

# **MERGE ENERGY BHD**

("MEB" or "the Company")

Company No: 420099-X

(Incorporated in Malaysia)

Summary of Proceedings of the Extraordinary 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, 10 October 2019 at 10:00 a.m.

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**Present**

**: As per attendance lists**

## **1. CHAIRMAN'S WELCOME REMARKS**

Dato' Hj Mohamad Haslah bin Mohamad Amin welcomed all the shareholders, proxies and invitees present at the Company's Extraordinary General Meeting ("EGM").

He then introduced the Board members, the Advisers, Solicitors and External Auditors who were present at the EGM.

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

## **2. NOTICE OF MEETING**

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

## **3. VOTING BY POLL**

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

He further informed that the Company has appointed Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd) as Poll Administrator to conduct the polling process and Boardroom Corporate Services Sdn Bhd as the Scrutineers to verify the poll results. He further informed that the polling process for the resolutions would be conducted upon completion of the deliberation of all resolutions to be transacted at the EGM.

For Ordinary Resolution 2, it was made known to the meeting that Dato' Tan Gee Swan @ Tan Suan Ching, the Executive Director of MEB and Mr Tan Yu Jian will abstain from voting due to their major shareholding in MEB. The interested directors have also ensured that the persons connected with them will also abstain from voting for Ordinary Resolution 2.

## **4. The Chairman further informed the shareholders that apart from the proposals to be tabled at the EGM, the Company had also on 27 August 2019 announced that Paramount Ventures Sdn Bhd, a subsidiary of the Company, has entered into a joint venture with AMNI Corporation (M) Bhd for the joint development project located in Kuantan, Pahang with an estimated gross development value of RM40 million.**

A shareholder then enquired on the deliverable of the said project and the Company's plan moving forward.

The Chairman replied that the Company was listed as a construction Company and generally for construction works, the margin were small. With the support of the shareholders and the capability of the management and resources, it is timely that the Company embarked into property development.

He further explained that with the experience of the Board members in property development, the Company would be able to deliver the said projects. At the moment, the Group were not able to undertake bigger projects due to capital constraint and would go on joint venture basis which could help protect the cashflow and to build up its development business.

**5(a). ORDINARY RESOLUTION 1  
PROPOSED DISPOSAL OF LANDS BY MEWAH KOTA SDN BHD ("MKS B"), A WHOLLY-OWNED SUBSIDIARY OF MERGE FOR VARIOUS PARCELS OF LANDS CONTIGUOUS TO EACH OTHER ("LANDS"), ALL OF WHICH ARE LOCATED AT BANDAR SERENDAH, DAERAH ULU SELANGOR, SELANGOR DARUL EHSAN ("PROPOSED LAND DISPOSALS")**

It was **RESOLVED**:

**THAT** subject to all approvals and consents being obtained from all relevant authorities and/or parties (where applicable), approval be and is hereby given to MKSB to dispose the Lands in Serendah to various parties based on the terms and conditions set out in the nine (9) conditional sale and purchase agreements as disclosed in the circular to the shareholders dated 18 September 2019 in relation to the Proposed Land Disposals, Proposed Change of Name and Proposed Adoption of New Constitution of the Company, for a total cash consideration of RM16,650,545.

**THAT** the proceeds arising from the Proposed Land Disposals be utilized for the purposes as set out in Section 4 of the circular to the shareholders of Merge dated 18 September 2019 in relation to the Proposed Land Disposals, Proposed Change of Name and Proposed Adoption of New Constitution of the Company, and the Directors of the Company ("Board") be hereby authorised with full powers to vary the manner and/or purpose of utilization of such proceeds in such manner as the Board may deem fit, necessary and/or expedient in the best interest of the Company.

**AND THAT** the Board be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient or in the best interest of the Company to give effects to the Proposed Land Disposals with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto or deemed necessary by the Board, and to take all steps and do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Land Disposals.

**5(b).** In relation to the above Ordinary Resolution 1, a shareholder enquired on the Batch 1 of Property 1 referred to in the circular in which the Company sold the property at a consideration of RM171,713 whereas the investment cost was at RM410,741.

The Chairman replied that there were water over the said property and since it was a contiguous parcels of lands, the Company was actually selling the parcels of lands above market value as a whole.

Apart from the above query, no further matter was raised by the shareholders/proxies of the Company on this agenda.

**6. ORDINARY RESOLUTION 2  
PROPOSED DEVELOPMENT PURSUANT TO A JOINT VENTURE AGREEMENT DATED 4 JULY 2019 ENTERED INTO BETWEEN PARAMOUNT VENTURES SDN BHD (“PVSb” OR “DEVELOPER”), A WHOLLY OWNED SUBSIDIARY OF MERGE, AND MEGA 3 HOUSING SDN BHD (“M3H” OR “LANDOWNER”) (“JVA”) TO DEVELOP A MIXED DEVELOPMENT PROJECT (“PROJECT”) LOCATED AT PASIR PANJANG, PORT DICKSON, NEGERI SEMBILAN (“PROPOSED DEVELOPMENT”)**

It was **RESOLVED**:

**THAT** subject to the approval of all relevant authorities (if necessary), approval be and is hereby given for PVSb to enter into the JVA dated 4 July 2019 with M3H to develop the Land pursuant to the Proposed Development and for PVSb to do all acts, deeds and things to execute all actions and obligations pursuant to the terms and conditions of the JVA, details of which are in the circular to the shareholders of Merge dated 18 September 2019 in relation to the Proposed Development, Proposed Diversification and Proposed Share Capital Reduction.

**THAT** the JVA be and is hereby confirmed and approved.

**AND THAT** the Board be and are hereby empowered and authorised to do all such acts, deeds and things to execute, sign and deliver on behalf of the Company all such documents and enter into any arrangements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to implement, finalise and/or give full effect to the Proposed Development with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant authorities or deemed necessary by the Board in the best interest of the Company.

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

**7. ORDINARY RESOLUTION 3  
PROPOSED DIVERSIFICATION OF THE PRINCIPAL ACTIVITIES OF THE COMPANY AND ITS SUBSIDIARIES’ (“MERGE GROUP” OR “GROUP”) TO INCLUDE PROPERTY DEVELOPMENT (“PROPOSED DIVERSIFICATION”)**

It was **RESOLVED**:

**THAT** subject to the approvals of all relevant authorities (if any), approval be and is hereby granted to Merge Group to diversify its principal activities to include property development.

**AND THAT** the Board be and is hereby authorised to do all acts, deeds and things as are necessary to give full effects to the Proposed Diversification with full power to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities, and to take all steps and actions in the best interest of the Company as the Board may deem fit or expedient in order to carry out, finalise and give full effect to the Proposed Diversification.

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

**8. SPECIAL RESOLUTION 1  
PROPOSED CHANGE OF COMPANY NAME FROM “MERGE ENERGY BHD” TO  
“STELLA HOLDINGS BERHAD” (“PROPOSED CHANGE OF NAME”)**

It was **RESOLVED**:

**THAT** approval be and is hereby given for the name of the Company to be changed from MERGE ENERGY BHD to STELLA HOLDINGS BERHAD with effect from the date of the issuance of the Certificate of Incorporation on Change of Name of Company by the Companies Commission of Malaysia AND THAT the Constitution of the Company be amended accordingly, wherever the name of the Company appears AND THAT the Directors and/or the Company Secretary be authorised to carry out all necessary formalities to effect the proposed change of name of the Company.

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

**9. SPECIAL RESOLUTION 2  
PROPOSED REVOCATION OF THE EXISTING MEMORANDUM AND ARTICLES  
OF ASSOCIATION AND PROPOSED ADOPTION OF NEW CONSTITUTION OF  
THE COMPANY**

It was **RESOLVED**:

**THAT** approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix III of the circular to the shareholders of Merge dated 18 September 2019 in relation to the Proposed Land Disposals, Proposed Change of Name and Proposed Adoption of New Constitution of the Company, be and is hereby adopted as the Constitution of the Company, AND THAT the Director of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.

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

**10. SPECIAL RESOLUTION 3  
PROPOSED REDUCTION OF MERGE’S ISSUED SHARE CAPITAL PURSUANT TO  
SECTION 117 OF THE COMPANIES ACT 2016 (“ACT”) BY REDUCING AND  
CANCELLING THE SHARE CAPITAL OF MERGE WHICH IS LOST OR NOT  
REPRESENTED BY AVAILABLE ASSETS, EQUIVALENT TO THE ENTIRE  
ACCUMULATED LOSSES OF THE COMPANY TO OFFSET THE CREDIT ARISING  
AGAINST SUCH ACCUMULATED LOSSES (“PROPOSED SHARE CAPITAL  
REDUCTION”)**

It was **RESOLVED**:

**THAT** subject to and conditional upon the approvals of all relevant authorities and/or parties (if any) pursuant to Section 117 of the Act, the Board be and is hereby given the authority and approval to reduce and cancelling the share capital of the Company which is lost or not represented by available assets, equivalent to the entire accumulated losses of the Company to offset the credit arising against such accumulated losses of Merge.

**THAT** the remaining balance after the setting off of the Company’s accumulated losses pursuant to the Proposed Share Capital Reduction shall be credited to the retained earnings of

the Company, which shall be utilised in such manner as the Board deems fit and in the best interest of the Company as permitted by the relevant and applicable laws and the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad.

**AND THAT** the Board be and is hereby authorised to approve, sign and execute all documents, do all things and acts as the Board may consider necessary or expedient to implement, finalise and give full effect to the Proposed Share Capital Reduction in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities, the relevant and applicable laws or deemed necessary or desirable by the Board.

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

## **11. CLOSURE**

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

The Meeting ended at 11.00 a.m. with a vote of thanks to the Chair.