

UCHI TECHNOLOGIES BERHAD

(199801001764) (457890-A)

(Incorporated in Malaysia)

Minutes of the Twenty-Second Annual General Meeting of the Company held at Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25-A, Farquhar Street, 10200 Penang on Tuesday, 28 July 2020 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-Second Annual General Meeting ("AGM") and for observing precautionary measures put in place for the health and safety of attendees. The Chairman continued to introduce 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 seven (7) ordinary resolutions 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 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 and declared that all resolutions in the Notice of the Twenty-Second 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 had 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 in the event of equality of votes, he as the Chairman, would then exercise his casting vote as provided under Clause 119 of the Constitution 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 2019 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Audited Financial Statements (“AFS”) for the year ended 31 December 2019 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 AFS 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.

There being no questions from the floor, it was declared that the AFS for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon be received.

3. APPROVAL OF DIRECTORS’ FEES OF RM393,600 FOR THE YEAR ENDING 31 DECEMBER 2020

Members were informed that the proposed Ordinary Resolution 1 was to approve the payment of Directors’ Fees of RM393,600 for the year ending 31 December 2020.

On the proposal of Mr Toh Hock Chooi and seconded by Ms Ong Pek See, 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	216,567,921	99.995614	9,500	0.004386

Based on the final results, the Chairman declared that Ordinary Resolution 1 on the Approval of Directors’ Fees be carried.

4. RE-ELECTION OF MR CHIN YAU MENG RETIRING UNDER CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY

Members were informed that the next agenda was for the re-election of Mr Chin Yau Meng who retired under Clause 76(3) of the Constitution of the Company.

On the proposal of Ms Tan Kim Choo and seconded by Ms Tan Ai Lin, the motion was put to vote via e-polling.

4. RE-ELECTION OF MR CHIN YAU MENG RETIRING UNDER CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY (CONTINUED...)

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	220,349,391	99.872638	281,000	0.127362

Based on the final results, the Chairman declared that Ordinary Resolution 2 on the Re-election of Mr Chin Yau Meng be carried.

5. RE-ELECTION OF MR LIM TIAN HOW RETIRING UNDER CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY

Members were informed that the next agenda was for the re-election of Mr Lim Tian How who retired under Clause 76(3) of the Constitution of the Company.

On the proposal of Ms Keoh Lay Bin and seconded by Ms Ong Pek See, 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	196,669,141	89.072544	24,127,450	10.927456

Based on the final results, the Chairman declared that Ordinary Resolution 3 on the Re-election of Mr Lim Tian How be carried.

6. RE-ELECTION OF MR HUANG, YEN-CHANG ALSO KNOWN AS STANLEY HUANG RETIRING UNDER CLAUSE 78 OF THE CONSTITUTION OF THE COMPANY

Members were informed that the next agenda was for the re-election of Mr Huang, Yen-Chang also known as Stanley Huang who retired under Clause 78 of the Constitution of the Company.

On the proposal of Ms Tan Ai Lin and seconded by Ms Tan Kim Choo, the motion was put to vote via e-polling.

6. RE-ELECTION OF MR HUANG, YEN-CHANG ALSO KNOWN AS STANLEY HUANG RETIRING UNDER CLAUSE 78 OF THE CONSTITUTION OF THE COMPANY (CONTINUED...)

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	219,702,121	99.572030	944,300	0.427970

Based on the final results, the Chairman declared that Ordinary Resolution 4 on the Re-election of Mr Huang, Yen-Chang also known as Stanley Huang be carried.

7. RE-APPOINTMENT OF 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 Deloitte PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

On the proposal of Ms Tan Ai Lin and seconded by Ms Ong Pek See, 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 5	220,511,291	99.996372	8,000	0.003628

Based on the final results, the Chairman declared that Ordinary Resolution 5 on the Re-appointment of Messrs Deloitte PLT as Auditors of the Company be carried.

8. CONTINUING IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

As the proposed Ordinary Resolution 6 was to approve his continuing in office as an Independent Non-Executive Director, Mr Charlie Ong passed the Chair to Mr Tan Boon Hoe.

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

Mr Tan Boon Hoe informed the members that the proposed Ordinary Resolution 6 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.

Members were informed that Mr Charlie Ong had served on the Board of the Company as an Independent Director since year 2008 and he had exceeded the 12th year of service. As the Board intended to retain Mr Charlie Ong as an Independent Director and in line with the Malaysian Code of Corporate Governance 2017, the Board sought for shareholders' approval through a two-tier voting process.

Mr Tan further explained that under the two-tier voting process, shareholders' votes would be cast in the following manner:-

- i) Tier 1 shall comprise only the Large Shareholder that is entitled to exercise, or control the exercise of not less than 33% of the voting shares in the Company; and
- ii) Tier 2 shall be those shareholders other than Large Shareholder.

On the proposal of Ms Keoh Lay Bin and seconded by Ms Tan Kim Choo, 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 6 – Tier 1	85,817,026	100.00	0	0
Ordinary Resolution 6 – Tier 2	86,391,395	64.517332	47,512,770	35.482668

Based on the final results, Mr Tan Boon Hoe declared that Ordinary Resolution 6 on the Continuing in office for Mr Charlie Ong Chye Lee as an Independent Non-Executive Director be carried.

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

9. 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.

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 Constitution of the Company, 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
- (iv) in any other manner as prescribed by the Act and MMLR from time to time.

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.

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

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 Ms Tan Ai Lin and seconded by Ms Tan Kim Choo, 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 7	220,793,391	99.953055	103,700	0.046945

Based on the final results, the Chairman declared that Ordinary Resolution 7 on the Proposed Renewal of Share Buy-Back Authority be carried.

10. CLOSURE

There being no other business to discuss, the Meeting ended at 3.20 p.m. with a vote of thanks to the Chairman.

Signed as a correct record

CHAIRMAN

Date:

After closing of the Meeting, the following questions were raised and answered:-

- Mr Toh Hock Chooi (“Mr Toh”), a shareholder enquired on how the Covid-19 pandemic had affected the Group as most of the sales were to Europe and people in Europe were affected seriously by the pandemic. In response to his enquiry, Mr Huang, Yen-Chang also known as Stanley Huang (“Mr Stanley Huang”) replied that based on the customer sales orders and forecast, Uchi expects to have a stronger second half and in conjunction with the announcement made back on 26 March 2020, at this moment, Uchi still expect to have a low double-digit decline in the full year turnover in USD. However, the stronger 2nd Half has pushed the low double- digit decline towards its lesser side within the low double-digit range. He further commented that the volatile economy caused majorly by the tension between United States and China and COVID-19, Uchi will take a conservative stance to cope with the actual situation and to make announcement accordingly whenever it is necessary. He further added that barring any unforeseen circumstances, the Group is confident to maintain operating profit margin to be at least 40% provided USD is not less than RM3.90/USD1.00.
- Mr Fong Tat Yuan (“Mr Fong”), a shareholder enquired on the decline in shareholdings’ equity in 2018 as shown under Page 20 of the Annual Report 2019. Mr Stanley Huang explained that the decline was due to capital repayment of RM89 million via a reduction of share capital of the Company in 2018.
- Mr Fong continued to enquire if the dividend rate would be increased or maintained. Mr Stanley Huang replied that there was no change in the Dividend Policy of the Company so far. The Company had been committed to distribute at least 70% of the net profit as dividend.
- Mr Chak Teik Chye (“Mr Chak”), a proxy of Chuah Kue Peng enquired if the Group would be able to maintain the operating profit margin during this uncertainty period of Covid-19 pandemic. Mr Chak also thanked Uchi for remaining debt free and strong balance sheet. Mr Stanley Huang replied that barring any unforeseen circumstances, the management was confident to be able to maintain the operating profit margin of at least 40%.
- Mr Chak commented that US and Europe customers were diverting raw materials from China market and enquired whether the Company would do the same. Mr Kao, De-Tsan also known as Ted Kao (“Mr Ted Kao”) replied that since the US/China Trade War, the Group had been seeking for opportunity to widen the sourcing of raw materials other than from China to address the constraint. He also commented that the management was also adjusting the production volume in China factory and in Penang factory. In response to the query on whether the Company would be taking the market share from China, Mr Ted Kao replied that the Group was not engaged in finished products and would have to follow the lead of their end customers. He added that the European customers did not have solid decision or view on what would happen and probably waiting for the outcome of the election at the end of the year.
- Mr Lim Boon Hooi (“Mr Lim”), a shareholder mentioned that as stated in the Annual Report, there were several new projects to be carried out and enquired if those new projects to be realized to revenue and factored in the low double-digit turnover decline. In response to the query, Mr Stanley Huang replied that the new projects were factored in the low double-digit decline.

- Mr Lim further enquired on how the Group managed the single customer risk. Mr Stanley Huang explained that in the current chaotic world situation, it is equal-important to take good care of existing customers as well as finding new ones. For both cases, the Group's best strategy is to concentrate and focus on R&D activities, so to make sure the technical competitiveness is well maintained. On the other hand, Uchi needs to be very prudent to keep its financial status secure, so to sustain the group with enough working capital to overcome potential challenges.
- Mr Fong Tat Yuan ("Mr Fong"), a shareholder suggested the Company to share snapshots of the Company's performance with its shareholders at the next Annual General Meeting.
- Mr Fong commented that the share price of the Company had been quite stagnant whilst share prices of some counters on the Exchange were moving up. He then asked if the Company was taking any action. In response to the enquiry, Mr Stanley Huang replied that the Company always pays a fair amount of attention to the shares market activities and as long as these activities are normal, the Company simply lets the market to decide its value. Mr Stanley Huang further added that the best way to enhance the shareholders' value is to let the Company to be concentrating on their operating activities.
- Ms Junie Oh, a shareholder commented that the Company had not established a Risk Management Committee and enquired how the Company managed its risk and what the top 5 risks were. The Chairman replied that Uchi is not a large company and the Board currently consisted of 6 directors, 3 of whom are independent. As such, the Board had decided not to establish a Risk Management Committee on its own. Mr Tan Boon Hoe, Chairman of the Audit Committee explained that the risk of the Company would be oversight by the Audit Committee with the assistance from the management team in ensuring that there was an on-going and systematic risk management process undertaken to identify, assess and evaluate principal risks. It was also highlighted that the Group undertook risk management review with reference made to Page 43 of the Annual Report. Ms Ong Pek See, the Finance Manager of the Company referred the shareholders to the Sustainability Statement of the Annual Report and commented that the survival of the business depends on identifying and managing the risk. While based on the management assessment, the following three material sustainability pillars had been identified:-
 - (i) Customer satisfaction
 - (ii) Operational efficiency and
 - (iii) Technical and tactical proficiency.

The Q & A session ended at 4.00 p.m.