

MERGE ENERGY BHD

("MEB" or "the Company")

Company No: 420099-X

(Incorporated in Malaysia)

Summary of Proceedings of the 20th 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, 14 September 2017 at 10:00 a.m.

Present

: As per attendance lists

1. CHAIRMAN'S ADDRESS

Dato' Abdul Jalil bin Abdul Karim welcomed all the shareholders, proxies and invitees present at the Company's 20th Annual General Meeting ("AGM").

Dato' Abdul Jalil informed the Meeting that as the position of the Chairman is vacant at the moment, he was chosen by the Board members to chair the 20th AGM.

Since a quorum was met he 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 20th AGM would be put to vote by way of poll.

He 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. He 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.

3.2 FINANCIAL POSITION IN YEAR 2017

The Chairman briefed the meeting on the financial performance of the Group.

For the year ended 31 March 2017, the Group recorded a profit before taxation and zakat of RM2.70 million on the back of revenue of RM87.50 million compared with a profit of RM4.13 million on the back of revenue of RM118.23 million for the previous financial year ended 31 March 2016. The lower revenue was attributable to most project coming to an end in 2017.

The earnings per share is 2.42 sen for the current year compared with last year's earnings per share of 1.95 sen. The net asset of the Group increase to RM62.90 million from the previous year of RM61.21 million.

The Chairman continued to brief the meeting that the construction tender especially in the water related industry is getting limited and more competitive. There were fewer projects due to limitation in government budget. Nonetheless, the Group would continue to find new project amid the challenging business environment.

He further informed the meeting that MEB has recently acquired Arena Terbaik Sdn Bhd, a company dealing with trading, repairing and maintenance services of motor vehicles. The acquisition is in line with the Group's effort to diversify its business operation to sustain its income and expand its revenue stream.

4. AGENDA 1 : RECEIPT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 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 2017

It was **RESOLVED**:

THAT the payment of Directors' fees of RM173,750/- for the financial year ended 31 March 2017 be and is hereby approved.

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

6. RESOLUTION 2 : RE-ELECTION OF DATO' SHEAH KOK FAH

It was **RESOLVED**:

THAT Dato' Sheah Kok Fah 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.

7. RESOLUTION 3 : 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.

8. RESOLUTION 4 : 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 percentum (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.

9. RESOLUTION 5 : 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 in accordance with the Malaysian Code of Corporate Governance 2012.

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

10. CLOSURE

As there was no other business, the Chairman declared the 20th AGM closed and thanked the shareholders, proxies and invitees for their support and attendance.

The Meeting ended at 10:40 a.m. with a vote of thanks to the Chair.