

MERCURY INDUSTRIES BERHAD
Registration No. 198201008273 (105550-K)
(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting of the Company held at Lot G 50, Ground Floor, South City Plaza, Persiaran Serdang Perdana, Seksyen 1, 43300 Seri Kembangan, Selangor Darul Ehsan on Wednesday, 22 June 2022 at 11.00 a.m.

Board of Directors: Encik Fazrin Azwar Bin Dato' Md. Nor
(*Chairman/Senior Independent Non-Executive Director*)
Dato' Tiong Kwing Hee (*Managing Director*)
Dato' Ting Heng Peng (*Independent Non-Executive Director*)
Mr Koo Hoong Kwan (*Independent Non-Executive Director*)

In Attendance: Ms Tan Fong Shian (Company Secretary)

By Invitation: Mr Jason Chan – *Malacca Securities Sdn Bhd*
Mr Sieh Lih Chuan – *Messrs Gan, Lee & Tan*
Mr Yeow Jie Han – *Messrs Gan, Lee & Tan*
Ms Kate Loo – *Messrs Gan, Lee & Tan*
Ms Abigail Lam – *Messrs Gan, Lee & Tan*

The attendance of shareholders, corporate representatives and proxies is as per the Attendance List.

1. **INTRODUCTION AND QUORUM**

Encik Fazrin Azwar Bin Dato' Md. Nor, the Chairman of the Board of Directors of the Company, extended a warm welcome to everyone present at the Company's Extraordinary General Meeting ("Meeting" or "EGM") convened and held for the purpose of considering the business of the Company as set out in the Notice of EGM to shareholders dated 31 May 2022 and Addendum to the Notice dated 3 June 2022.

He informed the Meeting that the representative of Malacca Securities Sdn Bhd, the Principal Adviser for the corporate exercises, was also present at this EGM.

Upon confirming the presence of a quorum with the Company Secretary, the Chairman duly called the Meeting to order.

2. **SHAREHOLDERS' RIGHTS AS TO VOTING**

The Chairman explained to the floor on how the shareholders present in person or by proxy or representative, may exercise their voting rights at the Meeting and the voting on all resolutions at the EGM would be conducted on a poll.

The Chairman informed that he would exercise his right as the Chairman of the Meeting to demand for a poll in accordance with the Clause 93 of the Company's Constitution in respect of all resolutions which would be put to vote at the Meeting

The Chairman informed that the polling process for all the resolutions would be conducted upon the completion of the deliberation of all items to be transacted at the EGM. The Company had appointed Boardroom Share Registrars Sdn Bhd as the Poll Administrator to conduct the polling process and Archer Consulting Group Sdn Bhd as the Scrutineers to verify the poll results.

3. **NOTICE**

There being no objection, the Notice convening the Meeting, having been circulated earlier to all the shareholders of the Company within the prescribed notice period, was taken as read.

4. **ORDINARY RESOLUTION 1**
PROPOSED ACQUISITION OF A PARCEL OF LAND LOCATED IN BANDAR SUNGAI BULOH, DAERAH GOMBAK, SELANGOR FOR A TOTAL CASH CONSIDERATION OF APPROXIMATELY RM23.5 MILLION
("PROPOSED LAND ACQUISITION")

The Chairman informed the floor that Dato' Tiong, being an interested party in the Proposed Land Acquisition, had abstained from all board deliberations and decision-making in relation to the Ordinary Resolution tabled at the EGM and that Dato' Tiong would continue to abstain from voting at this EGM. Dato' Tiong had also undertaken to ensure that persons connected to him abstained from voting on the Ordinary Resolution 1 at this EGM.

Shareholders' approval was sought on the following Ordinary Resolution 1:-

"THAT subject to the approvals of all relevant authorities and/or parties being obtained (where applicable), approval be and is hereby given to Mercury Land Sdn Bhd ("**MLSB**"), a wholly-owned subsidiary of the Company, to acquire the Land for a total cash consideration of RM23,514,408.32, subject to the terms and conditions as set out in the conditional sale and purchase agreement dated 10 March 2022 entered into between MLSB and Eastwind Alliance Sdn Bhd, and any supplemental thereto, in respect of the Proposed Land Acquisition;

AND THAT the Board of Directors of the Company ("**Board**") be and is hereby authorised and empowered to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all necessary documents/agreements, including without limitation, with full power to assent to or make any modifications, variations and/or amendments as may be required or imposed by the relevant authorities and/or parties or as may be deemed necessary and/or expedient and/or appropriate by the Board in their absolute discretion or expedient to finalise, implement and give full effect to complete the Proposed Land Acquisition."

The Chairman informed that the poll would be conducted upon completion of the remaining business of the Meeting and there was no question raised from the floor.

5. **ORDINARY RESOLUTION 2**
PROPOSED SHARES ISSUANCE OF UP TO 22,100,100 NEW ORDINARY SHARES IN MIB ("MIB SHARES") REPRESENTING 50.0% OF THE ISSUED SHARE CAPITAL OF MIB ("PROPOSED SHARES ISSUANCE")

The Chairman informed the floor that Dato' Tiong, being an interested party in the Proposed Shares Issuance, had abstained from all board deliberations and decision-making in relation to the Ordinary Resolution tabled at the EGM and that Dato' Tiong would continue to abstain from voting at this EGM. Dato' Tiong had also undertaken to ensure that persons connected to him abstained from voting on the Ordinary Resolution 2 at this EGM.

Shareholders' approval was sought for the Proposed Shares Issuance under Ordinary Resolution 2 as follows:-

“THAT subject to the approvals of all relevant authorities and/or parties being obtained (where applicable), approval be and is hereby given to the Board to:

- (i) allot and issue 22,100,100 new MIB Shares (**“Subscription Shares”**) at an issue price of RM0.8102 per Subscription Share to the subscribers (**“Subscribers”**) as set out in Section 3.2 of Part A of the circular to shareholders of the Company dated 31 May 2022 (**“Circular”**) based on the terms and conditions of the subscription agreements dated 10 March 2022 entered into between the Company and the Subscribers and any supplementals thereto; and
- (ii) utilise the proceeds to be derived from the Proposed Shares Issuance for the purposes as set out in Section 3.6 of Part A of the Circular and to vary the manner and/or purposes of such proceeds as the Board may deem fit, necessary and/or expedient in the best interest of the Company, subject to the approval of the relevant authorities (where required);

THAT such Subscription Shares shall, upon allotment and issue, rank equally in all respects with the then existing MIB Shares, save and except that the Subscription Shares shall not be entitled to any dividend, rights, allotment and/or other distribution that may be declared, made or paid for which the entitlement date precedes the date of issuance and allotment of the Subscription Shares;

AND THAT the Board be and is hereby authorised and empowered to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all necessary documents/agreements, including without limitation, with full power to assent to or make any modifications, variations and/or amendments as may be required or imposed by the relevant authorities and/or parties or as may be deemed necessary and/or expedient and/or appropriate by the Board in their absolute discretion or expedient to finalise, implement and give full effect to complete the Proposed Shares Issuance.”

The Chairman informed that the poll would be conducted upon completion of the remaining business of the Meeting and there was no question raised from the floor.

6. **ORDINARY RESOLUTION 3**
PROPOSED DIVERSIFICATION OF THE EXISTING CORE BUSINESS OF
MIB AND ITS SUBSIDIARIES ("MIB GROUP") TO INCLUDE PROPERTY
DEVELOPMENT ("PROPOSED DIVERSIFICATION")

The Chairman informed the floor that the Proposed Diversification allows the Group to expand its revenue stream and earning base to include property development activities.

Shareholders' approval was sought for the Proposed Diversification under Ordinary Resolution 3 as follows:-

“THAT subject to the approvals of all relevant authorities and/or parties being obtained (where applicable) and the provisions of the Constitution of MIB Group, approval be and is hereby given to MIB Group to diversify the existing core business of MIB Group to include property development;

AND THAT the Board be and is hereby authorised and empowered to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all necessary documents/agreements, including without limitation, with full power to assent to or make any modifications, variations and/or amendments as may be required or imposed by the relevant authorities and/or parties or as may be deemed necessary and/or expedient and/or appropriate by the Board in their absolute discretion or expedient to finalise, implement and give full effect to complete the Proposed Diversification.”

The Chairman informed that the poll would be conducted upon completion of the remaining business of the Meeting and there was no question raised from the floor.

7. **ORDINARY RESOLUTION 4**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR
TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS'
MANDATE")

The Chairman informed the floor that Dato' Tiong, being an interested party in the Proposed Renewal of Shareholders' Mandate, had abstained from all board deliberations and decision-making in relation to the Ordinary Resolution tabled at the EGM and that Dato' Tiong would continue to abstain from voting at this EGM. Dato' Tiong had also undertaken to ensure that persons connected to him abstained from voting on the Ordinary Resolution 4 at this EGM.

Shareholders' approval was sought for the Proposed Renewal of Shareholders' Mandate under Ordinary Resolution 4 as follows:-

“**THAT** subject always to the provisions of the Companies Act, 2016 (“**Act**”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad or other relevant regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into related party transactions with such related parties, details and particulars of which as set out in Section 2.5 of the Part B of the Circular provided that such transactions are:-

- (a) recurrent transactions of a revenue or trading nature;
- (b) necessary for the day-to-day operations of the Company and/or its subsidiaries;
- (c) carried out in the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms in line with those generally available to the public; and
- (d) not detrimental to the interests of the minority shareholders of the Company;

THAT such authority, once renewed, shall continue to be in force until:-

- (a) the conclusion of the next annual general meeting of the Company (“**AGM**”) following this EGM, at which time the authority will lapse unless by a resolution passed at that AGM, such authority is renewed;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or

- (c) revoked or varied by a resolution passed by the shareholders of the Company at a general meeting,

whichever is the earlier;

AND THAT the Board be and is hereby authorised and empowered to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all necessary documents/agreements, including without limitation, with full power to assent to or make any modifications, variations and/or amendments as may be required or imposed by the relevant authorities and/or parties or as may be deemed necessary and/or expedient and/or appropriate by the Board in their absolute discretion or expedient to finalise, implement and give full effect to complete the Proposed Renewal of Shareholders' Mandate."

The Chairman informed that the poll would be conducted upon completion of the remaining business of the Meeting and there was no question raised from the floor.

8. **ORDINARY RESOLUTION 5**
PROPOSED ALLOTMENT OF 11,050,050 MIB SHARES TO DATO' TIONG KWING HEE ("DATO' TIONG"), THE MANAGING DIRECTOR OF MIB ("PROPOSED ALLOTMENT OF SHARES TO DATO' TIONG")

The Chairman informed the floor that Dato' Tiong, being an interested party in the Proposed Allotment of Shares to Dato' Tiong, had abstained from all board deliberations and decision-making in relation to the Ordinary Resolution tabled at the EGM and that Dato' Tiong would continue to abstain from voting at this EGM. Dato' Tiong had also undertaken to ensure that persons connected to him abstained from voting on the Ordinary Resolution 5 at this EGM.

Shareholders' approval was sought for the Proposed Allotment of Shares to Dato' Tiong under Ordinary Resolution 5 as follows:-

"THAT subject to the passing of Ordinary Resolution 2, approval be and is hereby given to the Board to allot and issue 11,050,050 MIB shares ("**Subscription Shares**") at an issue price of RM0.8102 per Subscription Share to Dato' Tiong, the Managing Director of MIB based on the terms and conditions of the subscription agreement dated 10 March 2022 entered into between the Company and Dato' Tiong and any supplementals thereto.

THAT such Subscription Shares shall, upon allotment and issue, rank equally in all respects with the then existing MIB Shares, save and except that the Subscription Shares shall not be entitled to any dividend, rights, allotment and/or other distribution that may be declared, made or paid for which the entitlement date precedes the date of issuance and allotment of the Subscription Shares;

AND THAT the Board be and is hereby authorised and empowered to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all necessary documents/agreements, including without limitation, with full power to assent to or make any modifications, variations and/or amendments as may be required or imposed by the relevant authorities and/or parties or as may be deemed necessary and/or expedient and/or appropriate by the Board in their absolute discretion or expedient to finalise, implement and give full effect to complete the Proposed Allotment of Shares to Dato' Tiong."

The Chairman informed that the poll would be conducted upon completion of the remaining business of the Meeting and there was no question raised from the floor.

9. **SPECIAL RESOLUTION**
PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF MIB
PURSUANT TO SECTION 116 OF THE COMPANIES ACT, 2016 ("ACT")
("PROPOSED SHARE CAPITAL REDUCTION")

The purpose of the Proposed Share Capital Reduction is to eliminate the accumulated losses of the Company with a view to rationalise the balance sheet of the Company to reflect more accurately the value of its underlying assets, and thus the financial position of the Company.

Shareholders' approval was sought for the Proposed Share Capital Reduction under Special Resolution as follows:-

"**THAT**, subject to all approvals of all relevant authorities and/or parties being obtained (where applicable), and the confirmation by the High Court of Malaya pursuant to Section 116 of the Act, approval be and is hereby given to the Board to implement the Proposed Share Capital Reduction to reduce RM60.0 million of the issued share capital of the Company by the cancellation of the issued share capital which is lost or unrepresented by available assets and that the credit arising from such share capital reduction shall be utilised to set off the accumulated losses of the Company;

THAT, the surplus after the elimination of the Company's accumulated losses pursuant to the Proposed Share Capital Reduction, if any, shall be credited to the retained earnings account of the Company, which may 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 as well as the Constitution of the Company;

AND THAT the Board be and is hereby authorised and empowered to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all necessary documents/agreements, including without limitation, with full power to assent to or make any modifications, variations and/or amendments as may be required or imposed by the relevant authorities and/or parties or as may be deemed necessary and/or expedient and/or appropriate by the Board in their absolute discretion or expedient to finalise, implement and give full effect to complete the Proposed Share Capital Reduction."

There being no questions raised from the floor, the Chairman informed that the voting on all the Resolutions by poll would be conducted.

10. **POLLING**

At the Chairman's request, the Secretary explained the procedures for polling to the Meeting.

The computation of votes then took place immediately after all the shareholders had cast their votes and the Meeting was adjourned for 13 minutes for this purpose.

11. **RESULTS OF THE POLL**

The Chairman called the Meeting back to order at 11.23 a.m. for the declaration of the poll results. He informed that the poll results had been verified by the Scrutineers and the Scrutineers have confirmed the poll results.

The Chairman then announced the poll results in respect of the Ordinary Resolutions 1, 2, 3, 4 and 5 and Special Resolution as set out below and declared that all the Ordinary Resolutions and Special Resolution were duly carried.

Resolution	Vote For		Vote Against		Abstain
	No. of Shares	%	No. of Shares	%	No. of Shares
Ordinary Resolution 1 Proposed Land Acquisition	19,759,943	100.00	0	0	-
Ordinary Resolution 2 Proposed Shares Issuance	19,759,943	100.00	0	0	-
Ordinary Resolution 3 Proposed Diversification	24,596,943	100.00	0	0	-
Ordinary Resolution 4 Proposed Renewal of Shareholders' Mandate	19,759,943	100.00	0	0	-
Ordinary Resolution 5 Proposed Allotment of Shares to Dato' Tiong	19,759,943	100.00	0	0	-
Special Resolution Proposed Share Capital Reduction	24,596,943	100.00	0	0	-

12. **CLOSURE**

The Chairman thanked all participants at the EGM.

There being no further business to be transacted for which due notice had been given, the Meeting closed at 11.25 a.m. with a vote of thanks to the Chair.

CONFIRMED AS A CORRECT RECORD

CHAIRMAN

Date: 12 July 2022