

MERGE ENERGY BHD

(“MEB” or “the Company”)

Company No: 420099-X

(Incorporated in Malaysia)

Summary of Proceedings of the 21st Annual General Meeting held at the Board Room of the Company, No. 2 Jalan Apollo U5/190, Bandar Pinggiran Subang, Seksyen U5, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 6 September 2018 at 10:00 a.m.

Present

: As per attendance lists

1. CHAIRMAN’S ADDRESS

YBM Dato’ Tengku Rozanna Petri binti Tengku Mohamed Nasrun welcomed all the shareholders, proxies and invitees present at the Company’s 21st Annual General Meeting (“AGM”).

Since a quorum was met she then proceeded to the formal business of the meeting.

2. NOTICE OF MEETING

The Notice convening the AGM which had been distributed to all shareholders was taken as read.

3. INTRODUCTION

3.1 VOTE BY POLL

The Chairman made known to the meeting that all the resolutions set out in the Notice of the 21st AGM would be put to vote by way of poll.

She informed that the Company has appointed Symphony Share Registrars Sdn Bhd as Poll Administrator to conduct the polling process and Symphony Corporatehouse Sdn Bhd as the Scrutineers to verify the poll results. She further informed that the polling process for the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the AGM.

The Company Secretary then explained the polling procedure to the meeting and further explained on the two-tier voting process for Resolution 8.

3.2 FINANCIAL POSITION IN YEAR 2018

The Chairman invited Dato’ Abdul Jalil to brief the meeting on the financial performance of the Group.

Dato’ Abdul Jalil informed that for the year ended 31 March 2018, the Group recorded a loss before taxation and zakat of RM10.41 million on the back of revenue of RM24.61 million compared with a profit of RM2.70 million on the back of revenue of RM87.50 million in the previous year. The decrease in revenue was due to the aggressive competition in the market and no major contract secured in the first 10 months of the financial year. He further informed that in February 2018, the Group managed to secure a contract from Pengurusan Aset Air Berhad worth RM105.55 million to build a water treatment plant in Pagoh.

The loss per share is 14.88 sen for the current year compared with the previous year's earnings per share of 2.42 sen. The net asset of the Group decrease to RM52.76 million from the previous year of RM62.90 million.

Dato' Abdul Jalil continued to brief the meeting that the construction tender especially in the water related industry is getting limited and increasingly competitive. Nonetheless, moving forward the Group will continue to focus its effort to tender for new project, to reduce cost and to become more competitive in its existing businesses.

4. AGENDA 1 : RECEIPT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman informed the meeting that this agenda item was meant for discussion only and would not be put forward for voting. The provision of Section 340(1) of the Companies Act, 2016 stipulates that the audited financial statements do not require formal approval of the shareholders.

As such, the shareholders/proxies to the shareholders of the Company were welcome to ask any questions on the Audited Financial Statements tabled at the meeting.

It was noted that no questions were raised and the Chairman then proceeded with the agenda of the meeting.

5. RESOLUTION 1 : PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 AND BENEFITS FROM 31 JANUARY 2017 TO 31 MARCH 2018

It was **RESOLVED**:

THAT the payment of Directors' fees of RM144,467/- for the financial year ended 31 March 2018 and benefits of RM126,500/- from 31 January 2017 to 31 March 2018 be and are hereby approved.

No matter was raised by the shareholders/proxies of the Company on this agenda.

6. RESOLUTION 2 : PAYMENT OF DIRECTORS' FEES AND BENEFITS FROM 1 APRIL 2018 UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

It was **RESOLVED**:

THAT the payment of Directors' fees of up to RM260,000/- and benefits of up to RM310,000/- from 1 April 2018 until the conclusion of the next Annual General Meeting of the Company be and are hereby approved.

No matter was raised by the shareholders/proxies of the Company on this agenda.

7. RESOLUTION 3 : RE-ELECTION OF RAIZITA BINTI AHMAD @ HARUN

It was **RESOLVED**:

THAT Raizita binti Ahmad @ Harun who retires pursuant to Article 105 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.

No matter was raised by the shareholders/proxies of the Company on this agenda.

8. RESOLUTION 4 : RE-ELECTION OF DATO' TENGKU ROZANNA PETRI BINTI TENGKU MOHAMED NASRUN

It was **RESOLVED**:

THAT Dato' Tengku Rozanna Petri binti Tengku Mohamed Nasrun who retires pursuant to Article 112 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.

No matter was raised by the shareholders/proxies of the Company on this agenda.

9. RESOLUTION 5 : RE-ELECTION OF DR BADRUL HISHAM BIN MOHD YUSOFF

It was **RESOLVED**:

THAT Dr Badrul Hisham bin Mohd Yusoff who retires pursuant to Article 112 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.

No matter was raised by the shareholders/proxies of the Company on this agenda.

10. RESOLUTION 6 : RE-APPOINTMENT OF AUDITORS

It was **RESOLVED**:

THAT Messrs Baker Tilly Monteiro Heng be and are hereby re-appointed as Auditors of the Company and that the Directors be and are hereby authorized to fix their remuneration.

No matter was raised by the shareholders/proxies of the Company on this agenda.

11. RESOLUTION 7 : SPECIAL BUSINESS

ORDINARY RESOLUTION

- AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

It was **RESOLVED**:

THAT, subject to the Companies Act 2016, the Company's Constitution and approval from Bursa Malaysia Securities Berhad and other Governmental or regulatory bodies, full authority be and is hereby given to the Board of Directors pursuant to Sections 75 and 76 of the Companies Act 2016 to allot and issue shares in the Company at any time upon such terms and conditions and for such purposes as the Board of 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 ten percent (10%) of the total number of issued shares of the Company for the time being **AND THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

No matter was raised by the shareholders/proxies of the Company on this agenda.

12. RESOLUTION 8 : SPECIAL BUSINESS

ORDINARY RESOLUTION

– AUTHORITY FOR DATO’ SHEAH KOK FAH TO CONTINUE IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

It was **RESOLVED**:

THAT authority be and is hereby given to Dato’ Sheah Kok Fah 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 until the conclusion of the next Annual General Meeting.

No matter was raised by the shareholders/proxies of the Company on this agenda.

The above Resolution 8 was approved by the shareholders through a two-tier voting in accordance with the Malaysian Code of Corporate Governance 2017.

13. CLOSURE

As there was no other business, the Chairman declared the 21st AGM closed and thanked the shareholders, proxies and invitees for their support and attendance.

The Meeting ended at 10:45 a.m. with a vote of thanks to the Chair.