

The Chairman then informed that the polling would be conducted upon completion or deliberation of each item 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.

He also informed that the polling would be conducted via live voting and the representative of the Poll Administrator was invited to brief the shareholders on the live voting procedures with a trial run thereafter.

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 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 incurred a loss of RM3.11 million mainly due to the impairment of goodwill for the companies under the handphone service and repair business of RM2.4 million.*

Will there be any further impairment of goodwill in FY2019?

Response: In financial year 2018, the Company had fully impaired the goodwill under the handphone service and repair business of RM2.4 million. With reference to Note 7 of the Statement of Financial Position of the Company (page 43 and page 67 of Watta’s Annual Report 2018), the details of the goodwill on consolidation were stated therein.

There will be no further impairment of goodwill in the financial year 2019 for the handphone service and repair business.

- (ii) Question: *The handphone service and repair business incurred a loss in the year 2018 as a result of stiffer competition in the business, lower sales of new handphones in the market and more handphone users repairing their out of warranty handphones.*

How will the Group address these challenges since the servicing and repair of telecommunication products is now the core business after the disposal of the battery business?

Response: The Company’s handphone service and repair business has been in operation for a considerable length of time and it is the preferred authorised service center for most of the popular brands in Malaysia. To face the challenges in the industry, the strategy would be as follows:-

- (a) To continue to be the preferred handphone service and repair center for the existing popular brands, the service and repair centers will comply with all the key performance indicators imposed by the handphone manufacturers. Presently, the service and repair centers are the authorised service center for all the popular android based handphone brands in Malaysia.
 - (b) While retaining the appointment as the authorised service and repair center for many brands, the Company would also look for other new brands to add to its list of clients.
 - (c) The Company would also continuously look at measures to further reduce operational cost and improve efficiency.
- (iii) Question: *On page 15 of the Annual Report, we noted that the Group will scout for new opportunities for the Group.*
- (a) *What is the plan, the total capital budget and the type of new investments the Board is considering?*
 - (b) *How confident is the Board of obtaining new business opportunities especially in the current global economic uncertainties?*

Response: Efforts will continue to cautiously explore new businesses/assets and/or diversification into other activities to improve the financial performance of the Group despite the weak economic environment and uncertainties arising from the trade war between the United States and China.

There is no defined capital budget and the type of new investments that the Board is considering. The Board is open to acquiring, investing or starting new businesses upon careful evaluation of risks and returns.

- (iv) Question: *Practice 4.2 of the Malaysian Code on Corporate Governance states that if the board intends to retain an independent director beyond nine years, it should justify and seek shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.*

The Company has departed from this Practice to seek shareholders' approval to retain Tuan Hj Ahmad Bin Darus (15 years) and Mr Gan Leng Swee (21 years) as independent directors through a two-tier voting process.

When does the Company would comply to this Practice?

Response: (a) Please refer to the Corporate Governance Report of the Company on explanation for the departure of Practice 4.2. The Board is of the view that the length of service of the independent directors does not in any way interfere with the exercise of their independent judgement and ability to act in the best interest of the Company.

(b) The Board will continue its annual assessment on independence of its independent directors and will consider adopting the two-tier voting process in the future.

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 2018 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Audited Financial Statements of the Company for the financial year ended 31 December 2018 (“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 ARTICLE 106 OF THE COMPANY’S CONSTITUTION

The Chairman continued with the second item of the agenda and informed that pursuant to Article 106 of the Company’s Constitution, Dato’ Lee Foo San, Datin Teoh Lian Tin and Mr Gan Leng Swee (“Mr Gan”) retire by rotation and being eligible, have offered themselves for re-election.

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

“THAT Dato’ Lee Foo San who is retiring pursuant to Article 106 of the Company’s Constitution and being eligible, be hereby re-elected to office.”

There being no questions raised, the resolution was put to the meeting for a vote vide live voting conducted by the Poll Administrator. Based on the poll results as shown on the screen, the Chairman declared Resolution 1 duly carried, as follow:-

	Vote For		Vote Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 1	52,782,720	100.000000	0	0.000000

The Chairman proceeded with the agenda.

Ms Chee Lai Yee proposed and Mr Ng Chee Kan seconded the following motion:

“THAT Datin Teoh Lian Tin who is retiring pursuant to Article 106 of the Company’s Constitution and being eligible, be hereby re-elected to office.”

There being no questions raised, the resolution was put to the meeting for a vote vide live voting conducted by the Poll Administrator. Based on the poll results as shown on the screen, the Chairman declared Resolution 2 duly carried, as follow:-

	Vote For		Vote Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 2	52,782,720	100.000000	0	0.000000

The Chairman continued with the agenda and that Cik Amizan Binti Abdul Hamid proposed and Mr Ng Chee Kan seconded the following motion:

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

There being no questions raised, the resolution was put to the meeting for a vote vide live voting conducted by the Poll Administrator. Based on the poll results as shown on the screen, the Chairman declared Resolution 3 duly carried, as follow:-

	Vote For		Vote Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 3	52,020,362	99.999423	300	0.000577

7. **RESOLUTION 4**

APPROVAL OF THE PAYMENT OF DIRECTORS’ FEES AND BENEFITS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The Chairman informed the floor that the third item of the agenda was to seek shareholders’ approval for payment of Directors’ fees and benefits of RM178,500.00 for the financial year ended 31 December 2018.

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

“THAT the payment of Directors’ fees and benefits of RM178,500.00 in respect of the financial year ended 31 December 2018 be and is hereby approved.”

There being no questions raised, the resolution was put to the meeting for a vote vide live voting conducted by the Poll Administrator. Based on the poll results as shown on the screen, the Chairman declared Resolution 4 duly carried, as follow:-

	Vote For		Vote Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 4	52,782,620	99.988255	6,200	0.011745

8. **RESOLUTION 5**

The Chairman continued with the next item on the agenda to seek shareholders’ approval for payment of Directors’ fees and benefits of up to RM279,000.00 for the period from 1 January 2019 until the conclusion of the next annual general meeting of the Company.

Mr Ng Chee Kan proposed and Mr Loo Kwong Yong seconded the following motion:

“THAT the payment of Directors’ fees and benefits of up to RM279,000.00 in respect of the period from 1 January 2019 until the conclusion of the next annual general meeting of the Company be and is hereby approved.”

There being no questions raised, the resolution was put to the meeting for a vote vide live voting conducted by the Poll Administrator. Based on the poll results as shown on the screen, the Chairman declared Resolution 5 duly carried, as follow:-

	Vote For		Vote Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 5	52,771,020	99.999432	300	0.000568

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 Loo Kwong Yong proposed and Ms Chee Lai Yee 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 resolution was put to the meeting for a vote vide live voting conducted by the Poll Administrator. Based on the poll results as shown on the screen, the Chairman declared Resolution 6 duly carried, as follow:-

	Vote For		Vote Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 6	52,767,320	100.000000	0	0.000000

10. **RESOLUTION 7**

RETENTION OF INDEPENDENT DIRECTOR

As the next item on the agenda was concerned on the retention of the Chairman as an Independent Director of the Company, the Chairman called upon Mr Gan to take over the Chair and proceed with the agenda.

Mr Gan thanked the Chairman and took over the Chair.

Mr Gan proceeded with the agenda 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 AGM.

Mr Chan Soh Hwa proposed and Cik Amizan Binti Abdul Hamid 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 resolution was put to the meeting for a vote vide live voting conducted by the Poll Administrator. Based on the poll results as shown on the screen, Mr Gan declared Resolution 7 duly carried, as follow:-

	Vote For		Vote Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 7	52,788,520	99.999432	300	0.000568

Mr Gan then handed over the Chair back to the Chairman to continue with the remaining items on the Agenda. The Chairman thanked Mr Gan and took the Chair.

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 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, 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 AGM.

Mr Ng Chee Kan proposed and Ms Chee Lai Yee seconded the following motion:

“THAT subject to the passing of Resolution 3, and 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 resolution was put to the meeting for a vote vide live voting conducted by the Poll Administrator. Based on the poll results as shown on the screen, the Chairman declared Resolution 8 duly carried, as follow:-

	Vote For		Vote Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 8	52,024,462	99.999423	300	0.000577

12. **RESOLUTION 9**

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.

Ms Chee Lai Yee 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 of the Company.”

There being no questions raised, the resolution was put to the meeting for a vote vide live voting conducted by the Poll Administrator. Based on the poll results as shown on the screen, the Chairman declared Resolution 9 duly carried, as follow:-

	Vote For		Vote Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 9	52,765,320	99.988630	6,000	0.011370

13. **RESOLUTION 10**

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 Part A of the Company's Circular to Shareholders dated 29 April 2019.

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 Chan Soh Hwa proposed and Mr Ng Chee Kan 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 Part A of the Circular to Shareholders dated 29 April 2019 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 resolution was put to the meeting for a vote vide live voting conducted by the Poll Administrator. Based on the poll results as shown on the screen, the Chairman declared Resolution 10 duly carried, as follow:-

	Vote For		Vote Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 10	21,863,590	100.000000	0	0.000000

14. **RESOLUTION 11 - SPECIAL RESOLUTION**

PROPOSED ADOPTION OF NEW CONSTITUTION

The Chairman informed that the last item on the agenda was to seek the approval of the shareholders for adoption of a new Constitution of the Company and the relevant information in connection thereto was set out in Part B of the Company's Circular to Shareholders dated 29 April 2019.

Mr Loo Kwong Yong proposed and Ms Chee Lai Yee seconded the following motion:

“THAT the Company’s existing Constitution (Memorandum and Articles of Association) be deleted in its entirety AND THAT the new Constitution as set out in Part B of the Circular to Shareholders dated 29 April 2019 be and is hereby approved and adopted as the new Constitution of the Company (“Proposed Adoption”).

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 Adoption with full power to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities.”

There being no questions raised, the resolution was put to the meeting for a vote vide live voting conducted by the Poll Administrator. Based on the poll results as shown on the screen, the Chairman declared Resolution 11 (special resolution) duly carried, as follow:-

	Vote For		Vote Against	
	No. of shares	%	No. of shares	%
Special Resolution	52,788,820	100.000000	0	0.000000

15. **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: 15 August 2019