

**WATTA HOLDING BERHAD (324384-A)**  
(Incorporated in Malaysia)

Minutes of Twenty-Second Annual General Meeting of the Company held at Penthouse @ Level 16, The Federal Kuala Lumpur, 35 Jalan Bukit Bintang, 55100 Kuala Lumpur on Friday, 31 March 2017 at 9.00 a.m..

Directors Present: Dato' Lee Foo San (Group Executive Chairman)  
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 Darus (Independent Non-Executive Director)  
Hj Ahmad Bin Khalid (Non-Independent Non-Executive Director)  
Lee Tak Wing (Independent Non-Executive Director)

In Attendance: Yeoh Chong Keat (Company Secretary)  
Lim Fei Chia (Company Secretary)

1. **INTRODUCTION AND QUORUM**

Mr Yeoh Chong Keat ("Mr Yeoh"), the Company Secretary, on behalf of the Board of Directors, welcomed all members present at the Company's Twenty-Second Annual General Meeting ("AGM") for the purpose of considering the business of the Company as set out in the Notice to Shareholders dated 26 January 2017.

Mr Yeoh proceeded to introduce the Board of Directors of the Company to the floor. The floor was then informed that Dato' Lee Foo San, the Chairman, had requested Tuan Hj Ariffin Bin Abdul Aziz ("Tuan Hj Ariffin") to conduct the Meeting based on his Chairman's agenda.

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

2. **SHAREHOLDERS' VOTING RIGHTS**

Tuan Hj Ariffin 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 Listing Requirements of Bursa Securities.

Tuan Hj Ariffin further informed that the polling would be conducted upon completion of deliberation 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 Scrutineer to verify the poll results.

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**3. NOTICE**

Tuan Hj Ariffin duly called the Meeting to order.

The Notice convening the AGM had been sent to all the shareholders of the Company in accordance with the Company's Articles of Association and was published in the New Straits Times on 26 January 2017.

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

Tuan Hj Ariffin informed that in order to facilitate the orderly conduct of the meeting, questions & answers sessions would be held after the Meeting had procedurally moved each motion.

**4. RECEIPT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Audited Financial Statements of the Company for the financial year ended 30 September 2016 ("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.

Tuan Hj Ariffin then invited questions from the floor.

Mr Simon Ng enquired of the strategy of the Group in view of the deteriorating financial performance of the Group for the recent past financial years.

Tuan Hj Ariffin replied that although the Group's turnover has been stable, the automotive battery business has been experiencing loss due inter-alia to the strengthening of the US Dollar coupled with the increase of lead price. Tuan Hj Ariffin remarked that hand phone servicing business has been contributing to the Group's revenue for the financial year under review and will continue to contribute positively in coming years.

To Mr Simon Ng's further comments on inter-alia improvement of sales and internal management of costs as well as to source from cheaper suppliers in the automotive battery business, Tuan Hj Ariffin responded that even though the Company has been sourcing from more than one supplier, it is the overall market conditions that has affected the selling price of the automotive batteries and they are many other distributors that are running their business at a loss. The Company expects the cost of importing automotive batteries to continue to be high and the automotive battery business will continue to be competitive and tough. Management is continuously looking into improving the performance of automotive battery business and reduce its costs.

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Mr Loo Sooi Guan remarked that since the implementation of ASEAN Free Trade Agreement, the automotive batteries industry has been very competitive and challenging. He added that many distributors have been buying and selling at low price and given the circumstances and competitive market condition, certain dealers have been selling low-priced automotive batteries hence it would not be advantageous for the Group to sell more batteries. He added the Company has also improved the debtors' ageing.

Mr Loo added that the Management is always strategizing and on the lookout for new business ventures and/or diversification but this has yet to be decided considering all relevant applicable risks that may be involved in the new ventures.

To Mr Simon's further enquiry on the expertise for undertaking hand phone business, Tuan Hj Ariffin informed that the Company has been appointed the distributor for LG brand handphones and Management is optimistic that the hand phone distribution business will enhance the financial performance of the Group in mitigation of the challenging business environment of the automotive battery business. The Board has Mr Lee Tak Wing and Tuan Hj Ahmad bin Darus who have vast experience in the telecommunications industry. To the queries raised on the competitiveness of other brands of hand phones, Mr Lee Tak Wing shared his view on the hand phone distributorship business and remarked that the Group will progress gradually and carefully in this regard, as is natural in this business.

In response to Mr Khong Seng Kong's questions, Tuan Hj Ariffin informed that Zitron Enterprise Sdn Bhd, a company with whom the Group has transactions with is not within the Watta Group and there are no conflict of interests in the transactions as Zitron is dealing different brands of cellular phones.

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

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

**RE-ELECTION OF DIRECTORS RETIRING IN ACCORDANCE WITH ARTICLE 106 OF THE COMPANY'S ARTICLES OF ASSOCIATION**

Tuan Hj Ariffin continued with the second item of the agenda and informed that pursuant to Article 106 of the Company's Articles of Association, Mr Gan Leng Swee, Tuan Hj Ahmad Bin Khalid and Mr Loo Sooi Guan retire by rotation and being eligible, have offered themselves for re-election.

Mr Simon Ng proposed and Mr Stanley Cheong seconded the following motion:

“THAT Gan Leng Swee who is retiring pursuant to Article 106 of the Company's Articles of Association and being eligible, be hereby re-elected to office.”

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Tuan Hj Ariffin proceeded to the next item of the agenda. Mr Chan Soh Hwa proposed and Mr Vincent Loo seconded the following motion:

“THAT Tuan Hj Ahmad Bin Khalid who is retiring pursuant to Article 106 of the Company’s Articles of Association and being eligible, be hereby re-elected to office.”

The following motion on the proposed re-election of Mr Loo Sooi Guan was proposed by Mr Chan Soh Hwa seconded Mr Ng Chee Kan:

“THAT Mr Loo Sooi Guan who is retiring pursuant to Article 106 of the Company’s Articles of Association and being eligible, be hereby re-elected to office.”

There being no questions raised, Tuan Hj Ariffin informed the floor that the voting on all the resolutions by poll will be conducted upon completion of all the remaining business of the Meeting.

6. **RESOLUTION 4**

**APPROVAL OF THE PAYMENT OF DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016**

Tuan Hj Ariffin proceeded to the next item of the agenda. Mr Chan Soh Hwa proposed and Mr Vincent Loo seconded the following motion:

“THAT the payment of Directors’ fees of RM144,000.00 in respect of the financial year ended 30 September 2016 be and is hereby approved.”

There being no questions raised, Tuan Hj Ariffin informed the floor that the voting on all the resolutions by poll will be conducted upon completion of all the remaining business of the Meeting.

7. **RESOLUTION 5**

**RE-APPOINTMENT OF AUDITORS**

Tuan Hj Ariffin 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 Vincent Loo proposed and Mr Stanley Cheong 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, Tuan Hj Ariffin informed the floor that the voting on all the resolutions by poll will be conducted upon completion of all the remaining business of the Meeting.

8. **RESOLUTIONS 6 & 7**

**RETENTION OF INDEPENDENT DIRECTORS**

Tuan Hj Ariffin informed that the next item on the agenda was to seek the approval of the shareholders for the retention of Mr Gan Leng Swee and Tuan Hj Ahmad Bin Darus who had served the Board for more than 9 years as Independent Directors.

The shareholders were informed that in accordance with the Malaysia Code on Corporate Governance 2012, the Board of Directors and Nomination Committee had, after having assessed the independence of the said two (2) Independent Directors, considered them to be independent based on the justifications contained in the Notice of the AGM. Accordingly, the Board recommended that they be retained as Independent Non-Executive Directors of the Company and to hold office until the conclusion of the next AGM.

Mr Stanley Cheong proposed and Mr Chan Soh Hwa seconded the following motion:

“THAT in accordance with the Malaysian Code on Corporate Governance 2012, Gan Leng Swee 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.”

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

“THAT in accordance with the Malaysian Code on Corporate Governance 2012, 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.”

In response to the comment of Mr William Ng on the long tenure of service of said 2 Independent Directors, Tuan Hj Ariffin informed that the Board had assessed the independence of both Mr Gan Leng Swee and Hj Ahmad Bin Darus and considered them to be independent as they have provided independent view and judgment to Board deliberations besides invaluable contributions to the Board.

There being no further questions, Tuan Hj Ariffin informed the floor that the voting on all the resolutions by poll will be conducted upon completion of all the remaining business of the Meeting.

**WATTA HOLDING BERHAD (324384-A)***Minutes of the 22<sup>nd</sup> Annual General Meeting held on 31 March 2017 (cont'd)*9. **RESOLUTION 8****AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES**

Tuan Hj Ariffin 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 (previously Section 132D of the Companies Act, 1965).

Mr Stanley Cheong proposed and Mr Vincent Loo seconded the following motion:

“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 (“the Act”), and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue new shares in the Company at any time, at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the total issued share capital of the Company at the time of issue AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad 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 AGM of the Company.”

There being no questions raised, Tuan Hj Ariffin informed the floor that the voting on all the resolutions by poll will be conducted upon completion of all the remaining business of the Meeting.

10. **RESOLUTION 9****PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS' MANDATE”)**

Tuan Hj Ariffin informed that the next item on the agenda was 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 26 January 2017.

Tuan Hj Ariffin further informed that 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.

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Mr Stanley Cheong 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 26 January 2017 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 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; or
- (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 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 a resolution passed by the shareholders in a 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.”

There being no questions raised, Tuan Hj Ariffin informed the floor that the voting on all the resolutions by poll will be conducted upon completion of all the remaining business of the Meeting.

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

## 11. **POLLING PROCESS**

Tuan Hj Ariffin 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 shareholders were further informed that the poll results would be announced as soon as after the Scrutineers have completed their report.

Tuan Hj Ariffin declared the Meeting adjourned at 10.30 a.m. for the polling process.

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**12. ANNOUNCEMENT OF POLL RESULTS**

At 11.05 a.m., Tuan Hj Ariffin called the Meeting back to order for the declaration of poll results. He informed that the Scrutineers have 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 1, 2, 3, 4, 5, 6, 7, 8 and 9 as set out in Appendix I.

Tuan Hj Ariffin declared that Ordinary Resolutions 1, 2, 3, 4, 5, 6, 7, 8 and 9 were all duly carried.

**13. CLOSURE**

There being no other business, the Meeting closed at 11.10 a.m. with a vote of thanks to the Chairman.

READ AND CONFIRMED BY

CHAIRMAN

Date: 14 April 2017



## APPENDIX I

Resolution	Vote For		Vote Against		Spoilt Votes	Abstained
	No. of Shares	%	No. of Shares	%	No. of Shares	No. of Shares
<b>Ordinary Resolution 1</b> To re-elect the Director, Gan Swee Leng	51,144,361	99.9996	192	0.0004	2,001	-
<b>Ordinary Resolution 2</b> To re-elect the Director, Hj Ahmad Bin Khalid	51,118,461	99.9998	92	0.0002	28,001	-
<b>Ordinary Resolution 3</b> To re-elect the Director, Loo Sooi Guan	51,144,361	99.9996	192	0.0004	2,001	-
<b>Ordinary Resolution 4</b> To approve the payment of Directors' fees	51,144,361	99.9996	192	0.0004	2,001	-
<b>Ordinary Resolution 5</b> To re-appoint Messrs UHY as the Company's Auditors	51,144,461	99.9998	92	0.0002	2,001	-
<b>Ordinary Resolution 6</b> To approve the retention of Gan Leng Swee as Independent Director	51,144,311	99.9995	242	0.0005	2,001	-
<b>Ordinary Resolution 7</b> To approve the retention of Hj Ahmad Bin Darus as Independent Director	51,118,311	99.9487	26,242	0.0513	2,001	-
<b>Ordinary Resolution 8</b> Authority for Directors to Issue Shares	51,118,271	99.9486	26,282	0.0514	2,001	-
<b>Ordinary Resolution 9</b> Proposed Shareholders' Mandate	23,436,541	99.9988	282	0.0012	2,001	27,707,730