

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the “Board”) of Unisem (M) Berhad (“Unisem” or the “Company”) presents this Corporate Governance Overview Statement, which outlines the corporate governance framework of Unisem and its subsidiaries (collectively referred to as the “Group”), including a summary of its corporate governance practices, key focus areas and future priorities.

This Corporate Governance Overview Statement is supplemented with a Corporate Governance Report, based on a prescribed format so as to provide a detailed articulation on the application of the Group’s corporate governance practices vis-à-vis the Malaysian Code on Corporate Governance (“MCCG”) during the financial year ended 31 December 2018. The Corporate Governance Report is made available on Unisem’s corporate website, www.unisemgroup.com as well as via an announcement on the website of Bursa Malaysia Berhad. The Corporate Governance Overview Statement and Corporate Governance Report are made pursuant to paragraph 15.25 of the Main Market Listing Requirements by Bursa Malaysia Securities Berhad (“MMLR”) and are narrated with reference to the guidance provided in Practice Note 9 of MMLR and the Corporate Governance Guide (3rd Edition) issued by Bursa Malaysia Securities Berhad.

This Corporate Governance Overview Statement should also be read in conjunction with the other statements in the Annual Report (e.g. Statement on Risk Management and Internal Control, Audit & Risk Management Committee Report as well as the Sustainability Report) as the application of certain corporate governance enumerations may be better explained in the respective statements or reports.

CORPORATE GOVERNANCE APPROACH

Unisem reports as a Large Company¹ in 2018 following an increase in its market capitalisation beyond the RM 2 billion mark specified in the MCCG.

The Board recognises that the architecture and implementation of the governance framework is paramount for the effective development of strategy and business plan, the monitoring of the Group’s performance and the prudent management of risks.

The Group’s approach to corporate governance is to:

- create a strong sense of purpose to drive the Group’s culture with a focus on integrity;
- feed into the prosperity of stakeholders, not off them by understanding the needs of stakeholders and devising ways to solve their problems;
- adopt a “substance over form” approach in the adoption of corporate governance practices;
- recognise that there is no “silver bullet” to achieve excellence in corporate governance and thus, it is a practice to perform critical review before establishing corporate governance systems, policies and procedures; and
- identify opportunities to drive the synergistic implementation of corporate governance systems, policies and procedures for improved strategic and tactical decision making.

The Board regularly reviews the Group’s corporate governance framework to ensure it reflects the latest iteration of discourse and addresses the needs of the Group. As a manifestation of its efforts, the Board had in the year 2018 engaged an external party to assist in corporate governance advisory work which includes a mapping of the Group’s practices against prevailing best practices such as the ASEAN Corporate Governance Scorecard.

¹ Large Companies are companies on the FTSE Bursa Malaysia Top 100 Index; or companies with market capitalisation of RM2 billion and above, at the start of the companies’ financial year.

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SUMMARY OF CORPORATE GOVERNANCE PRACTICES

Unisem has applied all the Practices encapsulated in MCCG for the financial year ended 31 December 2018, save for the following:

- Practice 1.3 (demarcation of the Board Chairman and Managing Director);
- Practice 4.1 (Board to comprise a majority of Independent Directors);
- Practice 4.5 (Board to comprise 30% women Directors);
- Practice 4.6 (utilisation of objective and varied sources to procure directorship candidatures);
- Practice 7.2 (Disclosure of top five Senior Management personnel's remuneration on a named basis and in bands of RM50,000);
- Practice 11.2 (adoption of Integrated Reporting); and
- Practice 12.3 (Leveraging on technology to facilitate voting in absentia and remote shareholders' participation at General Meetings).

Unisem has provided meaningful explanation on its departures from the said practices based on the latitude accorded in the application mechanism of MCCG. The Company will continue to make efforts to adopt the departed Practices.

The explanations provided on the said departures are supplemented with a description on the alternative measures that are in place to achieve the Intended Outcome of the departed Practices, measures that Unisem has taken or intends to take to adopt the departed practices as well as the timeframe for adoption of the departed Practices.

Additional details on Unisem's application of each individual Practice of MCCG are available on the Corporate Governance Report which is published on Unisem's corporate website as well as via an announcement on the website of Bursa Malaysia Securities Berhad.

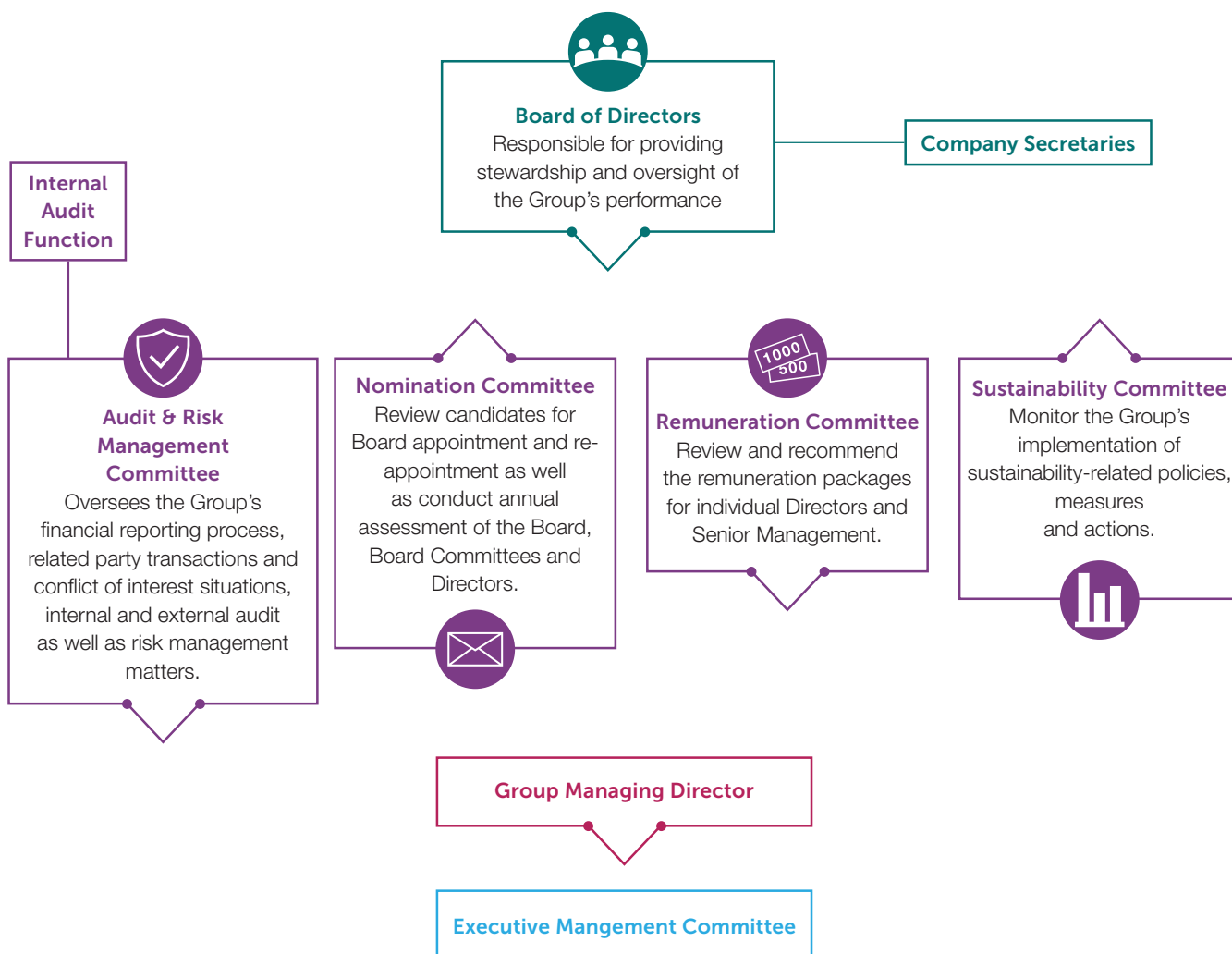
A summary of Unisem's corporate governance practices with reference to the MCCG is outlined in the ensuing pages of this Corporate Governance Overview Statement.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Roles and Responsibilities of the Board

The Board recognises its roles and responsibilities in discharging the fiduciary and leadership functions including charting the strategic direction, establishing short, medium and long-term business goals and monitoring the achievement of these goals for the Group.

In order to assist in the oversight function with respect to specific responsibility areas, the Board has established four Board Committees, namely, Audit & Risk Management Committee, Nomination Committee, Remuneration Committee and Sustainability Committee. The Board retains collective oversight over the Board Committees and is regularly apprised on the deliberations and proceedings of these Committees. Any recommendations would be highlighted and reported directly to the Board for its subsequent approval.



The Board delegates the day-to-day business management of the Group to the Executive Management Committee whilst significant matters remain vested under the purview of the Board. The primary agenda for the Board during the year was in relation to overseeing Management on the execution of strategic and business plans. During the year under review, the Board has deliberated on critical issues concerning the Group, which include the review of budget, proposals on corporate exercises, financial performance as well as key performance indicators.

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In performing their duties, the Board and Board Committees are supported by competent and qualified joint Company Secretaries, who act as corporate governance advisors by providing the Board with periodic updates on the latest regulatory developments. The Company Secretaries are also entrusted with agenda setting responsibilities alongside the Chairman/Group Managing Director and they had, during the year, disseminated comprehensive meeting materials to the Directors in a timely fashion. In addition, the Company Secretaries are responsible to assist the Board and Nomination Committee in facilitating the Board evaluation exercise.

The roles, responsibilities and authorities of the Board, Board Committees, individual Directors and Company Secretaries are clearly outlined in the Board Charter, which serves as an authoritative governance document and induction literature. The Board Charter is reviewed periodically to ensure it reflects the changing environment of the Group so as to remain contemporaneous. The Board Charter is made available on the Group's website www.unisemgroup.com.

In relation to Board meetings, the Board and its Committees have met with sufficient regularity to deliberate on matters under their purview. Directors have devoted sufficient time to prepare, attend and actively participate during the Board and Board Committee meetings. During the year, the Board has met on a frequency of seven times to discuss on pertinent issues.

The attendance of individual Directors for the meetings of the Board and Board committees in 2018 are outlined below:

Director	Board	Audit & Risk Management Committee	Nomination Committee	Remuneration Committee	Sustainability Committee
Executive Directors					
Mr John Chia Sin Tet (Chairman)	7/7			1/1	
Mr Lee Hoong Leong	7/7				
Mr Francis Chia Mong Tet	4/7				
Mr Alexander Chia Jhet-Wern	7/7				
Independent Directors					
Dato' Gregory Wong Guang Seng (Senior Independent Director)	7/7	5/5	1/1		3/3
Mr Ang Chye Hock	7/7	5/5		1/1	3/3
Mdm Lim Siew Eng	7/7	5/5		1/1	
Mdm Mahani binti Amat	6/7		1/1		3/3
Mr Martin Giles Manen*	3/3	3/3	1/1		
Non-Independent Non-Executive Directors					
Tan Sri Dato' Wong See Wah*	3/3				
Mr Yen Woon @ Low Sau Chee	7/7				

Legend: ■ Board Chairman/Board Committee Chairman

* Tan Sri Dato' Wong See Wah and Mr Martin Giles Manen retired on 25 April 2018

Mr Cui Weibing, Mr Xiao Zhiyi and Mr Wu Shutao were appointed to the Board on 30 January 2019.

The roles and responsibilities under the ambit of the Chairman and Group Managing Director are currently assumed by one individual, namely, Mr John Chia Sin Tet. The Board is cognisant that the convergence of the two roles may entail certain ramifications, if left unchecked and the Board has accordingly put in place effective mechanisms of checks and balance to prevent undue concentration of power by a single individual. Unisem has instituted a policy stipulation that all decisions of the Board should be unanimous and aligned with the best interest of the Group. In the event of a single dissenting voice, the resolution in question will be deferred or aborted. The greater balance of Non-Executive Directors on the Board of Unisem also seeks to ensure that deliberations are not tilted unfavourably towards the favour of Management.

The Board has formalised and implemented a Code of Ethics, which is regularly reviewed and monitored to foster an ethical culture that permeates across the Group. Unisem’s Code of Ethics was established with reference to the Responsible Business Alliance (RBA, formerly known as the Electronic Industry Citizenship Coalition) Code of Conduct. This places the Group in good stead and ready for the implementation of the corporate liability provision that is effected vide the Malaysian Anti-Corruption Commission (Amendment) Act 2018 effective 1 June 2018. The salient principles of Unisem’s Code of Ethics are outlined below.



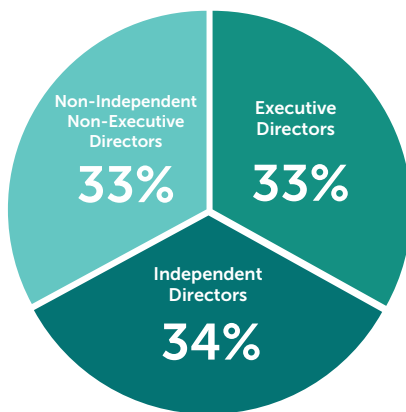
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Board Composition

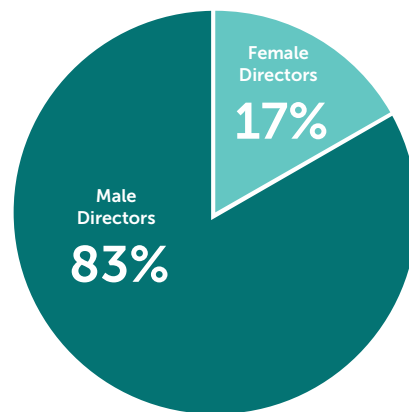
The Board endeavours to ensure that its composition reflects the requisite boardroom ingredients in terms of skill sets, experience and diversity.

The Board comprises four (4) Executive Directors including the Group Managing Director, four (4) Independent Non-Executive Directors including the Senior Independent Non-Executive Director and four (4) Non-Independent Non-Executive Directors. Whilst this practice falls short of application to Practice 4.1 of the MCGG which stipulates that majority of the Board should comprise Independent Directors for Large Companies, the presence of a higher proportion of Non-Executive Directors on the Board alleviates the propensity for any potential conflict of interest between the policy-making process and the day-to-day management of the Group. The presence of a Senior Independent Director also provides an outlet for Independent Directors to voice any issues of concern, particularly in relation to governance.

Board Composition



Board Diversity



Appointments to the Board are made via a formal, rigorous and transparent process and taking into account objective criteria set by the Board which are evaluated by the Nomination Committee ("NC") such as skill sets, experience, integrity, competencies, character as well as ability to devote time. In the context of Independent Directors, the NC assesses the candidate's ability to bring the element of detached impartiality and objective judgment to boardroom deliberations. The NC also conducts an annual review of the Board size and composition to identify any void in its configuration.

The Board is of the view that its composition represents a good fit with the present scope and scale of the Group's business operations. The wealth of experience and diverse set of skills enable the Directors to provide valuable perspectives in order to exercise robust oversight of Unisem's strategic objectives. The Board is composed of members with diverse experience and expertise from multiple disciplines such as law and accounting, engineering, economics and electronic sciences which in turn allows for informed deliberation and decision-making at the Board level.

The Directors' skill sets are illustrated below:



On the dimension of gender, the Board presently has 17% women representation as members on the Board and will endeavour to continuously identify and assess suitably qualified female candidates for nomination.

On an annual basis, the Board, Board Committees and individual Directors including Independent Directors are subjected to an evaluation process on their performance and effectiveness, as facilitated by the NC with the counsel of the Company Secretaries. The assessment is administered using instruments that deploy both qualitative and quantitative criteria, based on a self and peer rating assessment model with a rating scale based on numeric of 1 - 5.

Based on the findings of the evaluation exercise, the Board is satisfied with the overall performance of the Board, Board Committees and individual Directors. Areas which the Board fared well include good working relationship among Board members, the Directors were able to discharge their roles objectively and there is a good mix of industry experience in the various committees. In terms of improvement considerations, the annual assessment revealed that there should be more interaction among Board members and the Management, the Board should increase the frequency of site visits and keep itself more updated on global developments concerning sustainability issues, current trends in business as well as technological developments.

Anchored on the outcome of the Board effectiveness evaluation, the NC has during the year assessed and determined the training needs for individual Directors as prescribed under paragraph 15.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Directors are kept abreast of changes in the constantly evolving technology industry and regulatory developments that may impact the Group through training and workshop sessions facilitated by subject matter experts.



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The list of training programmes in the course of continuing professional education that were attended by the Directors of Unisem is outlined below:

Attended by	List of training programmes attended	Date
Mr John Chia Sin Tet	i. Corporate Governance Briefing Sessions: MSSG Reporting & CG Guide organised by Bursa Malaysia.	28 February 2018
	ii. 30% Club Business Leaders Roundtable Meeting organised by Securities Commission Malaysia and 30% Club.	5 March 2018
	iii. Briefing on Bank Negara Malaysia's Annual Report 2017 and Financial Stability and Payment Systems Report 2017 organised by Bank Negara Malaysia.	29 March 2018
	iv. SEMICON Southeast Asia 2018 organised by SEMI.	22-24 May 2018
	v. Unisem Group Mid-Year Sales Meeting including new products and technology update	5 & 6 July 2018
	vi. Unisem Group Year End Sales Meeting including new products and technology update.	6 & 7 December 2018
Mr Lee Hoong Leong	i. SEMICON Southeast Asia 2018 organised by SEMI.	22-24 May 2018
	ii. Unisem Group Mid-Year Sales Meeting including new products and technology update	5 & 6 July 2018
	iii. Unisem Group Year End Sales Meeting including new products and technology update.	6 & 7 December 2018
Mr Francis Chia Mong Tet	i. SEMICON Southeast Asia 2018 organised by SEMI.	22-24 May 2018
	ii. Unisem Group Mid-Year Sales Meeting including new products and technology update.	5 & 6 July 2018
	iii. Unisem Group Year End Sales Meeting including new products and technology update.	6 & 7 December 2018
Mr Alexander Chia Jhet- Whern	i. SEMICON Southeast Asia 2018 organised by SEMI.	22-24 May 2018
	ii. Unisem Group Mid-Year Sales Meeting including new products and technology update.	5 & 6 July 2018
	iii. Unisem Group Year End Sales Meeting including new products and technology update.	6 & 7 December 2018
Dato' Gregory Wong Guang Seng	i. 30% Club Business Leaders Roundtable Meeting organised by Securities Commission Malaysia and 30% Club.	5 March 2018
	ii. Audit Committee Institute (ACI) Breakfast Roundtable 2018	19 March 2018
	iii. Deloitte International Tax Symposium	3 May 2018
	iv. Unisem Group Mid-Year Sales Meeting including new products and technology update.	5 & 6 July 2018
	v. National Tax Conference 2018 organised by CTIM.	16 & 17 July 2018
	vi. MIA International Accountants Conference 2018.	9 & 10 October 2018
	vii. Independent Directors' Programme: The Essence of Independence organised by Bursa Malaysia and The Iclif Leadership and Governance Centre.	29 October 2018
	viii. Seminar Percukaian Kebangsaan 2018 organised by LHDN.	22 November 2018
	ix. Unisem Group Year End Sales Meeting including new products and technology update.	6 & 7 December 2018

Attended by	List of training programmes attended	Date
Mr Ang Chye Hock	i. Audit Committee Conference 2018	27 March 2018
	ii. Unisem Group Mid-Year Sales Meeting including new products and technology update.	5 & 6 July 2018
	iii. Unisem Group Year End Sales Meeting including new products and technology update.	6 & 7 December 2018
Mdm Lim Siew Eng	i. Corporate Governance Briefing Sessions: MSSG Reporting & CG Guide organised by Bursa Malaysia.	28 February 2018
	ii. Audit Committee Conference (ACI) 2018 organised by Malaysian Institute of Accountants.	27 March 2018
	iii. Unisem Group Mid-Year Sales Meeting including new products and technology update.	5 & 6 July 2018
	iv. Independent Directors' Programme: The Essence of Independence organised by Bursa Malaysia and The Iclif Leadership and Governance Centre.	29 October 2018
	v. Unisem Group Year End Sales Meeting including new products and technology update.	6 & 7 December 2018
Mdm Mahani Binti Amat	i. Unisem Group Mid-Year Sales Meeting including new products and technology update.	5 & 6 July 2018
	ii. Unisem Group Year End Sales Meeting including new products and technology update.	6 & 7 December 2018

Remuneration

A fair remuneration package is pivotal to attract, retain and motivate Directors and Senior Management personnel. In this context, the Group has adopted a remuneration framework that takes into consideration the structure of the Group and the complexities of the competitive electronics industry. The Remuneration Committee ("RC") assesses and determines the suitability of the remuneration packages for Directors and Senior Management, prior to the escalation to the Board.

As for Executive Directors and Senior Management, the component remuneration packages have been structured to link rewards to corporate and individual performance whilst for the Non-Executive Directors, the remuneration packages are based on their position in the Board, participation in boardroom activities and specific skills or expertise that they bring. Independent Non-Executive Directors are compensated competitively but not excessively to the extent that they become "dependent" Directors. Based on the Report on Non-Executive Directors Remuneration 2017 released by KPMG, it was noted that the Company is within the upper quartile of payers in the technology sector. No agreed upon severance payments and ex-gratia payments are awarded to Directors or Senior Management personnel. In the near term, the Board will seek to review its remuneration policy and procedures so as to create a robust framework for remunerating Directors.

The detailed disclosure of the remuneration of individual Directors are disclosed in the Financial Statements, as contained within the Annual Report.

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PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit & Risk Management Committee

The Board has established the Audit & Risk Management Committee (“ARMC”) which comprises wholly of Independent Directors and is chaired by a Senior Independent Director, namely, Dato’ Gregory Wong Guang Seng, who is distinct from the Chairman of the Board. The ARMC provides a robust and comprehensive oversight on financial reporting, review of related party transactions and conflict of interest situations, external and internal audit processes as well as risk management framework of Unisem.

The ARMC members possess the requisite financial literacy and grasp of the business that support the sound understanding of matters under their purview. To discharge their duties, the ARMC members are accorded full access to both the internal and external auditors, who in turn, report directly to the ARMC. The ARMC has put in place policies and procedures to assess the suitability and independence of the external auditor. The external auditor has provided assurance that its personnel are and have been independent throughout the conduct of the audit in accordance to the terms of relevant professional and regulatory promulgations. The ARMC’s Terms of Reference is published on Unisem’s corporate website.

Detailed articulation on the role and activities of the ARMC is provided in the ARMC Report of this Annual Report.

Risk Management and Internal Audit

The Board is cognisant that a robust risk management and internal control framework aids the Group to achieve its value-creation targets. In order to address risks in a competitive global environment which is characterised by market disruptions and evolving regulatory requirements, the Group has instituted a robust risk management framework to identify, analyse, monitor and manage material risks. Oversight of risk management is multifaceted, covering various risks such as sustainability risk. The Sustainability Committee monitors the implementation of the Group’s sustainability-related policies, identifies emerging sustainability trends and implications to the Group and assesses the Group’s progress towards achieving its sustainable outcomes.

The Group has an in-house internal audit function which is tasked to report to the Audit & Risk Management Committee on matters pertaining to adequacy and effectiveness of internal controls, risk management and governance. The internal audit function is independent of the business activities or operations of the other operating units of the Group. The internal audit function adopts a risk-based audit approach when executing each audit assignment which is carried out in accordance with the annual audit plan. The work of the internal audit function is premised on the International Professional Practices Framework (IPPF), promulgated by the Institute of Internal Auditors.

Further information on the Group’s risk management and internal framework is made available in the Statement on Risk Management and Internal Control of the Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

Unisem aims to keep all its stakeholders apprised in a timely manner for all material business events that impact the Group. The Board ensures that mandatory disclosures are made through announcements to the Exchange as well as Unisem's corporate website. The website contains recent announcements, quarterly financial results as well as copies of recent notices and minutes of general meetings. The Board has taken heed of the Issuers Communication Corporate Website for Listed Issuers (ICN 1/2018) which was recently released by Bursa Malaysia Securities Berhad and is accordingly, seeking to enrich the content of its corporate website.

The Annual Report is made publicly available on the corporate website and contains comprehensive details about the Group's business activities and financial performance for the financial year. Whilst Unisem endeavours to provide information as transparent as possible to its stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

As the Group places significant importance on regular stakeholder communication, the Board has identified the Senior Independent Director, Dato' Gregory Wong Guang Seng, to address queries or any matters concerning the Group.

Dato' Gregory Wong Guang Seng can be contacted via the following fora:



Mail: Letter Box #95, 9th Floor UBN Tower, 10
Jalan P. Ramlee, 50250 Kuala Lumpur



Telephone: (603) 2072 3760
Fax: (603) 2072 4018

Conduct of General Meeting

The Annual General Meeting ("AGM") serves as a platform for the Group to engage with shareholders and present its annual financial results, operational performance and business outlook. Shareholders are encouraged to ask questions, clarify facts and provide critical feedback to the Board and Management of Unisem.

During the previous AGM, all Directors were present. The poll voting results were validated by Asia Securities Sdn Bhd which is an independent scrutineer. In order to encourage active participation of the shareholders, the Board seeks to ensure that the location of the general meetings is easily accessible and within the vicinity of its registered office. In addition, the notice for the forthcoming AGM has been provided 28 days in advance to enable shareholders to make adequate preparation.



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FOCUS AREAS DURING THE YEAR

The year 2018 was significant for Unisem as the Company continued to make its mark as a Large Company. The corporate governance areas which were at the forefront of the Board's agenda during the financial year ended 31 December 2018 are as follows:



SUCCESSION PLANNING

The Board is cognisant that an orderly succession planning can safeguard the Group's business continuity and preserve the confidence of stakeholders. In implementing its succession plan, the Board is of the view that it may not be necessary to identify persons by name relative to a position on the Board or Senior Management hierarchy. Instead, a clear direction as to what the Group is facing and the type and depth of experience required in order for the Board and Management to continue functioning effectively is considered by the Board in its succession planning programme. In considering a critical position, the Management benchmarks internal candidates against external talents.



ALTERATION OF CONSTITUTION

Pursuant to the recent regulatory reforms including the introduction of Companies Act 2016 and amendments to Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Unisem had, during the financial year under review, amended the then existing Memorandum and Articles of Association and adopted the Company's Constitution. The Constitution of the Company was approved by shareholders at the AGM on 25 April 2018.



BOARDROOM DYNAMICS

In order to promote and maintain an efficient boardroom synergy, the Board continued to place heightened importance on healthy boardroom dynamics. The Board continued with its practice of having boardroom decisions being unanimous with dissenting views leading to deliberations being reconsidered or proposals being aborted.

The Chairman/Group Managing Director also seeks to build collegiality amongst Board members by fostering trust. Board members have been able to ask uncomfortable questions, challenge one another's assumptions and beliefs coherently.

CORPORATE GOVERNANCE PRIORITIES (2019 AND BEYOND)

As Unisem strives forward in its corporate governance agenda, the Board will endeavour to continuously implement improvement measures in the realm of corporate governance. The Board is considering the following forward-looking, long-term strategies to propel its leadership position in the corporate governance landscape:



BOARD CONFIGURATION

The voluntary take-over exercise of Unisem by Huatian Electronics Group (HK) Limited and Huatian Technology Sdn Bhd on behalf of Tianshui Huatian Technology Co Ltd (“TSHT”) as well as Mr John Chia Sin Tet, Mr Alexander Chia Jhet-Wern, Jayvest Holdings Sdn Bhd and SCQ Industries Sdn Bhd during the year under review has resulted in the change of Unisem’s Board composition with Mr Xiao Zhiyi, Mr Cui Weibing and Mr Wu Shutao being appointed as Non-Executive Non-Independent directors to represent the interest of TSHT. As the parties have agreed, there will be no change to the current Management team and operations of Unisem.

Against the backdrop of the above change in boardroom composition, the Board would seek to maintain a healthy balance between Independent Directors and Non-Independent Directors whilst being cognisant of the need to foster boardroom diversity on the various dimensions.



BOARD EVALUATION

The Board recognises that independent experts can offer rigour and objectivity in facilitating a board effectiveness evaluation. Comparison with the performance of other boards and multifaceted views can help the Board to self-reflect and take improvement measures.

In this regard, the Board via the Corporate Governance Report has provided an unequivocal commitment to conduct an externally facilitated evaluation of its Board, Board Committees and individual Directors on a periodic basis by deploying independent experts, as prescribed by Practice 5.1 of MCCG. Upon conclusion of the anticipated change in its Board composition, Unisem would look into engaging a third party expert to identify areas which can aid the Board to improve its efficacy.



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CORPORATE CULTURE

The Board acknowledges that corporate culture develops organically over time from the cumulative traits of the people within the Group and a great culture starts with visionary leadership.

Unisem seeks to maintain its values, beliefs and working mechanisms and supplement these with synergies that can be gathered from the new major shareholder. Unisem will continue to actively promote the values upheld by the Group, these include integrity, accountability, respect for stakeholders and due regard for intellectual property.

The Board recognises that many cultural elements involve human factors and they cannot be coerced into existence immediately. The Board will work with Management personnel (who are often culture keepers) to shape the desired behaviour by leveraging on existing work processes.



CORPORATE REPORTING

As Unisem is now a Large Company and is therefore subjected to Practice 11.2 of MCCG to adopt Integrated Reporting, the Board intends to undertake a readiness assessment and identify the necessary measures to transition into Integrated Reporting.

At present, Unisem is a FTSE4Good Bursa Malaysia Index (F4GBM) constituent and the Company has successfully produced its Sustainability Report pursuant to the guidance outlined in Practice Note 9 of the Main Market Listing Requirements as well as the Sustainability Guide and Toolkits by Bursa Malaysia Securities Berhad. These developments place Unisem in a good stead to adopt Integrated Reporting.