

WANG-ZHENG BERHAD

(Company No. 612237-K)

(Incorporated in Malaysia)

MINUTES OF THE SIXTEENTH (16TH) ANNUAL GENERAL MEETING ("AGM") 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 THURSDAY, 30 MAY 2019 AT 11.00 A.M.

Present : As per attendance list

1. CHAIRMAN

Mr. Li Wai Leung ("Mr. Li" or "the Chairman") informed that Mr. Hui Lin Chit, the Non-Independent Non-Executive Chairman of the Company, had extended his apologies for not being able to attend the meeting.

With the concurrence of the Non-Executive Chairman, Mr. Li presided at the meeting and welcomed the members to the Sixteenth (16th) AGM of the Company ("Meeting").

2. QUORUM

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

3. NOTICE

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

4. PRELIMINARY

Before proceeding with the agendas of the Meeting, the Chairman explained to the Meeting on how a resolution is determined. He informed that pursuant to Paragraph 8.29A of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company must ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company must appoint at least one (1) scrutineer to validate the votes cast at the general meeting. Such scrutineer must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process.

The Chairman further informed the Meeting that Boardroom Share Registrars Sdn. Bhd. ("Share Registrar") has been appointed as Poll Administrator to conduct the polling process and Boardroom Corporate Services Sdn. Bhd. was appointed as Scrutineers to verify the poll results.

With the consent of the Meeting, the Chairman informed that the polling process for all the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the Meeting.

5. AUDITED FINANCIAL STATEMENTS AND REPORTS

The Annual Report and Audited Financial Statements of the Company and of the Group for financial year ended 31 December 2018 ("FYE 2018"), together with the Reports of the Directors and Auditors thereon ("Audited Financial Statements") were tabled to the shareholders for discussion.

The Chairman informed that the Audited Financial Statements of the Company was meant for discussion only as Section 340(1)(a) of the Companies Act, 2016 provides that the Audited Financial Statements are to be laid in the general meeting and does not require a formal approval of the shareholders. Hence, it is not put forward for voting. However, the Company is pleased to deal with any questions from shareholders relating to the Audited Financial Statements.

The Chairman informed the Meeting that the Company has received a letter from the Minority Shareholders Watch Group ("MSWG") dated 24 May 2019. He thereafter read out the questions listed in the MSWG's letter and the Company's responses for the meeting's information. The Chairman informed that the MSWG's questions together with the Company's reply, attached herewith as Appendix I, will be uploaded to the Company's website as soon as possible for the shareholders' reference.

In addition to the issues which have been highlighted in the MSWG's letter, the following questions were raised by the shareholder / proxies, during the Meeting and duly replied by the Chairman of the Company, as follows:

Q1. *Plan on how to improve the working capital of the Company as the trade receivables of the Company is high and long debtors' collection period. Whether is it from old debtors or traditionally the Company's norm to give longer debtors collection periods.*

In response, the Chairman informed that the Company has a healthy net cash of RM51 million to support the business operation of the Company and the trade receivables turnaround collection periods has been improved as compared to last year. The debtors' collection periods vary from business to business and the Company will assess based on case to case basis. The Company will make the necessary impairment on any bad debts in accordance with the accounting standard accordingly and will take necessary action such as issuing legal demand letter and reminder letter to these debtors. The Company taken note on this matter and will improve further on debtors' collection.

Q2. *Absence of the Chairman of the Company and the Chairman of Nomination Committee in the Meeting.*

In response, the Chairman informed that both Chairmen's could not be present at the Meeting as they are committed with an unforeseen business in hand. The Board taken note

and will try to endeavour to arrange all the Directors are able to participate and make necessary arrangement to attend the once a year Meeting in future.

Q3. The sales volume of processed paper products segment declined in 2018 due to some adjustment increase in selling price (page 16 of Annual Report). What is the percentage of the price increase and would the Company's expect the customers to come back in long term?

In response, the Chairman informed that the prices of raw material are volatile and subject to fluctuation as there are various factors contributed to the price changing and as a results the selling price of processed paper products increased accordingly, approximately 20%. This year the selling price of processed paper products will back to normal as a result of the normalisation of the raw material prices and the sales volume are expected to bounce back. Hengan International Group Company Limited and its subsidiaries ("Hengan" or "Hengan Group") are well-established Companies operating for 33 years with proven track records in profits and sales, and by tapping into WZB's sales network the Company is confident to have more sustainability long term growth and the sales volume of the Company's core business will improve.

Q4. What technology and strategic steps Hengan Group brings in to WZB? Based on WZB's core segment business (ie. processed paper products and disposable fiber-based products) where did the Company purchased its raw materials as, more than 90% are domestic sales and 10% are export sales.

In response, the Chairman informed that Hengan Group invested in WZB Group since 2017. Besides proven profits track record, Hengan Group has vast expertise in various fields, technical personnel management and advance machineries which are Hengan's niche. Hengan aim to leverage on and emulate its niche to help WZB to improve and enhance its production process, cost saving, fine tune production process and other aspect as well such as human resource function, information technology function, reporting system, accounting support and etc. Furthermore, Hengan has gradually helps WZB to upgrade and improve on its product to make its more presence in the market. Hengan has also taken the opportunities to introduce and sell its own self-brand products such as adult diapers and wet wipes in Malaysia as to enlarge the revenue stream of WZB. Hengan's mission is aiming to sustain a long term growth. The Company's raw materials were sourced from various places in Malaysia and overseas such as Singapore, Thailand, Indonesia and other Southeast Asia's market.

Q5. What is the current market shares ranking of the Company in Malaysia?

In response, the Chairman informed that the Company current market shares were still minimal or insignificant and the Company has planned to gradually increase their presence in the market as well as overseas market by introducing more own self-brand products. Market shares for processed paper products stands at top 5 and for disposable fiber-based products it is minimal as the fiber-based products was selling more on Original Equipment Manufacturer ("OEM") products and presently, the Company is trying to focus and increase their presence in the market by selling more of its own self-brand of disposable fiber-based products locally and overseas market.

Q6. What is the percentage between OEM products and own self-brand?

In response, the Chairman informed that more than 60% of the Company products were OEM products with minimal own self-brand products in 2018 and the Company is planning to gradually increase its presence in the market by selling more of its own self-brand products.

Q7. Whether the transfer pricing for the purchase and transfer of goods, services between Hengan Group and WZB were done at arm's length basis and transparent.

In response, the Chairman informed the Company's related party transactions and transfer pricing were done at arm's length basis and in accordance to transfer pricing guidelines in Malaysia.

Q8. Reference was made to the Summary of Financial Highlights (page 14 of Annual Report). The growth and profit of the Company from 2015 to 2018 were declining and the Company did not seem to be growing despite Hengan Group took over the Company in 2017.

In response, the Chairman informed that the profits for disposable fiber-based products has increased by RM1.0 million as compared to year 2017 and the profits for processed paper products decreased and was affected due to the increased of raw material price. The Company will take step by step approach including the plan to increase the Company presence in the market by selling more of its self brand of disposable fibre-based products locally and overseas market to bring back the sales and profits gradually and to ensure sustainability long term growth. The Company hoped that the shareholders could patiently stay put with the Company to continue improve its business for the next couple of years.

Q9. Malaysia economic growth is 4%, however the sales of disposable fiber-based products was only 1% and the Company's performance growth was not reflected in accordance to Malaysia's economic growth.

In response, the Chairman informed that the Company noted that presently it is underperformed, however, the Company enthused to improve its business in the next quarters and next couple of years.

Q10. Plan for utilisation of the RM120.5 million cash and bank balances (cash grown of RM9.5 million) with bank's borrowing of approximately RM66.3 million. The Company should use the excess cash to pay the bank's borrowing.

In response, the Chairman informed that the increased in the Fixed Deposit placed by the Company was due to high interest rate earned from fixed deposits and higher net cash generated from operating activities. The Company opined that the fixed deposits is a good investment with high return. The cash and bank balance of the Group was reserved mainly used to meet the Group's working capitals for its daily operations and for development of new products which Hengan planned to introduce to Malaysia soon.

Q11: The Company current bank borrowing had increased due to increase of banker acceptance. Does the Company require to deposit some fixed deposit with the bank in order to draw the banker acceptance? The increased in fixed deposit was partly due to banker acceptance?

In response, Mr Loo Choo Hong, the Audit Chairman replied that the banker acceptance is like an overdraft or term loan financial instruments which carried varies interest rate due to different security charged and length of borrowings of the facility. As the Company's nature of business which was involved overseas dealings, more banker acceptance is needed by the Company. Reference was made to the Annual Report, the banker acceptance average interest rate is approximately 4.1% and the fixed deposit interest rate is approximately 3.2%. By paying out a small spread of interest rate the Company will obtain more liquidity in return. Hence, the increased in fixed deposit was partly to support the banker acceptance facility.

Q12. Annual Report page 18, disclosed that the Company is targeting Indonesia and Vietnam markets, however with declining in sales volumes, what kind of strategy the Company plan to initiate to expand its sales in these two markets?

In response, the Chairman informed that the Company is taking step by step approach to expand into Southeast Asia markets and gradually to produce and introduce its own self-brand products to make it more presence in 2019/2020. Hengan aims to grow and build up a strong base team in WZB to untapped the business opportunity in Southeast Asia markets. Hengan will be bringing in more expertise and work together with WZB in relation to this.

Q13: Any plan for the Company to distribute its products to China?

In response, the Chairman informed that the Company is planning to distribute WZB's cotton products to China as presently there is no cotton production in China.

Q14: Does the Company has an investor relations department? Does the Company engage any fund manager to do promotion/road show to promote WZB? Has Hengan bring its expertise into WZB as there is no executive director from Hengan sit in the Board of WZB?

In response, the Chairman informed that the Company has an investor relation contact with contact details as stated in the Annual Report and the Company's Group Accountant is the main contact person for investor relation matters. The Company takes note on the suggestion of fund manager and think is more worth for the Company to present and communicate directly to shareholders on the Company's plan and how it will grow its business as a form of promoting the Company. The Company wish to confirm that presently there are 3 executive directors representing Hengan Group sitting on WZB's Board and Hengan has sent their own personnel from various departments including but not limited to production, sales and marketing, finance, human resource and IT to Wang-Zheng to integrate and enhance Wang-Zheng operations.

Q15: Plan to change the Company's name to "Hengan"?

In response, the Chairman informed that the Company has no intention to change the Company's name at this point of time.

Q16: To update the Company's website.

In response, the Chairman informed that the Company taken note and will ensure the Company's website is updated timely and promptly.

Q17: Dividend policy of the Group.

In response, the Chairman informed that presently, there was no formal dividend policy adopted by the Group. The Board needs to take consideration of all factors before any recommendation is made for the declaration of dividend. Based on the Group's performance for this year, the Board has recommended the payment of the First and Final Single Tier Tax Exempt Dividend of 8% or 4 sen per share for the shareholders' consideration and approval.

After dealing with the questions raised by the shareholders /proxies, the Meeting was proceeded with the next Agenda of the Meeting.

**6. ORDINARY RESOLUTION 1
TO APPROVE THE PAYMENT OF THE FIRST AND FINAL SINGLE TIER TAX EXEMPT DIVIDEND OF 8% OR 4.0 SEN PER SHARE UNDER THE SINGLE-TIER SYSTEM IN RESPECT OF THE FYE 31 DECEMBER 2018**

The Chairman informed that resolution no. 1 of the Meeting is to approve the payment of the First and Final Single Tier Tax Exempt Dividend of 8% or 4 sen per share for the FYE 31 December 2018.

The Chairman then invited the shareholders and proxy holders to raise their questions on the agenda item. As there were no questions raised, the following resolution was put to the Meeting for voting by way of poll :-

"THAT the payment of the First and Final Single Tier Tax Exempt Dividend of 8% or 4 sen per share under the single-tier system in respect of the FYE 31 December 2018, be hereby approved."

**7. ORDINARY RESOLUTION 2
TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF UP TO RM180,000 AND OTHER BENEFITS OF UP TO RM90,000 IN RESPECT OF THE PERIOD FROM 30 MAY 2019 UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY**

The Chairman informed that resolution no. 2 of the Meeting is to approve the payment of Directors' fees of up to RM180,000 and other benefits of up to RM90,000 in respect of the period from 30 May 2019 until the conclusion of the next AGM of the Company.

The Chairman then invited the shareholders and proxy holders to raise their questions on the agenda item. As there were no questions raised, the following resolution was put to the meeting for voting by way of poll :-

"THAT the payment of Directors' fees of up to RM180,000 and other benefits of up to RM90,000 in respect of the period from 30 May 2019 until the conclusion of the next AGM of the Company be hereby approved."

8. **ORDINARY RESOLUTION 3 TO 6**
TO RE-ELECT THE FOLLOWING DIRECTORS RETIRING IN ACCORDANCE WITH ARTICLE 105(1) OF THE CONSTITUTION OF THE COMPANY:

- (a) FU KWAN
- (b) YBHG MAJ GEN DATO' PAHLAWAN DR MOHANA DASS A/L RAMASAMY (RTD)
- (c) CH'NG ENG HING
- (d) LOW YU KEAT

The Chairman referred to resolutions no. 3 to 6 on the re-election of Mr Fu Kwan, YBhg Maj Gen Dato' Pahlawan Dr Mohana Dass A/L Ramasamy (Rtd), Mr Ch'ng Eng Hing and Madam Low Yu Keat who retires in accordance with Articles 105(1) of the Constitution of the Company and being eligible, had offered themselves for re-election.

The Chairman then invited the shareholders and proxy holders to raise their questions on the agenda item. As there were no questions raised, the following resolutions no. 3 to 6 were put to the Meeting for voting by way of poll :-

Ordinary Resolution 3

"THAT Mr Fu Kwan who is retiring pursuant to Article 105(1) of the Constitution of the Company and who being eligible, be re-elected Director of the Company."

Ordinary Resolution 4

"THAT YBhg Maj Gen Dato' Pahlawan Dr Mohana Dass A/L Ramasamy (Rtd) who is retiring pursuant to Article 105(1) of the Constitution of the Company and who being eligible, be re-elected Director of the Company."

Ordinary Resolution 5

"THAT Mr Ch'ng Eng Hing who is retiring pursuant to Article 105(1) of the Constitution of the Company and who being eligible, be re-elected Director of the Company."

Ordinary Resolution 6

"THAT Madam Low Yu Keat who is retiring pursuant to Article 105(1) of the Constitution of the Company and who being eligible, be re-elected Director of the Company."

9. **ORDINARY RESOLUTION 7**
TO RE-APPOINT MESSRS UHY AS AUDITORS OF THE COMPANY FOR THE ENSUING YEAR
AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Chairman informed that resolution no. 7 of the Meeting is to re-appoint Messrs. UHY as the Company's auditors and to authorise the Directors to fix their remuneration. The Chairman informed that the retiring auditors, Messrs. UHY has expressed their willingness to accept the re-appointment as Company's auditors for the ensuing year.

The Chairman then invited the shareholders and proxy holders to raise their questions on the agenda item.

The following questions were raised by the shareholders / proxies during the meeting and duly replied by the Chairman as follows :

Q1 : Who is the current Auditors of Hengan Group?

In response, the Chairman informed that the current Auditors of Hengan Group is PricewaterhouseCoopers ("PWC").

Q2: Messrs. UHY has been the Auditors of the Company for how many years and any intention to change its Auditors to PWC?

In response, the Chairman informed that Messrs UHY has been the Auditors of the Company since year 2008 and the Company has no intention to change the Company's Auditors at this moment.

After dealing with the questions from shareholders / proxies, the following resolution was put to the meeting for voting by way of poll :-

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

10. **SPECIAL BUSINESS - ORDINARY RESOLUTION 8 TO 11**
TO APPROVE THE FOLLOWING DIRECTORS, EACH OF WHOM HAS SERVED AS AN
INDEPENDENT NON-EXECUTIVE DIRECTOR ("INED") FOR MORE THAN TWELVE YEARS, TO
CONTINUE TO ACT AS INED OF THE COMPANY:

- (a) YBHG MAJ GEN DATO' PAHLAWAN DR MOHANA DASS A/L RAMASAMY (RTD)
- (b) LOO CHOO HONG
- (c) CH'NG ENG HING
- (d) LOW YU KEAT

The Chairman referred to resolutions no. 8 to 11 is to seek for the shareholders' approval for YBhg Maj Gen Dato' Pahlawan Dr Mohana Dass A/L Ramasamy (Rtd), Mr Loo Choo Hong, Mr Ch'ng Eng Hing and Madam Low Yu Keat who have 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.

The Chairman then invited the shareholders and proxy holders to raise their questions on the agenda item. As there were no questions raised, the following resolutions no. 8 to 11 were put to the Meeting for voting by way of poll :-

Ordinary Resolution 8

"THAT approval be and is hereby given to the YBhg Maj Gen Dato' Pahlawan Dr Mohana Dass A/L Ramasamy (RTD) to continue to act as an INED of the Company."

Ordinary Resolution 9

"THAT approval be and is hereby given to the Mr. Loo Choo Hong to continue to act as an INED of the Company."

Ordinary Resolution 10

"THAT approval be and is hereby given to the Mr. Ch'ng Eng Hing to continue to act as an INED of the Company."

Ordinary Resolution 11

"THAT approval be and is hereby given to the Madam Low Yu Keat to continue to act as an INED of the Company."

**11. SPECIAL BUSINESS-ORDINARY RESOLUTION 12
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**

The Chairman informed that the resolution 12 is 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 3 May 2019.

The Chairman then invited the shareholders and proxy holders to raise their questions on the agenda item.

The following questions were raised by the shareholders / proxies during the meeting and duly replied by the Chairman as follows :

Q1: *The approved estimated aggregate value of RRPT between WZB Group and Hengan Group was set at RM60 million last year 2018. However, the aggregate actual value of RRPT transacted last year between this two parties was only approximately RM16.1 million. Why the Company still maintaining the same estimated value of RRPT threshold of RM60 million this year when the actual transacted RRPT was lower?*

In response, the Chairman informed that the Company aims to develop and promote more new products range/ pipelines in the markets in order to expand its business in Malaysia

and Southeast Asia market, hence the volume of transactions between Hengan Group and WZB Group in term of raw materials, finished goods and machineries will increase subsequently. The Company is being prudent and keeping the estimated RRPT threshold at RM60 million and this would enable the Group to carry out RRPT necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate for such transaction.

After dealing with the questions from shareholders, the following resolution was put to the meeting for voting by way of poll :-

"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 3 May 2019, 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 3 May 2019, 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 meeting, the authority is renewed;*
 - (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."

**12. SPECIAL BUSINESS - ORDINARY RESOLUTION 13
AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

The Chairman informed that the next resolution no. 13 was to seek approval from the shareholders to authorise the Directors of the Company to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.

The Chairman then invited the shareholders and proxy holders to raise their questions on the agenda item. As there were no questions raised, the following resolution was put to the meeting for voting by way of poll :-

"THAT subject to Sections 75 and 76 of the Act and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions and for such purposes and to such persons whomsoever and as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued during the preceding twelve months does not exceed 10% of the total number of the issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued from Bursa Securities;

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company, or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting."

**13. SPECIAL BUSINESS-ORDINARY RESOLUTION 14
PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY**

The Chairman informed that the proposed resolution no. 14 of the Meeting is 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 3 May 2019, which has been sent to shareholders.

The Chairman then invited the shareholders and proxy holders to raise their questions on the agenda item.

The following questions were raised by the shareholders / proxies during the meeting and duly replied by the Chairman as follows :

Q1: Will the Company consider exercising share buy-back and is there any share buy-back procedures and systems have been in placed to exercise this share buy-back?

In response, the Chairman informed that presently, the Company has no intention/plan to exercise any share buy-back. The Company has all necessary procedures and systems in placed as the Company had implemented share buy-back exercise in year 2009. Nevertheless, the Company will bear in mind to ensure all necessary procedural are in place and careful consideration on the financial resources of the Group is look into before exercising any share buy-back in the future.

After dealing with the questions from shareholders, the following resolution was put to the meeting for voting by way of poll :-

“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 unconditionally and generally authorised, to purchase 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 held by the Company must 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*
- (iii) the shares of the Company so purchased may be cancelled, retained as treasury shares, distributed as dividends or resold 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 ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions;*
- (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 unconditionally and generally given to the Directors to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositors) Act 1991, and the entering into all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter in accordance with the Act, the provisions of the Constitution of the Company, the Listing Requirements and all other relevant governmental and/or regulatory authorities."

14. ANY OTHER BUSINESS

After verified and confirmed with the Company Secretary, the Chairman informed that there was no notice to transact any other business received by the Company and the Meeting was proceeded with the proceeding of the polling process.

15. POLLING PROCESS

The Chairman briefed the Meeting on the proceeding of the polling process. He informed that the representatives of the Share Registrar would collect the completed polling forms from the shareholders/proxies and the results of the poll would be verified by the Scrutineer.

The Chairman then adjourned the meeting at 1.00 p.m. for the polling process, counting and verification of the poll results.

16. ANNOUNCEMENT OF POLL RESULTS

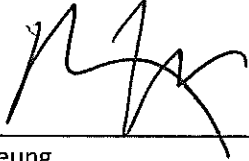
At 1.20 p.m. the Chairman called the Meeting to order for the declaration of results. He informed that he had received the poll results from the Scrutineers, as Appendix II.

The Chairman read out the poll results to the shareholders and proxies present. The Chairman thereby declared that based on the poll results, all the resolutions set out in the Notice of AGM dated 3 May 2019 were carried.

17. TERMINATION

There being no other business, the Meeting ended at 1.25 p.m. with a vote of thanks to the Chairman.

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



Li Wai Leung
Chairman



No. 1, Jalan Utarid U5/19, Section U5, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia.
 Tel: 03-7801 3333 Fax: 03-7801 3336
 E-mail: wzb@wangzhengbhd.com.my

Date: 30 May 2019

Minority Shareholders Watch Group
 11th Floor, Bangunan KWSP
 No. 3, Changkat Raja Chulan
 Off Jalan Raja Chulan
 50200 Kuala Lumpur

By Hand

Attention: *Mr Devanesan Evanson*
Chief Executive Officer

Dear Madam / Sir,

WANG-ZHENG BERHAD ("WZB" OR "THE COMPANY")

Re: 16th Annual General Meeting of Wang-Zheng Berhad ("the Company or the Group") to be held on Thursday, 30 May 2019

We refer to the queries raised by the Minority Shareholders Watch Group's letter dated 24 May 2019 on the following issues:-

	Strategy and Financial Matters
1.	<p>The disposable fibre-based products segment generated revenue of RM91.5 million as compared to RM90.1 million in the preceding financial year, an increase of RM1.4 million or 1.6% (page 18 of the Annual report 2018 (AR2018)).</p> <p>a) How can the Company increase its market share of its disposable fibre-based products in both the local and overseas market?</p> <p>b) What is your current market shares in these overseas markets?</p> <p>c) What is the strategy, and progress of your efforts, to penetrate into the Indonesian and Vietnamese markets?</p>
	<p>a) Hengan and Wang-Zheng's sales and marketing team have been working together to enhance the sales and marketing of Wang-Zheng's disposable fibre-based products in the local and overseas market. In addition, Wang-Zheng commenced to sell Hengan's products, including adult diapers and wet wipes, in the second half of 2018 so as to facilitate Wang-Zheng to gradually increase their presence of the disposable fibre-based products in local and overseas market.</p> <p>b) Wang-Zheng's current market shares in the overseas market is still insignificant and it has planned</p>

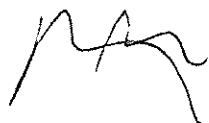
	<p>to increase its presence in the overseas markets by selling more Wang-Zheng owned brand and Hengan brand products.</p> <p>c) Wang-Zheng has sold disposable fibre-based products to the Indonesian and Vietnam market. In addition, Wang-Zheng will work together with the Hengan Indonesia sales team to further explore the opportunities in the Indonesian market.</p>
2.	<p>How will the Company leverage on the strength of Hengan International Group Company Limited, the ultimate holding company of Wang-Zheng, in the production and sales of sanitary napkin and diapers products (page 20 of AR2018)?</p>
	<p>Hengan International has taken proactively steps to work closely with Wang-Zheng existing management team after the acquisition. Hengan has sent their own personnel from various departments including but not limited to production, sales and marketing, finance, human resources and IT to Wang Zheng to integrate and enhance Wang-Zheng production, sales and finance functions. In addition, Hengan has commenced to sell its brand products including but not limited to adult diapers and wet wipes to the Malaysian and South Asia market in the second half of 2018 so as to enlarge the revenue stream of Wang-Zheng Group.</p>
3.	<p>What is the nature and outcome of the 10 critical audit findings identified by the internal auditors during FY2018 (page 65 of AR2018)?</p>
	<p>The nature of the 10 critical audit findings cover the areas including Information Technology, Human Resources, storage and transportation activities etc. These findings are recommended procedures by the internal auditors to improve Wang-Zheng operations environment and internal controls.</p> <p>After every internal audit review there will be a conclusion meeting with the line manager and management of the Company. A structured deadline and action plans with regards to the audit issues are generated and agreed.</p>
4.	<p>As at 31 December 2018, current bank borrowings of the Company have increased by 26% year-on-year to RM58.84 million from RM46.71 million in 2017 (page 85 of AR2018).</p> <p>What is the reason for the increase in borrowings?</p>
	<p>The increase in borrowing are relating to the banker acceptance in respect of the purchases of inventories as at FY 2018 year. During the last quarter of 2018, there has been higher utilisation of the banker acceptance for purchases of raw materials and finished goods.</p>
5.	<p>On page 89 of AR2018, the Company has impaired RM1.98 million of trade receivables in FY2018 - a 500% increase compared to RM327,689 recorded last year.</p> <p>What are the actions taken by the Company to recover these receivables and will there be any additional impairment in FY2019?</p>

	<p>The Company will take necessary action including issuing legal demand letter and reminder letter to these debtors, and follow up closely to recover the debts.</p> <p>As at to date, there is no additional impairment on the trade receivables.</p>
	Corporate Governance Matters
1.	<p>Paragraph 9.21 (b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia states that listed issuers must disclose on their website a summary of the Key Matters Discussed at the annual general meeting (AGM) as soon as practicable after the conclusion of the AGM.</p> <p>As of 24 May 2019, a summary of the key matters discussed at the last AGM was not published on the Company's website - www.wangzhengberhad.com</p> <p>Please explain.</p>
	<p>The Board noted on the requirement to publish the key matters discussed and had published the key matters discussed during last Annual General Meeting ("AGM") at the Company's website. The Company will ensure future compliance on this area.</p>
2.	<p>Pursuant to Practice 5.1(page 23 of the Corporate Governance Report (CG Report)), the Nominating Committee has conducted a formal internal annual assessment of the Board, the Board Committees and individual directors based on self and peer assessment approaches.</p> <p>However, on page 53 of AR2018, the Company stated only the self-assessment approach was carried out in the evaluation of director's performance.</p> <p>Please clarify.</p>
	<p>We wish to inform that the performance evaluation of the Board, Board Committees and individual directors were carried out by way of self and peer assessment as disclosed in the CG Report. It should have been disclosed as such in the Annual Report which was issued to shareholders on 30 April 2019. We will ensure consistency in the future.</p>
3.	<p>Based on the CG report of the Company on the application of the Practices under the Malaysian Code on Corporate Governance (MCCG), please provide clarification on the following:</p> <p>a) Practice 4.5 - The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.</p> <p>Wang-Zheng's response: Departure</p> <p>The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce gender diversity policy. However, the Board does not adopt any formal boardroom diversity policy in the selection of new Board candidates and does</p>

	<p>not have specific policies on setting target for female candidates in the Group.</p> <p><u>MSWG's comment:</u> Chapter 15, Paragraph 15.08A (3) (a) of the MMLR requires a listed issuer to have a policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity).</p>
	<p>a) The Board through the term of reference of Nomination Committees had complied with Paragraph 15.08A(3)(a) of the Main Market Listing Requirement to have a policy on board composition having regard to the mix of skills and independence save and except for gender diversity policy. The Board hasn't adopted a formal policy on gender diversity as evaluation of the suitability of candidates is goes by merit of the candidate and not by gender at this juncture. Nonetheless, the Board taken note on MSWG's comments and will take proper measures in setting gender diversity of the board composition in the future.</p> <p>The Board currently comprise of two (2) female directors, and the Board also may consider appointing more females onto the Board in future to bring more diverse perspective.</p>
	<p>b) Practice 12.1 - Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.</p> <p>Wang-Zheng's response: Departure</p> <p><u>MSWG's comment:</u> According to the Bursa Malaysia's Corporate Governance Guide: Executive Summary 3rd edition, the practice of allowing at least 28 days notice period is to provide shareholders sufficient preparation time to extract and comprehend the relevant information in the annual reports to make informed voting decisions at general meetings. Please take note.</p>
	<p>b) We take note of this suggestion and the Company had dispatched the notice of the Sixteenth AGM to shareholders at least 21 days before the AGM, as per requirement under the Companies Act, 2016 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p>

We trust the above are sufficient for your deliberation. Should you require any clarification, please do not hesitate to contact the undersigned.

Thank you.
Yours faithfully,
**On behalf of the Board of
WANG-ZHENG BERHAD**



LI WAI LEUNG
Executive Director

WANG-ZHENG BERHAD

(COMPANY NO. : 612237-K)

We, the undersigned having been appointed as scrutineers in respect of a poll conducted pursuant to the 16th Annual General Meeting of WANG-ZHENG BERHAD held on Thursday, 30 May 2019 at 11.00 a.m. hereby report the results of the poll as follows :-

Resolution	Voted in FOR / Favour				Voted Against			
	No. of		%		No. of		%	
	Record(s)	Share(s)	%	Share(s)	Record(s)	Share(s)	%	
RESOLUTION 1	45	97,596,831	100.0000%	97,596,831	-	-	0.0000%	0.0000%
RESOLUTION 2	45	97,596,831	100.0000%	97,596,831	-	-	0.0000%	0.0000%
RESOLUTION 3	44	97,548,031	100.0000%	97,548,031	-	-	0.0000%	0.0000%
RESOLUTION 4	44	97,7778%	99.9999%	97,596,731	1	100	2.2222%	0.0001%
RESOLUTION 5	44	97,7778%	99.9999%	97,596,731	1	100	2.2222%	0.0001%
RESOLUTION 6	44	97,7778%	99.9999%	97,596,731	1	100	2.2222%	0.0001%
RESOLUTION 7	44	100.0000%	100.0000%	97,595,431	-	-	0.0000%	0.0000%
RESOLUTION 8.1	1	100.0000%	100.0000%	80,003,000	-	-	0.0000%	0.0000%
RESOLUTION 8.2	42	95.4545%	99.9994%	17,593,726	2	105	4.5455%	0.0006%
RESOLUTION 9.1	1	100.0000%	100.0000%	80,003,000	-	-	0.0000%	0.0000%
RESOLUTION 9.2	42	95.4545%	99.9994%	17,593,726	2	105	4.5455%	0.0006%
RESOLUTION 10.1	1	100.0000%	100.0000%	80,003,000	-	-	0.0000%	0.0000%
RESOLUTION 10.2	42	95.4545%	99.9994%	17,593,726	2	105	4.5455%	0.0006%
RESOLUTION 11.1	1	100.0000%	100.0000%	80,003,000	-	-	0.0000%	0.0000%
RESOLUTION 11.2	41	95.3488%	99.9994%	17,592,726	2	105	4.6512%	0.0006%
RESOLUTION 12	42	100.0000%	100.0000%	16,337,698	-	-	0.0000%	0.0000%
RESOLUTION 13	45	100.0000%	100.0000%	97,596,831	-	-	0.0000%	0.0000%
RESOLUTION 14	44	100.0000%	100.0000%	97,595,831	-	-	0.0000%	0.0000%

Resolution	Voted Abstain		Spoilt Voted	
	No. of		No. of	
	Record(s)	Share(s)	Record(s)	Share(s)
RESOLUTION 1	-	-	-	-
RESOLUTION 2	-	-	-	-
RESOLUTION 3	-	-	1	48,800
RESOLUTION 4	-	-	-	-
RESOLUTION 5	-	-	-	-
RESOLUTION 6	-	-	-	-
RESOLUTION 7	-	-	1	1,400
RESOLUTION 8	-	-	-	-
RESOLUTION 9	-	-	-	-
RESOLUTION 10	-	-	-	-
RESOLUTION 11	-	-	1	1,000
RESOLUTION 12	2	81,258,133	1	1,000
RESOLUTION 13	-	-	-	-
RESOLUTION 14	1	1,000	-	-



[Handwritten Signature]

1.17 pm

30/5/2019