

UCHI TECHNOLOGIES BERHAD

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

Minutes of the Twenty-First Annual General Meeting of the Company held at the Laurel II, Level 1, Evergreen Laurel Hotel, 53 Persiaran Gurney, 10250 Penang on Tuesday, 28 May 2019 at 3.00 p.m.

Attendance

As per Attendance List

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 Company, Mr. Charlie Ong Chye Lee thanked the members for their attendance at the Company's Twenty-First Annual General Meeting ("AGM") followed by an introduction of the Board of Directors and the Company Secretary to the members. He then informed that video recording and audio recording were strictly prohibited at this Meeting.

The Chairman informed the floor that there were a total of six ordinary resolutions and one special resolution to be tabled for consideration and approval from the shareholders. He informed that the ordinary resolutions required a simple majority of more than 50% votes whereas the special resolution required not less than 75% of the votes from those members present in person or by proxies and voting at the Meeting. The Chairman further informed that voting would be by way of poll in line with the Listing Requirements of Bursa Malaysia Securities Berhad. The Chairman declared that all resolutions in the Notice of the Twenty-First AGM shall be voted by way of electronic polling.

The Chairman notified the floor that the electronic polling would be conducted by Agriteum Share Registration Services Sdn. Bhd. as the Poll Administrator and Value Creator Consultancy has been appointed as the Independent Scrutineers.

He also informed that only 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, 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 5 of the Annual Report. It was unanimously agreed that the notice of the meeting be taken as read.

The Chairman then invited the Poll Administrator to brief the floor on the electronic polling procedures and a trial run was conducted to familiarise the members and proxies with the voting procedures.

2. RECEIVING OF THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2018 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Audited Financial Statements (“AFS”) for the year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon, copies of which had 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 248(2) and 340(1)(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 then invited questions from the floor.

Mr Shak Chee Hoi (“Mr Shak”), a proxy for Maybank Nominees (Tempatan) Sdn Bhd, enquired if there is any plan to further increase the utilisation rate of the plants which have reached the capacity of 80%. Mr Chin Yau Meng (“Mr Chin”), the Group Managing Director of the Company, explained that the factories in Malaysia and China have been operating on daily normal hours of 8 to 9 hours and overtime of up to 3 hours with total headcount of 254 and 109 respectively. Mr Chin added that the current capacity is sufficient for the Company and the Company is well prepared for further expansion. He also commented that the machines and equipment have not been fully utilised.

Mr Shak further referred the Meeting to Note 33 of the Financial Statements which stated Customer A contributed 71% of the total revenue of the Company and enquired about the contractual period of the agreement signed with Customer A, and if the agreement was based on any specific coffee machine model. Mr Chin replied that the Company has not entered into any agreement with its customers. The customers of the Company are basically the partners of the Company.

Mr Shak continued to enquire what competitive advantages the Company could provide to its customers that its competitors were not able to. Mr Kao, De-Tsan also known as Ted Kao (“Mr Ted Kao”) explained that the Company’s business model is to develop control modules whilst its partners have experience in mechanical designing or brand marketing. In the coffee business, the customers require another partner in Europe to assemble the complete machines, then distribute them worldwide. With each company having its own competitive strength, the Company and its partners would want to work together. Furthermore, it would be too costly and lengthy to work alone.

In relation to the new energy control product, Mr Ted Kao briefed that the new energy control system is to measure each individual building’s electrical power and cooling capacity rate. Mr Ted Kao elaborated that the system provides the house owner and utility companies information such as what kind of power consumption is required under different kind of environment condition. The information provides a better statistic to find out the efficiency as well as to find the loopholes of each house’s thermal insulation and find out the right thermal capacity of equipment to be installed.

2. RECEIVING OF THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2018 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON (CONTINUED...)

Mr Shak further enquired how long it would take to replace a coffee machine. Mr Chin replied that it would depend on the market demand.

Mr Amit Khindriya A/L Puran Chand ("Mr Amit"), a shareholder enquired when the new energy control product would be in the market and the expected revenue. Mr Ted Kao informed that Uchi was waiting for the customer, which is located in the North America to restructure its company and come out with the marketing plan.

In response to Mr Amit's query on the expected performance of the Company in 2nd Quarter and 3rd Quarter of the financial year, Mr Chin replied that the Company already had orders in place for the 1st half and 3rd Quarter of the year. The Company was already in talks with its customers for the forecast for 4th Quarter and the following year.

Mr Amit further enquired if the Company would be expecting a single digit turnover growth for the remaining year. Mr Kao, Te-Pei also known as Edward Kao ("Mr Edward Kao") said that the Company was expecting a low single digit of revenue growth. The Company has been monitoring the incoming order and there were signs that the customers were buying more than forecasted.

Mr Cheah Seng Chye ("Mr Cheah") a proxy for CIMSEC Nominees (Tempatan) Sdn. Bhd. commented that the growth of Uchi was relatively small and the anticipated growth from life science business was not forthcoming. He enquired if there would be any change in the future business growth and what would happen to the life science business. Mr Edward Kao concurred with Mr Cheah that the growth of Uchi was relatively small. Mr Ted Kao remarked that anything that is related to life science relates to safety of user. Hence, quite often, products will be changed during qualification test. He added that the nature of business of Uchi is not producing full equipment but rather Uchi is acting as supporting partner to its customers. He explained that Uchi is involved in developing electronic control systems and hence, would depend on its customers who produce the end products on the business growth.

In reply to Mr Cheah's enquiry on the trade war, Mr Chin informed that the Company was not affected by the trade war but Uchi material supply chain might be affected, and the Company had taken precautionary action to increase the stock for the material. Besides that, the Company had been sourcing from other countries other than China. Mr Cheah further commented that since the Company relied on a single customer, the Company would eventually be affected if the single customer is affected by the trade war. Mr Ted Kao replied the Company has a long and stable relationship with the customer. The size and geographical location of the Company do not offer much opportunity for the Company to access to different resources, especially human resources. As such, the Company would build modules suitable for this region. Mr Edward Kao added that most of the products are assembled in Europe and then distributed to the United States. Hence, the impact on the Company would be small. Mr Edward Kao continued to inform that the material supply chain might be affected. The Company had started to source from other region.

Mr Ooi Sie Yuan ("Mr Ooi"), a proxy for Khor Jia Yen enquired on the hedging against the fluctuation of currency. Mr Edward Kao replied that the businesses are conducted in USD and the Company has had in place a Forward Contract Management Policy.

2. RECEIVING OF THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2018 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON (CONTINUED...)

In relation to Mr Ooi's query on the utilisation rate of the Company, Mr Edward Kao explained that the utilisation rate of the plants had reached 80% and if the utilisation rate reaches 100%, the Company would probably just outsource. He further stressed that the Company's policy is not to invest heavily on machine and equipment but on intellectual property.

Ms Wendy Loh, a shareholder suggested the Company to incorporate 5G technology and artificial intelligence to develop more creative products so that Uchi's business would not be dull. Mr Chin then thanked her for the suggestion.

Mr Ch`ng Beng Kian, a shareholder enquired on the shortage of multi-layer ceramic capacitor ("MLCC"). Mr Chin replied that the Company faced with the MLCC shortage since the 3rd Quarter of 2017, and Uchi had kept enough stock for one year. As of 1st half of 2018, there was no shortage of stocks. The Company had to look for the raw materials as the stocks gradually decreased. The Company eventually had to buy at a higher cost for MLCC to mitigate the shortages, hence a slight increase in the raw materials reported in the audited financial statements.

In response to a shareholder's suggestion to print the Annual Report of the Company in colour, Mr Chin commented that the Company does not encourage spending on this matter which would not benefit its shareholders.

There being no further questions from the floor, it was declared that the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon be received.

3. DECLARATION OF FINAL TAX EXEMPT DIVIDEND OF 7 SEN PER SHARE FOR THE YEAR ENDED 31 DECEMBER 2018

Members were informed that the proposed Ordinary Resolution 1 was to declare a final tax exempt dividend of 7 sen per share for the financial year ended 31 December 2018.

On the proposal of Mr Toh Hock Chooi and seconded by Mr Cheah Seng Chye, the motion was put to vote via e-polling.

Based on the polling results as shown on the projector screen in the meeting hall, the Chairman 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	190,652,477	99.995227	9,100	0.004773

Based on the final results, the Chairman declared that Ordinary Resolution 1 on the Declaration of Final Tax Exempt Dividend be carried.

4. APPROVAL OF DIRECTORS' FEES

Members were informed that the proposed Ordinary Resolution 2 was to approve the payment of Directors' fees of RM490,000.00 for the year ending 31 December 2019.

On the proposal of Mr Amit Khindriya A/L Puran Chand and seconded by Mr Cheah Seng Chye, the motion was put to vote via e-polling.

Based on the polling results as shown on the projector screen in the meeting hall, the Chairman announced the results as follows:-

Result on Voting by Poll

Resolution(s)	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
Ordinary Resolution 2	44,899,992	68.957347	20,212,710	31.042653

Based on the final results, the Chairman declared that Ordinary Resolution 2 on the Approval of Directors' Fees be carried.

5. RE-ELECTION OF MR TAN BOON HOE 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 Mr Tan Boon Hoe who retired under the provision of Article 131 of the Articles of Association of the Company.

On the proposal of Dato' Mustafa Ali R Jumabhoy and seconded by Mr Cheah Seng Chye, the motion was put to vote via e-polling.

Based on the polling results as shown on the projector screen in the meeting hall, the Chairman announced the results as follows:-

Result on Voting by Poll

Resolution(s)	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
Ordinary Resolution 3	151,213,517	99.264718	1,120,081	0.735282

Based on the final results, the Chairman declared that Ordinary Resolution 3 on the Re-election of Mr Tan Boon Hoe be carried.

6. RE-APPOINTMENT OF DELOITTE PLT AS AUDITORS OF THE COMPANY

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

On the proposal of Mr Amit Khindriya A/L Puran Chand and seconded by Mr Cheah Seng Chye, the motion was put to vote via e-polling.

Based on the polling results as shown on the projector screen in the meeting hall, the Chairman announced the results as follows:-

Result on Voting by Poll

Resolution(s)	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
Ordinary Resolution 4	189,900,615	99.615774	732,462	0.384226

Based on the final results, the Chairman declared that Ordinary Resolution 4 on the Re-appointment of Messrs Deloitte PLT as Auditors of the Company be carried.

7. CONTINUING IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE

As the proposed Ordinary Resolution 5 was to approve his continuing in office as an Independent Non-Executive Director, Mr Charlie Ong passed the Chair to Mr Tan Boon Hoe.

Mr Tan Boon Hoe informed the members that the proposed Ordinary Resolution 5 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 for a cumulative term of more than nine (9) years, 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.

On the proposal of Dato' Mustafa Ali R Jumabhoy and seconded by Mr Amit Khindriya A/L Puran Chand, the motion was put to vote via e-polling.

Based on the polling results as shown on the projector screen in the meeting hall, Mr Tan Boon Hoe announced the results as follows:-

Result on Voting by Poll

Resolution(s)	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
Ordinary Resolution 5	169,844,667	89.425880	20,083,200	10.574120

7. CONTINUING IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE (CONTINUED...)

Based on the final results, Mr Tan Boon Hoe declared that Ordinary Resolution 5 on the Continuing in office as an Independent Non-Executive Director be carried.

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

8. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Chairman briefed that the details and rationale of the Proposed Renewal of Share Buy-back Authority were stated on Page 5 and Pages 7 to 12 of the Annual Report.

Mr Cheah enquired whether Share Buy-back authority was needed since the Company's shares were traded above the Net Tangible Asset per share. The Chairman replied that the said resolution was a 'comfort resolution' for the Board to act if and when needed. He then described this resolution as *ex abundanti cautela*, i.e, out of an abundance of caution.

The Chairman invited a shareholder/proxy each to propose and second the following motion:-

"THAT subject to the provisions under the Companies Act 2016 ("the Act"), the Articles of Association of the Company and the Constitution of the Company being adopted upon passing of the Special Resolution below, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") 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; or

In any other manner as prescribed by the Act and MMLR from time to time.

8. 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.”

On the proposal of Mr Huang, Yen-Chang also known as Stanley Huang and seconded by Ms Tan Ai Lin, the motion was put to vote via e-polling.

Based on the polling results as shown on the projector screen in the meeting hall, the Chairman announced the results as follows:-

Result on Voting by Poll

Resolution(s)	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
Ordinary Resolution 6	190,195,048	99.947881	99,180	0.052119

Based on the final results, the Chairman declared that Ordinary Resolution 6 on the Proposed Renewal of Share Buy-Back Authority be carried.

9. PROPOSED ALTERATION OF THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION BY REPLACING WITH A NEW CONSTITUTION (“PROPOSED ALTERATION”)

The Chairman briefed that the rationale of the Proposed Alteration was stated on Page 5 of the Annual Report. He also informed that the new Constitution was drafted to suit the requirements of the Company.

9. PROPOSED ALTERATION OF THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION BY REPLACING WITH A NEW CONSTITUTION (“PROPOSED ALTERATION”) (CONTINUED...)

The Chairman invited a shareholder/proxy each to propose and second the following motion:-

“THAT the existing Memorandum and Articles of Association of the Company be hereby altered by replacing with a new Constitution attached hereto as Annexure A with effect from the date of passing this special resolution.

THAT the Directors of the Company be hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the Proposed Alteration with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities.”

On the proposal of Mr Toh Hock Chooi and seconded by Mr Cheah Seng Chye, the motion was put to vote via e-polling.

Based on the polling results as shown on the projector screen in the meeting hall, the Chairman announced the results as follows:-

Result on Voting by Poll

Resolution(s)	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
Special Resolution	190,643,779	99.994755	10,000	0.005245

Based on the final results, the Chairman declared that the Special Resolution on the Proposed Alteration be carried.

10. CLOSURE

At this juncture, the Chairman conveyed to the floor that Mr Edward Kao who retired in accordance with Article 131 of the Articles of Association of the Company, had notified the Company he did not wish to seek for re-election and accordingly, he would retire at the conclusion of this Twenty-First AGM. The Chairman, on behalf of the Board, took the opportunity to express his utmost gratitude to Mr Edward Kao for his past contributions as an Executive Director.

There being no other business to discuss, the Meeting ended at 4.00 p.m. with a vote of thanks to the Chairman.

Signed as a correct record

CHAIRMAN

Date: