



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-First Annual General Meeting of Muhibbah Engineering (M) Bhd will be held at Concorde Hotel Shah Alam, Concorde II, Level 2, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan on Thursday, 26 June 2014 at 3.30 p.m. for the following purposes:-

Agenda

As Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2013 and the Reports of the Directors and Auditors thereon.

Please refer to Note (a)

- To approve the declaration of a First and Final tax exempt dividend of 9% (4.50 sen) per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2013. **Resolution 1**

- To re-elect the following Directors who retires pursuant to Article 85 of the Company's Articles of Association:-

- (i) Sobri bin Abu; **Resolution 2**
- (ii) Mac Chung Jin; **Resolution 3**
- (iii) Lee Poh Kwee; **Resolution 4**
- (iv) Mazlan bin Abdul Hamid; and **Resolution 5**
- (v) Dato' Mohamad Kamarudin bin Hassan **Resolution 6**

- To consider and, if thought fit, to re-appoint the following Directors who retire pursuant to Section 129(2) of the Companies Act, 1965 and in accordance with Section 129(6) of the Companies Act, 1965 be re-appointed to hold office until the conclusion of the next Annual General Meeting:-

- (i) Tan Sri Zakaria bin Abdul Hamid; **Resolution 7**
- (ii) Mac Ngan Boon @ Mac Yin Boon; and **Resolution 8**
- (iii) Ooi Sen Eng **Resolution 9**

- To re-appoint Messrs. Crowe Horwath as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 10**

As Special Business

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

6. Ordinary Resolution

Continuation of Terms of Office as Independent Director Resolution 11

"THAT pursuant to the Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012"), approval be and is hereby given to Tan Sri Zakaria bin Abdul Hamid, 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."

7. Ordinary Resolution

Authority for Directors to issue and allot shares in the Company pursuant to Section 132D of the Companies Act, 1965 Resolution 12

"THAT pursuant to Section 132D of the Companies Act, 1965, and subject always to approval of the relevant authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, from time to 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 to be issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares on Bursa Malaysia Securities Berhad."

8. Ordinary Resolution

Proposed Renewal of Authority for Share Buy-Back Resolution 13

"THAT subject to the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), Companies Act, 1965 ("the Act"), and the Articles of Association of the Company, the Company be and is hereby authorised to purchase such number of ordinary shares of RM0.50 each 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 issued and paid-up ordinary share capital of the Company at any point in time;
- (ii) the funds allocated by the Company for the Proposed Share Buy-Back shall not exceed the aggregate retained profits and share premium accounts of the Company; and
- (iii) the authority conferred by this resolution shall continue to be in force until:-
 - the conclusion of the next Annual General Meeting ("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
 - the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
 - revoked or varied by an ordinary resolution passed by the shareholders of the Company in 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 Resolution 14

"THAT subject to the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given for the Renewal of the Existing 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 2.1.2 of the Circular to Shareholders ("Circular") dated 4 June 2014 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; and

THAT a New Shareholders' Mandate be and is hereby granted for the Company and/or its subsidiaries to enter into additional recurrent related party transactions of a revenue or trading nature with related parties which are necessary for the day to day operations and on normal commercial terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders as set out in Section 2.1.2 of the Circular dated 4 June 2014; (collectively known as the "Proposed Shareholders' Mandate")

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 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- c) revoked or varied by a resolution passed by the Company's shareholders in 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."

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

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 58(d) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Securities, a Record of Depositors as at 18 June 2014 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 Audited Financial Statements in Agenda 1 is intended for discussion only as the provision of the Section 169(1) of the Act does not require a formal approval of the members and hence is not put for voting.*
- (b) *A member entitled to attend and vote at this meeting is entitled to appoint a proxy/proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the provision of Section 149(1)(b) of the Act shall not apply to the Company.*
- (c) *A member shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the same meeting and where a member appoints two (2) proxies, such appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. Each proxy appointed, shall represent a minimum of one hundred (100) shares.*
- (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) *The duly completed Form of Proxy must be deposited at the Share Registrar's Office, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, at least forty-eight (48) hours before the time set for the holding of the Meeting or any adjournment thereof.*

Explanatory Notes on Special Business

1. Resolution pertaining to the Continuation of Terms of Office as Independent Director

For Resolution 11, in line with the Recommendation 3.1 of the MCCG 2012, the Board had conducted an assessment of independence of Tan Sri Zakaria bin Abdul Hamid ("Tan Sri Zakaria"), who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to act as Independent Non-Executive Director of the Company.

Tan Sri Zakaria fulfills the Independent Director criteria set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and therefore, is able to bring independent and objective judgement to the Board. His vast experience in the government service sectors together with the long service and association with the Company enable him to contribute actively and effectively during deliberations at Board meetings.

2. Resolution pertaining to the Authority for Directors to issue and allot shares in the Company pursuant to Section 132D of the Companies Act, 1965

For Resolution 12, Authority for Directors to issue and allot shares in the Company pursuant to Section 132D of the Companies Act, 1965 if passed will give the Directors of the Company from the date of the above meeting, authority 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 the shares for purpose of funding investment(s), working capital and/or acquisitions at any time to such persons in their absolute discretion without convening a general meeting as it would be both costs and time-consuming to organise a general meeting. This authorization will expire at the conclusion of the next Annual General Meeting of the Company.

3. Resolution pertaining to the Proposed Renewal of Authority for Share Buy-Back

For Resolution 13, the detailed information on the Proposed Renewal of Authority for Share Buy-Back Authority is set out in the Statement/Circular to Shareholders dated 4 June 2014 which is despatched together with the Company's Annual Report 2013.

4. Resolution pertaining to the Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

For Resolution 14, the detailed information on the Proposed Shareholders' Mandate is set out in Statement/Circular to Shareholders dated 4 June 2014 which is despatched together with the Company's Annual Report 2013.

Notice of Dividend Entitlement and Payment Date

NOTICE IS HEREBY GIVEN THAT a First and Final tax exempt Dividend of 9% (4.50 sen) per ordinary share of RM0.50 each of the financial year ended 31 December 2013, if approved by the shareholders at the forthcoming Forty-First Annual General Meeting, will be paid on 25 August 2014 to Depositors whose names appear in the Record of Depositors at the close of business on 15 August 2014.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- a) Shares transferred into the Depositor's securities account before 4.00 p.m. on 15 August 2014 in respect of ordinary transfers; and
- b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

LIM SUAK GUAK (MIA 19689)
CATHERINE MAH SUIK CHING (LS 01302)

Company Secretaries

Selangor Darul Ehsan

4 June 2014