

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

Minutes of Twenty Sixth Annual General Meeting of the Company conducted on a fully virtual basis via the online meeting platform provided by Tricor Investor & Issuing House Services Sdn. Bhd. via TIIH Online at <https://tiih.online> on Wednesday, 30 June 2021 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 : Liew Chak Hooi (Company Secretary)
- By Invitation : Representatives of External Auditors, Messrs. UHY:-
Ms. Ho Siew Chan
Mr. Jason Siao
- Shareholders/
Proxies : As per the attendance list

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 Sixth Annual General Meeting (“26th AGM” or “Meeting”) which was conducted on a fully virtual basis via the online meeting platform provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) for the purpose of considering the business of the Company as set out in the Notice of 26th AGM dated 28 April 2021.

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

The Meeting was informed that any visual or audio recording of the Meeting is strictly prohibited unless with the prior written consent of the Company.

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

2. **NOTICE**

In view of the COVID-19 pandemic and the full lockdown implemented in the country, the Company had on 17 June 2021 sent to all shareholders of the Company a notification on remote participation and voting for the 26th AGM.

The Notice convening the Meeting, having been circulated earlier to all the shareholders of the Company within the prescribed notice period, was taken as read.

3. **VOTING**

In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 26th AGM would be conducted on a poll.

The Chairman informed that he would exercise his right as the Chairman of the Meeting to demand for a poll in accordance with the provisions of the Company's Constitution in respect of all the resolutions which would be put to vote at the Meeting. The Company had appointed Tricor as the Poll Administrators to facilitate the poll voting process and Asia Securities Sdn. Berhad as the Independent Scrutineers to verify the poll results.

The Chairman continued to inform the Meeting as follows:-

- (i) The poll voting would be conducted electronically via the Remote Participation and Voting facility provided by Tricor and notified that the voting session had commenced at the start of the Meeting and would continue until his announcement to end the voting session later in the meeting.
- (ii) Members may use the online query box to transmit their questions on the agenda items, and the Directors present would answer the questions posed at the question and answer ("Q&A") session upon presentation of the agenda items. For those questions not answered during the Meeting, a response would be given by email after the Meeting. Where there are areas of overlap in the scope of the questions asked, the Directors would group the related and similar questions and provide responses accordingly.

Tricor was then invited to explain to the members present the voting procedures and steps for remote voting vide a video presentation.

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

The Chairman proceeded with the Meeting and informed the floor that Minority Shareholders Watch Group ("MSWG") had prior to the Meeting posed some written questions for answers at the 26th AGM. The questions from MSWG and the responses by the Board to those questions from MSWG, as set out below, were presented and read out by the Chairman:-

- (i) Question: *The Group foresees that its business performance will improve gradually from the second quarter of 2021 and that it should be able to sustain an upward trend in performance barring any unforeseen circumstances (page 12 of Annual Report 2020 ("AR2020")).*

How will the MCO 3.0, and the Full Movement Control Order enforced during the second quarter of 2021, impact the Group's business performance in 2021? To what extent has this changed the outlook?

Response: With the government's implementation of National Immunisation Program since February 2021 and the ramping up of the vaccinations rate from June 2021, it is hoped that business activities in the country will be normalised at the end of 2021.

Meantime, our operations continue to be suspended or disrupted during the movement control orders (MCO) and periods in between.

- (ii) Question: *Inventories written down increased to RM60,000 (2019: RM35,200) (page 45 of AR2020).*

- (a) *What were the reasons for the increase in write-down of inventories?*
(b) *Are the written down inventories still saleable?*

Response: Increase in inventories written down:-

- (a) The RM60,000.00 is an additional provision in FYE2020;
(b) The inventories are in saleable condition but are slow moving.

- (iii) Question: *Fair value loss on investment properties amounted to RM830,000 (2019: Nil) (page 45 of AR2020).*

To which properties of the Group do this fair value loss relate to?

Response: The Group performs valuation annually on its investment properties by an independent valuer. The valuation in December 2020 was RM17,125,000.00 as compared to RM17,955,000.00 in December 2019; resulting in a fair value loss on investment properties of RM830,000.00.

The subject property refers to:-

H.S. (M) 1011, P.T. 22538 Mukim Cheras, District of Hulu Langat, Balakong, Selangor. This is an industrial vacant lot measuring 25,660 square meters.

- (iv) Question: *The Group has 2 vacant land (page 85 of AR2020):-*

- (i) *P.T. No. 10159 Mukim of Sungai Trap, District of Kinta, 6 1/2 miles Lahat, Pusing Main Road, Ipoh, Perak which is a leasehold land expiring on 5 May 2062 (41 years) with a net book value of RM0.86 million; and*
(ii) *H.S. (M) 1011, P.T. 22538 Mukim Cheras, District of Hulu Langat, Balakong, Selangor which is a leasehold land expiring on 29 August 2054 (26 years) with a net book value of RM17.12 million.*

What are the Group's plans for these 2 pieces of vacant land, going forward?

Response: The 2 parcels of land are vacant lots for industrial use. There is no development or building plans for these 2 lots at the present moment.

5. **RECEIPT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Audited Financial Statements of the Company for the financial year ended 31 December 2020 ("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 and laid before the Meeting and 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. Ahmad Bin Darus, Mr. Lee Tak Wing and Datuk Hong Choon Hau retire by rotation and being eligible, have offered themselves for re-election.

Shareholders' approvals were sought for the following resolutions:-

Re-election of Hj. Ahmad Bin Darus ("Resolution 1")

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

Re-election of Lee Tak Wing ("Resolution 2")

"THAT Lee Tak Wing who is retiring pursuant to Clause 109 of the Company's Constitution and being eligible, be hereby re-elected to office."

Re-election of Datuk Hong Choon Hau ("Resolution 3")

"THAT Datuk Hong Choon Hau who is retiring pursuant to Clause 109 of the Company's Constitution and being eligible, be hereby re-elected to office."

7. **RESOLUTION 4**

APPROVAL OF PAYMENT OF DIRECTORS' FEES AND BENEFITS FROM 1 JULY 2021 UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

Shareholders' approval was sought for the following resolution:-

"THAT the payment of Directors' fees and benefits of up to RM250,000.00 in respect of the period from 1 July 2021 until the conclusion of the next annual general meeting of the Company be and is hereby approved."

8. **RESOLUTION 5**

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.

Shareholders' approval was sought for the following resolution:-

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

9. **RESOLUTION 6**

RETENTION OF HJ. AHMAD BIN DARUS AS INDEPENDENT DIRECTOR

The Meeting proceeded with the agenda on 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 26th 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.

Shareholders' approval was sought for the following resolution:-

“THAT subject to the passing of Resolution 1, and 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.”

10. **RESOLUTION 7**

RETENTION OF GAN LENG SWEE AS INDEPENDENT DIRECTOR

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 26th 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.

Shareholders' approval was sought for the following resolution:-

“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.”

11. **RESOLUTION 8**

RETENTION OF LEE TAK WING AS INDEPENDENT DIRECTOR

The Meeting proceeded with the item on the agenda to seek the approval of the shareholders for the retention of Mr. Lee Tak Wing 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. Lee Tak Wing, considered him to be independent based on the justifications as contained in the Statement Accompanying Notice of 26th 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.

Shareholders' approval was sought for the following resolution:-

“THAT subject to the passing of Resolution 2, and 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.”

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.

Shareholders' approval was sought for the following resolution:-

“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.”

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 the Company's Circular to Shareholders dated 28 April 2021.

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 Shareholders' Mandate, they and persons connected to them shall abstain from voting on the resolution in connection with the Proposed Shareholders' Mandate.

Shareholders' approval was sought for the following resolution:-

“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 28 April 2021 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.”

14. **Q&A SESSION**

The Chairman invited the Group Executive Director, Tuan Hj. Ariffin Bin Adul Aziz (“Tuan Hj. Ariffin”) and the Executive Director, Mr. Loo Sooi Guan to address the following questions:-

- (i) Questions:-
 - (a) *What is the Company's future outlook?*
 - (b) *How is the impact of FMCO on the Company?*
 - (c) *How much is the cost saving for the virtual AGM as compared to the physical one?*
 - (d) *Will the Board consider giving door gift, such as e-voucher or e-wallet for those that have participated in this AGM?*

Tuan Hj. Ariffin responded that the future outlook of the Company depends largely on the recovery of the economy for the current business. The FMCO has impacted the revenue for the period involved. There is no saving on this virtual AGM as it cost more to hold as compared to a physical one. For this AGM, there is no door gift (e.g. e-voucher, e-food voucher or e-wallet) for participants, and the Board would consider it for future virtual meetings.

- (ii) Questions:-
- (a) *What is the impact of MCO 3.0 on the Company?*
 - (b) *What are the prospects of the Company for the next 6 months?*
 - (c) *What is the strategy of the Company for the next 12 months?*
 - (d) *What keeps the CEO awakes at night during the pandemic?*

Tuan Hj. Ariffin responded that the MCO 3.0 is still in force and the impact would only be known when it ends.

It would be a very challenging period in the next 12 months for all sectors of the economy. It is hoped that the National Immunisation Programme would be successful and the economic recovery would begin by end of 2021 or early 2022.

- (iii) Question: *Is Dato' Dr. Ir. Mohd Abdul Karim Bin Abdullah ("Dato' Karim") involved in the strategic management of the Company?*

Tuan Hj. Ariffin responded that Dato' Karim is a shareholder of the Company and is not involved in the management of the Company.

Also, in response to a request by a shareholder for a printed copy of the Company's Annual Report 2020, Tuan Hj. Ariffin informed that the Company's Share Registrars would be sending a copy to the shareholder.

Upon addressing the questions posed by the shareholders, the Chairman concluded the Q&A session and informed the Meeting that for any questions that were unanswered, responses would be provided via email after the Meeting.

The Chairman recapped that to facilitate the online voting process, he had at the start of the Meeting announced the commencement of the voting session and that the voting session would continue for another 5 minutes.

15. **POLLING**

At 9.40 a.m., the Chairman announced the closure of the voting session.

The Meeting was then adjourned at 9.40 a.m. for approximately 20 minutes for the Poll Administrators and Independent Scrutineers to count and validate the votes cast by the shareholders.

16. **POLL RESULTS**

At 10.00 a.m., the Chairman called the Meeting back to order for the declaration of poll results. He informed that he had received the poll results and directed the shareholders present to refer to the poll results displayed on the screen.

The poll results in respect of all the Ordinary Resolutions were as follows:-

Resolutions	Voted For		Voted Against		Total Votes	
	No. of Shares	%	No. o Shares	%	No. of Shares	%
Resolution 1	30,480,243	99.9990	306	0.0010	30,480,549	100.00
Resolution 2	30,480,344	99.9993	205	0.0007	30,480,549	100.00

Resolutions	Voted For		Voted Against		Total Votes	
	No. of Shares	%	No. o Shares	%	No. of Shares	%
Resolution 3	30,480,344	99.9993	205	0.0007	30,480,549	100.00
Resolution 4	30,476,643	99.9872	3,906	0.0128	30,480,549	100.00
Resolution 5	30,480,243	99.9990	306	0.0010	30,480,549	100.00
Resolution 6	30,479,943	99.9980	606	0.0020	30,480,549	100.00
Resolution 7	30,479,943	99.9980	606	0.0020	30,480,549	100.00
Resolution 8	30,479,943	99.9980	606	0.0020	30,480,549	100.00
Resolution 9	30,480,243	99.9990	306	0.0010	30,480,549	100.00
Resolution 10	2,772,513	99.9890	306	0.0110	2,772,819	100.00

The Chairman declared that all the Ordinary Resolutions tabled were duly carried.

17. **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: 28 July 2021