

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0247  
**COMPANY NAME** : UNITRADE INDUSTRIES BERHAD  
**FINANCIAL YEAR** : March 31, 2023

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

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

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Unitrade Industries Berhad ("<b>Unitrade</b>" or "<b>Company</b>") is collectively headed by an experienced and effective Board of Directors ("<b>the Board</b>") which is responsible for the stewardship and business affairs of the Group.</p> <p>The Board is guided by its Board Charter in discharging its fiduciary duties and responsibilities. The Board Charter has clearly set out a structured guideline that includes, but not limited to the following:-</p> <ul style="list-style-type: none"> <li>• the composition of the Board;</li> <li>• the roles and responsibilities of Board including formal schedule of matters reserved for the Board's Decision;</li> <li>• delegation of its authority to various Board Committees; and</li> <li>• Board practices pertaining to meetings, code of conduct, gender diversity and Whistle-Blowing Policy</li> </ul> <p>To ensure effective discharge of its stewardship role, the Board delegates specific responsibilities to the Board Committees, namely Audit Committee ("<b>AC</b>"), Nomination Committee ("<b>NC</b>"), Remuneration Committee ("<b>RC</b>") and Risk Management and Sustainability Committee (formerly known as Risk Management Committee) ("<b>RMSC</b>"), to support the Board with oversight functions in selected responsibilities areas. The Board Committees are guided by their respective Terms of Reference ("<b>TOR</b>") approved by the Board. The Board Committees report to the Board on matters considered and their recommendations thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board.</p> <p>During the year, the Risk Management Committee was renamed as RMSC to include overseeing all matters relating to Economic, Environmental, Social and Governance ("<b>EESG</b>").</p>

	<p>The Directors promote sustainability through appropriate ESG considerations in the Company's business strategies. The Board delegates the oversight of sustainability risk and opportunities to RSMC.</p> <p>The Board Charter and TOR for all Board Committees are published on the website of the Company <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a>.</p>	
<b>Explanation for departure</b>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>		
<b>Timeframe</b>		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Dato' Abdul Majit bin Ahmad Khan, an Independent Non-Executive Chairman, is the Chairman of the Board. His profile can be viewed on Page 8 of the Annual Report 2023 of the Company.</p> <p>He plays a vital role in leading the Board in oversight of management, representing the Board to shareholders and chairing general meeting of shareholders. He regularly seeks the opinions of Board members on matters being deliberated during meetings and ensures that the decisions made are a representation of the Board as a whole.</p> <p>The responsibilities of the Chairman of our Board include, but are not limited to, the following:-</p> <ol style="list-style-type: none"><li>Leadership to the Board so that the Board can perform its responsibility effectively;</li><li>Setting up the Board meeting agenda and ensure that the Board member receive complete and accurate information in a timely manner;</li><li>Encouraging active participation and allowing dissenting views to be freely expressed;</li><li>Leading the Board in adoption and implementation of good corporate governance practices in the Group; and</li><li>Ensuring effective communication with shareholders and relevant stakeholders</li></ol> <p>The detailed roles and responsibilities of the Chairman of the Board are stated in the Board Charter, which is published on the website of the Company at <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a> and is subject to periodic review.</p> <p>The 2023 Board annual evaluation results demonstrated the Directors' trust in and belief that the Chairman has displayed good leadership and effective in establishing excellent board dynamics which contributed to the Board working well together as a team.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The roles of the Chairman and the Managing Director (“MD”) are distinct and held by different individuals, to ensure a balance of power and authority so that no one individual has unfettered powers of decision making.</p> <p>The Chairman of the Company is Dato’ Abdul Majit bin Ahmad Khan, an Independent Non-Executive Chairman, whilst the MD is Mr Nomis Sim Siang Leng.</p> <p>The Chairman is responsible for leading the Board in oversight of management, representing the Board to shareholders and chairing general meetings of shareholders, whilst the MD is to ensure the implementation of the Group’s strategic plan and policies established by the Board as well as to manage the daily conduct of the business and affairs its smooth operations.</p> <p>The details of the roles and responsibilities of the Chairman and the MD are specified in the Board Charter, which is available on the website of the Company at <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a> and is subject to periodic review.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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

<i>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'.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Chairman of our Board is Dato' Abdul Majit bin Ahmad Khan, an Independent Non-Executive Chairman is not a member of any of the Board Committees and does not participate in any of the Board Committees' meeting by way of invitation. This ensures that the objectivity of the Chairman and the Board is not impaired when deliberating on observations and recommendations put forth by the Board Committees.  The Company has set out in its Board Charter that the Chairman should not be involved in the Board Committees of the Company to ensure there is check and balance as well as objectives review by the Board.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Presently, the Board is supported by the Company Secretaries who are qualified to act pursuant to Section 235(2) of the Companies Act 2016.</p> <p>The Company Secretaries advise our Board on its roles and responsibilities and keep our Board updated on matters relating to new statutory and regulatory requirements and corporate governance and promptly disseminate communications received from the relevant regulatory / governmental authorities.</p> <p>Our Company Secretaries attended all Board and Board Committee meetings and are responsible for ensuring the meeting procedures are in place, including disseminating complete and accurate meeting materials in a timely manner to allow our Board members to have sufficient time to review the relevant documents prior to meetings. The Companies Secretaries also facilitate the communication of key decisions and policies between our Board, Board Committees and Management.</p> <p>Our directors have unrestricted access to the advice and services of our Company Secretaries to enable them to discharge their duties effectively.</p> <p>The appointment and removal of the Company Secretaries must be approved by the Board.</p> <p>The roles and responsibilities of Company Secretaries are set out in the Board Charter, which is accessible on the Company's website at <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	



<b>Timeframe</b>	:		
------------------	---	--	--

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board members have full and unrestricted access to all information within the Group. The Notice of the Board Meeting is served at least seven (7) days prior to the Board Meeting. Relevant Board papers were circulated to all Directors at least five (5) business days prior to the Board Meeting so that the Board has sufficient time to deliberate on the issues to be raised at the meeting so as to discharge their duties diligently.</p> <p>In addition to the provision of meeting materials, Directors may seek independent professional advice, if necessary, at the Company's expenses in the furtherance of their duties.</p> <p>The Board papers which include the agenda and reports cover amongst others, areas of strategic, financial, operational and regulatory compliance matters that require the Board's approval.</p> <p>All proceedings of the Board meetings are duly minuted and circulated to all Directors for their perusal prior to confirmation of the minutes by the Chairman as a correct record. If one or more Directors request for their opinion to be noted, the Company Secretaries shall comply with such request.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter adopted by the Board serves as a source of reference and primary guide to the Board as it sets out the role, functions, composition, operation and processes of the Board. There is a schedule of matters specifically reserved for the Board's decision set out in the Board Charter.</p> <p>The purpose of the Board Charter is to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and management with regard to the role of the Board and its committees.</p> <p>The Board Charter is subject to review by the Board as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulators and remains consistent with the policies and procedures of the Board. The Board Charter is accessible on the website of the Company at <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has adopted a Code of Conduct for its Directors, management and all employees of the Group ("Personnel") in discharging their duties and responsibilities. The Code is established to serve as a guidance to Personnel to recognise and deal with ethical issues and promote the corporate culture which engenders ethical conduct that permeates throughout the Group.</p> <p>The Code includes, inter alia, matters relating to conflicts of interest, proper use of Group's assets and properties and prohibited activities or misconduct.</p> <p>The Board had also established the Anti Bribery and Corruption Policy ("ABC Policy") and the Ethics and Compliance Whistleblowing Policy and Procedures ("<b>Whistleblowing Policy</b>") which aim at promoting good business practices, ethical behaviour and healthy corporate culture within the Company.</p> <p>The Board will review and update the Code from time to time to ensure that it remains relevant and effective. The Codes are available at the website of the Company at <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
------------------	---	--	--

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has formalised Whistleblowing Policy which is available on the website of the Company at <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a>.</p> <p>The Chairman of our Board, Dato' Abdul Majit bin Ahmad Khan and the Chairman of our AC, Dato' Lok Bah Bah @ Loh Yeow Boo were identified as the persons to whom the whistleblowing reports may be conveyed.</p> <p>The Company has established Whistleblowing Committee to assist the Board in protecting the interest of the Company and all stakeholders by reviewing and investigating any misconduct arising from the complaints and/or whistleblowing reports received and make appropriate recommendation to the Board or take the necessary actions where applicable.</p> <p>The Whistleblowing Policy provides an avenue for all Directors, employees, and stakeholders of the Group to disclose or report any improper conduct and to provide protection for them who report such allegations.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>One of the key responsibilities of the Board under its Board Charter is to review and adopt strategic plan and direction of the Group including restructuring or streamlining corporate business and strategic alliances to support the long-term value creation by taking into account the EESG considerations underpinning sustainability and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced.</p> <p>The Board of Directors has granted approval for the renaming of the Risk Management Committee to RMSC, effective from 2 September 2022. In addition to its existing duties, the RMSC's scope of responsibilities has been extended to encompass the oversight of all matters pertaining to EESG initiatives and sustainability.</p> <p>Therefore, 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. Meanwhile, the senior management will guide the strategic direction of the sustainability pursuits based on EESG and so of the Group, while representatives from various business units are tasked to implement identified sustainability initiatives.</p> <p>Sustainability-related activities undertaken and targets set out by the Company has been disclosed in the Sustainability Statement of the Company’s Annual Report for the financial year ended 31 March 2023.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		



**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Sustainability strategies, priorities, and targets have been incorporated into the Company's mission and strategic plan, and have been effectively communicated to all employees. The employees have been informed that sustainability will serve as a key driver of value for the Company and will be an integral component of its future business model.</p> <p>The Company has implemented a well-established stakeholder engagement practice, tailored to the needs of each stakeholder group. Regular and proactive engagement with stakeholders is carried out through diverse communication channels to ensure the effective dissemination of the Company's sustainability strategies, priorities, and targets.</p> <p>The Board, via its disclosures in its Sustainability Statement in Annual Report 2023, strives to keep external stakeholders informed on the Group's sustainability strategies, targets, priorities as well as performance against these targets.</p> <p>The Sustainability Statements in Annual Report 2023 of the Company are available at the website of the Company at <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to staying abreast with sustainability issues associated with the ever-evolving operating environment which are relevant to its business.</p> <p>This may include, but is not limited to internal and external training and development programmes to be provided for the Board, as well as reading materials from international guidance and standards released.</p> <p>The Company Secretaries will also update the Board on the changes of the Listing Requirements upon receiving the circulars from Bursa Malaysia Securities Berhad (“<b>Bursa Securities</b>”), which are relevant to the Company and provide advice on corporate disclosures and compliances which includes understanding of sustainability issues.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board takes cognizant of the importance of embedding EESG considerations and sustainability measure into the Board's and Senior Management's performance to ensure accountability against the sustainability targets.</p> <p>During the financial year under review, the NC has completed the Board's evaluation questionnaire relating to EESG and sustainability. However, the performance evaluations of Senior Management did not cover sustainability performance evaluation.</p> <p>Once the Company has set the sustainability targets as well as measured the performance against these targets, the sustainability assessment of the Senior Management will be included as part of their Key Performance Indicators (KPI).</p> <p>The Board with the assistance of the RC is looking at developing a Directors’ Performance Assessment Framework with the Head of Human Resource to set and monitor its sustainability KPI targets.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board has identified Mr Simson Sim Xian Zhi, Executive Director as a designated person to manage the Group's sustainability strategically in the operations of the Group.

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC is entrusted by the Board to annually review the required mix of skills, knowledge, qualification, experience and other requisite qualities of Director through the annual assessment of the effectiveness of the Board as a whole, its Committee and the contribution of each individual Director.</p> <p>The annual re-election / re-appointment of retiring Directors is contingent upon satisfactory evaluation of the retiring Directors' performance and contribution to the Board and/or Board Committees.</p> <p>The Board Charter further provides that the tenure of an Independent Director is limited to a cumulative term of nine (9) years. The Independent Director who has served the Board for a cumulative term of nine (9) years and wishes to remain as Independent Director is subject to valid justification and shareholders' approval at the Annual General Meeting through a two-tier voting process.</p> <p>The Board had on 30 June 2022 adopted the Directors' Fit and Proper Policy to ensure a transparent and rigorous process for the appointment and re-election of Directors of the Group. A copy of the Directors' Fit and Proper Policy is available on the Company's website at <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a>.</p> <p>The NC has conducted a fit and proper assessment on both the proposed appointment of the Director and the Directors who are due for retirement at the forthcoming Second Annual General Meeting. Subsequent to this assessment, the NC satisfied that the new appointment and the retiring Directors have fulfilled the criteria of character, experience, integrity, competency, and time commitment, thereby demonstrating their ability to effectively carry out their roles as Directors of the Company:-</p> <p>(a) Dato' Abdul Majit bin Ahmad Khan (b) Sim Keng Chor (c) Datin Shivajini Sathya Seelan</p>

	The NC is guided by its TOR which, inter alia, sets out the purpose, composition, roles and responsibilities, authority as well as the internal procedural matters for the NC, including to assess that the composition of the Board is refreshed periodically. A copy of the TOR is available on the Company's website at <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a> .	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Presently, the Board has eight (8) members, comprising of one (1) Independent Non-Executive Chairman, one (1) Senior Independent Non-Executive Director, three (3) Independent Non-Executive Directors, one (1) Managing Director and two (2) Executive Directors. The Independent Directors constitute majority of the Board. The Board composition also complies with the ACE Market Listing Requirement (“ <b>AMLR</b> ”) of Bursa Securities that require a minimum of two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors. This also fulfils Practice 5.2 to have a board that comprises a majority of independent directors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	None of the Independent Directors has served the Board exceeding a cumulative period of nine (9) years.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, assisted by the NC, is committed to ensuring that the Board and Senior Management are sufficiently diverse and appropriately balanced.</p> <p>In making recommendation to the Board on the suitable candidature of Directors, the NC shall assess and consider the candidates’:</p> <ul style="list-style-type: none"><li>• skills, knowledge, expertise and experience</li><li>• commitment (including time commitment) to effectively discharge his/her role as a Director (including, among others, attendance at Board or Committee meetings, participation in continuing training programmes, after consideration of the candidate’s directorships in other listed issuers, public companies and corporations incorporated and listed outside Malaysia)</li><li>• professionalism</li><li>• on merits and against objective criteria with due regard for the benefits of boardroom diversity including gender, age and ethnicity, experience, cultural background, skill, character, integrity and competence</li><li>• In case of candidates for the position of Independent Non-Executive Directors, NC shall also evaluate the candidates’ ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors; and</li><li>• In considering independence, it is necessary to focus not only a Director’s background and current activities qualify him or her as Independent but also whether the Director can act independently of management.</li></ul> <p>An annual assessment will be carried out annually to review the contribution of each Director. A summary of the assessment will be presented to the NC for consideration and to develop recommendations and/or action plan were determined necessary or desirable.</p>

	<p>The Board concluded that the current Directors possess a diverse mix of skills matrix, knowledge, experience and age to facilitate the optimal decision-making needed to effectively govern the Group. The Chairman possesses the leadership to safeguard the stakeholders' interest and ensure the constructive development of the Group.</p> <p>A formal process was established for the NC to identify, evaluate and recommend to the Board the individuals who are qualified to fill vacancies or newly created positions on the Board and recommending to the Board the persons it should nominate for election or re-election as directors at the AGM. When considering the re-nomination of Directors for re-election, the NC has assessed the fitness and propriety of Directors to ensure they have the character, experience, integrity, competence and commitment of time to effectively discharge their roles and responsibilities.</p> <p>The Board devotes sufficient time to serve the Board effectively and the current composition of the Board does not consist of any active politician i.e. a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.</p> <p>The Board has adopted the Diversity Policy on 28 November 2022 to promote diversity for the Board and workforce of the Group. A copy of the Diversity Policy is available on the Company's website at <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a>.</p> <p>During the financial year under and up to the date of this report, Datin Shivajini Sathya Seelan was nominated and subsequently appointed as Director of the Company.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board through the NC is responsible for overseeing the screening and recruitment process and for making recommendations for new Director candidates. The nomination process for the appointment of Directors and the criteria used by NC in the selection process are provided in the TOR of NC.</p> <p>The Board may utilise a variety of independent sources including directors' registry, industry and professional association, open advertisement and independent search firm to identify suitably qualified candidates, if required.</p> <p>The current process with regards to the appointment of new Directors to our Board is based on the recommendation of NC. Our Board relies on the external sources and also considers referrals from existing Directors, Key Senior Management and major shareholders as primary means to source for new Directors as they represent a tried and tested method of sourcing for high-calibre Directors which sound understanding of the business.</p> <p>As of the date of this report, Datin Shivajini Sathya Seelan was nominated and subsequently appointed as Director of the Company on 14 June 2023. The nomination of Datin Shivajini Sathya Seelan as a Director was made based on the recommendation of the existing board members.</p> <p>The appointment of Datin Shivajini Sathya Seelan was thoroughly assessed based on her competence, integrity, character, time commitment and experience as stated in Rule 2.20A of AMLR of Bursa Securities. Furthermore, her appointment adheres to the fit and proper criteria outlined in the Directors' Fit and Proper Policy of the Company and Datin Shivajini Sathya Seelan has also met the criteria for an Independent Director as prescribed in the AMLR of Bursa Securities.</p>

	The Board is mindful on this Practice and would consider utilising the independent sources to identify suitable qualified candidate, when necessary.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Shareholders are kept informed of the Board's decision in respect of the appointment of Director via announcement(s) to Bursa Securities and updates in the Company's website.</p> <p>The details of directors who are standing for re-election are set out in the section on Directors' Profile of the Annual Report.</p> <p>The performance, contribution and if applicable independence of the retiring Directors who are standing for re-election have been duly assessed by the NC and Board. The justifications to support the re-election of retiring Directors were provided in the Notice of AGM for shareholders to make informed decision at the AGM.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The NC is chaired by Dato' Lok Bah Bah @ Loh Yeow Boo, a Senior Independent Non-Executive Director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Up to the date of this report, the Company has three (3) women directors, namely, Cynthia Toh Mei Lee, Ong Soo Chan and Datin Shivajini Sathya Seelan are acting as board members of the Company, representing 37.5% female representation in the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to ensuring that the appointments made to the Board is based on objective, criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.</p> <p>The Board had on 28 November 2022 adopted the Diversity Policy for the Board and Management which is published on the Company's website at <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 6.1

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

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

*Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a formal and objective annual performance evaluation process to assess the performance and effectiveness of the Board and Board Committees, as well as the performance of each Director.</p> <p>Key focus areas are composition of Board and Board Committees, roles and responsibility, integrity, level of independence and competence of the Directors and time commitment and contribution of Directors at the Board and Board Committees' meeting.</p> <p>The annual evaluation was conducted based on self and peer evaluation model, which covered areas as the Board mix, Board composition, quality of information and decision making, Boardroom activities and Boardroom relationship with management. For individual director assessment, the assessment includes evaluation of character, experience, integrity, competence and time commitment, independent directors are also required to evaluate their level of independence based on the criteria of independence of AMLR of Bursa Securities.</p> <p>The Directors' Fit and Proper Policy also provides guidance to the NC and the Board in their review and assessment of potential candidates for appointment as Directors as well as Directors who are seeking for re-election and re-appointment at the forthcoming AGM of the Company, with a view to meeting current and future requirements of the Group.</p> <p>The results of the fit and proper assessment, annual evaluation and comments by Directors are summarised and discussed at the NC meeting and reported to the Board at the Board Meeting by the Chairman of the NC. All evaluations carried out by the NC in the discharge of its functions are properly documented.</p>

	Based on the results of the annual evaluation, the Board was satisfied with the current composition, diversity and size of the Board. The Board is also satisfied with the effectiveness of the Board, Board Committees and individual Directors, including Chief Financial Officer, who have the requisite knowledge, skills and range of experiences to discharge their duties and responsibilities effectively.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has formalised and adopted policies and procedures to determine the remuneration for Directors' and Senior Management. The policies and procedures are premised on the need for the remuneration practices of the Company to be competitive, ensuring the Company is able to attract and retain high-calibre Directors.</p> <p>The RC had reviewed the remuneration packages of the Executive Vice Chairman, MD, Executive Directors, Non-Executive Directors, C-level executive officers, taking into account of individual performance, time commitment, experience, level of responsibilities, as well as the performance of the Group and market conditions for the financial year ended 31 March 2023 and recommend the same for Board approval.</p> <p>The Non-Executive Directors' remuneration comprises fees and meeting allowances that are linked to their expected roles and level of responsibilities. The Directors' annual fees, which are determined by the Board as a whole, are approved by shareholders of the Company at each AGM. The meeting allowances of the Non-Executive Directors are also approved by the shareholders of the Company at the relevant AGM. All individual Directors shall abstain from making decisions in respect of his own remuneration.</p> <p>The Directors and Senior Management's Remuneration Policy is published on the Company's website at <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a>.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	:	Applied															
<b>Explanation on application of the practice</b>	:	<p>The RC comprises four (4) members, all of whom are Independent Non-Executive Directors. The composition of the RC is as follows:-</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th><th>Directorate</th></tr></thead><tbody><tr><td>Ong Soo Chan</td><td>Chairwoman</td><td>Independent Non-Executive Director</td></tr><tr><td>Dato' Lok Bah Bah @ Loh Yeow Boo</td><td>Member</td><td>Senior Independent Non-Executive Director</td></tr><tr><td>Cynthia Toh Mei Lee</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Datin Shivajini Sathya Seelan*</td><td>Member</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>*Appointed as Member of RC on 14 June 2023.</p> <p>The roles and responsibilities of the RC are set out in the RC's TOR, which is published on the Company's website <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a>.</p>	Name	Designation	Directorate	Ong Soo Chan	Chairwoman	Independent Non-Executive Director	Dato' Lok Bah Bah @ Loh Yeow Boo	Member	Senior Independent Non-Executive Director	Cynthia Toh Mei Lee	Member	Independent Non-Executive Director	Datin Shivajini Sathya Seelan*	Member	Independent Non-Executive Director
Name	Designation	Directorate															
Ong Soo Chan	Chairwoman	Independent Non-Executive Director															
Dato' Lok Bah Bah @ Loh Yeow Boo	Member	Senior Independent Non-Executive Director															
Cynthia Toh Mei Lee	Member	Independent Non-Executive Director															
Datin Shivajini Sathya Seelan*	Member	Independent Non-Executive Director															
<b>Explanation for departure</b>	:																
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																	

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The disclosure on named basis for the remuneration of individual Director and breakdown of individual Director's remuneration such as fees, salary, bonus, benefits in-kind and other emoluments is made in the Corporate Governance Overview Statement in the Annual Report 2023.



No	Name	Directorate	Company ('000)						Group ('000)					
			Fee	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Abdul Majit bin Ahmad Khan	Independent Director	48	-	-	-	7	55	48	-	-	-	7	55
2	Sim Keng Chor	Executive Director	-	-	-	-	-	-	-	1,050	562	28	426	2,066
3	Nomis Sim Siang Leng	Executive Director	-	-	-	-	-	-	-	1,200	1,297	33	624	3,154
4	Simson Sim Xian Zhi	Executive Director	-	-	-	-	-	-	-	420	432	7	277	1,136
5	Dato' Lok Bah Bah @ Loh Yeow Boo	Independent Director	48	-	-	-	7	55	-	-	-	-	-	-
6	Cynthia Toh Mei Lee	Independent Director	48	-	-	-	7	55	-	-	-	-	-	-
7	Ong Soo Chan	Independent Director	48	-	-	-	7	55	-	-	-	-	-	-
8	Datin Shivajini Sathya Seelan (Appointed on 14 June 2023)	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-

**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.

<b>Application</b>	:	Departure									
<b>Explanation on application of the practice</b>	:										
<b>Explanation for departure</b>	:	<p>Due to confidentiality and sensitivity of information, the Board is of the view that it would not be in its best interest to make such disclosure on named basis in view of the competitive nature of human resource market and the Company should maintain confidentiality on employees' remuneration packages.</p> <p>As an alternative, the Board decided to disclose the Key Senior Management's remuneration on an unnamed basis in bands of RM50,000, as follows: -</p> <table border="1"> <thead> <tr> <th>Range of Remuneration</th> <th>No. of Key Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM750,000 – RM800,000</td> <td>1</td> </tr> <tr> <td>RM950,000 – RM1,000,000</td> <td>1</td> </tr> <tr> <td>RM1,450,000 – RM1,500,000</td> <td>1</td> </tr> </tbody> </table>		Range of Remuneration	No. of Key Senior Management	RM750,000 – RM800,000	1	RM950,000 – RM1,000,000	1	RM1,450,000 – RM1,500,000	1
Range of Remuneration	No. of Key Senior Management										
RM750,000 – RM800,000	1										
RM950,000 – RM1,000,000	1										
RM1,450,000 – RM1,500,000	1										
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>											
<b>Measure</b>	:										
<b>Timeframe</b>	:										

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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The positions of the Chairman of the Board and the AC are held by separate individuals. The Chairman of the Board is Dato' Abdul Majit bin Ahmad Khan, while the Chairman of the AC is Dato' Lok Bah Bah @ Loh Yeow Boo.</p> <p>The Chairman of the AC is a member of Malaysian Institute of Accountants ("MIA") and fellow of CPA.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The AC recognises the importance to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. The AC has included in its TOR the cooling off period of at least three (3) years for a former key audit partner to observe before being appointed as a member of the AC.  Presently, none of the members of our AC were former audit partners.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC is responsible for assessing the capabilities and independence of the External Auditors and to also recommend to the Board on their appointment, re-appointment or termination of their service to the Company.</p> <p>As stated in the TOR of the AC, the AC is to assess the competence, audit quality, independence and suitability of the External Auditors and the appropriateness of audit fees to support a quality audit.</p> <p>In addition, the TOR of AC has determined that the provision of non-audit contracts which cannot be entered into with the External Auditors in order to safeguard the independence and objectivity of External Auditors.</p> <p>AC had assessed the performance (including independence) of the External Auditors, Messrs KPMG PLT (“External Auditors”) based on the competence, audit quality and resource capacity of External Auditors as well as the non-audit services provided by the External Auditors, Messrs. KPMG PLT.</p> <p>The AC has obtained assurance from the External Auditors, confirming that they are and have been independent throughout the conduct of the audit in accordance with the terms of relevant professional and regulatory requirements.</p> <p>Based on the AC’s assessment of the External Auditors, the Board is satisfied with the independence, quality of service and adequacy of resources provided by the External Auditors in carrying out the annual audit for the FYE 2023. In view thereof, the Board has recommended the re-appointment of the External Auditors for the approval of shareholders at the forthcoming 2<sup>nd</sup> AGM.</p>
<b>Explanation for departure</b>	:	



*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Adopted		
<b>Explanation on adoption of the practice</b>	:	As to date of this report, the AC of the Company comprises solely of Independent Directors. The composition of the AC is as follows:-		
		<b>Name</b>	<b>Designation</b>	<b>Directorate</b>
		Dato' Lok Bah Bah @ Loh Yeow Boo	Chairman	Senior Independent Non-Executive Director
		Cynthia Toh Mei Lee	Member	Independent Non-Executive Director
		Ong Soo Chan	Member	Independent Non-Executive Director
		Datin Shivajini Sathya Seelan*	Member	Independent Non-Executive Director
		*Appointed as Member of AC on 14 June 2023		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All members of the AC are financially literate and possess the necessary skills to discharge their duties and responsibilities effectively. The Chairman of AC, Dato' Lok Bah Bah @ Loh Yeow Boo is a member of the MIA and fellow of CPA.</p> <p>The qualification and experience of the AC members are disclosed in the Board of Directors' Profile on page 8 to 11 of the Annual Report.</p> <p>The training programs that the members of the AC have attended during the financial year ended 31 March 2023 are disclosed in the Corporate Governance Overview Statement on page 73 to 74 of the Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board assumes its overall responsibility in establishing a risk management framework and maintaining a sound system of risk management and internal control throughout the Group which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations that is not limited to financial aspects of the business but also operational and regulatory compliance. The RMC and AC have been entrusted by the Board in managing the risks and establishment of the internal control system and processes of the Group. The ultimate objectives are to protect the Group's assets and safeguard shareholders' investments.</p> <p>The Board acknowledges that while the internal control system is devised to cater for particular needs of the Company and risk management system is to provide reasonable assurance against material misstatements or loss.</p> <p>Our Group has outsourced its internal audit function to the independent professional service provider, Talent League Sdn Bhd ("Talent League" or "Outsourced Internal Auditors"), which reports directly to our AC. The Outsourced Internal Auditors carry out its function in accordance with the approved annual internal audit plan approved by the AC. The findings of the audits and the recommendations for improvement or actions to be taken by the management to rectify the issue will be presented in AC Meeting.</p> <p>Any significant issue affecting the existing risks or emerging risks as well as the changes to the action plans to address the risks identified, will be discussed during the RMSC meetings and brought to the attention of the Board by the Chairman of RMSC.</p> <p>The Statement of Risk Management and Internal Control as set out in this Annual Reports provides an overview of the state of risk management and internal controls within the Group.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The key features of the risk management and internal control system together with its adequacy and effectiveness are set out in the Statement of Risk Management and Internal Control in the Company's Annual Report 2023.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Adopted															
<b>Explanation on adoption of the practice</b>	:	<p>The Board has established a Risk Management Committee on 17 September 2021 and subsequently renamed as RMSC. The RMSC responsibilities were expanded to encompass the oversight for matters related to EESG and Sustainability risks.</p> <p>As to date of this report, the RMSC of the Company comprises majority of Independent Directors. The member of the RMSC are as follows:-</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th><th>Directorate</th></tr></thead><tbody><tr><td>Cynthia Toh Mei Lee</td><td>Chairwoman</td><td>Independent Non-Executive Director</td></tr><tr><td>Ong Soo Chan</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Datin Shivajini Sathya Seelan*</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Nomis Sim Siang Leng</td><td>Member</td><td>Managing Director</td></tr></tbody></table> <p>*Appointed as Member of AC on 14 June 2023</p> <p>The RMSC is governed by the TOR of RMSC and the said TOR can be viewed at <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a>.</p>	Name	Designation	Directorate	Cynthia Toh Mei Lee	Chairwoman	Independent Non-Executive Director	Ong Soo Chan	Member	Independent Non-Executive Director	Datin Shivajini Sathya Seelan*	Member	Independent Non-Executive Director	Nomis Sim Siang Leng	Member	Managing Director
Name	Designation	Directorate															
Cynthia Toh Mei Lee	Chairwoman	Independent Non-Executive Director															
Ong Soo Chan	Member	Independent Non-Executive Director															
Datin Shivajini Sathya Seelan*	Member	Independent Non-Executive Director															
Nomis Sim Siang Leng	Member	Managing Director															

**Intended Outcome**

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

**Practice 11.1**

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company's internal audit function has been outsourced to an independent professional firm, Talent League Sdn Bhd ("Talent League" or "Outsourced Internal Auditors") to assist the RMSC and AC in discharging its duties and responsibilities in respect of reviewing and assessing the adequacy and effectiveness of the Group's risk management and internal audit systems. The Outsourced Internal Auditors report directly to the AC, which in turn reports to the Board.</p> <p>The Outsourced Internal Auditors have full and unrestricted access to any employee and information, documents and resources pertaining to the Group in the course of performing its duties.</p> <p>Details of the Internal Audit function are set out in the AC Report in the Annual Report 2023.</p> <p>The Outsourced Internal Auditors carried out the internal audit function based on the internal audit plan approved by the AC. The audit findings together with the management's response and proposed action plans have been reviewed by AC at its scheduled meetings. In addition, follow up reviews were also conducted to ensure that the recommendations for improvement have been implemented by the management on a timely basis.</p> <p>During the period under review, the Outsourced Internal Auditors performed an audit according to the audit plan, reviewed the following business processes of the Group and made recommendations to improve the effectiveness of the Group:-</p> <ul style="list-style-type: none"> <li>• Branch Reporting for Unitrade United Sdn Bhd's Penang Branch</li> <li>• Branch Reporting for Unitrade United Sdn Bhd's Sarawak Branch</li> <li>• Enterprise Risk Management of the Group</li> </ul>
<b>Explanation for departure</b>	:



*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had engaged Talent League, an outsourced Internal Auditors, which is independent of the activities and operations of the Group as its Internal Control Review Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group.</p> <p>The Outsourced Internal Auditors is headed by its Executive Director, Mr Roy Thean Chong Yew (“Mr Thean”), who is a Chartered Member of Institute of Internal Auditor. Mr Thean is also a member of MIA and Malaysian Institute of Certified Public Accountants. Mr Thean has more than twenty-two (22) years of audit experience. The number of staff deployed for the internal audit reviews will be four (4) staff. They will perform their works in accordance with a recognised framework such as the International Professional Practices Framework issued by the Institute of Internal Auditors. The internal audit function has been mandated to continually assess and monitor the Group’s system of internal control.</p> <p>None of the persons involved have any family relationship with the Directors or Company which could result in the conflict of interest and/or impairment of the objectivity and independence during the internal audit review.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of effective, transparent, regular and timely communication with its shareholders and other stakeholders to keep them informed on the Group's latest financial performance, business and corporate developments.</p> <p>Our Group endeavours to provide as much information as possible to its shareholders and stakeholders. It is mindful of legal and regulatory framework governing the release of material and price-sensitive information. Such material and price-sensitive information will not be released unless it has been duly announced or made public through proper channels.</p> <p>The Group maintains a corporate website, <a href="https://www.unitrade.com.my/">https://www.unitrade.com.my/</a> with the intention of building communication channel between our Company with the stakeholders setting out:-</p> <ul style="list-style-type: none"><li>(a) Announcements submitted to Bursa Securities</li><li>(b) Investor section which provides relevant corporate information</li><li>(c) General telephone number, fax number and email address</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company is not under the category of a large company as defined under Malaysian Code of Corporate Governance.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Notice for the 1<sup>st</sup> Annual General Meeting (“1<sup>st</sup> AGM”) has been given to the shareholders at least twenty-eight (28) days prior to the meeting to ensure that shareholders were given sufficient time to read and consider the resolutions to be resolved.</p> <p>The notice for the Company's 1<sup>st</sup> AGM was issued on 29 July 2022 for the AGM held on 1st September 2022. This timeline adheres to the stipulated requirement of providing a twenty-one (21) days' notice, as required by the Companies Act 2016. Furthermore, in accordance with the ACE Market Listing Requirements of Bursa Securities, the notice of the 1<sup>st</sup> AGM was also published in a nationally circulated newspaper alongside an announcement on the website of Bursa Securities.</p> <p>To ensure that shareholders are well-informed and able to make informed decisions, the Notice of the 1<sup>st</sup> AGM is accompanied by explanatory notes. These notes provide shareholders with information regarding their entitlement to attend the AGM, their rights to appoint a proxy, and detailed explanations for each resolution that will be presented at the AGM. The purpose of these explanatory notes is to enable shareholders to exercise their voting rights in an informed manner and make well-considered decisions.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The 1<sup>st</sup> AGM of the Company was held through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities. All the Directors were present at the Company’s 1<sup>st</sup> AGM.</p> <p>In order to foster active shareholder participation during general meetings, shareholders were invited to pose real-time questions pertaining to both the proposed resolutions before they were put to a vote, as well as matters relating to the Company’s overall operations. All questions raised by shareholders and proxies were duly addressed and attended to in a timely manner.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 1<sup>st</sup> AGM of the Company on 1 September 2022 was conducted as virtual meeting through live streaming and online voting using Remote Participation and Electronic Voting (“RPEV”) facilities, which complies with Section 326 of the Companies Act 2016 and Clause 74 of the Constitution of the Company. The Company had issued an Administrative Guide which set out the details of the usage of RPEV facilities together with the notice of the 1<sup>st</sup> AGM.</p> <p>Boardroom Share Registrars Sdn Bhd had been appointed as the Poling Agent to facilitate the poll process and Sky Corporate Services Sdn Bhd had been appointed as the Independent Scrutineer to administer the whole voting process and validate the polling results.</p> <p>With the RPEV facilities, the shareholders are able to exercise their rights as members of the Company to participate (by voting, posing questions during the 1<sup>st</sup> AGM) via the RPEV facilities. Shareholder who was unable to attend the 1<sup>st</sup> AGM would appoint proxy or Chairman of the meeting as his or her proxy to participate at the 1<sup>st</sup> AGM via RPEV facilities.</p> <p>Following the verification of the results by the Independent Scrutineer, the outcomes of each resolution will be officially announced. Subsequently, the poll results were announced to Bursa Securities on the same day of the AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
------------------	---	--	--



**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.

<i>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.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Company’s 1 <sup>st</sup> AGM was held virtually and shareholders were encouraged to submit their questions before the AGM via the Boardroom Smart Investor Online Portal or post the questions using the real time submission of typed text available in the RPEV facilities, both before and during the AGM.  The Chairman of the 1 <sup>st</sup> AGM had also informed the shareholders during the live streaming of the 1 <sup>st</sup> AGM that they could submit their questions to the Board during the 1 <sup>st</sup> AGM via the RPEV facilities; and subsequently, the answer to all questions were addressed by the Group MD and Chief Financial Officer, before the commencement of the poll voting.  The shareholders were given ample time to pose their questions before the 1 <sup>st</sup> AGM. The Company had ensured that all questions were answered.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has engaged the Company’s Share Registrar, Boardroom Share Registrar Sdn Bhd (“BSR”) for Registration and Electronic Polling Services. BSR have vast amount of experience in conducting fully virtual meeting.</p> <p>The Company has also ensured that the required infrastructure and tools were in place to support smooth broadcast and seamless experience for meaningful engagement with shareholders and all the questions posted by the shareholders were visible to the meeting participants during the AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Minutes of the 1 <sup>st</sup> AGM held on 1 September 2022, issues or concerns raised by shareholders and responses by the Company were uploaded on the Company's website for shareholders' perusal within thirty (30) business days after the 1 <sup>st</sup> AGM.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.*

Click or tap here to enter text.