> <p>The Nomination and Remuneration Committee had assessed and reviewed the performance and contribution of Mr. Charlie Ong Chye Lee, who has served on the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years.</p> <p>With the recent amendments to the Listing Requirements, a Director cannot act as an Independent Director for more than twelve (12) years and that the amendment shall be implemented on or after June 1, 2023.</p> <p>The Board has recently approved the re-designation of Mr. Charlie Ong Chye Lee as a Non-Independent Non-Executive Director effective from March 1, 2023 as he possesses the following attributes necessary in discharging his roles and functions as a Chairman of the Board, i.e.</p> <ul style="list-style-type: none">(a) He has vast experience in the industries the Group is involved and as such could provide the Board with diverse set of experience, expertise and independent judgement; and(b) He consistently challenges the management in an effective and constructive manner; and(c) He actively expresses his views and participates in Board deliberations and decision making in an objective manner; and(d) His length of service on the Board does not in any way interfere with his fiduciary duties in exercising due care in the best interest of the Company and minority shareholders.(e) He has represented in writing to the Board that his vote or decision on any issue or question coming before the Board shall be taken or effected such that his vote or decision shall not impede or frustrate

	the unanimous vote or decision of the independent directors at that Board meeting.	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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	:	<p>Para 4.2 of the Nomination and Remuneration Charter of UCHITEC stated as follow:</p> <p>The Committee shall be appointed by the Board of Directors from amongst their members and comprising exclusively of Independent Directors. The Committee shall consist of not less than three (3) members.</p> <p>The members of the Committee shall elect a chairman from amongst their number who shall be an Independent Director or the Senior Independent Director.”</p> <p>During the year, the Nomination & Remuneration Committee was chaired by Mr. Lim Tian How, Independent Non-Executive Director and comprised exclusively of Independent Non-Executive Directors, namely:</p> <p>Chairman: Lim Tian How, Independent Non-Executive Director Members: Tan Boon Hoe, Independent Non-Executive Director Han Chin Ling, Independent Non-Executive Director</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board currently has one (1) women Director on Board, which represents 14.3% women directors.</p> <p>The Board is mindful there is still much room to enhance the current gender representation.</p> <p>Based on the current size of the Group, the size of the existing board has enough members possess the relevant collective knowledge, skills, experience and resources required for conducting the board.</p>	
		<p>The Company has incorporated Practice 5.9 into the Board Charter which approved by the Board of Directors.</p> <p>Para 5.1 (b) of the Board Charter stated as such:</p> <p>“The Board shall endeavour to meet a target of at least 30% women Directors on the Board to bring in a diversity of perspectives and encourage women participation during Board deliberation and decision-making process whilst achieving the Malaysian Government’s aspiration for 30% women participation at the boardroom level.”</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:	Choose an item.	

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	:	<p>The Board through the Nomination and Remuneration Committee does consider gender diversity as part of its future selection and appointment of directors and key senior management.</p> <p>The Board has set its target to achieve at least 20% of women directors and key senior management for 2022. During the year, there was 36% women representation on the board and key senior management.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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.

<i>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.</i>	
Application	: Applied
Explanation on application of the practice	: The Nomination and Remuneration Committee (NRC) was established to undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. Summary of activities of the NRC in 2022 are as follows: (a) To identify and make recommendation to the Board of Directors the nominees qualified to become Board members and/or Board Committee members. The Committee shall take into consideration the qualifications for directors set forth in the Board Charter and such other factors as it deems appropriate. The Committee may consider candidates for directorships proposed by the Executive Board but is not required to do so. (b) To assist the Board annually in reviewing and assessing: (i) the required mix of skills of experience and other qualities, including core competencies, which Directors should bring to the Board; and (ii) Audit Committee members knowledge on financial literacy; and (iii) the independence of Independent Director; and (iv) the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contribution of each individual Director, including the Board's gender diversity and anti-corruption policies and procedures; and (v) the effectiveness of Management; and (vi) Periodically review management succession planning to address leadership continuity; and

	<p>(vii) the Company's compliance with applicable laws and regulations relating to corporate governance practices including anti-corruption policies and procedures.</p> <p>(c) To review and make recommendations about the structure and functions of Board committees, after consultation with the respective committee chairs.</p> <p>(d) To review and recommend, as appropriate, director orientation and continuing education programs for members including the internal and external trainings in relation to anti-corruption management are developed for Directors.</p> <p>(e) To review and recommend to the Board the remuneration of each of the Directors and Senior Management in all its forms, drawing from outside advice as necessary. However, the determination of remuneration packages of Directors, if any, should be a matter for the Board as a whole. The individual concerned should, abstain from discussion of their own remuneration.</p> <p>(f) To monitor the Company's compliance with the requirements under Companies Act 2016 relating to plans and loans to directors and other legal requirements affecting its compensation and benefits programs, in consultation with the Audit Committee as appropriate.</p> <p>(g) To review and reassess the adequacy of this Charter annually, and when considered necessary, make recommendations to the Board to modify it.</p> <p>(h) Conduct an annual performance evaluation of the Committee and report to the Board of Directors.</p> <p>(i) To provide clarification to shareholders during General Meetings on matters pertaining to nomination of Directors and remuneration of Directors and Senior Management.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	

Timeframe	:		
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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	:	<p>UCHITEC is committed to attracting and retaining the right talent in the Board and Senior Management in order to drive the Company’s long-term objectives.</p> <p>As such, the Company has established the Remuneration policies and procedures in the Nomination and Remuneration Charter.</p> <p>The purpose of this remuneration policy is to establish a framework for remuneration that is designed to:</p> <ul style="list-style-type: none"> (a) Ensure that coherent remuneration policies and practices are observed which enable the attraction and retention of Directors and Senior Management who will create value for shareholders; (b) Fairly and responsibly reward directors and Senior Management having regard to the Company’s performance, the performance of the Senior management and the general pay environment; and (c) Comply with all relevant legal and regulatory provisions. <p>The Nomination and Remuneration Charter was reviewed in November 2022 and is available on the Company’s website.</p>
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	:	<p>The Nomination and Remuneration Committee (NRC) is authorised by the Board to implement policies and procedures on remuneration policy. For 2022, the Committee comprised solely of Independent Non-Executive Directors. As of December 31, 2022, the members of the committee are as follows:</p> <p>Chairman: Lim Tian How, Independent Non-Executive Director</p> <p>Members: Tan Boon Hoe, Independent Non-Executive Director Han Chin Ling, Independent Non-Executive Director</p> <p>A primary purpose of the Committee is to ensure that the remuneration package of the members of the Board and Board Committee are internally equitable, externally competitive, motivates the board towards the achievement of business objectives and align their focus on the long-term business of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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 details of the remuneration of the Directors for the financial year ended December 31, 2022 are as follows:

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	Kao, De-Tsan also known as Ted Kao	Executive Director	61	-	384	250	30	240	965	61	-	384	250	30	240	965
2	Chin Yau Meng	Executive Director	48	-	-	-	-	77	125	48	-	246	130	-	136	560
3	Huang, Yen-Chang also known as Stanley Huang	Executive Director	48	-	-	-	-	-	48	48	-	229	100	30	160	567
4	Charlie Ong Chye Lee	Independent Director	84	-	-	-	-	41	125	84	-	-	-	-	41	125
5	Tan Boon Hoe	Independent Director	102	-	-	-	-	41	143	102	-	-	-	-	41	143
6	Lim Tian How	Independent Director	84	-	-	-	-	29	113	84	-	-	-	-	29	113
7	Han Chin Ling	Independent Director	52	-	-	-	-	41	93	52	-	-	-	-	41	93
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	:	<p>The Remuneration of Key Senior Management was not disclosed on a named basis due to confidentiality and sensitivity of each remuneration package.</p> <p>Alternatively, the remuneration of all key senior management of the Group for the financial year ended December 31, 2022 is disclosed in aggregate basis in band width of RM50,000 as follows:</p> <table border="1" data-bbox="587 1144 1378 1444"> <thead> <tr> <th>Range of Aggregate Remuneration</th> <th>Key Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM100,001 to RM150,000</td> <td>2</td> </tr> <tr> <td>RM200,001 to RM250,000</td> <td>2</td> </tr> <tr> <td>RM250,001 to RM300,000</td> <td>2</td> </tr> <tr> <td>RM300,001 to RM350,000</td> <td>1</td> </tr> </tbody> </table> <p>The disclosure of the remuneration of Key Senior Management in aggregate basis in band width of RM50,000 is adequate for stakeholders to assess the appreciable link between remuneration of Key Senior Management and the performance of the Group as a whole.</p>	Range of Aggregate Remuneration	Key Senior Management	RM100,001 to RM150,000	2	RM200,001 to RM250,000	2	RM250,001 to RM300,000	2	RM300,001 to RM350,000	1
Range of Aggregate Remuneration	Key Senior Management											
RM100,001 to RM150,000	2											
RM200,001 to RM250,000	2											
RM250,001 to RM300,000	2											
RM300,001 to RM350,000	1											
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>												
Measure	:											

Timeframe	:	Choose an item.	
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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	:	<p>Para 4.2 of the Audit Committee Charter stated that:</p> <p>“The Audit Committee shall be appointed by the Board of Directors on the recommendation of the Nomination Committee from amongst their members and comprising not less than three (3) members, all of whom shall be Independent Directors. An Independent Director shall be the one who fulfils the requirements as provided in the Listing Requirements of Bursa Malaysia Securities Berhad.”</p> <p>The members of Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Non-Executive Director and shall not be the Chairman of the Board.”</p> <p>Mr. Tan Boon Hoe was elected Chairman of the Audit Committee on September 1, 2016 while the chairman of the Board is Mr. Charlie Ong Chye Lee.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	Applied
Explanation on application of the practice	:	<p>Para 4.3 of Audit Committee Charter stipulated as such:</p> <p>“Audit Committee Members’ Qualification</p> <ul style="list-style-type: none"> • No alternate Director shall be appointed as member of the Committee. • No Director may serve as member of the Audit Committee if such Director serves on the audit committee of more than two (2) other public companies unless the Board determines that such simultaneous service would not impair such director’s ability to serve effectively on the Audit Committee. • A former ex-partner shall observe a cooling-off period at least 3 years before being appointed as a member of the Audit Committee. • All members of the Audit Committee shall be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process. • All members of the Audit Committee shall undertake continuous professional development to keep themselves abreast of relevant development in accounting and auditing standards, practices, and rules.”
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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	:	<p>The Audit Committee assessed the suitability, objectivity and independence of the external auditor in accordance with the Company Auditors' Independence Policy on the appointment and re-appointment of the external auditors.</p> <p>The review is carried out annually prior to recommending the appointment and re-appointment of the external auditor to the Board for shareholders' approval, in ensuring that the independence and objectivity of the external auditor as statutory auditors are not compromised. The Audit Committee carried out the review via an assessment checklist that covers competency, audit quality and resource capacity of the external auditor as well as their independence and objectivity.</p> <p>In evaluating the external auditor's independence, the Audit Committee has obtained annual confirmation from the external auditor on their independence in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Boards for Accountants' code of Ethics for Professional Accountants ("IESBA Code"). The external auditor also confirmed that they have fulfilled their ethical responsibilities in accordance with the By-Laws and the IESBA Code.</p> <p>The Audit Committee meets up the external auditor to discuss their audit plan, audit findings and their views in respect of the true and fair view of the financial statements of the Uchi Group. During the meeting, the Audit Committee also discusses with the external auditor any key changes to regulatory requirements and latest developments in the accounting and auditing standards. As provided under its Charter, the Audit Committee meets the external auditor without the presence of Executive Board members at least twice in a year.</p> <p>Taking into account the auditors' statement on independence and the Audit Committee's own enquiries, the Audit Committee is satisfied with the suitability and independence of Deloitte PLT as external auditors</p>

	and recommended to the Board the re-appointment of Deloitte PLT as auditors of the Company.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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	:	For 2022, the Audit Committee comprised solely of Independent Directors. As of December 31, 2022, the members of the Audit Committee are as follows: Chairman: Tan Boon Hoe, Independent Non-Executive Director Member: Lim Tian How, Independent Non-Executive Director Han Chin Ling, Independent Non-Executive Director

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	:	<p>Deriving from the annual performance evaluation carried out by the Nomination and Remuneration Committee, the Board is satisfied that the Audit Committee is adequately represented by a wide range of expertise from diverse backgrounds with core competencies in corporate, business acumen and analytical, legal and financial, engineering and production and were able to discharge their duties and responsibilities in an adequate and proper manner.</p> <p>In 2022, Audit Committee members attended conferences / Seminars on areas relating to corporate governance, Income Tax Updates and latest development on MFRS.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	<p>The Board acknowledges its responsibility for establishing a sound system of internal control to safeguard shareholders' investment and Group's assets, and to provide reasonable assurances on the reliability of the financial statements. In addition, equal priority is given to financial controls, operational and compliance controls as well as risk management. While the internal control system is devised to cater for particular needs of the Group and the risk, such controls by their nature can only provide reasonable assurance but not absolute assurance against unintended material misstatement or loss.</p> <p>The Group has in place an on-going process and sound framework for identifying, evaluating, monitoring and managing the significant risks affecting the Group. The Board reviews the adequacy and integrity of the Group's system of internal controls on a continuous basis.</p> <p>Kindly refer Annual Report 2022 for the committee Report and Statement on Risk Management & Internal Control incorporating report on risk management review, internal audit function and conclusion of the review.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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	:	Refer statement on Risk Management & Internal Control in Annual Report 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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 :	Not Adopted
Explanation on adoption of the practice :	

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	:	Refer Audit Committee Report in Annual Report 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	Refer Audit Committee Report & Statement on Risk Management & Internal Control in Annual Report 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	<p>Para 4.1 (10) of the Board Charter stated that it is the Board responsibilities to keep its shareholders informed of its progress through an annual report, annual information form, quarterly interim reports and periodic press releases. In addition, the company shall maintain on its website a contact email address that will permit shareholders to provide feedback.</p> <p>The Board values dialogue with investors and recognizes the importance of accountability to its shareholders through proper and equal dissemination of information to its shareholders. The Executive Director has regular dialogue sessions with institutional investors, fund managers and analysts to explain the Group's strategy, performance and major developments.</p> <p>The annual report, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance.</p> <p>The Company maintains a corporate website at www.uchi.net which provides all relevant information about UCHITEC and is accessible by the public. This corporate website enhances the investor relation function by including share price information, all announcements made via Bursa LINK, annual reports as well as the corporate governance structure of the company.</p> <p>The Board recognizes that the Independent Directors are vital towards protecting the interests of shareholders, through whom, stakeholders may convey their concerns pertaining to the Group via chin.ling.han4444@gmail.com.</p> <p>Corporate Disclosure Policy</p> <p>The Company adopted Corporate Disclosure Policy to ensure informative, timely and accurate disclosure of material information concerning the Company to the Public. UCHITEC recognizes that individual investors deserve the same access to material information as institutional shareholders and analysts, and is committed to providing</p>

	<p>fair and equal access to such information through broadly disseminated disclosure.</p> <p>This Corporate Disclosure Policy deals with how UCHITEC and its employees handle material non-public information. It applies to all directors, officers and employees of UCHITEC and its operating subsidiaries (collectively, the “Employees”) and insiders (as defined in the Listing Requirements of Bursa Malaysia Securities Berhad).</p> <p>This disclosure policy does not apply to communications in the ordinary course of business not involving material information.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	Not applicable as the Company is not a Large Company as of December 31, 2022.	
		In preparation of the Annual Report, due care and efforts are taken to ensure that all financial and non-financial information are interconnected and integrated to enable shareholders to make informed decision.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:	Choose an item.	

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 notice of the Twenty-Fourth Annual General Meeting (AGM) held on May 26, 2022 was dispatched to the shareholders on April 25, 2022, which is more than 28 days before the AGM, to ensure the shareholders are given sufficient notice and time to go through the Annual Report and make the necessary attendance and voting arrangement.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	<p>All Directors attended the Company's Twenty-Fourth Annual General Meeting which was held virtually on May 26, 2022.</p> <p>A Questions and Answers session during which the Chairman invited shareholders to use the Q&A platform to submit questions (real time) during the meeting, before putting a resolution to vote. Besides the Directors, the management and external auditors were in attendance to respond to shareholders' questions.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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	:	<p>The Company had leveraged on technology to facilitate remote shareholders’ participation and electronic voting for the conduct of poll on the resolutions at its virtual Annual General Meeting (AGM) held on May 26, 2022.</p> <p>The entire AGM proceedings were held through Remote Participation and Voting (RPV) facilities provided by AGRITEUM Share Registration Services Sdn. Bhd. (“AGRITEUM”) via its website at www.agriteum.com.my (“AGRITEUM Portal”). The Administrative Notes of the AGM including the procedures for RPV facilities were published in the Company’s website and shared with shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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	:	<p>The Twenty-Fourth Annual General Meeting (AGM) was a virtual meeting. The Company had issued the Notification to Shareholders of a Fully Virtual Twenty-Third AGM together with Administrative Notes which encompassed the guidance on the conduct of the virtual meeting on April 25, 2022.</p> <p>The shareholders could submit questions to the Board of Directors (“Board”) prior to the AGM by emailing to Pre-register-AGM2021@uo.uchi.net no later than 2:00 p.m. on May 24, 2022 or via the Q&A platform in the AGRITEUM Portal from 12:00 p.m. on May 18, 2022 up to 1:30 p.m. on May 26, 2022 or use the Q&A platform in Zoom Cloud Meetings App to submit questions in real time during the AGM.</p> <p>The Chairman of the AGM had also informed the shareholders during the live streaming of the AGM on May 26, 2022 that they could submit their questions to the Board during the AGM via the RPV facilities; and the answers of all the questions were addressed by the Executive Director.</p> <p>In view that shareholders could submit questions commencing May 18, 2022, they were given sufficient opportunity to pose their questions before the AGM and during the AGM. The Company had ensured that all the questions were answered.</p>
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	:	<p>The Company's held its 2022 Annual General Meeting (AGM) as a fully virtual AGM.</p> <p>The Remote Participation and Voting (RPV) facilities provided by AGRITEUM Share Registration Services Sdn. Bhd. ("AGRITEUM") via its website at www.agriteum.com.my ("AGRITEUM Portal") allowed shareholders to pose questions to the Board and Chairman of the AGM via typed text in the Q&A platform. The shareholders submitted their questions at any time from the day of notice of AGM and up to the time when the meeting was in progress.</p> <p>At the "Questions and Answered" session in the meeting agenda, the Q&A platform had the facilities to live broadcast the questions and answers; and the shareholders had experienced real time interaction with the Board during the AGM.</p> <p>Questions posed by shareholders had been made visible to all meeting participants during the meeting itself via RPV facilities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Minutes of the Twenty-Fourth Annual General Meeting (AGM) have been made available to shareholders no later than 30 business days after the AGM on its website at www.uchi.net
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
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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