

UNISEM (M) BERHAD

Registration No. 198901006009 (183314-V)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING (“EGM”) CONDUCTED FULLY VIRTUAL THROUGH LIVE STREAMING AND ONLINE MEETING PLATFORM PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD (“TRICOR”) IN MALAYSIA VIA ITS TIIH ONLINE WEBSITE AT HTTPS://TIIH.ONLINE (DOMAIN REGISTRATION NUMBER WITH MYNIC: D1A282781) ON WEDNESDAY, 22 SEPTEMBER 2021 AT 10.30 A.M.

Present via online meeting platform : Mr John Chia Sin Tet – *Chairman and Group Managing Director*
Mr Francis Chia Mong Tet – *Executive Director, Group Finance*
Mr Alexander Chia Jhet-Wern – *Executive Director*
Dato’ Gregory Wong Guang Seng – *Senior Independent Director*
Mr Ang Chye Hock – *Independent Director*
Mdm Lim Siew Eng – *Independent Director*
Mr Xiao Zhiyi – *Non-Independent Director*
Mr Cui Weibing – *Non-Independent Director*
Mr Ju Feng - *Non-Independent Director*
Mdm Wei Xiaoli - *Non-Independent Director*
Ms Chin Hock Yee – *Company Secretary*
Ms Kuan Hui Fang - *Company Secretary*

The attendance of members/corporate representatives/proxies is as per the Summary of Attendance List via the Remote Participation and Voting facilities (“RPV”) provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website.

CHAIRMAN

The Chairman welcomed the members and attendees to the Company’s EGM. The Chairman informed that as part of the Company’s safety measures to curb the spread of the Covid-19 pandemic, the EGM was convened fully virtual through live streaming and online meeting platform provided by Tricor via its TIIH Online website. The Chairman then introduced the Board members, Company Secretary and the principal advisors and solicitors for the Proposed Bonus Issue.

NOTICE

The notice convening the meeting, having been circulated earlier to all members of the Company and advertised in the New Straits Times within the prescribed period, was taken as read.

QUORUM

The Chairman advised the meeting that the Constitution of the Company required the presence of at least two (2) members or proxies or corporate representatives to form a quorum. For a fully virtual general meeting, the quorum shall be determined by the number of members who logged-in at the commencement of the meeting.

The Chairman informed that the quorum requirement has been met at the start of the meeting and he called the meeting to order at 10.30 a.m.

The Chairman advised that pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of a general meeting must be voted by poll. Pursuant to the Constitution of the Company, the Chairman declared that the Ordinary Resolution in the Notice of the EGM shall be voted by poll. The poll would be conducted after all items on the agenda have been dealt with. The Chairman then briefed the shareholders on the flow of the meeting.

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Minutes of the Extraordinary General Meeting held on 22 September 2021

The meeting would go through the resolution as set out in the Notice of EGM. Thereafter, there would be a question and answer (“Q&A”) session. During the Q&A session, the Board and Management would address the questions that have been submitted by the shareholders electronically in advance of the EGM and also the questions posed by shareholders at the EGM via real-time submission of typed texts in the query box.

The poll administrator was Tricor Investor & Issuing House Services Sdn Bhd (“Poll Administrator”) and the independent scrutineer was Asia Securities Sdn Berhad (“Scrutineer”).

The Chairman moved to the Ordinary Resolution on the Proposed Bonus Issue. He put the following motion to the meeting for consideration:-

ORDINARY RESOLUTION

PROPOSED BONUS ISSUE OF 806,539,555 NEW ORDINARY SHARES IN UNISEM (M) BERHAD (“UNISEM SHARE(S)” OR “SHARE(S)”) (“BONUS SHARE(S)”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 EXISTING UNISEM SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED BONUS ISSUE”)

“THAT subject to the approvals of all relevant regulatory authorities for the listing of and quotation for 806,539,555 Bonus Shares on the Main Market of Bursa Malaysia Securities Berhad, the Board of Directors (“Board”) be and is hereby authorised to issue 806,539,555 Bonus Shares in the share capital of the Company on the basis of 1 Bonus Share for every 1 existing Unisem Share held by shareholders of the Company whose names appear in the Record of Depositors of the Company (“Entitled Shareholders”) as at the close of business on the date to be determined and announced later by the Board (“Entitlement Date”);

THAT the Bonus Shares shall be issued as fully paid, at nil consideration and without capitalisation of the Company’s retained earnings or reserves;

THAT the Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Shares in the Company, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments, and/or other forms of distribution that may be declared, made or paid to shareholders prior to the Entitlement Date;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements (including without limitations, the affixation of the Company’s Common Seal in accordance with the Company’s Constitution) as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed Bonus Issue of Shares with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company.”

ANY OTHER BUSINESS

The Chairman informed that no notice for other business pursuant to the Companies Act 2016 and the Constitution of the Company had been received.

Q&A SESSION

The Chairman then addressed the questions submitted prior and during the EGM by the shareholders.

The summary of questions and responses from the Company (Summary of Key Matters Discussed) is attached hereto as “Appendix A”.

CONDUCT OF POLL

Having dealt with all the items on the agenda, the meeting then proceeded to vote on the Ordinary Resolution by poll at 11.19 a.m.. The Chairman adjourned the meeting at 11.29 a.m. for the counting of votes.

Upon completion of the counting of votes by the Poll Administrator and verification of the results by the Scrutineer, the Chairman resumed the meeting at 11.53 a.m. for the declaration of the results of the poll.

Based on the poll results attached hereto as “Appendix B”, the Chairman declared the Ordinary Resolution carried.

CLOSURE

The Chairman thanked those present for their attendance and closed the meeting at 11.55 a.m.

READ AND CONFIRMED BY

CHAIRMAN

Appendix A - Summary of Key Matters Discussed

The Company had received questions submitted prior and during the EGM by the shareholders and all the questions submitted were covered during the Q&A session at the EGM. The followings are the key matters discussed:

Q1. Is the current chip shortage issue been a worrying issue for management? And how does it impact our factory utilisation rate?

With current shortage of chips how does this benefit or worsen the co. Outlook, if yes what are Challenges

The Company's response:

R1. There appears to be a shortage of chips in most sectors of the industry due to under-investment in capacity when the pandemic broke out in early 2020. Most players in the semiconductor industry minimized capex to conserve reserves in anticipation of a dramatic slowdown. The slowdown was short-lived and the industry recovered strongly resulting in a shortage of chips especially in the automotive sector.

Some of our customers are affected by a shortage of wafers from the foundries like TSMC but overall we have enough of die-support (wafers from customers) to run our lines to almost optimal capacity.

Q2. Is the group exploring any M&A opportunities with current amount of cash reserve? Or management rather focus more on R&D?

What is the management's plan to utilize the huge cash on hand? Any M&A or expansion plan in place? Thanks

The Company's response:

R2. No M&A proposals are being considered at the moment. We will focus on organic growth.

Q3. Why is Mr. John Chia, a substantial shareholder and CEO of the company keep selling and transfer his shares of the company Is he retiring or there is something wrong with the company?

The Company's response:

R3. The trading in shares of the Company is a matter for shareholders. Shareholders are free to buy and sell shares based on their investment and divestment objectives.

However for the records, John Chia in fact increased his shareholdings substantially in recent months. He sold a small amount (less than 1%) jointly with TSHT (the largest shareholder) to enable the Company to meet the Public Shareholding spread of 25% as stipulated in the listing requirements of Bursa Malaysia Securities Berhad.

Q4. Please advise when the AGM 2021 minutes will be available on UNISEM's website.

Noticed that the AGM minutes is available now, please ignore one of my questions submitted previously on this. The management did a good job!

**Q5. Could you provide investor presentation every time after QR has been release?
Information been obtained not enough for us as investor.**

The Company's response:

R4. The AGM minutes has been posted on the Company's website.

R5. The analyst briefing presentation slides are posted on our website.

**Q6. Any additional preventive measurement to prevent factory been closed down again?
How is the vaccination rate of all Unisem employees?**

Q7. Also, can you give an indication on the coming 3rd quarter results and any impact from the temporary closure of the factory in ipoh. Thank you.

With reference to last QoQ of +20.33%. Do you foresee QoQ performance continue to improve?

The Company's response:

R6. The Company has been trying to procure vaccination for its employees at our plants in Ipoh, Perak since June 2021 but to no avail. Through a private initiative, a mass vaccination programme was conducted on site on 1 September to 3 September 2021 when most of our employees, customers' resident engineers, and our contractors that provide transportation, security, and cleaning services at the plant received the first dose of vaccination. As at today, about 95% of our employees have been vaccinated with at least the 1st jab.

The safety and well-being of our employees and local community are always our utmost priority. We will continue to maintain and adhere to the highest and most stringent COVID-19 preventive SOPs to minimise the spread of COVID-19.

R7. We guided a 5 to 8% growth on revenue for our third financial quarter on a sequential quarterly basis. However, the closure of the Ipoh plants and headcount limitations are likely to impact us negatively in the remaining months of the year till the pandemic subsides significantly.

Q8. Any planning sourcing of new land others than current expansion?

With the aggressive expansion within semiconductor industry for the past one year, do the company foresee any oversupply issue in the next 2-3 years? Because seems like almost every factory is buying new piece of land to expand capacity.

Q9. When is the new Chengdu's factory going to contribute revenue? 2) Any significant new customer for this year?

What is your plan for next 12 months and expected % revenue from your China and Malaysia?

The Company's response:

R8. We have started construction of our Phase 3 plant in Chengdu, China and the project is due for completion in Oct 2022. In Malaysia, we have submitted plans for the construction of another facility on a piece of land in Gopeng Ipoh and awaiting approvals. In the meantime, tenders have been called and pending evaluation.

R9. We are currently augmenting our existing capacity in our plant in Chengdu to increase our overall capacity. We see moderate growth as demand far exceed supply for our products and services. For

our plant in Ipoh we are restrained by headcount capacity, we will continue to grow even as we await the completion of the construction of our new plants in Chengdu and Gopeng.

The contribution from our Ipoh plant and our Chengdu plant is about 45% and 55% respectively. We believe our Chengdu plant will benefit from the increasing domestic outsourcing in China and the contribution from our Chengdu plant will increase going forward.

Q10. How do you foresee the normalization of the semicon supply in the coming years to the company?

How will the normalization of the semicon supply in the coming years impact the company?

The Company's response:

R10. The industry commentators, and most of the semiconductor companies foresee further growth in the demand for chips for the next few quarters. The capacity we are building helps ease the back log. With the greater proliferation of chips in every aspect of life, in everything we do and use will hold us in good stead for the coming years. We will remain focus and monitor the situation constantly to ensure that we do not create much more capacity than the market can take.

Q11. Are we going into electric vehicle chips or related parts?

Good morning. Does Unisem got any plan to increase the presence of Company in the automotive sector, especially the electric vehicle sector?

Q12. Does company have any intention do packing of silicon carbide (SiC) and gallium nitrite (GaN) in the future?

The Company's response:

R11. We are in the EV segment through our customers that supply chips to the automotive and power management sectors.

R12. Yes, we are already working with a few customers for both Assembly & Testing of ICs on SiC & GaN package. Most of these customers supply to infrastructure/base stations for high speed transmitting of data lines to support 5G networks.

Q13. May I know what is the rationale for this proposal ? Please explain

After the bonus issue what the expected earning per share and what will the revenue in % increased

The Company's response:

R13. The rationale for the proposed bonus issue is set out in Section 3 of the Circular.

The effects of the proposed bonus issue on the earnings per share is set out in Section 5.4 of the Circular.

Q14. What is the existing dividend payout policy and any plan to increase the dividend payout to reward shareholders? Thanks.

The Company's response:

R14. We have consistently paid three dividends in a year. Going forward we will evaluate the dividend payout taking into consideration our operation and capital expenditure requirements.

Q15. Questions asking for voucher/e-voucher/e-wallet/door gifts/food voucher/goodies

The Company's response:

R15. We made a decision that there will be no voucher/e-voucher/e-wallet/door gifts/food voucher/goodies for participation in this EGM. It was stated in our Administrative Guide to Shareholders. We nonetheless hope that shareholders would continue to support Unisem and to participate in the deliberations at our general meetings. We will continue to strive for better outcomes in our operations and that will benefit all shareholders even more.

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(183314-V)

Extraordinary General Meeting

Online Meeting Platform via TIH Online website at

<https://tuh.online> provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia

On 22-September-2021 at 10:30AM

Result On Voting By Poll

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Ordinary Resolution 1	650,058,940	99.9994	4,113	0.0006	650,063,053	100.0000

