

WATTA HOLDING BERHAD
(Registration No. 199401038699 (324384-A))
(“Watta” or “the Company”)
(Incorporated in Malaysia)

Minutes of Twenty Fifth Annual General Meeting of the Company held at Ballroom 1 @ Level 2, The Federal Kuala Lumpur, 35 Jalan Bukit Bintang, 55100 Kuala Lumpur on Thursday, 23 July 2020 at 9.00 a.m.

Directors Present: Hj Ahmad Bin Darus (*Independent Non-Executive Chairman*)
 Dato’ Lee Foo San (*Group Executive Deputy Chairman and Chief Executive Officer*)
 Hj Ariffin Bin Abdul Aziz (*Group Executive Director*)
 Datin Teoh Lian Tin (*Executive Director*)
 Loo Sooi Guan (*Executive Director*)
 Gan Leng Swee (*Independent Non-Executive Director*)
 Hj Ahmad Bin Khalid (*Non-Independent Non-Executive Director*)
 Lee Tak Wing (*Independent Non-Executive Director*)
 Datuk Hong Choon Hau (*Non-Independent Non-Executive Director*)

In Attendance: Yeoh Chong Keat (Company Secretary)
 Liew Chak Hooi (Company Secretary)

1. **INTRODUCTION AND QUORUM**

Tuan Hj Ahmad Bin Darus, the Chairman of the Board of Directors of the Company (“Board”), welcomed all members present at the Company’s Twenty Fifth Annual General Meeting (“AGM”) for the purpose of considering the business of the Company as set out in the Notice to Shareholders dated 24 June 2020.

The Chairman proceeded to introduce the members of the Board to the floor.

Upon confirming the presence of a quorum with the Secretary, the Chairman duly called the Meeting to order.

2. **NOTICE**

The Notice convening the AGM had been sent to all the shareholders of the Company in accordance with the Company’s Constitution and was published in The New Straits Times on 24 June 2020.

There being no objection from the floor, the notice convening the AGM was taken as read.

3. **SHAREHOLDERS’ VOTING RIGHTS**

The Secretary informed the floor that all shareholders present in person or by proxy or authorised representative or attorney were entitled to vote by poll at the AGM as all the resolutions tabled for shareholders’ approval at the AGM would be decided on a poll in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and shall have one (1) vote for each share held.

The Chairman then informed that the polling would be conducted upon deliberation and completion of all items to be transacted at the AGM. He further informed that the Company has appointed Bina Management (M) Sdn Bhd as Poll Administrator to conduct the polling and Archer Consulting Group Sdn Bhd as Scrutineers to verify the poll results.

The Chairman informed that in order to facilitate the orderly conduct of the Meeting, questions and answers session would be held after the Meeting had procedurally moved each motion.

4. **QUESTIONS FROM THE MINORITY SHAREHOLDERS WATCH GROUP**

The Chairman proceeded with the Meeting and welcomed the present of the representative of the Minority Shareholders Watch Group (“MSWG”).

He informed the floor that MSWG had prior to the Meeting posed some written questions for answers at the AGM. The questions from MSWG and the responses by the Board to those questions from MSWG, as set out below, were presented and were read out by the Chairman at the AGM:

(i) Question: *The Group reported profit after tax of RM1.929 million for the year 2019 as a result of a revaluation surplus on its assets. The surplus arising from the revaluation of its investment properties amounted to RM5.238 million (page 12 of Annual Report 2019 (“AR2019”)).*

(a) *Without the revaluation surplus the Group would have recorded two consecutive years of losses after tax and declining revenue. Is the Group expected to reduce its losses, going forward?*

(b) *The Group’s business is dependent on repairing handphones that are under warranty and repairing ‘out of warranty’ handphones. This business continues to experience ongoing highly competitive pressures. Will the Group’s current strategies be able to turnaround the business or ensure profitability? When is the Group expected to show profits?*

Response: The Group reported profit after tax of RM1.929 million for FY2019 as a result of a revaluation surplus on its assets.

(a) The Group has been striving hard to improve the business performance and operational efficiency; to reduce its losses or even to turn into profitability. For the recent years, the Group has been considering proposals for acquisitions or investment into new business/assets to improve its profitability. However, the investment proposals were evaluated by management in a preliminary manner; where they were deemed not viable. With the Covid-19 pandemic, it is prudent that the Group does not explore or consider any acquisitions or investments in new business/assets until the outlook is more certain.

(b) The Group's business is dependent on repairing the under warranty and 'out of warranty' handphones. The business unit is always in the look out to secure more brands from mobile phones principals. Due to the Movement Control Orders (MCO), Conditional Movement Control Orders (CMCO) and the current Recovery Movement Control Order (RMCO), the business has been impacted especially in quarter 2; without discounting some impact for second half of FY2020. We hope the Covid-19 is under control so that the business activities can be improved. Due to the uncertain business environment, we expect the business performance in service and repair of tele-communication products to be moderate in FY2020 and to improve in FY2021 or FY2022.

(ii) Question: *Cost-cutting measures are continuously being looked at and the Group has reduced its staff force to a level that will be cost efficient but will not compromise the quality and service delivery (page 12 of AR2019).*

How much cost savings is the Group expected to achieve in financial year ending 2020?

Response: The business unit has been operating in a lean environment. Nevertheless, continuous cost-cutting measures have been undertaken and we expect to have cost savings of approximately RM60,000.00 to RM80,000.00 in reduction in staff force.

(iii) Question: *Waiver of debts amounting to RM25,999 (2018: Nil) (Note 22, page 73 of AR2019).*

(a) What is the reason for waiving the said debts?

(b) What is the nature of the said debts?

(c) What were the actions taken to try to collect the said debts?

Response: We wish to clarify that the "Waiver of debts amounting to RM25,999 (2018: Nil) (Note 22, page 73 of AR2019)" was not a debt written off.

(a) The said amount was an outstanding amount due by a subsidiary company to a Director of the said subsidiary company. The Director had written in officially to waive the claims for the said amount during FY2019.

(b) The nature of the said amount was not a debt. It was supposed to be income received.

(c) No actions were taken as it was not a debt. The Director had officially notified in writing to the subsidiary on the waiver of the said amount owing to him.

(iv) Question: *Datuk Hong Choon Hau, the Non-Independent Non-Executive Director of the Company only attended 3 out of 5 Board meetings – 60% attendance during the financial year (page 20 of AR2019).*

What are the reasons for him not being able to attend the other two Board meetings during the financial year?

Response: Datuk Hong Choon Hau was absent for two Board meetings during the FY2019. The reasons are as follows:

➤ 11 April 2019: attended a presentation and interview at Securities Commission; and

➤ 19 November 2019: attended an official invitation in Singapore.

Datuk Hong received the Board meeting minutes subsequent to the Board meetings.

- (v) *Practice 12.3 – Listed companies with a large number of shareholders or which having meetings in remote locations should leverage technology to facilitate –*
- *voting in absentia; and*
 - *remote shareholders’ participation at General Meetings.*

WATTA’s response: Applied.

As disclosed on page 40 of the CG Report, “Shareholders are entitled to appoint proxy(ies)/ representative(s)/ Chairman of the meeting to vote on their behalf in their absence at general meeting. The Company’s general meetings have always been held at a venue which is easily accessible.”

MSWG’s comment:

The Practice does not relate to accessibility of general meeting’s venue and proxy but more towards the leveraging of technology to facilitate voting in absentia and remote shareholders’ participation at general meetings. Based on the Company’s explanation given on the application of Practice 12.3, the Company has not applied the Practice correctly.

Please take note.

Response: We take note of MSWG’s comment on the explanation given on the application of Practice 12.3.

There being no questions raised, the Chairman continued with the agenda of the meeting.

5. **RECEIPT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Audited Financial Statements of the Company for the financial year ended 31 December 2019 (“AFS”) and the Reports of the Directors and Auditors thereon which had been previously circulated to all the members of the Company within the statutory period were tabled before the Meeting.

With the unanimous consent of the members, the Auditors’ Report contained in the AFS was taken as read.

The Chairman then invited questions from the floor.

There being no questions raised, the AFS of the Company and the Reports of the Directors and Auditors thereon as laid before the Meeting were declared by the Chairman to be duly received.

6. **RESOLUTIONS 1, 2 AND 3**

RE-ELECTION OF DIRECTORS RETIRING PURSUANT TO CLAUSE 109 OF THE COMPANY'S CONSTITUTION

The Chairman continued with the second item of the agenda and informed that pursuant to Clause 109 of the Company's Constitution, Tuan Hj Ariffin Bin Abdul Aziz, Tuan Hj Ahmad Bin Khalid and Mr Loo Sooi Guan retire by rotation and being eligible, have offered themselves for re-election.

Mr Ng Chee Kan proposed and Mr Chan Soh Hwa seconded the following motion:

"THAT Tuan Hj Ariffin Bin Abdul Aziz who is retiring pursuant to Clause 109 of the Company's Constitution and being eligible, be hereby re-elected to office."

The Chairman proceeded with the agenda. Mr Loo Kwong Yong proposed and Mr Chan Soh Hwa seconded the following motion:

"THAT Tuan Hj Ahmad Bin Khalid who is retiring pursuant to Clause 109 of the Company's Constitution and being eligible, be hereby re-elected to office."

The Chairman continued with the agenda and that Mr Chan Soh Hwa proposed and Mr Ng Chee Kan seconded the following motion:

"THAT Mr Loo Sooi Guan who is retiring pursuant to Clause 109 of the Company's Constitution and being eligible, be hereby re-elected to office."

There being no questions raised, the Chairman proceeded to the next item of the agenda.

7. **RESOLUTION 4**

APPROVAL OF THE PAYMENT OF ADDITIONAL DIRECTORS' FEES AND BENEFITS FOR THE PERIOD FROM 1 JANUARY 2019 UNTIL THE CONCLUSION OF THE AGM

The Chairman informed the floor that the third item of the agenda was to seek shareholders' approval for payment of additional Directors' fees and benefits of up to RM20,000.00 for the period from 1 January 2019 until the conclusion of the AGM.

Ms Chee Lai Yee proposed and Mr Chan Soh Hwa seconded the following motion:

"THAT the payment of additional Directors' fees and benefits of up to RM20,000.00 for the period from 1 January 2019 until the conclusion of the AGM be and is hereby approved."

There being no question raised, the Chairman continued with the next item on the agenda.

8. **RESOLUTION 5**

APPROVAL OF PAYMENT OF DIRECTORS' FEES AND BENEFITS FROM 24 JULY 2020 UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

The Chairman informed the floor that the fourth item of the agenda was to seek shareholders' approval for payment of Directors' fees and benefits of up to RM250,000.00 for the period from 24 July 2020 until the conclusion of the next annual general meeting of the Company.

Mr Loo Kwong Yong proposed and Mr Chan Soh Hwa seconded the following motion:

“THAT the payment of Directors' fees and benefits of up to RM250,000.00 in respect of the period from 24 July 2020 until the conclusion of the next annual general meeting of the Company be and is hereby approved.”

There being no questions raised, the Chairman proceeded to the next item of the agenda.

9. **RESOLUTION 6**

RE-APPOINTMENT OF AUDITORS

The Chairman informed the floor that the Company's Auditors, Messrs UHY had expressed their willingness to continue in office and had given their consent for re-appointment as the Company's Auditors.

Mr Chan Soh Hwa proposed and Mr Loo Kwong Yong seconded the following motion:

“THAT Messrs UHY be re-appointed the Auditors of the Company AND THAT the Directors be authorised to fix their remuneration.”

There being no questions raised, the Chairman proceeded with the next item of the agenda.

10. **RESOLUTION 7**

RETENTION OF INDEPENDENT DIRECTOR

The Chairman informed that the sixth item of the agenda was to seek the approval of the shareholders for the retention of Tuan Hj Ahmad Bin Darus who had served the Board for more than 9 years as Independent Director.

The shareholders were informed that in accordance with the Malaysia Code on Corporate Governance, the Board had, after having assessed the independence of Tuan Hj Ahmad Bin Darus, considered him to be independent based on the justifications as contained in the Statement Accompanying Notice of the AGM. Accordingly, the Board recommended that he be retained as Independent Non-Executive Director of the Company and to hold office until the conclusion of the next annual general meeting.

Mr Chan Soh Hwa proposed and Mr Loo Kwong Yong seconded the following motion:

“THAT in accordance with the Malaysian Code on Corporate Governance, Hj Ahmad Bin Darus be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next Annual General Meeting, subject to the provisions of the relevant regulatory authorities.”

There being no questions raised, the Chairman continued with the next item on the agenda.

11. **RESOLUTION 8**

RETENTION OF INDEPENDENT DIRECTOR

The Chairman informed that the next item on the agenda was to seek the approval of the shareholders for the retention of Mr Gan Leng Swee who had served the Board for more than 9 years as Independent Director.

The shareholders were informed that in accordance with the Malaysia Code on Corporate Governance, the Board had, after having assessed the independence of Mr Gan Leng Swee, considered him to be independent based on the justifications as contained in the Statement Accompanying Notice of the AGM. The Board recommended that he be retained as Independent Non-Executive Director of the Company and to hold office until the conclusion of the next annual general meeting.

Mr Chan Soh Hwa proposed and Mr Loo Kwong Yong seconded the following motion:

“THAT in accordance with the Malaysian Code on Corporate Governance, Gan Leng Swee be and is hereby retained as Senior Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next Annual General Meeting, subject to the provisions of the relevant regulatory authorities.”

There being no questions raised, the Chairman proceeded to the next item on the agenda.

12. **RESOLUTION 9**

RETENTION OF INDEPENDENT DIRECTOR

The Chairman informed that the next item on the agenda was to seek the approval of the shareholders for the retention of Mr Lee Tak Wing whose tenure will reach a cumulative period of more than 9 years in October 2020.

The shareholders were informed that in accordance with the Malaysia Code on Corporate Governance, the Board had, after having assessed the independence of Mr Lee Tak Wing, considered him to be independent based on the justifications as contained in the Statement Accompanying Notice of the AGM. The Board recommended that he be retained as Independent Non-Executive Director of the Company and to hold office until the conclusion of the next annual general meeting.

Mr Chan Soh Hwa proposed and Mr Loo Kwong Yong seconded the following motion:

“THAT in accordance with the Malaysian Code on Corporate Governance, Lee Tak Wing be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next Annual General Meeting, subject to the provisions of the relevant regulatory authorities.”

There being no questions raised, the Chairman proceeded to the next item on the agenda.

13. **RESOLUTION 10**

AUTHORITY FOR DIRECTORS TO ISSUE SHARES

The Chairman proceeded to the next item on the agenda to seek shareholders’ approval for the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.

Mr Ng Chee Kan proposed and Mr Chan Soh Hwa seconded the following motion:

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental and/or regulatory authorities (if any), the Directors be and are hereby empowered to issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company at the time of issue AND THAT the Directors be and are hereby also empowered to obtain approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company.”

There being no questions raised, the Chairman proceeded to the next item on the agenda.

14. **RESOLUTION 11**

PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”)

The Chairman continued with the next item on the agenda to seek shareholders’ approval for the Company and its subsidiaries to enter into recurrent related party transactions (“RRPTs”) of a revenue or trading nature which are necessary for the Group’s day-to-day operations and are carried out in the ordinary course of business. The relevant information of the Proposed Shareholders’ Mandate was set out in the Company’s Circular to Shareholders dated 24 June 2020.

The Chairman informed that since Dato’ Lee Foo San, Datin Teoh Lian Tin and persons connected to them as well as Tuan Hj Ahmad Bin Khalid are interested parties in the Proposed Shareholder’s Mandate, they and persons connected to them shall abstain from voting on this resolution.

Mr Loo Kwong Yong proposed and Mr Chan Soh Hwa seconded the following motion:

“THAT subject always to the provisions of the Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature as stated in Section 2.5 of the Circular to Shareholders dated 24 June 2020 with the specified classes of related parties mentioned therein which are necessary for the Group’s day-to-day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT the approval shall continue to be in force until:-

- (i) the conclusion of the next AGM of the Company following the AGM at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“the Act”) (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act);
or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Shareholders’ Mandate described in the Circular.”

There being no questions raised, the Chairman continued with the remaining item on the agenda.

15. **RESOLUTION 12 - SPECIAL RESOLUTION**

PROPOSED AMENDMENTS TO THE COMPANY’S CONSTITUTION

The Chairman informed that the last item on the agenda was to seek the approval of the shareholders for amendments to the Company’s Constitution as set out in Appendix I of the Annual Report 2019, to align with the amendments made to the Act.

Mr Chan Soh Hwa proposed and Mr Ng Chee Kan seconded the following motion:

“THAT the amendments to the Company’s Constitution as set out in Appendix I of the Annual Report 2019 be and are hereby approved and adopted (“Proposed Amendments”).

THAT the Directors of the Company be and are hereby authorised to do all such acts, deeds and things that are necessary and/or expedient to give full effect to the Proposed Amendments.”

There being no questions raised, the Chairman informed the floor that the voting on all the resolutions by poll will be conducted.

16. POLLING PROCESS

The Chairman briefed the shareholders on the polling procedures and informed that the Registrar and Independent Scrutineers will be conducting the polling and vote counting process as well as verification after the casting of votes.

The Chairman further informed that the poll results would be announced after the Scrutineers have completed their report.

The Chairman then declared the Meeting adjourned at 9.30 a.m. for the polling process.

17. ANNOUNCEMENT OF POLL RESULTS

At 9.55 a.m., the Chairman called the Meeting back to order for the declaration of poll results. He informed that the Scrutineers had completed their report and invited the Secretary to announce the poll results.

The Secretary announced the poll results in respect of all the Ordinary Resolutions and the Special Resolution as follows:-

Resolutions	Voted For		Voted Against		Total Votes	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Resolution 1	53,335,715	100.0000	0	0.0000	53,335,715	100.0000
Resolution 2	53,335,715	100.0000	0	0.0000	53,335,715	100.0000
Resolution 3	53,335,715	100.0000	0	0.0000	53,335,715	100.0000
Resolution 4	53,335,515	99.9996	200	0.0004	53,335,715	100.0000
Resolution 5	53,335,715	100.0000	0	0.0000	53,335,715	100.0000
Resolution 6	53,335,015	100.0000	0	0.0000	53,335,015	100.0000
Resolution 7	53,335,415	99.9994	300	0.0006	53,335,715	100.0000
Resolution 8	53,335,415	99.9994	300	0.0006	53,335,715	100.0000
Resolution 9	53,335,715	100.0000	0	0.0000	53,335,715	100.0000
Resolution 10	53,335,715	100.0000	0	0.0000	53,335,715	100.0000
Resolution 11	21,159,185	95.4872	1,000,000	4.5128	22,159,185	100.0000
Resolution 12	52,335,715	98.1251	1,000,000	1.8749	53,335,715	100.0000

The Chairman declared that all the Ordinary Resolutions and the Special Resolution were duly carried.

18. **CLOSURE**

There being no other business, the Meeting closed at 10.00 a.m. with a vote of thanks to the Chairman.

READ AND CONFIRMED BY

CHAIRMAN

Date: 18 September 2020