

## UWC BERHAD

Registration No. 201801012223 (1274239-A)  
(Incorporated in Malaysia)

Minutes of the Fifth Annual General Meeting (“5<sup>th</sup> AGM”) of **UWC Berhad** (“**Company**” or “**UWC**”) held at Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25A Farquhar Street, 10200 George Town, Penang Malaysia on Monday, 9 January 2023 at 2.30 pm

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### Present

#### **Board of Directors**

1. Dato’ Wan Hashim Bin Wan Jusoh, Independent Non-Executive Chairman | Shareholder
2. Dato’ Ng Chai Eng, Executive Director & Group Chief Executive Officer | Shareholder
3. Mr. Lau Chee Kheong, Executive Director / Group Chief Operating Officer | Shareholder
4. Dato’ F’ng Meow Cheng, Independent Non-Executive Director | Shareholder
5. Dato’ Lio Chee Yeong, Independent Non-Executive Director | Shareholder
6. Dr. Ng Chin Liang, Matin (“Mr. Matin Ng”), Deputy Group Chief Executive Officer & Alternate Director to Dato’ Ng Chai Eng | Shareholder

#### **Company Secretary**

1. Ms. Ong Tze-En (“**Ms. Ong**”)

#### **Auditors, BDO PLT**

1. Mr. Goh Chee Beng, Engagement Partner
2. Mr. Lee Shi Xiang, Director

#### **Shareholders, Proxies and Corporate Representatives**

As per attendance list

### By Invitation

As per attendance list

### Poll Administrator

Tricor Investor & Issuing House Services Sdn. Bhd.

### Scrutineers

Value Creator Consultancy

The list of attendees at the 5<sup>th</sup> AGM is set out in the Attendance List as attached and which shall form an integral part of these minutes.

### **Chairman’s Welcome Address**

- A Chairman of the Board of Directors of UWC (“**Board**”), Dato’ Wan Hashim Bin Wan Jusoh, (“**Dato’ Chairman**” or “**Dato’ Wan Hashim**”) extended a warm welcome to all shareholders, corporate representatives, proxy holders and guests (“**Attendees**”) to today’s AGM.
- B He requested all Attendees to wear face masks as a precautionary step to protect their own safety in view of the evolving Covid-19 situation.

Minutes of the 5<sup>th</sup> Annual General Meeting held on 9 January 2023

(cont'd)

- C Dato' Chairman then reminded all Attendees to note the administrative arrangements as sent together with the Notice of the AGM and encouraged them to have a word with representative of the share registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") should the need arose. Dato' Chairman also prohibited voice or video recording of this meeting proceeding.
- D Thereafter, Dato' Chairman introduced members of the Board, the Company Secretary and the Audit Engagement Partner from the auditors, BDO PLT.
- E Dato' Chairman proceeded to invite Dr. Ng Chin Liang, Matin ("**Dr. Matin Ng**"), the Deputy Group CEO to share on the Group's performance over the past 12 months and the Group's strategic plan going forward.
- F Dr. Matin Ng started off with a presentation which covered UWC and its subsidiaries' ("**the Group**")'s business activities, vision, mission and direction, the share performance, financial review and performance, business strategic plan and sustainable initiatives. He also briefed the members on the history of UWC and the journey of the Group. He further expressed the Board's aspiration to increase UWC revenue in the next 3 years taking into consideration the interest of all stakeholders. He also elaborated on the business aspect and prospects of the Group.
- G Dr. Matin Ng went on to address queries from Minority Shareholder Watch Group ("**MSWG**") for the benefit of the Attendees. The written questions from MSWG on several points pertaining to Operational and Financial Matters of the Group and the Group's response are as enclosed under Appendix A to these minutes.
- H Dato' Chairman then thanked Dr. Matin Ng, for sharing a very informative presentation and detailed response to the queries from MSWG.

#### **Call to order and determination of quorum**

- I Chairman called the meeting to order and proceeded with the meeting proper upon receipt of confirmation from the Company Secretary, Ms. Ong, that a quorum was present.

#### **Notice of Meeting**

- J Dato' Chairman proposed that the Notice of the 5<sup>th</sup> AGM which was announced and circulated to the shareholders, directors and auditors on 30 November 2022 be taken as read. Consent was obtained from the shareholders.
- K Chairman continued with the business of the meeting by stating that voting at this AGM would be conducted on a poll in accordance with para 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**MMLR**"). He then exercised his right, as Chairman of the meeting, to demand for poll in accordance with Clause 121 of the Company's Constitution for all six (6) ordinary resolutions as stated in the Notice of the 5<sup>th</sup> AGM.

- L Dato' Chairman informed that he would vote in accordance with the instructions given to him by the shareholders who have appointed him as their proxy.
- M He also briefed the shareholders, proxies and corporate representatives (collectively "**shareholders**") present of their right to participate, speak and vote on the resolutions as set out in the Notice of 5<sup>th</sup> AGM dated 30 November 2022. Shareholders are to state their names and indicate their status before raising their questions.
- N He added the Company had appointed Tricor as Poll Administrator to conduct the polling process and Value Creator Consultancy ("**VCC**") as Scrutineers to verify the poll results. The polling process would be conducted upon the conclusion of the deliberation of all items on the meeting agenda.
- 1. To receive the Audited Financial Statements for the financial year ended 31 July 2022 together with the Reports of the Directors and Auditors thereon**
- 1.1 Dato' Chairman tabled the Audited Financial Statements for the financial year ended 31 July 2022 ("**FY2022**") together with the Reports of the Directors and Auditors as set out in the Annual Report 2022.
- 1.2 Dato' Chairman invited accounting-related questions from the floor. No queries were noted.
- 1.3 Dato' Chairman then declared that the Audited Financial Statements for FY2022 together with the Reports of the Directors and Auditors were duly tabled and received by the shareholders at this 5<sup>th</sup> AGM.
- 2. To re-elect the following Directors who retire in accordance with Clause 165.1 of the Company's Constitution and who, being eligible, have offered themselves for re-election:**
- (a) **Dato' Wan Hashim Bin Wan Jusoh (OR1)**
- (b) **Dato' Ng Chai Eng (OR2)**
- 2.1 Dato' Chairman informed that Ordinary Resolutions 1 and 2 dealt with the re-election of two (2) Directors, namely Dato' Ng Chai Eng and himself. He added that both retired pursuant to Clause 165.1 of the Company's Constitution and being eligible, had offered themselves for re-election. He also pointed out that their profiles are disclosed in the Annual Report 2022.
- 2.2 On the proposal of Dato' Chairman, Ordinary Resolutions 1 and 2 were put to vote separately by way of poll.
- 2.3 Dato' Chairman then requested the shareholders to indicate their votes on the polling slips in respect of the following and retain the polling slip for the next resolution:
- (a) Ordinary Resolution 1 on his re-election; and
- (b) Ordinary Resolution 2 on re-election of Dato' Ng Chai Eng.

**3 To approve the payment of Directors' fees and benefits payable of up to an aggregate amount of approximately RM156,000 to the Independent Non-Executive Directors from 11 January 2022 until the conclusion of the next AGM of the Company (OR 3)**

- 3.1 Dato' Chairman then moved on to agenda item 3 which was to approve the payment of Directors' fees and benefits payable of up to an aggregate amount of approximately RM156,000 to the Independent Non-Executive Directors ("**INED**") from 10 January 2022 until the conclusion of the next AGM of the Company.
- 3.2 Dato' Chairman to inform that he and his fellow INEDs as well as persons connected to them have abstained from voting on this resolution.
- 3.3 On the proposal of Dato' Chairman, Ordinary Resolution 3 was put to a vote by way of poll.
- 3.4 Dato' Chairman requested the shareholders to indicate their vote on the polling slip in respect of Ordinary Resolution 3 and retain the polling slip for the next resolution.

**4 To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to determine their remuneration (OR 4)**

- 4.1 The Attendees were informed that Ordinary Resolution 4 was on the re-appointment of BDO PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Dato' Chairman also shared that BDO PLT had indicated their willingness to accept the re-appointment.
- 4.2 On the proposal of Dato' Chairman, the above motion was put to a vote by way of poll. Dato' Chairman then requested the shareholders to indicate their votes in respect of Ordinary Resolution 4 and retain the polling slip for the next resolution.

**5 Authority to allot and issue shares by directors pursuant to sections 75 and 76 of the Companies Act 2016 (OR 5)**

- 5.1 Having concluded the ordinary business of the 5<sup>th</sup> AGM, Dato' Chairman then moved on to the special business on the meeting agenda.
- 5.2 He informed that, if passed, the Ordinary Resolution 5 would empower the Directors to allot and issue shares up to an amount not exceeding 10% of the total issued shares capital of the Company ("**General Mandate**"). As at the date of notice, no new shares were issued in the Company pursuant to the General Mandate granted to the Directors at the last AGM held on 10 January 2022.

- 5.3 He further informed that the renewal of the General Mandate would provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment, working capital and/or acquisitions as well as to avoid any delay and cost in convening general meetings to specifically approve such an issuance of shares.
- 5.4 Dato' Chairman added that approval from the shareholders today would also mean the disapplication of statutory pre-emption rights under the Section 85 of the Companies Act 2016, to allot new shares (or to grant rights over shares) without first offering them to existing shareholders in proportion to their holdings pursuant to the General Mandate.
- 5.5 On the proposal of Dato' Chairman, the above motion was put to a vote by way of poll. Dato' Chairman then requested the shareholders to indicate their vote in respect of Ordinary Resolution 5 and retain the polling slip for the next resolution.
- 6 To approve the proposed grant of options under the Employees Share Grant Scheme ("SGS" or "Scheme") to Ng Sze Chie, an employee of the Group and a person connected to Dato' Ng Chai Eng, Director of the Company (OR 6)**
- 6.1 Dato' Chairman then moved on to the next meeting agenda item and informed that the proposed grant of options under the Employees Share Grant Scheme is intended to motivate, incentivise and reward eligible directors and employees of UWC Group for their contribution towards the Group and create a sense of loyalty and ownership by giving directors and employees an opportunity to participate in the equity of UWC.
- 6.2 In connection therewith, Ordinary Resolution 6 is the Board seeking approval for the proposed grant of options to Ms. Ng Sze Chie, an employee of the Group. Dato' Chairman added that Attendees could refer to the Explanatory Notes accompanying the Notice of 5<sup>th</sup> AGM for details on this Ordinary Resolution 6.
- 6.3 Dato' Chairman also pointed out that Dato' Ng Chai Eng and Dr. Matin Ng, being the interested Directors as well as persons connected to them had abstained from voting on this Ordinary Resolution 6.
- 6.4 On his proposal, the motion for Ordinary Resolution 6 was put to vote by way of poll.
- 7 Any other business**
- 7.1 The Chairman noted from the Company Secretary that no notice of any other business for transaction at this 5<sup>th</sup> AGM had been received by the Company.

## 8 Polling process

- 8.1 On Dato' Chairman's invitation, a representative of Tricor briefed on the procedures for the conduct of poll. The representative stressed that personalised polling slips for the 5<sup>th</sup> AGM were given upon registration. These polling slips were pre-printed with name, identity card number and number of shares represented.
- 8.2 The shareholders were requested to indicate their votes by marking an "X" in the appropriate box for Ordinary Resolutions 1 to 6 and sign on the voting slip for the 5<sup>th</sup> AGM. All the voting slips should be dropped into the ballot box circulated by a representative of the Polling Administrator.
- 8.3 The poll vote count would commence after the adjournment of the meeting and the results of the poll would be verified by the Scrutineer, VCC before handing over to Dato' Chairman for announcement.
- 8.4 Dato' Chairman then declared, with consent from shareholders that the meeting be adjourned for 45 minutes from 3.27 pm for the poll vote count and would resume later for the declaration of poll results in respect of Ordinary Resolutions 1 to 6.

## 9 Announcement of poll results

- 9.1 The meeting was reconvened earlier at 3.51 pm. Dato' Chairman called the meeting to order and thanked the Attendees for their patience in waiting for the results.
- 9.2 Dato' Chairman then announced the poll results for all 6 Ordinary Resolutions ("OR") as tabulated below upon receipt of report from the Scrutineer. The result of the poll was also projected for ease of viewing by all Attendees.

OR	For		Against		Total voted		Abstained
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares
1	813,970,628	92.0410	70,386,401	7.9590	884,357,029	100.0000	-
2	884,327,979	99.9967	29,100	0.0033	884,357,029	100.0000	-
3	882,610,029	99.9991	7,900	0.0009	882,617,929	100.0000	1,739,100
4	884,357,029	100.0000	-	0.0000	884,357,029	100.0000	-
5	883,293,729	99.8798	1,063,300	0.1202	884,357,029	100.0000	-
6	202,133,455	90.8318	20,402,430	9.1682	222,535,885	100.0000	661,821,144

- 9.3 Dato' Chairman informed that 1,739,100 ordinary shares and 661,821,144 ordinary shares were abstained from voting on Ordinary Resolutions 3 and 6 respectively.

- 9.4 Based on the results as verified by the Scrutineer, all 6 Ordinary Resolutions were passed either unanimously or with majority votes. Dato' Chairman then declared that all 6 Ordinary Resolutions were carried.

**Ordinary Resolution 1**

"THAT Dato' Wan Hashim Bin Wan Jusoh be and is hereby re-elected as Director of the Company pursuant to the Company's Constitution."

**Ordinary Resolution 2**

"THAT Dato' Ng Chai Eng be and is hereby re-elected as Director of the Company pursuant to the Company's Constitution."

**Ordinary Resolution 3**

"That the payment of Directors' fees and benefits payable of up to an aggregate amount of approximately RM156,000 to the Independent Non-Executive Directors from 10 January 2022 until the conclusion of the next AGM of the Company be approved."

**Ordinary Resolution 4**

"That BDO PLT be re-appointed as Auditors of the Company and the Directors be authorised to determine their remuneration."

**Ordinary Resolution 5**

**Authority to allot and issue shares by directors pursuant to sections 75 and 76 of the Companies Act 2016**

"THAT, subject always to the Companies Act 2016 ("the Act"), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant government or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons, as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being."

**Ordinary Resolution 6**

**Proposed grant of options under the Employees Share Grant Scheme (“SGS” or “Scheme”) to Ng Sze Chie, an employee of the Group and a person connected to Dato’ Ng Chai Eng, Director of the Company**

“THAT the Board of Directors be and is hereby authorised at any time and from time to time during the duration of the SGS, to grant such number of SGS Shares to Ng Sze Chie, the daughter of Dato’ Ng Chai Eng, the Executive Director / Group Chief Executive Officer of UWC, subject to the provisions of the By-Laws of the SGS, provided always that:

- (i) she must not participate in the deliberation or discussion of her own allocation, as well as that of the persons connected with her, under the SGS; and
- (ii) not more than ten percent (10%) (or such other percentage as may be permitted by Bursa Malaysia Securities Berhad (“Bursa Securities”) or any other relevant authorities from time to time) of the total number of shares to be issued under the SGS shall be allocated to her, if she either singly or collectively through persons connected (as defined in the Main Market Listing Requirements of Bursa Securities (“MMLR”)) with her, 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, if any),

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 SGS and any prevailing guidelines issued by Bursa Securities, the MMLR or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to issue and/or transfer such number of shares arising from the SGS, from time to time, to the abovementioned person.”

**Conclusion**

There being no further business, the meeting closed at 3.53 pm with a vote of thanks to the Chair.

Confirmed as a correct record

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Chairman



**UWC BERHAD**  
Registration No. 201801012223 (1274239-A)  
(Incorporated in Malaysia)

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**Response to the Queries from Minority Shareholders Watch Group**

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1. **With increased orders and requests for quotations from both existing and potential customers, UWC has to expand its production capacity which includes setting up new factories in Taiping and Batu Kawan.**
- (a) **What was the group’s total capacity as of 31 July 2022?**
  - (b) **What was the group’s average capacity utilisation rate for FY2022?**
  - (c) **How much additional capacity do the new factories in Taiping and Batu Kawan add to the group?**
  - (d) **What is the rationale for setting up a factory in Taiping instead of a location in Penang that is nearer to the group’s home base and within the vicinity of the electrical and electronics hub in Penang?**
  - (e) **What is the budgeted capex for FY2023?**

The response is grouped for ease of understanding.

As contract manufacturers, total capacity is measured in terms of machine hours. Given the variety of products that are produced by UWC and its subsidiaries (“Group”), capacity has grown by 10% compared to preceding financial year ended 31 July 2021 (“FY2021”).

Average capacity utilisation rate is capped at 80%, which is the highest threshold acceptable to the Group’s customers so that there is a buffer to address any sudden ramp up in order.

The new plant in Taiping, Perak has added about 100,000 square feet in shopfloor space. Operations started only late last year. At this juncture, this new plant is a cost centre as focus is on talent recruitment and training development to meet the needs of the Group. Down the road, this new plant is expected to contribute additional 10% to the Group’s available capacity.

The choice of Taiping, Perak is one borne out of necessity. Penang is the top destination for multi-national companies (“MNC”). Given the scarcity of manpower and the intense competition for the available human resource in Penang arising from expansion in manufacturing activities following investments by these MNCs, management considered Perak. Also, staffing costs in Penang is high. The introduction of the minimum wage is of little consequence as the Group and others operating within Penang have to offer above the minimum wage in order to recruit headcount.

Taiping, being the nearest industrial area to Penang, also has one of the highest unemployment rates in Perak following a spate of retrenchment and closure of factories operating in traditional industries. Recruitment in Taiping is slightly easier as the Group offers competitive remuneration packages that are attractive to recruit and retain prospective employees.

The Group has an internal guidance of setting aside 40% to 60% of annual profit after tax for investment in capital expenditure ("capex"). Capex needs are assessed at that material point in time to ensure that minimal investment would yield maximum return.

**2. What was the reason for the 20.3% year-on-year decline in revenue from life science and medical technology segment from RM74.559m for FY2021 to RM59.430m for FY2022? Does the Board expect a rebound in this segment for FY2023?**

The year-on-year decline is due in part to improvement in the management of Covid-19 pandemic. The better performance of the life science industry in FY2021 was contributed by Covid-19 related products. The Group has been transiting into other products within this industry. Given the highly regulated nature of this industry, it would take time to qualify products. Nonetheless, management is confident and optimistic of long-term growth.

**3. UWC reported other operating expenses of RM31.995m for FY2021 and RM33.615 for FY2022. Meanwhile, its other operating income jumped from RM3.362m for FY2021 to RM8.202m for FY2022. Please provide a breakdown of the key components of the other operating expenses and the other operating income.**

The key driver of other operating expenses is human capital cost. The cost for talent recruitment and retention is high as average salaries for technicians and engineers have jumped significantly. Minimum wage is no longer relevant for Batu Kawan Industrial Park, Penang where the Group operates given the intense competition for competent and qualified manpower.

As for other operating income, this is mainly contributed by favourable movement in foreign exchange and sale of scraps. The Group has expanded into higher value (front end semiconductor) manufacturing activities where margins are more lucrative. Scraps increase as more materials are used in front-end manufacturing and these are sold off from time to time. However, management expects scrap sale to decline going forward as value re-engineering service is being introduced as part of sustainable practices in manufacturing. The execution of this value re-engineering proposal would take time as qualification and buy-off by customers might require 6 months to 8 months.