

## WANG-ZHENG BERHAD

[Registration No.: 200301009817 (612237-K)]  
(Incorporated In Malaysia)

**MINUTES OF THE NINETEENTH ("19<sup>TH</sup>") ANNUAL GENERAL MEETING ("AGM") OF WANG-ZHENG BERHAD ("WZB" OR "THE COMPANY") CONDUCTED BY WAY OF VIRTUAL MEETING ENTIRELY THROUGH LIVE STREAMING FROM THE MAIN VENUE AT NO. 1, JALAN UTARID U5/19, SECTION U5, 40150 SHAH ALAM, SELANGOR, MALAYSIA ON THURSDAY, 26 MAY 2022 AT 11.00 A.M.**

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Present:

### Directors

Mr. Hui Lin Chit - Non- Independent Non-Executive Chairman (*tele-conference*)  
Mr. Goh Kheng Jiu - Managing Director cum CEO  
Mr. Hui Ching Chi - Executive Director  
Mr. Li Wai Leung - Executive Director (*tele-conference*)  
Ms. Wong Pui Wai Nancy - Executive Director (*tele-conference*)  
Mr. Sze Man Bok - Non-Independent Non-Executive Director (*tele-conference*)  
Maj Gen Dato' Pahlawan Dr Mohana Dass A/L Ramasamy (RTD) - Senior Independent Non-Executive Director  
Mr. Loo Choo Hong - Independent Non-Executive Directors  
Mr. Ch'ng Eng Hing - Independent Non-Executive Directors  
Mdm. Low Yu Keat - Independent Non-Executive Directors

### Company Secretary

Mr. Tan Tong Lang

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## **1.0 CHAIRMAN**

- 1.1 Maj Gen Dato' Pahlawan Dr Mohana Dass A/L Ramasamy (Rtd) ("Dr. Mohana" or "the Chairman") informed that Mr. Hin Lin Chit, the Non- Independent Non-Executive Chairman, and Mr. Sze Man Bok, the Non- Independent Non-Executive Director were joined remotely from Republic of China. Mr. Li Wai Leung and Ms. Wong Pui Wai Nancy, the Executive Directors were joined remotely from Hong Kong.
- 1.2 With the concurrence of the Non-Independent Non-Executive Chairman, Dr. Mohana presided at the meeting and welcomed the members to the 19th AGM of the Company ("Meeting").
- 1.3 There being a quorum present at the meeting, the Chairman declared the meeting duly convened at 11.00 a.m.
- 1.4 The Chairman introduced the Directors and Company Secretary present, and drew attention to some housekeeping matters and poll voting, which would be conducted after completion of deliberations of all agenda items for the thirteen (13) ordinary resolutions in accordance with Para 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Members were informed that V-cube Malaysia Sdn Bhd was appointed as the Poll Administrator to conduct the polling process, whilst SLCC Networks Sdn. Bhd. was appointed as the Scrutineers to verify the poll results.
- 1.5 With the consent of the meeting, the notice convening the AGM was taken as read.

**2.0 TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

2.1 The audited financial statements of the Company and of the Group for the financial year ended 31 December 2021 and the Reports of the Directors and Auditors thereon ("Audited Financial Statements") were tabled in accordance with Section 340(1)(a) of the Companies Act, 2016. The Chairman informed that the Board of Directors would be pleased to deal with any questions from members on the Audited Financial Statement.

2.2 There being no question raised by the Members, the Chairman proceeded with the next agenda of the meeting.

**3.0 TO APPROVE THE PAYMENT OF THE FIRST AND FINAL SINGLE TIER TAX EXEMPT DIVIDEND OF 2.0 SEN PER SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2021.**

3.1 The Chairman informed that the next agenda was to approve the payment of the First and Final Single Tier Tax Exempt Dividend of 2.0 sen per share in respect of the Financial Year Ended 31 December 2021.

3.2 There being no question raised by the Members, the Chairman proceeded with the next agenda of the meeting.

**4.0 TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF UP TO RM162,000 AND OTHER BENEFITS OF UP TO RM120,000 IN RESPECT OF THE PERIOD FROM 26 MAY 2022 UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY**

4.1 The Chairman informed that the next agenda was to approve the payment of Directors' fees of up to RM162,000 and other benefits of up to RM120,000 in respect of the period from 26 May 2022 until the conclusion of the next AGM of the Company.

4.2 There being no question raised by the Members, the Chairman proceeded with the next agenda of the meeting.

**5.0 TO RE-ELECT CH'NG ENG HING, WHO RETIRES BY ROTATION IN ACCORDANCE WITH ARTICLE 105(1) OF THE CONSTITUTION OF THE COMPANY AND BEING ELIGIBLE, HAS OFFERED HIMSELF FOR RE-ELECTION**

5.1 The Chairman informed that the next agenda was to re-elect Ch'ng Eng Hing who retires by rotation in accordance with Article 105(1) of the Constitution of the Company and being eligible, has offered himself for re-election

5.2 There being no question raised by the Members, the Chairman proceeded with the next agenda of the meeting.

**6.0 TO RE-ELECT LOW YU KEAT WHO RETIRES BY ROTATION IN ACCORDANCE WITH ARTICLE 105(1) OF THE CONSTITUTION OF THE COMPANY AND BEING ELIGIBLE, HAS OFFERED HERSELF FOR RE-ELECTION**

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- 6.1 The Chairman informed that the next agenda was to re-elect Low Yu Keat who retires by rotation in accordance with Article 105(1) of the Constitution of the Company and being eligible, has offered herself for re-election
- 6.2 There being no question raised by the Members, the Chairman proceeded with the next agenda of the meeting.
- 7.0 TO RE-ELECT MAJ GEN DATO' PAHLAWAN DR MOHANA DASS A/L RAMASAMY (RTD) WHO RETIRES BY ROTATION IN ACCORDANCE WITH ARTICLE 105(1) OF THE CONSTITUTION OF THE COMPANY AND BEING ELIGIBLE, HAS OFFERED HIMSELF FOR RE-ELECTION**
- 7.1 As the resolution no. 5 is pertaining to the approval of the Chairman's who retires by rotation pursuant to Article 105(1) of the Constitution of the Company and being eligible, be re-elected Director of the Company, the Chairman handover the Chair to Mr. Loo Choo Hong ("Mr. Loo").
- 7.2 Mr. Loo informed that the next agenda was to re-elect Maj Gen Dato' Pahlawan Dr Mohana Dass A/L Ramasamy (Rtd) who is retiring by rotation in accordance with Article 105(1) of the Constitution of the Company and being eligible, has offered himself for re-election
- 7.3 Mr. Loo handed over the Chair to the Chairman for the remaining agendas of the meeting.
- 7.4 There being no question raised by the Members, the Chairman proceeded with the next agenda of the meeting.
- 8.0 TO RE-APPOINT MESSRS PRICEWATERHOUSECOOPERS PLT ("PwC"), AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**
- 8.1 The Chairman informed that the next agenda was to re-appoint Messrs PricewaterhouseCoopers PLT ("PwC"), as auditors of the Company and to authorise the directors to fix their remuneration.
- 8.2 There being no question raised by the Members, the Chairman proceeded with the next agenda of the meeting.
- 9.0 TO APPROVE MAJ GEN DATO' PAHLAWAN DR MOHANA DASS A/L RAMASAMY (RTD), WHO HAS SERVED AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR ("INED") FOR MORE THAN TWELVE YEARS, TO CONTINUE TO ACT AS INED OF THE COMPANY**
- 9.1 As the resolution no. 7 is pertaining to the approval of the Chairman's continuation in office as an INED of the Company, the Chairman handover the Chair to Mr. Loo.
- 9.2 Mr. Loo informed that the next agenda was to approve Maj Gen Dato' Pahlawan Dr Mohana Dass A/L Ramasamy (Rtd), who has served as an INED of the Company for a cumulative term of more than twelve (12) years, to continue to act as an INED of the Company.
- 9.3 Mr. Loo handed over the Chair to the Chairman for the remaining agendas of the meeting.
- 9.4 There being no question raised by the Members, the Chairman proceeded with the next agenda of the meeting.



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- 10.0 TO APPROVE LOO CHOO HONG, WHO HAS SERVED AS AN INED FOR MORE THAN TWELVE YEARS, TO CONTINUE TO ACT AS INED OF THE COMPANY**
- 10.1 The Chairman informed that the next agenda was to approve Mr. Loo, who has served as an INED of the Company for a cumulative term of more than twelve (12) years, to continue to act as an INED of the Company.
- 10.2 There being no question raised by the Members, the Chairman proceeded with the next agenda of the meeting.
- 11.0 TO APPROVE CH'NG ENG HING, WHO HAS SERVED AS AN INED FOR MORE THAN TWELVE YEARS, TO CONTINUE TO ACT AS INED OF THE COMPANY**
- 11.1 The Chairman informed that the next agenda was to approve Ch'ng Eng Hing, who has served as an INED of the Company for a cumulative term of more than twelve (12) years, to continue to act as an INED of the Company.
- 11.2 There being no question raised by the Members, the Chairman proceeded with the next agenda of the meeting.
- 12.0 TO APPROVE LOW YU KEAT, WHO HAS SERVED AS AN INED FOR MORE THAN TWELVE YEARS, TO CONTINUE TO ACT AS INED OF THE COMPANY**
- 12.1 The Chairman informed that the next agenda was to approve Low Yu Keat, who has served as an INED of the Company for a cumulative term of more than twelve (12) years, to continue to act as an INED of the Company.
- 12.2 There being no question raised by the Members, the Chairman proceeded with the next agenda of the meeting.
- 13.0 PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**
- 13.1 The Chairman informed that the next agenda was to seek the shareholders' approval for the Proposed Shareholders' Mandate in relation to the recurrent related party transactions ("RRPT") of a revenue or trading nature as set out in Section 2.1.4 of the Circular to Shareholders dated 27 April 2022.
- 13.2 The Chairman further informed that the interested Directors, major shareholders of the transactions as detailed in Section 5.1 in the Circular to Shareholders dated 27 April 2022 and persons connected with them shall abstain from deliberations and voting on the proposed resolution.
- 13.3 There being no question raised by the Members, the Chairman proceeded with the next agenda of the meeting.



**14.0 AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

14.1 The Chairman informed that the next agenda was to provide mandate to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies, 2016. The rationale of the resolution was to provide flexibility for the Directors to allot and issue shares for such purposes as the Directors considers 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 20% of the issued share capital of the Company, which is in accordance with the additional temporary relief measures granted by Bursa Malaysia Securities Berhad vide its letter dated 16 April 2020, and the Company's Constitution.

14.2 There being no question raised by the Members, the Chairman proceeded with the next agenda of the meeting.

**15.0 PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY**

15.1 The Chairman informed that the next agenda was to seek shareholder approval for the proposed renewal of share buy-back authority of up to 10% of the issued share capital of the Company at any point of time through stockbrokers to be appointed by the Company. The details and rationale on the Proposed Renewal of Share Buy-Back Authority are provided in the Circular to Shareholders dated 27 April 2022, which has been sent to shareholders.

15.2 There being no questions raised by the Members, the Chairman proceeded with the next agenda of the meeting.

**16.0 QUESTION AND ANSWER**

16.1 The Chairman informed that a letter dated 19 May 2022 was received by the Company from Minority Shareholders Watch Group ("MSWG") in relation to operational and financial matters and corporate governance matters. The Chairman informed that the MSWG's questions together with the Company's reply, attached herewith as **Annexure I**, would be uploaded to the Company's website as soon as possible for the shareholders' reference.

16.2 In addition to the issues which have been highlighted in the MSWG's letter, the following questions were raised by the shareholder / proxy, during the meeting and duly replied by Mr. Li Wai Leung the Executive Director of the Company, as follows:

**Question 1:**

Will the Company provide e-wallet to shareholders that attended this 19th AGM of the Company?

**Answer**

The Company will be providing an e-commerce voucher worth RM50.00 to the shareholders who attended the 19th AGM to purchase products of the Company.

**Question 2:**

To what extent has the Company input raw materials for producing, and the core products impacted by imported inflation and price increases and what is the profit growth outlook going forward?

**Answer**

The Company's raw materials accounted for 60% to 70% of the Cost of Goods Sold (COGS). Indeed, it impacts the cost and puts potential profit pressure on the Company's products. But the Company will continue with different measures to mitigate the cost pressure, including increasing the price of the products to produce high-quality and high-value products to add to the products portfolio to offset the cost pressure. The Company also have reasonable measure to control the expenses to ensure the Company is profit.

- 16.3 There being no question raised by Members, the Chairman proceeded with the next agenda of the meeting.

**17.0 ANY OTHER BUSINESS**

- 17.1 Upon consulting the Company Secretary, the Chairman informed that no notice was received from any members for tabling any business to be transacted at the AGM. The Chairman then invited the Poll Administrator and the Scrutineer to do the necessary to ensure full compliance with the voting procedures.

**18.0 DECLARATION OF RESULTS**

- 18.1 Upon completion of the polling process at 12.30 p.m., the Chairman announced the results of the poll voting and declared that the following thirteen (13) ordinary resolutions set out in the Notice of AGM dated 27 April 2022 were carried, as attached hereto as **Annexure II:-**

**Ordinary Resolution 1**

THAT The Payment of the First and Final Single Tier Tax Exempt Dividend of 2.0 Sen Per Share in respect of the Financial Year Ended 31 December 2021.

**Ordinary Resolution 2**

THAT The Payment of Directors' Fees of up to RM162,000 and Other Benefits of up to RM120,000 in respect of the period from 26 May 2022 until the conclusion of the next AGM of the Company.

**Ordinary Resolution 3**

THAT Ch'ng Eng Hing, the Director retire by rotation in accordance with Articles 105(1) of the Constitution of the Company, be hereby re-elected as Director of the Company.

**Ordinary Resolution 4**

THAT Low Yu Keat, the Director retire by rotation in accordance with Articles 105(1) of the Constitution of the Company, be hereby re-elected as Director of the Company.

**Ordinary Resolution 5**

THAT Maj Gen Dato' Pahlawan Dr Mohana Dass A/L Ramasamy (Rtd), the Director retire by rotation in accordance with Articles 105(1) of the Constitution of the Company, be hereby re-elected as Director of the Company.

**Ordinary Resolution 6**

THAT the re-appointment of Messrs PwC as Auditors of the Company and to authorise the Directors to fix their remuneration be hereby approved.

**Ordinary Resolution 7**

THAT Maj Gen Dato' Pahlawan Dr Mohana Dass A/L Ramasamy (Rtd), who has served as an INED of the Company for a cumulative term of more than twelve (12) years, to continue to act as an INED of the Company.

**Ordinary Resolution 8**

THAT Loo Choo Hong, who has served as an INED of the Company for a cumulative term of more than twelve (12) years, to continue to act as an INED of the Company.

**Ordinary Resolution 9**

THAT Ch'ng Eng Hing, who has served as an INED of the Company for a cumulative term of more than twelve (12) years, to continue to act as an INED of the Company.

**Ordinary Resolution 10**

THAT Low Yu Keat, who has served as an INED of the Company for a cumulative term of more than twelve (12) years, to continue to act as an INED of the Company.

**Ordinary Resolution 11**

THAT, subject always to the provisions of the Companies Act 2016 (the "Act"), the Constitution of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") or other regulatory authorities, approval be and is hereby given to the Company and/or subsidiary companies to enter into all arrangements and/or transactions as specified in Section 2.1.4 of the Circular to Shareholders of the Company dated 25 May 2021, involving the interests of directors, major shareholders or persons connected with such Directors or major shareholders of the Company ("Related Parties") as detailed in Section 2.1.4 of the Circular to Shareholders of the Company dated 27 April 2022, provided that such arrangements and/or transactions are:

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for day-to-day operations; and
- (iii) carried out in the ordinary course of business or the normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to be detriment of the minority shareholders of the Company,

(the "Shareholders' Mandate").

THAT the Shareholders' Mandate shall take effect from this resolution and shall continue to be in force until:

- (a) the conclusion of the next annual general meeting of the Company following the general meeting at which such Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority is renewed either unconditionally or subject to conditions; or



- (b) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to Section 340(2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
  - (c) revoked or varied by resolution passed by the shareholders in general meeting,
- whichever is earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

**Ordinary Resolution 12**

"THAT subject to the Companies Act, 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), Additional Temporary Relief Measures to Listed Corporations for COVID-19, issued by Bursa Securities on 16 April 2020 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company, at any time to such persons 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 pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time ("20% General Mandate"); AND THAT the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued pursuant to the 20% General Mandate on Bursa Securities;

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until 31 December 2021, as empowered by Bursa Securities pursuant to its letter dated 16 April 2020 to grant additional temporary relief measures to listed corporations, notwithstanding Section 76(3) of the Act, duly varied and adopted by the Directors of the Company pursuant to Section 76(4) of the Act."

**Ordinary Resolution 13**

"THAT, subject always to the Act, the provisions of the Constitution of the Company, the MMLR and the approvals of all relevant authorities (if any), the Board of Directors of the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase and/or hold such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the maximum aggregate number of shares which may be purchased and/or held as treasury shares by the Company does not exceed 10% of the total number of issued shares of the Company at any point in time ("Proposed Share Buy-Back");
- (ii) the maximum amount to be allocated for the Proposed Share Buy-Back shall not exceed the aggregate of the Company's retained profits based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase of the Proposed Share Buy-Back; and

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- (iii) the shares of the Company so purchased may be cancelled, retained as treasury shares, distributed as dividends or resell on Bursa Securities, or a combination of any of the above, or be dealt with in such manner allowed by the Act and MMLR from time to time.

THAT the authority conferred by this resolution will commence immediately upon the passing of this resolution and will continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed, at which time the authority will lapse, unless by an ordinary resolution passed at the general meeting, the authority is renewed either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first, but shall not prejudice the completion of the purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority.

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".

#### **19.0 CLOSURE**

- 19.1 There being no other business to be discussed, the AGM was closed at 12.34 p.m. with a vote of thanks to the Chairman.

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

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Maj Gen Dato' Pahlawan Dr Mohana Dass A/L Ramasamy (Rtd)  
Chairman



# Annexure I



## Reply to the Queries Raised by MSWG As At 19 May 2022

	Operational and Financial Matters
1.	<p>The Company's major contributor to revenue is from processed paper products. In FYE 2021, the processed paper products segment contributed 66.9% or RM150.6 million of total revenue. (Page 20 of AR 2021)</p> <p>(a) One of the major users of the Company's processed paper products is the print media. However, the print media is slowing down as consumers' rely on online news sources. What are the Company's plan to mitigate the slowdown in demand from the print media?</p> <p>(b) Is the Company looking at alternative uses for its processed paper segment products as demand from the print media wanes, and if yes, what are these alternative uses?</p>
A:	<p>(a) The Management opines that the increasing population [Sources: World Population Review stated that Malaysia's population growth rate at 1.3%] is one of the factors that the paper products will continue to be used and slow down the abandonment of paper usage. Besides, the World Bank forecast that Malaysia's gross domestic product (GDP) growth rate is 5.5%, which is an additional factor affecting the usage</p>



	<p>of paper products. While expecting the recovery of taking place, open borders in Asia Pacific region will benefit the economic environment and lead to higher usage of paper products.</p> <p>(b) The Company's common customers are involved in the business of printing and publishing. The Company is looking for alternative uses for its processed paper products in packaging such as food box packaging, gift packaging and boutique packaging and so on in order to maintain revenue growth for the paper products.</p>
2.	<p>For the Company's disposable fibre-based products segment, the Company has utilised the E-Commerce platform to conduct online sales. This new and fast-growing e-commerce sector continues to improve, as digital content consumption and engagement grew beyond the lockdown periods and stay-at-home consumer habits further encouraged online orders and delivery.</p> <p>(a) What was the revenue derived from the E-Commerce platform in FYE 2021?</p> <p>(b) What was the Company's investment into the platform in FYE 2021?</p>

	(c) What are the Company's plans to grow its E-Commerce business?
A:	<p>(a) The e-commerce business contributed approximately 0.4% of total revenue in FYE 2021.</p> <p>(b) The investment into the platform in FYE2021 is insignificant in FY2021.</p> <p>(c) The Company strives to promote and develop the e-commerce business by the following measures:</p> <ul style="list-style-type: none"> <li>i. Created every 14<sup>th</sup> of the month as members' day;</li> <li>ii. Putting own brand products via trend channels and new online platforms;</li> <li>iii. Building an online team with business acumen;</li> <li>iv. Focusing on cotton and adult diapers products; and</li> <li>v. Developing export from local to overseas countries via online.</li> </ul>

3.	<p>The Company has plans to invest in baby diapers and tissue production lines as it is more cost efficient to produce the products in Malaysia instead of importing them. (Page 23 of AR 2021)</p> <p>(a) What is the proposed capex for the setting up of those lines?</p> <p>(b) When does the Company propose to begin production with those lines?</p>
A:	<p>(a) The proposed CAPEX is likely to be set up at the end of Q2 2022. This CAPEX will be able to double up the production capacity of baby diapers to cater for the market's needs. The investment in the tissue production line will benefit the Company in terms of logistic and transportation costs and the supply of finished goods tissue will be more certain compared to importing them. The total cost of investment is more than RM1.4 to 1.6 million.</p> <p>(b) It is estimated to begin the production with those lines in Q3 2022.</p>



4.	<p>The Company deals with paper as a major raw material which has a lot of environmental repercussions.</p> <p>How does the Company ensure that it sources paper from sustainable forests especially since there is currently great emphasis on ESG matters?</p>
A:	<p>The Company takes measures to assess and filter the suppliers for those who are acting in collaboration and will strive to implement the sustainable development goals which were set by the United Nations General Assembly in 2005.</p>
	Corporate Governance Matters
5.	<p>The total internal audit fee incurred by the Company for FYE 2021 was RM21,000 or around RM1,750 per month. (Page 73 of AR 2021)</p> <p>(a) Given that the fee is rather small, how does the Audit Committee assure itself that there would be adequate coverage and an effective audit function?</p> <p>(b) What were the areas covered by the internal audit during FYE2021?</p>

	<p>(c) How many internal audit reports were issued during FYE 2021?</p>
A:	<p>(a) The Company would like to emphasise that the internal audit coverage is not based on the audit fee but is the quality and adequate coverage. As far as the Audit Committee is concern there is not copious duplication in terms of work between external and internal audit. Also, the internal auditors present the yearly internal audit plan and the coverage to the Audit Committee to deliberate prior approving their audit.</p> <p>The Company also has individual Head of Department's assurance on the internal controls and risk management which are submitted to the management. Current internal audit firm has not revised the audit fee since listing due to the reason they are familiar with the Company's process and operation which enhances better time management.</p> <p>(b) The internal audit has covered the following subsidiaries during FYE 2021: -</p> <ol style="list-style-type: none"> <li>1) Wang-Zheng Corporation Sdn Bhd</li> <li>2) Quality Hero Corporation Sdn Bhd</li> <li>3) Carefeel Cotton Industries (M) Sdn Bhd</li> </ol>

**Detailed of the coverage:**

The Internal auditors have reviewed the following segments: -

- Operations – Manufacturing
- Sales and marketing
- IT security management
- Procurement management
- Accounting and financial activities
- Trading Management
- Human Resources management
- Warehouse Management
- Safety Management
- Suitability Review

All internal audit reports were submitted and presented to the Audit Committee with the feedback and agreed corrective actions to be undertaken by Management. Subsequently, the progress of these corrective actions was monitored and verified by Internal Auditors on a regular basis and submitted to the Audit Committee. The external auditors have reviewed all the reports based on the standard guidelines prior finalising the Statement on Risk Management and Internal Control.



	<p>(c) Total 6 reports were issued during FYE 2021:  <u>Detailed as follows:</u></p> <ol style="list-style-type: none"> <li>1) The 3 internal audit reports:               <ol style="list-style-type: none"> <li>a) Wang-Zheng Corporation Sdn Bhd</li> <li>b) Quality Hero Corporation Sdn Bhd</li> <li>c) Carefeel Cotton Industries (M) Sdn Bhd</li> </ol> </li> <li>2) 1 follow up review reports on the same subsidiaries.</li> <li>3) 1 Report on Enterprise Risk Management.</li> <li>4) 1 Report on Strategic Risk Management.</li> </ol>
6.	<p>Practice 5.2 of the Malaysian Code on Corporate Governance 2021 stipulates that at least half of the Board should be made of Independent Directors.</p> <p>As at the end of FYE 2021, only 4 out of 10 Directors of the Company were Independent Directors. This is not line with the Practice.</p> <p>Does the Company plan to apply Practice 5.2, and if yes, by when?</p>

**A:** The Board is mindful that it does not comprise at least half of INED as it is of the view that the present INEDs, with the breadth of professional background, has enabled the Board to exercise objective judgement on various issues through their sharing of impartial, objective and unbiased opinions and viewpoints.

Although, the current Board's composition does not comply with the Malaysian Code on Corporate Governance's ("MCCG") recommendation of at least half of the Board should be Independent Directors. The Board is of the view that there is balance of power and authority exists within its current structure to sufficiently enable it to discharge its duties objective as the INEDs of the Company has play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision-making process. Further, all the INEDs are independent from the MD/CEO, Executive Directors, Management and major shareholders of the Company, and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgement. This offers a strong check and balance on the Board's deliberations.

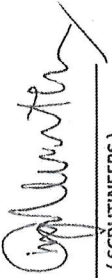
Nevertheless, the Board will undertake a review on its Board's composition and may consider appointing more INED to the Board.

# Annexure II

WANG ZHENG BERHAD [Registration No: 20001009817 (612237-K)]  
ANNUAL GENERAL MEETING HELD ON 26 MAY 2022

The following poll result is based on those who are present and have voted :-

RESOLUTIONS	FOR			AGAINST			TOTAL	
	NO. OF SHAREHOLDERS	No of Votes	%	NO. OF SHAREHOLDERS	No of Votes	%	No of Votes	%
<b>ORDINARY RESOLUTION 1</b> TO APPROVE THE PAYMENT OF THE FIRST AND FINAL SINGLE TIER TAX EXEMPT DIVIDEND OF 2.0 SEN PER SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2021	44	98,367,361	99.9999%	1	1	0.0001%	98,367,362	100.0000%
<b>ORDINARY RESOLUTION 2</b> TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF UP TO RM162,000 AND OTHER BENEFITS OF UP TO RM120,000 IN RESPECT OF THE PERIOD FROM 26 MAY 2022 UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY	38	98,262,158	99.9998%	3	204	0.0002%	98,262,362	100.0000%
<b>ORDINARY RESOLUTION 3</b> TO RE-ELECT CH'NG ENG HING AS DIRECTOR	42	98,347,161	99.9998%	2	201	0.0002%	98,347,362	100.0000%
<b>ORDINARY RESOLUTION 4</b> TO RE-ELECT LOW YU KEAT AS DIRECTOR	43	98,297,361	99.9999%	1	1	0.0001%	98,297,362	100.0000%
<b>ORDINARY RESOLUTION 5</b> TO RE-ELECT MAJ GEN DATO' PAHLAWAN DR MOHANA DASS A/L RAMASAMY (Rtd) AS DIRECTOR	39	98,362,167	99.9998%	5	195	0.0002%	98,362,362	100.0000%
<b>ORDINARY RESOLUTION 6</b> TO RE-APPOINT MESSRS PRICEWATERHOUSECOOPERS PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION	43	98,367,161	99.9998%	2	201	0.0002%	98,367,362	100.0000%
<b>ORDINARY RESOLUTION 7</b> TO APPROVE THE CONTINUATION OF MAJ GEN DATO' PAHLAWAN DR MOHANA DASS A/L RAMASAMY (Rtd) AS INDEPENDENT NON-EXECUTIVE DIRECTORS	1	90,862,933	100.0000%	-	-	0.0000%	90,862,933	100.0000%
TIER 1	38	7,499,234	99.9974%	5	195	0.0026%	7,499,429	100.0000%
TIER 2								

  
(SCRUTINEERS)





**WANG ZHENG BERHAD [Registration No: 20001009817 (612237-K)]**  
**ANNUAL GENERAL MEETING HELD ON 26 MAY 2022**

The following poll result is based on those who are present and have voted :-

RESOLUTIONS	FOR			AGAINST			TOTAL	
	NO. OF SHAREHOLDERS	No of Votes	%	NO. OF SHAREHOLDERS	No of Votes	%	No of Votes	%
<b>ORDINARY RESOLUTION 8</b> TO APPROVE THE CONTINUATION OF LOO CHOO HONG AS INED								
TIER 1	1	90,862,933	100.0000%	-	-	0.0000%	90,862,933	100.0000%
TIER 2	38	7,494,234	99.9974%	5	195	0.0026%	7,494,429	100.0000%
<b>ORDINARY RESOLUTION 9</b> TO APPROVE THE CONTINUATION OF CH'NG ENG HING AS INED								
TIER 1	1	90,862,933	100.0000%	-	-	0.0000%	90,862,933	100.0000%
TIER 2	38	7,484,234	99.9974%	5	195	0.0026%	7,484,429	100.0000%
<b>ORDINARY RESOLUTION 10</b> TO APPROVE THE CONTINUATION OF LOW YU KEAT AS INED								
TIER 1	1	90,862,933	100.0000%	-	-	0.0000%	90,862,933	100.0000%
TIER 2	41	7,434,328	99.9986%	2	101	0.0014%	7,434,429	100.0000%
<b>ORDINARY RESOLUTION 11</b> PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE	44	98,367,361	99.9999%	1	1	0.0001%	98,367,362	100.0000%
<b>ORDINARY RESOLUTION 12</b> AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016	38	98,293,653	99.9251%	7	73,709	0.0749%	98,367,362	100.0000%
<b>ORDINARY RESOLUTION 13</b> PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY	44	98,367,361	99.9999%	1	1	0.0001%	98,367,362	100.0000%

  
 (SCRUTINEERS)

