

**TURBO-MECH BERHAD**  
(Company No. 863263-D)

MINUTES OF THE NINTH ANNUAL GENERAL MEETING (“AGM”) OF TURBO-MECH BERHAD (“THE COMPANY” OR “TURBO”) HELD AT TIARA RINI BALLROOM, THE ROYALE BINTANG THE CURVE HOTEL, 6 JALAN PJU 7/3, MUTIARA DAMANSARA, 47800 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA ON MONDAY, 21 MAY 2018 AT 9.00 A.M.

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**PRESENT:-**

**DIRECTORS**

Mr Gan Kok Ten  
- Chairman and Chief Financial Officer and also a shareholder

Encik Nasaruddin Bin Mohamed Ali  
- Chief Executive Officer and also a shareholder

Encik Omar Bin Mohamed Said  
- Non-Independent Non-Executive Director

Ms Chan Bee Eie  
- Non-Independent Non-Executive Director

Encik Azhar Bin Mohamad  
- Senior Independent Non-Executive Director

Mr Tam Juat Hong  
- Independent Non-Executive Director

**IN ATTENDANCE**

Ms Chan Yoke Peng - Company Secretary

**BY INVITATION**

Mr Tay Wee Bon	- Finance Manager
Mr Kua Choh Leang	- Messrs Ernst & Young
Mr Jeffrey Gan	- Messrs Ernst & Young
Mr Lim Seng Koon	- Boardroom Corporate Services (KL) Sdn. Bhd.
Mr Khor Lian Aun	- Boardroom Corporate Services (KL) Sdn. Bhd.
Ms Tan Ping Sin	- Boardroom Corporate Services (KL) Sdn. Bhd.

The shareholders and proxyholders (“Members”) who attended the AGM were set out in the Attendance Lists attached and shall form an integral part of these Minutes.

**CHAIRMAN**

The Chairman welcomed all Members and guests present to the AGM of the Company. The Chairman then took the opportunity to introduce the other Board members and the Secretary to all present at the Meeting.

The representatives from the external auditors, Messrs Ernst & Young, were also present at the Meeting.

## **QUORUM**

With the requisite quorum being present, the AGM was called to order by the Chairman.

The Chairman informed the Members of their right to participate, speak and vote at the AGM.

As part of good corporate governance, the Secretary reported that the Company had received in total 5 proxy forms from the shareholders of the Company for a total of 4,507,968 ordinary shares representing 4.17% of the total voting shares of the Company. The Company had also received 1 corporate representative form for a total of 38,615,124 ordinary shares representing 35.79% of the total voting shares of the Company.

## **NOTICE**

With the consent of the Members, the Notice convening the AGM having been circulated for the prescribed period was taken as read. The Chairman then proceeded with the business on the agenda.

## **DISCUSSION ITEM**

### **- AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

The Audited Financial Statements together with the Reports of the Directors and Auditors of the Company for the financial year ended 31 December 2017 (“Audited Financial Statements”) having been circulated to all the shareholders of the Company within the statutory period were taken as read.

The Chairman informed the Meeting that this item in the agenda was meant for discussion. It would not be put to voting by shareholders as it did not require approval from the shareholders of the Company.

The Chairman then invited questions from the floor and took cognizance of the following enquiries and/or comments by the Members during the Meeting:-

## **KEY MATTERS DISCUSSED**

**(i) Overall Performance of the Company in the financial year 2017**

The Board was requested to give a presentation on the performance of the Company during financial year 2017. The Chairman informed the Meeting that the Company has maintained a healthy market shares while the industry was experiencing downturn for the past two (2) years. The Chairman took the opportunity to put on record the appreciation for the contributions and efforts of the Management team in managing and controlling the costs effectively.

**(ii) Directors' Remuneration**

In response to questions raised on the Directors' remuneration as disclosed on page 27 of the Annual Report, the Chairman clarified that the Directors were not paid twice. It is a requirement for a listed company to disclose the remuneration of the Directors received or to be received from the listed company and on a group basis respectively pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad. The fees of individual Directors were the same at the levels of the Group and the Company. The Chairman further informed that the quantum of the fees payable to each Director is based on the contribution by each individual Director to the Company. The Chairman added that the fees payable to the Directors of the Company are reasonable as compared to other public listed companies.

**(iii) Attendance of Annual General Meeting by Minority Shareholder Watchdog Group ("MSWG")**

There were questions and comments raised by a shareholder on the attendance of MSWG at the AGM of the Company as the MSWG would review and give comments by highlighting the weaknesses and shortfalls of the Company during the AGM. These are valuable to the shareholders and the Company. The Meeting was informed that MSWG is only entitled to attend the AGM of the Company if the MSWG is a registered shareholder of the Company. The Meeting was further informed that the Company did not receive any enquiry from the MSWG nor invite MSWG for attending this AGM of the Company as at to-date.

**(iv) Actions to be taken for improving the profit of the Company**

In response an enquiry by a shareholder on the action to be taken by the Company to improve the profit of the Company, the Chairman replied that the Company would still focus on the provision of specialised services to oil and gas industry. The business volume is not high but it could contribute significant revenue to the Company.

**(v) Proposed Directors' fees and benefits payable to Directors for the financial year ending 31 December 2018 and up to the date of next AGM ("Proposed Directors' Remuneration")**

Responding to a query on the Proposed Directors' Remuneration by a shareholder, the Chairman clarified that there is no increase of the fees and benefits payable to Directors as the Proposed Directors' Remuneration of up to RM160,000/- is a total of seventeen (17) months of the fees and benefits payable to Directors. The Company is seeking prior approval from shareholders for the Proposed Directors' Remuneration to be paid monthly in arrears to retain the Directors. The Board and the Management would endeavour to improve the results of the Company for the next financial year.

**(vi) Tenure of Service and the Audit Fees of the External Auditors**

In response to a question from a shareholder on the tenure of service and audit fees of the External Auditors and suggestion to change the existing External Auditors, the Chairman replied that Messrs Ernst & Young have been appointed as the Auditors of the Company for nine (9) years and their audit fees is RM70,000.00 per annum. The Chairman also highlighted that the audit firm itself would rotate the partner in-charge of the Company for every five (5) years to maintain their independence.

After addressing all the questions received, the Chairman declared that the Audited Financial Statements of the Company for the financial year ended 31st December 2017 had been duly received.

**RESOLUTIONS TO BE VOTED BY POLL**

At this juncture, the Chairman informed the Meeting that pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the AGM must be voted by poll. Pursuant to Article 51 of the Company's Articles of Association, the Chairman then demanded for a poll to be taken for all the resolutions set forth in the Notice of the AGM.

The Chairman also informed Meeting that Symphony Share Registrars Sdn. Bhd. has been appointed as Poll Administrator to facilitate the poll voting and Messrs SJ & Co. has been appointed as the Independent Scrutineers to verify the poll results.

The Chairman further informed that the Meeting shall go through all the motions and proceed with the polling process after the last motion has been tabled.

The Chairman then proceeded with the resolutions set out in the Notice of the AGM.

**ORDINARY RESOLUTION 1**

**- FINAL SINGLE-TIER DIVIDEND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

The Chairman informed that the first Ordinary Resolution on the Agenda was to approve the payment of a final single-tier dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2017.

Mr Lim Jack Son proposed and Mr Abraham David Thanaraj seconded that the final single-tier dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2017 be approved.

The Members were requested to indicate their votes on the polling forms in respect of the Ordinary Resolution 1 and retain the form for the next resolution.

**ORDINARY RESOLUTION 2**

**- RE-ELECTION OF MS CHAN BEE EIE**

The second Ordinary Resolution on the Agenda was the re-election of Ms Chan Bee Eie as a Director retiring pursuant to Articles of Association of the Company and being eligible, offered herself for re-election.

Mr Abraham David Thanaraj proposed and Mr Lim Jack Son seconded that the retiring Director, Ms Chan Bee Eie be re-elected as Director of the Company.

The Members were requested to indicate their votes on the polling forms in respect of the Ordinary Resolution 2 and retain the form for the next resolution.

**ORDINARY RESOLUTION 3**

**- RE-ELECTION OF ENCIK AZHAR BIN MOHAMAD**

The Meeting was informed that the third Ordinary Resolution on the Agenda was the re-election of Encik Azhar Bin Mohamad as a Director retiring pursuant to the Articles of Association of the Company and being eligible, offered himself for re-election.

Mr Abraham David Thanaraj proposed and Ms Lai Soon Ling seconded that the retiring Director, Encik Azhar Bin Mohamad be re-elected as Director of the Company.

The Members were requested to indicate their votes on the polling forms in respect of the Ordinary Resolution 3 and retain the form for the next resolution.

**ORDINARY RESOLUTION 4**

**- DIRECTORS' FEES AND BENEFITS PAYABLE TO DIRECTORS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

The fourth resolution on the Agenda was to approve the payment of Directors' fees and benefits payable to Directors totalling Ringgit Malaysia One Hundred and Twenty-Seven Thousand (RM127,000.00) only for the financial year ended 31 December 2017.

Mr Abraham David Thanaraj proposed and Mr Lai Yew Fong seconded that the Directors' fees and benefits payable to Directors totalling Ringgit Malaysia One Hundred and Twenty-Seven Thousand (RM127,000.00) only for the financial year ended 31 December 2017 be approved for payment to the Directors.

The Members were requested to indicate their votes on the polling forms in respect of the Ordinary Resolution 4 and retain the form for the next resolution.

**ORDINARY RESOLUTION 5**

**- DIRECTORS' FEES AND BENEFITS PAYABLE TO DIRECTORS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018 AND UP TO THE DATE OF NEXT ANNUAL GENERAL MEETING**

The Meeting was informed that the Ordinary Resolution 5 was to approve the Directors' fees and benefits payable of up to Ringgit Malaysia One Hundred and Sixty Thousand (RM160,000.00) only to the Directors of the Company for the financial year ending 31 December 2018 and up to the date of the next Annual General Meeting, to be paid monthly in arrears.

Mr Lai Yew Fong proposed and Mr Abraham David Thanaraj seconded that the Directors' fees and benefits payable of up to Ringgit Malaysia One Hundred and Sixty Thousand (RM160,000.00) only to the Directors of the Company for the financial year ending 31 December 2018 and up to the date of the next Annual General Meeting, to be paid monthly in arrears, be approved.

The Members were requested to indicate their votes on the polling forms in respect of the Ordinary Resolution 5 and retain the form for the next resolution.

**ORDINARY RESOLUTION 6**

**- RE-APPOINTMENT OF AUDITORS**

The Meeting was informed that the retiring Auditors, Messrs Ernst & Young, having indicated their willingness to continue in office. The Audit Committee and the Board of Directors have reviewed their effectiveness and had recommended the re-appointment of Messrs Ernst & Young as the Auditors of the Company.

Mr Loo Kien Seng proposed and Mr Abraham David Thanaraj seconded that the retiring Auditors, Messrs Ernst & Young, having indicated their willingness to continue in office, be re-appointed as the Auditors of the Company and that the Directors be authorised to fix their remuneration.

The Members were requested to indicate their votes on the polling forms in respect of the Ordinary Resolution 6 and retain the form for the next resolution.

**ORDINARY RESOLUTION 7**

**- AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ISSUE SHARES**

Mr Abraham David Thanaraj proposed and Mr Lim Jack Son seconded that pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be empowered to allot and issue shares in the share capital of the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at the time of issue, subject to the Articles of Association of the Company and approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and other relevant bodies where such approval is necessary.

The Members were requested to indicate their votes on the polling forms in respect of the Ordinary Resolution 7 and retain the form for the next resolution.

**ORDINARY RESOLUTION 8**

**- RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("SHAREHOLDERS' MANDATE")**

Mr Abraham David Thanaraj proposed and Ms Lai Soon Ling seconded that subject always to the Companies Act 2016, the Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be hereby given to the Company and its subsidiaries, to enter and give effect to the recurrent related party transactions of a revenue or trading nature (hereinafter to be referred to as "Recurrent Transactions") with the Related Parties as stated in Section 2.3 of Part A of the Circular to Shareholders dated 20 April 2018 which are necessary for the day-to-day operations of the Company and its subsidiaries subject further to the following:-

- (i) the Recurrent Transactions contemplated are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public, and are not to the detriment of the minority shareholders of the Company; and

- (ii) disclosure will be made in the Annual Report of the breakdown of the aggregate value of the Recurrent Transactions conducted pursuant to the Shareholders' Mandate during the financial year on the type of Recurrent Transactions made, the names of the related parties involved in each type of Recurrent Transactions and their relationships with the Company.

AND THAT the approval is subject to annual renewal and shall only continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company following the Ninth Annual General Meeting of the Company at which the Shareholders' Mandate will be tabled;
- (b) the expiration of the period within which the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND FURTHER THAT the Directors of the Company be authorised to do all acts and things to give full effect to the Recurrent Transactions contemplated and/or authorised by this resolution, as the Directors of the Company, in their absolute discretion, shall deem fit

The Members were requested to indicate their votes on the polling forms in respect of the Ordinary Resolution 8.

#### **SPECIAL RESOLUTION**

#### **- PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY**

The Chairman informed the Meeting that the proposed adoption of a New Constitution, if passed, would substitute and exclude the existing Memorandum and Articles of Association of the Company to be in line with the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and prevailing laws, guidelines or requirements of the relevant authorities as well as to further enhance administrative efficiency and provide greater clarity and consistency throughout.

Mr Abraham David Thanaraj proposed and Mr Loo Kien Seng seconded that the proposed adoption of a new Constitution of the Company, details as set out in Part B of the Circular to Shareholders dated 20 April 2018 be approved in substitution for and to the exclusion of the whole of the existing Memorandum and Articles of Association of the Company thereof.



The Members were requested to indicate their votes on the polling forms in respect of the Special Resolution.

### **POLLING PROCESS**

After all the resolutions have been tabled to the Meeting, the Chairman directed for the closing of the registration of the shareholders and proxies for the Meeting. At the request of the Chairman, the Poll Administrator then briefed the Meeting on the polling procedure before the commencement of the polling process.

After the briefing on the polling procedure by the Poll Administrator, the Chairman informed that the outcome of the poll would be announced after the short break for refreshment as it would take some time for the Scrutineers to tabulate the results of the poll. The Meeting was then adjourned at 9.56 a.m. for the votes to be counted and to enable the Scrutineers to tabulate the results of the poll.

The Meeting resumed at 10.22 a.m. for the declaration of the results of the poll.

### **ANNOUNCEMENT OF POLL RESULTS FOR RESOLUTIONS**

The Chairman read the results of the poll as follows:-

<b>Ordinary Resolution 1</b>	<b>Vote For</b>		<b>Vote Against</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
To approve a final single-tier dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2017	70,148,075	100.00	0	0.00

The Chairman declared that Ordinary Resolution 1 was carried. Accordingly, it was unanimously RESOLVED:-

“That the final single-tier dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2017, be and is hereby approved.”.

<b>Ordinary Resolution 2</b>	<b>Vote For</b>		<b>Vote Against</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
To re-elect Ms Chan Bee Eie as Director	70,148,075	100.00	0	0.00

The Chairman declared that Ordinary Resolution 2 was carried. Accordingly, it was unanimously RESOLVED:-

“That the retiring Director, Ms Chan Bee Eie be and is hereby re-elected as Director of the Company.”.

Ordinary Resolution 3	Vote For		Vote Against	
	No. of Shares	%	No. of Shares	%
To re-elect Encik Azhar Bin Mohamad as Director	70,148,075	100.00	0	0.00

The Chairman declared that Ordinary Resolution 3 was carried. Accordingly, it was unanimously RESOLVED:-

“That the retiring Director, Encik Azhar Bin Mohamad be and is hereby re-elected as Director of the Company.”.

Ordinary Resolution 4	Vote For		Vote Against	
	No. of Shares	%	No. of Shares	%
To approve the payment of Directors’ fees and benefits payable to Directors totalling RM127,000/- for the financial year ended 31 December 2017	70,144,075	99.9943	4,000	0.0057

The Chairman declared that Ordinary Resolution 4 was carried. Accordingly, it was RESOLVED:-

“That the Directors’ fees and benefits payable to Director totalling Ringgit Malaysia One Hundred and Twenty-Seven Thousand (RM127,000.00) only for the financial year ended 31 December 2017 be and is hereby approved for payment to the Directors.”.

Ordinary Resolution 5	Vote For		Vote Against	
	No. of Shares	%	No. of Shares	%
To approve the Directors’ fees and benefits payable of up to RM160,000/- for the financial year ending 31 December 2018 and up to the date of next Annual General Meeting, to be paid monthly in arrears	67,097,755	95.6516	3,050,320	4.3484

The Chairman declared that Ordinary Resolution 5 was carried. Accordingly, it was RESOLVED:-

“That the Directors’ fees and benefits payable of up to Ringgit Malaysia One Hundred and Sixty Thousand (RM160,000/-) only for the financial year ending 31 December 2018 and up to the date of next Annual General Meeting, to be paid monthly in arrears, be and is hereby approved.”.

Ordinary Resolution 6	Vote For		Vote Against	
	No. of Shares	%	No. of Shares	%
To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration	70,108,875	99.9441	39,200	0.0559

The Chairman declared that Ordinary Resolution 6 was carried. Accordingly, it was RESOLVED:-

“That the retiring Auditors, Messrs Ernst & Young, having indicated their willingness to continue in office, be and are hereby re-appointed as the Auditors of the Company and that the Directors be and are hereby authorised to fix their remuneration.”.

Ordinary Resolution 7	Vote For		Vote Against	
	No. of Shares	%	No. of Shares	%
Authority to Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.	67,634,055	96.4161	2,514,020	3.5839

The Chairman declared that Ordinary Resolution 7 was carried. Accordingly, it was RESOLVED:-

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the share capital of the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at the time of issue, subject to the Articles of Association of the Company and approval for the listing of and quotation for the additional shares so issued

on Bursa Malaysia Securities Berhad and other relevant bodies where such approval is necessary.”.

Ordinary Resolution 8	Vote For		Vote Against	
	No. of Shares	%	No. of Shares	%
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions.	70,148,075	100.00	0	0.00

The Chairman declared that Ordinary Resolution 8 was carried. Accordingly, it was unanimously RESOLVED:-

“THAT subject always to the Companies Act 2016, the Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries, to enter and give effect to the recurrent related party transactions of a revenue or trading nature (hereinafter to be referred to as “Recurrent Transactions”) with the Related Parties as stated in Section 2.3 of Part A of the Circular to Shareholders dated 20 April 2018 which are necessary for the day-to-day operations of the Company and its subsidiaries subject further to the following:-

- (i) the Recurrent Transactions contemplated are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public, and are not to the detriment of the minority shareholders of the Company; and
- (ii) disclosure will be made in the Annual Report of the breakdown of the aggregate value of the Recurrent Transactions conducted pursuant to the Shareholders' Mandate during the financial year on the type of Recurrent Transactions made, the names of the related parties involved in each type of Recurrent Transactions and their relationships with the Company.

AND THAT the approval is subject to annual renewal and shall only continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company following the Eighth Annual General Meeting of the Company at which the Shareholders' Mandate will be tabled;
- (b) the expiration of the period within which the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts and things to give full effect to the Recurrent Transactions contemplated and/or authorised by this resolution, as the Directors of the Company, in their absolute discretion, shall deem fit.”.

Special Resolution	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
Proposed Adoption of New Constitution of the Company	70,105,075	99.9444	39,000	0.0556

The Chairman declared that the Special Resolution was carried. Accordingly, it was RESOLVED:-

“That the adoption of a new Constitution of the Company, details as set out in Part B of the Circular to Shareholders dated 20 April 2018, be and is hereby approved in substitution for and to the exclusion of the whole of the existing Memorandum and Articles of Association of the Company thereof.”.

## **CONCLUSION**

There being no other business to be transacted, the Meeting concluded at 10:27 a.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

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CHAIRMAN