

UCHI TECHNOLOGIES BERHAD

(Company No. 457890-A)
(Incorporated in Malaysia)

Summary of Proceedings of the Nineteenth Annual General Meeting of the Company held at the Laurel II, Level 1, Evergreen Laurel Hotel, 53 Persiaran Gurney, 10250 Penang on Tuesday, 23 May 2017 at 3.00 p.m.

- Present : Mr. Charlie Ong Chye Lee
Chairman cum Senior Independent Non-Executive Director
- Mr. Kao, De-Tsan also known as Ted Kao
Managing Director
- Mr. Kao, Te-Pei also known as Edward Kao
Executive Director
- Mr. Tan Boon Hoe
Independent Non-Executive Director and also Chairman of
Audit Committee
- Dr. Heinrich Komesker
Independent Non-Executive Director
- Mr. Huang, Yen-Chang also known as Stanley Huang
(Alternate Director to Kao, De-Tsan also known as Ted Kao)
Non-Independent Executive Director
- Ms. Ow Chooi Khim
(Alternate Director to Kao, Te-Pei also known as Edward Kao)
Non-Independent Executive Director
- Shareholders and Proxies
(As per attendance list)
- Chairman of The Meeting : Mr. Charlie Ong Chye Lee
- In Attendance : Ms. Chew Siew Cheng
Company Secretary
- In Invitation : Ms. Lee Cheng Heoh
(Engagement Partner of Company's Auditors, Messrs Deloitte)

The Meeting commenced at 3.00 p.m. with the requisite quorum being present.

Notice

The Notice convening the Meeting was taken as read.

1. CHAIRMAN'S ADDRESS

The Chairman of the Meeting, Mr. Charlie Ong Chye Lee thanked the members for their attendance at the Company's Nineteenth Annual General Meeting followed by an introduction of the Board of Directors and the Company Secretary to the members.

The Chairman informed the floor that there were a total of ten ordinary resolutions to be tabled for consideration and approval from the shareholders. The Chairman explained that voting would be by way of poll in line with the amendments to the Listing Requirements of Bursa Malaysia Securities Berhad.

The Chairman notified the floor that the poll would be conducted by Interresources Secretarial Services Sdn. Bhd. as the Poll Administrator and results of the poll would be verified by Messrs UHY Loh, Chartered Accountants as Independent Scrutineers.

He also informed that the conduct of the poll would be deferred to the end of the Meeting when all resolutions have been duly proposed and seconded to enable a more efficient running of the Meeting. He added that members and proxies appointed for the Meeting were allowed to vote, raise questions or seek clarifications which were relevant to the proposed motions in the Agenda.

He continued to highlight that only in the event of equality of votes, he as the Chairman of the Meeting, would then exercise his casting vote as provided under Article 94 of the Articles of Association of the Company.

The Chairman briefed that the Notice of the Meeting was enclosed in pages 2 to 3 of the Annual Report. It was unanimously agreed that the notice of the meeting be taken as read.

2. TO RECEIVE THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2016 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Audited Financial Statements ("AFS") for the year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon, copies of which have been circulated, were tabled before the Meeting.

The Chairman highlighted to all present that the receipt of the Audited Financial Statements was meant for discussion only as the provision of Section 244(2)(a) of the Companies Act 2016 did not require a formal approval of the shareholders and hence, no resolution was put forward for voting.

The Chairman informed that the Company had received a letter from the Minority Shareholder Watchdog Group (MSWG) on 19 May 2017.

The Chairman notified the floor that the Secretary will read the Board's reply to the MSWG's letter and to conduct the Q&A session during the tabulation of the poll results and verification by the Independent Scrutineers.

Since there was no objection from the floor, the Q&A session on the financial statements was deferred accordingly.

3. DECLARATION OF A FINAL TAX EXEMPT DIVIDEND OF 8 SEN PER SHARE FOR THE YEAR ENDED 31 DECEMBER 2016

Members were informed that the proposed Ordinary Resolution 1 was to declare a final tax exempt dividend of 8 sen per share for the financial year ended 31 December 2016.

Dato' Mustafa Ali R Jumabhoy, a shareholder proposed followed by Mr Amit Khindriya A/L Puran Chand, a proxy for HLIB Nominees (Tempatan) Sdn Bhd who seconded the motion.

It was noted that the poll on the above motion would be conducted later.

4. APPROVAL OF THE PAYMENT OF DIRECTORS' FEES OF RM480,000.00 FOR THE YEAR ENDING 31 DECEMBER 2017

Members were informed that the proposed Ordinary Resolution 2 was to approve the payment of Directors' fees of RM480,000.00 for the year ending 31 December 2017.

Ms Ow Chooi Khim, a shareholder proposed followed by Dato' Mustafa Ali R Jumabhoy who seconded the motion.

It was noted that the poll on the above motion would be conducted later.

5. RE-APPOINTMENT OF MR CHARLIE ONG CHYE LEE AS A DIRECTOR OF THE COMPANY

The Chairman informed the Meeting that as proposed Ordinary Resolution 3 was to re-appoint him as a Director of the Company, he passed the Chair over to Mr Tan Boon Hoe.

Mr Tan Boon Hoe took over the Chair from the Chairman. He informed the Meeting that Ordinary Resolution 3 was to re-appoint Mr Charlie Ong as a Director of the Company.

Mr Chin Yau Meng and Mr Huang, Yen-Chang also known as Stanley Huang, both shareholders, proposed and seconded the motion respectively.

It was noted that the poll on the above motion would be conducted later.

Mr Tan Boon Hoe then passed the Chair back to Mr Charlie Ong.

6. RE-ELECTION OF DR HEINRICH KOMESKER RETIRING UNDER THE PROVISION OF ARTICLE 131 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

Members were informed that the next agenda was for the re-election of Dr Heinrich Komesker who retired under the provision of Article 131 of the Articles of Association of the Company.

Mr Huang, Yen-Chang also known as Stanley Huang proposed followed by Mr Chin Yau Meng who seconded the motion.

It was noted that the poll on the above motion would be conducted later.

7. RE-ELECTION OF MR TAN BOON HOE RETIRING UNDER THE PROVISION OF ARTICLE 136 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

Members were informed that the proposed Ordinary Resolution 5 was on the re-election of Mr Tan Boon Hoe who retired under the provision of Article 136 of the Articles of Association.

Mr Ho Soo Theng @ Ho Soo Aun, a shareholder proposed followed by Dato' Mustafa Ali R Jumabhoy who seconded the motion.

It was noted that the poll on the above motion would be conducted later.

8. RE-APPOINTMENT OF MESSRS. DELOITTE PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE BOARD OF DIRECTORS TO FIX THEIR REMUNERATION

Members were informed that the next agenda was on the re-appointment of Messrs Deloitte PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

Mr Huang, Yen-Chang also known as Stanley Huang proposed followed by Ms Ow Chooi Khim who seconded the motion.

It was noted that the poll on the above motion would be conducted later.

9. CONTINUING IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR – DR HEINRICH KOMESKER

Members were informed that the proposed Ordinary Resolution 7 was to seek the approval of the shareholders to re-appoint Dr Heinrich Komesker, who has served on the Board for a cumulative term of more than 9 years as an Independent Non-Executive Director of the Company.

The Chairman notified that the details and rationale of the proposed Ordinary Resolution 7 were stated in page 4 of the Annual Report.

Mr Chin Yau Meng proposed followed by Mr Ho Soo Theng @ Ho Soo Aun who seconded the motion.

It was noted that the poll on the above motion would be conducted later.

10. CONTINUING IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR – CHARLIE ONG CHYE LEE

As the proposed Ordinary Resolution 8 was to approve his continuing in office as an Independent Non-Executive Director, Mr Charlie Ong passed the Chair to Mr Tan Boon Hoe.

CONTINUING IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR – CHARLIE ONG CHYE LEE (CONTINUED...)

Mr Tan Boon Hoe informed the members that the proposed Ordinary Resolution 8 was to seek the approval of the shareholders for Mr Charlie Ong Chye Lee, who has served on the Board as an Independent Non-Executive Director of the Company since 1 July 2008 and will reach the nine years term limit on 30 June 2017, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.

Ms Ho Yoke Chan, a shareholder proposed followed by Dato' Mustafa Ali R Jumabhoy who seconded the motion.

It was noted that the poll on the above motion would be conducted later.

Mr Tan Boon Hoe then passed the Chair back to Mr Charlie Ong.

11. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Members were informed of the following proposed resolution 9:-

“THAT subject to the provisions under the Companies Act, 2016 (“the Act”), the Companies Regulations 1966, the Memorandum and Articles of Association of the Company, Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements and the approvals of all relevant authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares in the Company (“Uchi Shares”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as at the point of purchase (“Proposed Renewal of Share Buy-Back Authority”).

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Renewal of Share Buy-Back Authority shall not exceed the Company’s retained profits.

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any Uchi Shares so purchased by the Company in the following manner:-

- (i) the Uchi Shares so purchased could be cancelled; or
- (ii) the Uchi Shares so purchased could be retained as treasury shares for distribution as share dividends to the shareholders of the Company and/or resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or
- (iii) combination of (i) and (ii) above.

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONTINUED...)

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:-

- (i) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed, at which time the authority would lapse unless renewed by ordinary resolution, either unconditionally or conditionally; or
- (ii) the passing of the date on which the next annual general meeting of the Company is required by law to be held; or
- (iii) the authority is revoked or varied by resolution of the shareholders of the Company in a general meeting;

whichever occurs first.

And THAT the Directors of the Company be and are authorised to take such steps to give full effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company.”

The Chairman notified the members that the details and rationale of the Proposed Renewal of Share Buy-Back Authority were stated in page 5 and from pages 7 to 12 of the Annual Report 2016.

He continued to inform that this ordinary resolution, if approved by the shareholders, will give the Directors of the Company the authority to purchase its own shares up to 10% of the total number of issued shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

Mr Huang, Yen-Chang also known as Stanley Huang proposed followed by Mr Chin Yau Meng who seconded the motion.

It was noted that the poll on the above motion would be conducted later.

12. AUTHORITY TO GRANT OPTIONS TO MR TAN BOON HOE

Members were informed of the following proposed resolution 10:-

“THAT the Directors of the Company be and are hereby authorised, on behalf of the Company, at any time and from time to time to offer and to grant to Mr Tan Boon Hoe, an Independent Non-Executive Director of the Company, options to subscribe up to a maximum of 1,000,000 new Shares under the Uchi Technologies Berhad Employees’ Share Option Scheme 2016 (“ESOS 2016”) and to allot and issue from time to time new Shares upon exercise of such options, provided always that:-

- (i) he must not participate in the deliberation or discussion of his own allocation of the number of Options to be offered to him, as well as that of the persons connected with him, under the ESOS 2016; and

AUTHORITY TO GRANT OPTIONS TO MR TAN BOON HOE (CONTINUED...)

- (ii) not more than ten percent (10%) (or such percentage as allowable by the relevant authorities) of the new Shares available under ESOS 2016 shall be allocated to him, if he, either singly or collectively through persons connected with him (as defined in the Listing Requirements), holds twenty percent (20%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares); and

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the ESOS 2016 and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.”

The Chairman notified the members that the details and rationale of the Proposed Authority to Grant Options to Mr Tan Boon Hoe were stated in page 5 of the Annual Report 2016 and pages 1 to 3 of the Circular to Shareholders dated 19 April 2017.

Ms Ow Chooi Khim proposed followed by Mr Ng Bak Lee, a proxy for Maybank Securities Nominees (Tempatan) Sdn Bhd who seconded for the motion.

It was noted that the poll on the above motion would be conducted later.

13. CONDUCT OF POLL

Before proceeding with the polling, the Chairman explained the polling procedures.

As there were no questions from the floor, Chairman called upon the members to proceed to cast their votes. The casting of votes was duly observed by the duly appointed Independent Scrutineers.

As there were no more voting slips to be collected, the Chairman requested the Independent Scrutineers to proceed with the verification and counting of the votes at 3.20 p.m.

14. MSWG’S LETTER AND Q&A SESSION

While the poll results were being tabulated, the Chairman invited the Company Secretary to read out the MSWG’s letter and the Company’s reply thereon (refer [“Nineteenth Annual General Meeting Held on May 23, 2017 Question & Answer”](#) disclosed in Investors Communication).

After the reading of the MSWG’s letter, the Chairman invited the floor to post their questions.

In reply to Dato’ Mustafa Ali R Jumabhoy’s question on the formula in determining the ESOS price, Mr Kao, Te-Pei also known as Edward Kao (“Mr Edward Kao”) replied that granting of ESOS options are based on the By-Laws adopted by the Company when the ESOS scheme was approved at the Extraordinary General Meeting held in 2016. Mr Edward Kao further explained that the option price shall be based on the weighted average market price of the shares for the five market days immediately preceding the date of offer.

MSWG'S LETTER AND Q&A SESSION (CONTINUED...)

Mr Derik Lau Chun Jian sought clarification from the Board on the reason why 80% of the Group's customers comprise mainly 2 major customers only. Mr Edward Kao informed that this question had been raised many times at the previously held AGMs. He explained that there is a mutual business arrangement between the Company and the customers whereby based on the nature of the customers' business, the Company serves as the customers' sole supplier. Additionally, the Company is bound not to sell their products to other customers without their prior consent. With that, both parties undertake high risks but also enjoy full benefits.

Dato' Mustafa Ali R Jumabhoy enquired on the reason for the decline in operating profit margin and the risk of volatility of material price as stated in the MSWG's letter. Mr Edward Kao replied that once the Company received orders, they would hedge the currency accordingly and most of the price for critical components had already been fixed by the customers. Mr Ted Kao elaborated that the reason for the higher materials price was due to the impact of the 2015 earthquake in Japan.

Mr Amit Khindriya A/L Puran Chand commented that the growth of the Company was slowing down and enquired on their plans to stimulate growth. He further queried on the pioneer status of the Company which will expire by the end of the year and steps to be taken by the Company since the products will no longer be entitled to tax benefit. Mr Edward Kao explained that this question has been addressed in page 24 of the Annual Report and added that the Company is constantly and closely reviewing its growth performance. He assured the members that the Company will be submitting their application of pioneer status to MIDA for an extension of another 5 years but subject to the approval of the authorities. Mr Ted Kao commented that as the Company's nature of business involves in Research and Development, the Board of Directors is bound by the Non-Disclosure Agreements and shall update the members when necessary.

Mr Cheah Seng Chye, a proxy for CIMSEC Nominees (Tempatan) Sdn Bhd commented that although the Company has been constantly paying dividends but there was no growth in its share price. In addition, the Company does not show clear sign of growth and eventually the shareholders would not have confidence to hold Uchi's shares. In reply to Mr Cheah Seng Chye's concern, Mr Edward Kao explained that the share price of the Company has increased for more than 10% for the past twelve months and there was bonus shares given last year. Mr Edward Kao also stressed that the Company is fundamentally strong where every product that is manufactured contains 100% of the Company's intellectual property.

In reply to Dato' Mustafa Ali R Jumabhoy's question on the increase in interest in Fixed Deposit, Mr Edward Kao replied that the Company has not invested much in money market fund but only in fixed time deposit and earned interest from the prevailing interest rate. Dato' Mustafa Ali R Jumabhoy further enquired on the reason for not investing the excess funds in other money market that could generate higher returns compared to fixed deposit. Mr Edward Kao replied that the Company is practising a more conservative approach in investment and fixed deposit is less risky compared to other structured products in the market.

MSWG'S LETTER AND Q&A SESSION (CONTINUED...)

Mr Cheah Seng Chye suggested that the Company might consider merger and acquisition to expand their business. Mr Edward Kao replied that they have been approached by a few venture capitalists in the past but their proposals were not in the interest of the Company and hence, they did not consider them. He added that they just have to wait for the right opportunity. Mr Ted Kao elaborated that the Company is not selling finished products to its customers but rather act as a force to push their customers to success. The Company will expand the business and at the same time securing the trust relationship with their existing customers. He concluded that the Company's Return on Equity has achieved as high as 20% for the past five years and Uchi's performance is very stable for the time being.

As there were no more questions from the floor, the Chairman adjourned the Meeting at 4.15 p.m. and invited the members to have some refreshments.

15. DECLARATION OF POLL RESULTS

The Meeting resumed at 4.40 p.m. with the requisite quorum being present.

The Chairman then called the Meeting to order for the declaration of results. He informed that the poll voting results had been duly validated by the Independent Scrutineers and announced the results as follows:-

Result on Voting by Poll

Resolution(s)	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
Ordinary Resolution 1	180,377,389	100.000	0	0.000
Ordinary Resolution 2	174,101,087	99.997	5,500	0.003
Ordinary Resolution 3	165,746,209	100.000	0	0.000
Ordinary Resolution 4	165,746,209	100.000	0	0.000
Ordinary Resolution 5	165,746,209	100.000	0	0.000
Ordinary Resolution 6	180,352,389	100.000	0	0.000
Ordinary Resolution 7	165,746,209	100.000	0	0.0000
Ordinary Resolution 8	165,746,209	100.000	0	0.000
Ordinary Resolution 9	172,979,337	99.994	9,950	0.006
Ordinary Resolution 10	144,116,759	79.910	36,225,630	20.09

Based on the results, the Chairman declared that all the resolutions tabled before the Nineteenth Annual General Meeting were thus carried.

16. CLOSURE

There being no other business to discuss, the Meeting ended at 4.45 p.m. with a vote of thanks to the Chairman.