

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Forty-Seventh (47th) Annual General Meeting (“AGM”) of Muhibbah Engineering (M) Bhd will be conducted **fully virtual** via remote participation and voting at the Broadcast Venue at Muhibbah Engineering (M) Bhd, Lekas Meeting Room, Lot 579 & Lot 586, 2nd Mile, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan on **Thursday, 10 September 2020 at 1.30 p.m.** for the following purposes:-



## Agenda

### As Ordinary Business

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|---|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2019 and the Reports of the Directors and Auditors thereon.   | <b>Please refer to Explanatory Note 1</b>             |
| 2. To approve the declaration of a first and final tax exempt dividend of 2.5 sen per ordinary share in respect of the financial year ended 31 December 2019.   | <b>Resolution 1</b>                                   |
| 3. To re-elect the following Directors who retire pursuant to Article 85 of the Constitution of the Company:-<br><br>(i) Mac Ngan Boon @ Mac Yin Boon;<br>(ii) Dato’ Mohamad Kamarudin bin Hassan; and<br>(iii) Mazlan Bin Abdul Hamid. | <b>Resolution 2<br/>Resolution 3<br/>Resolution 4</b> |
| 4. To approve the payment of directors’ fees and benefits payable up to an amount of RM2,500,000 from 11 September 2020 until the next AGM of the Company.  | <b>Resolution 5</b>                                   |
| 5. To re-appoint Messrs Crowe Malaysia PLT as the Company’s Auditors for the ensuing year and to authorise the Directors to fix their remuneration.   | <b>Resolution 6</b>                                   |

### As Special Business

To consider and, if thought fit, to pass with or without modifications, the following resolutions:-

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| 6. <b>Ordinary Resolution</b><br><b>Retention of Independent Directors</b><br><br>“THAT the following Directors who have each served for more than twelve (12) years to be retained as Independent Directors of the Company:-<br><br>(i) Tan Sri Zakaria bin Abdul Hamid; and<br>(ii) Abd Hamid bin Ibrahim.   | <b>Resolution 7<br/>Resolution 8</b> |
| 7. <b>Ordinary Resolution</b><br><b>Authority for Directors to issue and allot shares in the Company pursuant to Section 75 of the Companies Act, 2016</b><br><br>“THAT subject to Section 75 of the Companies Act, 2016 and approvals of the relevant government/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons 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 issued pursuant to this resolution does not exceed 10% of the total number of issued share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad (“Bursa Securities”) AND THAT such authority shall commence immediately upon the passing of this resolution and continue in force until the conclusion of the next AGM of the Company in accordance with Section 76 of the Companies Act 2016.” | <b>Resolution 9</b>                  |

## Notice of Annual General Meeting (continued)

### 8. Ordinary Resolution

#### Proposed Renewal of Authority for Share Buy-Back

#### Resolution 10

“**THAT** subject to the requirements of the Main Market Listing Requirements of Bursa Securities (“MMLR”), Companies Act, 2016 (“the Act”), and the Constitution of the Company, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company through Bursa Securities (“Proposed Share Buy-Back”), as may be determined by the Directors of the Company from time to time upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that :-

- (i) the aggregate number of ordinary shares purchased and/or held by the Company as treasury shares shall not exceed ten percent (10%) of the total number of issued share capital of the Company at any point in time; and
- (ii) the funds allocated by the Company for the Proposed Share Buy-Back shall not exceed the aggregate retained profits of the Company; and
- (iii) the authority conferred by this resolution shall continue to be in force until :-
  - (a) the conclusion of the next AGM of the Company following the general meeting at which this resolution was passed, at which time it shall lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, whether unconditionally or subject to conditions; or
  - (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first.

**THAT** the Directors of the Company be and are hereby authorised to deal with the shares purchased in the following manner :-

- (a) cancel all the shares so purchased; and/or
- (b) retain the shares so purchased as treasury shares, for distribution as share dividends to the shareholders and/or resell on the market of Bursa Securities; and/or
- (c) retain part thereof as treasury shares and cancel the remainder.

**AND THAT** the Directors of the Company be and are hereby authorised to give effect to the Proposed Share Buy-Back with full power to assent to any modifications and/or amendments as may be required by the relevant authorities.”

## 9. Ordinary Resolution

### **Proposed Renewal of the Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

### **Resolution 11**

"**THAT** subject to the MMLR, approval be and is hereby given to the renewal of the existing shareholders' mandate and new shareholders' mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Sections 2.1.2(ii)(A) and (B), Part B of the Circular to Shareholders ("Circular") dated 13 August 2020 provided that such transactions are undertaken in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interests of the minority shareholders of the Company.

**THAT** the Proposed Shareholders' Mandate conferred by this resolution shall continue to be in force until :-

- a) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the Proposed Shareholders' Mandate is renewed; or
- b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c) revoked or varied by a resolution passed by the Company's shareholders at a general meeting,

whichever is the earliest.

**AND THAT** the Directors of the Company be and are hereby authorised to take all steps and to do all such acts and deeds as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

10. To transact any other business of which due notice shall have been given.

### **BY ORDER OF THE BOARD**

**IRENE CHOE MEE KAM @ IRENE CHOW MEE KAM** (SSM PC No. 202008003930) (MIA 16775)

**WOO SIAU SHEN** (SSM PC No. 202008003859) (MIA 33077)

**TIA HWEI PING** (SSM PC No. 202008001687) (MAICSA 7057636)

Company Secretaries

Selangor Darul Ehsan

13 August 2020

## Notice of Annual General Meeting (continued)

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 60(d) of the Constitution of the Company and Paragraph 7.16(2) of the MMLR, a Record of Depositors as at 2 September 2020 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxies to attend and/or vote on his/her behalf.

### Notes :-

- (a) *The 47th AGM shall be conducted fully virtual. The broadcast venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 which require the Chairman to be present at the meeting venue. No members shall be physically present nor admitted at the Broadcast Venue on the date of the AGM. Members who wish to attend the fully virtual 47th AGM will have to register online and attend remotely. Please follow the procedures provided in the Administrative Notes for the 47th AGM on the registration and voting process for the meeting.*
- (b) *A member entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. Each proxy appointed, shall represent a minimum of one hundred (100) shares. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.*
- (c) *A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*
- (d) *The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.*
- (e) *Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- (f) *Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- (g) *The duly completed Proxy Form in hardcopy shall be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan or submitted via email to [AGM-support.MEB@megacorp.com.my](mailto:AGM-support.MEB@megacorp.com.my), not less than forty-eight (48) hours before the time set for the holding of the Meeting or any adjournment thereof.*
- (h) *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice will be put to vote by way of poll.*

### Explanatory Notes to the Agenda

#### **1. Audited Financial Statements for the Financial Year Ended 31 December 2019**

The Audited Financial Statements in Agenda 1 is intended for discussion only as the provision of the Section 340(1)(a) of the Act does not require a formal approval of the shareholders and hence is not put forward for voting.

#### **2. Resolution 5: Approval for payment of Directors’ fees and benefits to the Non-Executive Directors**

Section 230(1) of the Companies Act, 2016 provides amongst others, that “the fees” of the Directors and “any benefits” payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, shareholders’ approval shall be sought at the forthcoming 47th AGM on the Directors’ fees and benefits under Resolution 5. The Director’ benefits comprise meeting allowances, travelling allowances and other benefits such as directors’ and officers’ liability insurance.

### 3. Resolutions 7 & 8: Approval pertaining to the Continuation of Terms of Office as Independent Director

The Board of Directors has vide the Nominating Committee conducted an assessment of independence of the following directors who have each served as Independent Director for a cumulative term of more than twelve (12) years and recommended them to continue to act as Independent Directors based on the following justifications:

- (i) Tan Sri Zakaria bin Abdul Hamid; and
- (ii) Abd Hamid bin Ibrahim.

#### Justifications

- (a) They have met the independence criteria set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and are therefore able to give independent opinion to the Board;
- (b) Being directors for more than twelve (12) years have enabled them to contribute positively during deliberations/discussions at meetings as they are familiar with the operations of the Company and possess tremendous insight and knowledge of the Company's operations;
- (c) They have contributed sufficient time and exercised due care during their tenure as Independent Directors;
- (d) They have discharged their professional duties in good faith and also in the best interest of the Company and shareholders;
- (e) They have vigilantly safeguarded the interests of the minority shareholders of the Company;
- (f) They have the calibre, qualifications, experiences and personal qualities to challenge management in an effective and constructive manner;
- (g) They have never compromised on their independent judgement;
- (h) They have provided objective views on the performance of the Executive Director and Management in meeting the agreed goals and objectives; and
- (i) They have ensured that there were effective checks and balances in Board proceedings.

### 4. Resolution 9: Authority for Directors to issue and allot shares in the Company pursuant to Section 75 of the Companies Act, 2016

For Resolution 9, Authority for Directors to issue and allot shares in the Company pursuant to Section 75 of the Companies Act, 2016 if passed will give the Directors of the Company from the date of the above meeting, authority to allot and issue ordinary shares from the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. The purposes of this general mandate is for possible fund raising exercise but not limited to further placing of Company's shares for purpose of funding investment(s), working capital as and when required, and/or acquisitions at any time to such persons in their discretion without convening a general meeting as it would be both costs and time-consuming to organise a general meeting. This authorisation will expire at the conclusion of the next AGM of the Company.

This general mandate is a renewal of the mandate obtained from the shareholders at the AGM of the Company held on 12 June 2019. The Company did not exercise the mandate obtained at the last AGM and thus no proceeds were raised from the previous mandate.

### 5. Resolution 10: Proposed Renewal of Authority for Share Buy-Back

For Resolution 10, the detailed information on the Proposed Renewal of Authority for Share Buy-Back Authority is set out in Part A of the Statement/Circular to Shareholders dated 13 August 2020.

### 6. Resolution 11: Proposed Renewal of the Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

For Resolution 11, the detailed information on the Proposed Shareholders' Mandate is set out in Part B of the Statement/Circular to Shareholders dated 13 August 2020.