

# WANG-ZHENG BERHAD

(Company No. 612237-K)

(Incorporated in Malaysia)

MINUTES OF THE THIRTEENTH (13TH) ANNUAL GENERAL MEETING OF WANG-ZHENG BERHAD (“WZB” OR “THE COMPANY”) HELD AT SRI DAMANSARA CLUB BERHAD OF LOT 23304, PERSIARAN PERDANA, BANDAR SRI DAMANSARA, 52200 KUALA LUMPUR ON WEDNESDAY, 8 JUNE 2016 AT 11.00 A.M.

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Present : As per attendance list

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## 1. CHAIRMAN

Mr. Chung Shan Kwang (“the Chairman”) presided at the meeting and welcomed the members to the Thirteenth (13<sup>th</sup>) Annual General Meeting of the Company (“Meeting”).

There being a quorum present at the Meeting, the Chairman declared the Meeting duly convened at 11.00 a.m.

## 2. NOTICE

With the consent of the Meeting, the Notice convening the Meeting having been circulated within the prescribed period was taken as read.

Before proceeding with the agenda item, the Chairman explained to the Meeting the procedure of voting on a resolution, which shall be determined by way of show of hands unless a poll is properly demanded before or on the declaration of the result of the show of hands.

## 3. ORDINARY RESOLUTION 1 APPROVAL OF AUDITED FINANCIAL STATEMENTS AND REPORTS

The Annual Report and Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2015 (“FYE 2015”), together with the Reports of the Directors and Auditors thereon (“Audited Financial Statements”) were tabled to the shareholders for discussion.

Before the resolution was proposed, the following questions were raised by Joseph Lam Wai, Teh Kian Lang, Chee Sai Mun and Ng Kok Kiong respectively :

- i) Details of Other Income of RM9.42 million for the FYE 2015;
- ii) The impact of the new regulations on the minimum wage to the Group;
- iii) The proposed utilisation of cash and bank balances of approximately RM111.0 million for the FYE 2015;
- iv) Dividend policy of the Group;
- v) Capital expansion plan for the year 2016;
- vi) The impact on the fluctuation of currency exchange rate to the Group; and
- vii) Prospect of the Group

On behalf of the Company, Mr. Yong Voon Fui (“YVF”), the Group Accountant of the Company, has replied the above queries as follows :

- i) Other Income of RM9.42 million included the proceeds from disposal of investment in subsidiary (RM3.52 million), interest income (RM2.92 million) and the balance mainly comprise of the proceeds from the disposal of scrap materials.
- ii) Currently, the Group’s staff force consist of approximately 40% foreign workers. The new regulations on the minimum wage is expected to increase the total wages payable to the workers by approximately RM400,000 per annum.
- iii) The cash and bank balances will be reserved as working capital of the Group and for the future investment or capital expansion. The Group will normally purchase the raw materials in bulk via cash payment in order to enjoy better pricing or discount from the suppliers.
- iv) There is no formal dividend policy adopted by the Group.
- v) The Group may consider to further invest in new machineries to increase its productivities if the sale continue to improve in year 2016.
- vi) Generally, the fluctuations in the exchange rate will have minimal effect to the Group’s operations as the cost will normally pass on to the customers.
- vii) Despite the current volatility in the business environment in the global economy and slower domestics demand, the Group’s products are expected to remain competitive in the operating environment. The Group will continue to enlarge its market share of its disposable fibre-based segment both locally and overseas. The processed paper segment is expected to perform at a moderate pace in the coming years with expected challenges in domestic demand. At the same time, the Group will continue searching for new opportunities to enhance the revenue stream and profitability.

After dealing with the questions from shareholders, the following resolution having been duly proposed by Chee Sai Mun and seconded by Yong Thian Fook, was put to the Meeting for voting by show of hands :

“THAT the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2015 and the Reports of the Directors and Auditors thereon be received and adopted.”

With majority of the shareholders/proxies voted in favour of the resolution, the ordinary resolution 1 was declared carried by the Chairman.

**4. ORDINARY RESOLUTION 2**  
**APPROVAL FOR PAYMENT OF A FIRST AND FINAL SINGLE TIER DIVIDEND**

The Meeting was called upon to approve the payment of a First and Final Single Tier Dividend of 6% or 3 sen per share for the financial year ended 31 December 2015.

**Wang-Zheng Berhad**

**- Minutes of Thirteenth (13th) Annual General Meeting (8 June 2016)**

The following resolution having been duly proposed by Joseph Lam Wai and seconded by Yong Thian Fook, was put to the meeting for voting by show of hands :

“THAT the payment of a First and Final Single Tier Dividend of 6% or 3 sen per share for the financial year ended 31 December 2015 be approved.”

With majority of the shareholders/proxies voted in favour of the resolution, the ordinary resolution 2 was declared carried by the Chairman.

**5. ORDINARY RESOLUTION 3  
APPROVAL FOR PAYMENT OF DIRECTORS' FEES**

The Meeting was called upon to approve the payment of Directors' fees of RM198,000.00 to the non-executive directors for the financial year ended 31 December 2015.

The following resolution having been duly proposed by Teh Kian Lang and seconded by Teh Fui Lye, was put to the Meeting for voting by show of hands :

“THAT the payment of Directors' fees of RM198,000.00 to the non-executive directors of the Company for the financial year ended 31 December 2015 be approved.”

With majority of the shareholders/proxies voted in favour of the resolution, the ordinary resolution 3 was declared carried by the Chairman.

**6. ORDINARY RESOLUTION 4  
RE-ELECTION OF MR. CHAI TUCK CHUEN**

The Chairman informed that the Ordinary Resolution 4 is to re-elect Mr. Chai Tuck Chuen, who retires pursuant to Article 91 of the Company's Article of Association and being eligible, had offered himself for re-election.

The following resolution having been duly proposed by Joseph Lam Wai and seconded by Teh Kian Lang, was put to the Meeting for voting by show of hands:-

“THAT Mr. Chai Tuck Chuen, who is retiring pursuant to Article 91 of the Company's Article of Association be and is hereby re-elected as a Director of the Company.”

With majority of the shareholders/proxies voted in favour of the resolution, the ordinary resolution 4 was declared carried by the Chairman.

**7. ORDINARY RESOLUTION 5  
RE-ELECTION OF MR. TEH HUI GUAN**

The Chairman informed that the Ordinary Resolution 5 is to re-elect Mr. Teh Hui Guan, who retires pursuant to Article 91 of the Company's Article of Association and being eligible, had offered himself for re-election.

The following resolution having been duly proposed by Wong Kok Wey and seconded by Joseph Lam Wai, was put to the Meeting for voting by show of hands:-

**Wang-Zheng Berhad**

**- Minutes of Thirteenth (13th) Annual General Meeting (8 June 2016)**

“THAT Mr. Teh Hui Guan, who is retiring pursuant to Article 91 of the Company's Article of Association be and is hereby re-elected as a Director of the Company.”

With majority of the shareholders/proxies voted in favour of the resolution, the ordinary resolution 5 was declared carried by the Chairman.

**8. ORDINARY RESOLUTION 6  
RE-ELECTION OF YBHG DATO' TAN TECK ANG**

The Chairman informed that the Ordinary Resolution 6 is to re-elect YBhg Dato' Tan Teck Ang, who retires pursuant to Article 91 of the Company's Article of Association and being eligible, had offered himself for re-election.

The following resolution having been duly proposed by Joseph Lam Wai and seconded by Teh Kian Lang, was put to the Meeting for voting by show of hands:

“THAT YBhg Dato' Tan Teck Ang, who is retiring pursuant to Article 91 of the Company's Article of Association be and is hereby re-elected as a Director of the Company.”

With majority of the shareholders/proxies voted in favour of the resolution, the ordinary resolution 6 was declared carried by the Chairman.

**9. ORDINARY RESOLUTION 7  
RE-ELECTION OF MR. FU JUN**

The Chairman informed that the Ordinary Resolution 7 is to re-elect Mr. Fu Jun who retires pursuant to Article 91 of the Company's Article of Association and being eligible, had offered himself for re-election.

The following resolution having been duly proposed by Teh Kian Lang and seconded by Teh Fui Lye, was put to the Meeting for voting by show of hands:

“THAT Mr. Fu Jun, who is retiring pursuant to Article 91 of the Company's Article of Association be and is hereby re-elected as a Director of the Company.”

With majority of the shareholders/proxies voted in favour of the resolution, the ordinary resolution 7 was declared carried by the Chairman.

**10. ORDINARY RESOLUTION 8  
RE-ELECTION OF YBHG DATO' SERI ABDUL AZIM BIN MOHD ZABIDI**

The Chairman informed that the Ordinary Resolution 8 is to re-elect YBhg Dato' Seri Abdul Azim Bin Mohd Zabidi, who retires pursuant to Article 91 of the Company's Article of Association and being eligible, had offered himself for re-election.

The following resolution having been duly proposed by Wong Kok Wey and seconded by Yong Thian Fook, was put to the Meeting for voting by show of hands:

“THAT YBhg Dato’ Seri Abdul Azim Bin Mohd Zabidi, who is retiring pursuant to Article 91 of the Company's Article of Association be and is hereby re-elected as a Director of the Company.”

With majority of the shareholders/proxies voted in favour of the resolution, the ordinary resolution 8 was declared carried by the Chairman.

**11. ORDINARY RESOLUTION 9  
RE-APPOINTMENT OF MESSRS UHY AS AUDITORS OF THE COMPANY**

The Chairman informed that the Ordinary Resolution 9 is in relation to the re-appointment of Messrs UHY as the Company’s auditors and to authorise the Directors to fix their remuneration. He informed that Messrs UHY has expressed their willingness to accept the re-appointment as the Company’s auditors for the ensuring year.

The following resolution having been duly proposed by Teh Kian Lang and seconded by Chee Sai Mun, was put to the Meeting for voting by show of hands :

“THAT Messrs UHY be and is hereby re-appointed as auditors of the Company at a remuneration to be determined by the Directors.”

With majority of the shareholders/proxies voted in favour of the resolution, the ordinary resolution 9 was declared carried by the Chairman.

**12. ORDINARY RESOLUTIONS 10 TO 15  
CONTINUATION OF TERMS OF OFFICE OF MR. LOO CHOO HONG, MR. CH’NG ENG HIN, MR. TAN KAR THYE, MDM. LOW YU KEAT, MR. YAP KIEN PIN AND YBHG. MAJ GEN DATO’ PAHLAWAN DR MOHANA DASS A/L RAMASAMY (RTD) AS INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Chairman informed the Meeting that the Resolutions No. 10 to 15 are to seek for the shareholders’ approval for the directors who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company.

In replied to Ng Kok Kiong whether the Board will consider to replace the Independent Non-Executive Directors who have seved more than nine (9) years in the Company, the Chairman informed that the Board will consider to appoint new Independent Non-Executive Director if there is suitable candidate.

At this juncture, Joseph Lam Wai proposed to pass the Resolutions No. 10 to 15 as bundled resolution and the said proposal was seconded by Teh Kian Lang.

With the consent of the shareholders/proxies attended, the Resolutions No. 10 to 15 to approve the continuation in officer of Mr. Loo Choo Hong, Mr. Ch’ng Eng Hin, Mr. Tan Kar Thye, Mdm. Low Yu Keat, Mr. Yap Kien Pin and YBhg Maj Gen Dato’ Pahlawan Dr Mohana Dass A/L Ramasamy (RTD) be made in single resolution for the shareholders’ consideration and approval.

**Wang-Zheng Berhad**

**- Minutes of Thirteenth (13th) Annual General Meeting (8 June 2016)**

The following resolution having been duly proposed by Teh Kian Lang and seconded by Chee Sai Mun, was put to the Meeting for voting by show of hands:

“THAT approval and are hereby given to the following directors to continue to act as Independent Non-Executive Directors of the Company :

- i) Mr. Loo Choo Hong;
- ii) Mr. Ch'ng Eng Hin;
- iii) Mr. Tan Kar Thye;
- iv) Mdm. Low Yu Keat;
- v) Mr. Yap Kien Pin; and
- vi) YBhg Maj Gen Dato' Pahlawan Dr Mohana Dass A/L Ramasamy (RTD)

With majority of the shareholders/proxies voted in favour of the resolution, the ordinary resolutions 10 to 15 was declared carried by the Chairman.

**13. SPECIAL BUSINESS - ORDINARY RESOLUTION 16  
AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES**

The Meeting was called upon to approve the proposed Ordinary Resolution 16 pertaining to authority for directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965. The Ordinary Resolution if passed, would provide flexibility for the Directors to allot and issue shares for such purposes as the Directors consider to be in the best interest of the Company, without having to convene separate general meetings, subject to the limitation that the aggregate number of shares to be allotted and issued does not exceed 10% of the issued share capital of the Company for the time being and subject always to the approval from the relevant regulatory bodies.

The following resolution having been duly proposed by Joseph Lam Wai and seconded by Yong Thian Fook, was put to the meeting for voting by show of hands:

“THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and 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 to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies having been obtained for such allotment and issue.”

With majority of the shareholders/proxies voted in favour of the resolution, the ordinary resolution 16 was declared carried by the Chairman.

**14. SPECIAL BUSINESS-ORDINARY RESOLUTION 17  
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS (“PROPOSED SHAREHOLDERS' MANDATE”)**

The Chairman informed that the Ordinary Resolution 17 is to seek for the shareholders' approval for the Proposed Shareholders' Mandate in relation to the recurrent related party transactions of a revenue or trading nature as set out in Section 2.1.4 of the Circular to Shareholders dated 29 April 2016.

**Wang-Zheng Berhad**  
**- Minutes of Thirteenth (13th) Annual General Meeting (8 June 2016)**

The following resolution having been duly proposed by Joseph Lam Wai and seconded by Chee Sai Mun, was put to the Meeting for voting by show of hands:

“THAT, subject to compliance with all applicable laws, regulations and guidelines, approval be and is hereby given to the Company’s subsidiary to enter into Recurrent Related Party Transactions of a revenue or trading nature with related parties as set out in Section 2.1.4 of the Circular to Shareholders dated 29 April 2016 for the purposes of Paragraph 10.09, Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), subject to the following:

- (i) The transactions are necessary for the day to day operations of the Company’s subsidiary in the ordinary course of business, at arm’s length, on normal commercial terms and are on terms not more favourable to the related party than those generally available to the public and not detrimental to minority shareholders of the Company;
- (ii) The mandate is subject to annual renewal. In this respect, any authority conferred by a mandate shall only continue to be in force until:
  - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
  - (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“CA”) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the CA; or
  - (c) revoked or varied by resolution passed by the shareholders in a general meeting, whichever is the earlier.
- (iii) disclosure is made in the annual report of the Company of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the mandate during the current financial year, and in the annual reports for the subsequent financial years during which a shareholder’s mandate is in force, where:
  - (a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1.0 million; or
  - (b) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%,

whichever is the higher;

and amongst other, based on the following information:

- (a) the type of the Recurrent Related Party Transactions made; and

(b) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationships with WZB Group.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

With majority of the shareholders/proxies voted in favour of the resolution, the ordinary resolution 17 was declared carried by the Chairman.

**15. SPECIAL BUSINESS-ORDINARY RESOLUTION 18  
PROPOSED RENEWAL OF SHARE BUY- BACK AUTHORITY**

The Chairman informed that the next agenda of the Meeting is to seek the approval for the proposed renewal of authority for the Company to purchase its own ordinary shares of up to 10% of the issued and paid-up share capital of the Company at any point of time through stockbrokers to be appointed by the Company.

The Chairman informed that the details and rationale on the said proposal is provided in the Circular to Shareholders dated 29 April 2016.

The following resolution having been duly proposed by Joseph Lam Wai and seconded by Teh Kian Lang, was put to the Meeting for voting by show of hands:

“THAT subject to the compliance with Section 67A of the CA and all other applicable laws, rules and regulations, approval be and is hereby given to the Company, to purchase such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad (“Bursa Securities”) as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased and held pursuant to this resolution does not exceed 10% of the existing issued and paid-up ordinary share capital of the Company including the shares previously purchased and retained as treasury shares (if any) and the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits and share premium account of the Company, upon such terms and conditions as set out in the Circular to Shareholders dated 29 April 2016.

AND THAT such authority shall commence immediately upon the passing of this Ordinary Resolution and until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM is required by law to be held unless revoked or varied by Ordinary Resolution in the general meeting of the Company but so as not to prejudice the completion of a purchase made before such expiry date, in any event in accordance with the provisions of Listing Requirements and any other relevant authorities.

AND THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or to cancel them and/or to resell them and/or to



**Wang-Zheng Berhad**

**- Minutes of Thirteenth (13th) Annual General Meeting (8 June 2016)**

distribute them as share dividends in such manner as may be permitted and prescribed by the provisions of the Listing Requirements and any other relevant authorities.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company.”

With majority of the shareholders/proxies voted in favour of the resolution, the ordinary resolution 18 was declared carried by the Chairman.

**16. TERMINATION**

There being no other business, the meeting ended at 11.53 a.m. with a vote of thanks to the Chairman.

**Confirmed as a correct record of  
the proceedings thereat**

*Signed*

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Chairman  
Kuala Lumpur