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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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MUHIBBAH ENGINEERING (M) BHD.

(Registration No. 197201001137 (12737-K))

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES' SHARE ISSUANCE SCHEME OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN MUHIBBAH ENGINEERING (M) BHD. (EXCLUDING TREASURY SHARES) AT ANY ONE TIME DURING THE DURATION OF THE EMPLOYEES' SHARE ISSUANCE SCHEME

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

TA SECURITIES

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD (14948-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The notice of the Extraordinary General Meeting (“EGM”) of Muhibbah Engineering (M) Bhd. (“MEB” or “Company”), which will be conducted as a fully virtual through online meeting platform via TIIH Online website at <https://tjih.online> or <https://tjih.com.my> provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia on 22 June 2022 at 3.30 p.m. or after the conclusion of the 49th AGM of MEB or at any adjournment thereof, whichever is later. The Administrative Notes for the EGM and the Notice of the EGM together with the Proxy Form are enclosed in this Circular, which are also available at the Company’s website at <http://www.muhibbah.com/> or Bursa Malaysia Securities Berhad’s website at <https://www.bursamalaysia.com>.

If you are unable to attend, participate, speak and vote remotely at the forthcoming EGM, you may appoint a proxy(ies) to do so on your behalf by completing and depositing the enclosed Proxy Form in accordance with the instructions therein at the Company’s Share Registrar’s office at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the EGM. You can also lodge the Proxy Form electronically via the TIIH Online website at <https://tjih.online> before the proxy appointment cut-off time as mentioned below. The lodging of the Proxy Form will not preclude you from attending, participating, speaking and voting remotely at the forthcoming EGM, should you subsequently wish to do so.

Last date and time for registration for remote participation and voting at the virtual EGM and for lodging of the Proxy Form : Monday, 20 June 2022 at 3.30 p.m.

Date and time of the EGM : Wednesday, 22 June 2022 at 3.30 p.m. or after the conclusion of the 49th AGM of MEB or at any adjournment

This Circular is dated 7 June 2022

DEFINITIONS

The following definitions shall apply throughout this Circular and the accompanying appendices, except where the context otherwise requires:

COMPANIES:

“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“FFB”	: Favelle Favco Berhad, a 60.73% owned subsidiary of the Company
“FFB Group”	: FFB and its subsidiaries, collectively
“Group”	: MEB and its subsidiaries, collectively
“MEB” or “Company”	: Muhibbah Engineering (M) Bhd.
“TA Securities”	: TA Securities Holdings Berhad

GENERAL:

“5D-VWAP”	: 5-day volume weighted average market price
“Act”	: Companies Act 2016
“AGM”	: Annual General Meeting of the Company
“Board”	: Board of Directors of the Company
“By-Laws”	: By-laws governing the Proposed SIS, (a draft of which is set out in Appendix I of this Circular), as amended, modified and supplemented from time to time
“Circular”	: This circular to shareholders of the Company dated 7 June 2022 in relation to the Proposed SIS
“Director”	: A natural person who holds a directorship in the Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2 of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“EGM”	: Extraordinary general meeting of the Company
“Eligible Director(s)”	: Eligible executive director(s) of the Company
“Eligible Person(s)”	: An Eligible Director and Employee who fulfil the eligibility criteria for participation in the Proposed SIS as set out in the By-Law
“Employee(s)”	: A natural person which is employed by and on the payroll of any company in the Group (excluding dormant subsidiaries) and whose employment has been confirmed in writing and falls within any other eligibility criteria that may be determined by the Scheme Committee from time to time at its discretion
“EPS”	: Earnings per Share
“Existing SIS”	: Existing employees’ share issuance scheme established by the Company, which is effective from 10 July 2017 and expiring on 9 July 2022
“Existing SIS Options”	: Options under the Existing SIS
“ESOS”	: Employee share option scheme
“Grantee(s)”	: An Eligible Person who has accepted an Offer in the manner indicated in the By-Laws
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 12 May 2022, being the latest practicable date prior to the printing of this Circular
“Market Day”	: Any day when Bursa Securities is open for trading of securities
“Maximum Allowable Allotment”	: The maximum number of new Shares which may be made available to any Eligible Person pursuant to the Proposed SIS, as provided in the By-Law
“NA”	: Net assets attributable to the ordinary equity holders of the Company
“Offer”	: An offer made in writing by the Scheme Committee to an Eligible Person in the manner indicated in the By-Laws

DEFINITIONS (CONT'D)

“Offer Date”	:	The date of which an Offer (including any subsequent Offer) is made by the Scheme Committee to an Eligible Person to participate in the Scheme in accordance with the By-Laws
“Option Period”	:	A period commencing from the Offer Date for each Eligible Person and expiring on a date which the Scheme Committee may at its discretion decide, provided that no option period shall extend beyond the duration of the Scheme
“Proposed SIS” or “Scheme”	:	Proposed establishment of a new employees’ share issuance scheme of up to 10% of the total number of issued Shares (excluding treasury shares) at any one time during the duration of the employees’ share issuance scheme, based on the terms and conditions of the By-Laws, which shall comprise the ESOS and SGP
“Proposed FFB SIS”	:	FFB’s new employees’ share issuance scheme of up to 10% of the total number of issued shares in FFB (excluding treasury shares) at any one time during the duration of the employees’ share issuance scheme as announced by FFB on 13 May 2022
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Scheme Committee”	:	A committee to be duly appointed and authorised by the Board to administer the Scheme
“SGP”	:	Share grant plan
“SGP Award(s)”	:	Awards made under the SGP to Eligible Persons
“SGP Price”	:	Reference price of the SGP Awards based on the fair value of the SGP Awards, which will take into account the market price of the Shares as at or prior to the date of granting of the SGP Awards
“Shares”	:	Ordinary shares in the Company
“SIS Options” or “Options”	:	The right of a Grantee to subscribe for the new Shares pursuant to the contract constituted by acceptance by a Grantee, in the manner as set out in the By-Laws
“Subscription Price”	:	The price payable for the new Shares upon exercise of the SIS Options granted under the Proposed SIS

All references to “we”, “us”, “our” and “ourselves” are to the Company, or where the context requires, are to the Group. All references to “you” in this Circular are references to our shareholders of the Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

Reference to persons shall include a corporation, unless otherwise specified. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Certain figures in this Circular have been subject to rounding adjustments.

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MUHIBBAH ENGINEERING (M) BHD.
(Registration No. 197201001137 (12737-K))
(Incorporated in Malaysia)

Registered Office:

Lot 579 & 586, 2nd Mile
Jalan Batu Tiga Lama
41300 Klang
Selangor Darul Ehsan

7 June 2022

Board of Directors

Tan Sri Zakaria bin Abdul Hamid (*Chairman, Senior Independent Non-Executive Director*)
Mac Ngan Boon @ Mac Yin Boon (*Group Managing Director*)
Ooi Sen Eng (*Executive Director*)
Mac Chung Jin (*Executive Director/ Deputy Chief Executive Officer*)
Lee Poh Kwee (*Group Finance Director*)
Sobri bin Abu (*Independent Non-Executive Director*)
Abd Hamid bin Ibrahim (*Independent Non-Executive Director*)
Dato' Mohamad Kamarudin bin Hassan (*Independent Non-Executive Director*)
Dato' Sri Khazali bin Haji Ahmad (*Independent Non-Executive Director*)
Mazlan bin Abdul Hamid (*Non-Independent Non-Executive Director*)

To: Our shareholders

Dear shareholders,

PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES' SHARE ISSUANCE SCHEME OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN MEB (EXCLUDING TREASURY SHARES) AT ANY ONE TIME DURING THE DURATION OF THE EMPLOYEES' SHARE ISSUANCE SCHEME

1. INTRODUCTION

On 13 May 2022, TA Securities announced on behalf of the Board that the Company proposed to undertake the Proposed SIS. The Company has the Existing SIS. However, the Board had decided not to extend the duration of the Existing SIS and to implement the Proposed SIS after the expiry of the Existing SIS.

Bursa Securities had, vide its letter dated 23 May 2022, approved the listing of and quotation for such number of new Shares, representing up to 10% of the total number of issued shares of the Company (excluding treasury shares) to be issued pursuant to the Proposed SIS on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 7** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS WITH THE RELEVANT INFORMATION ON THE PROPOSED SIS, TO SET OUT THE BOARD'S RECOMMENDATION ON THE PROPOSED SIS AND TO SEEK THE SHAREHOLDERS' APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED SIS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED SIS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED SIS

The Proposed SIS shall comprise the ESOS and SGP for the Eligible Persons in accordance with the By-Laws.

The Proposed SIS will be administered by a Scheme Committee, which may consist of Executive Directors and/or senior management of the Company as well as such persons to be appointed by the Board from time to time.

The ESOS will involve the granting of Options to the Eligible Persons to subscribe for new Shares at the prescribed Option price, subject to terms and conditions of the By-Laws. Upon acceptance by the selected Eligible Persons, the Options shall be vested to them and may be subjected to the fulfilment of certain vesting conditions as may be determined by the Scheme Committee.

The SGP involves the granting of SGP Awards, subject to the terms and conditions of the By-Laws. Upon acceptance of the SGP Awards by the selected Eligible Persons, the SGP Awards will be vested to them over the duration of the Proposed SIS, and may be subjected to the fulfilment of certain vesting conditions as may be determined by the Scheme Committee.

In the event the Scheme Committee decides that the Offer or vesting of SIS Options and/or SGP Awards is staggered, the number of SIS Options and/or SGP Awards to be offered in an Offer and the timing for the vesting of these SIS Options and/or SGP Awards shall be decided by the Scheme Committee and shall be subject to other conditions as set out by the Scheme Committee in the letter of offer (including but not limited to performance, assessment and appraisal or performance targets) at its sole and absolute discretion and an Offer shall be separate and independent from the others. Further to the above, the maximum allocation available for each financial year over the duration of the scheme shall be determined at the sole and absolute discretion of the Scheme Committee.

The salient terms and conditions of the Proposed SIS, which are governed by the By-Laws are set out as below:

2.1 Total number of Shares available under the Proposed SIS

The maximum number of new Shares which may be made available pursuant to the Proposed SIS, shall not exceed in aggregate 10% of the total number of issued shares of the Company (excluding treasury shares) at any point in time during the duration of the Proposed SIS as provided in the By-Laws.

2.2 Eligibility

Any Eligible Director and Employee of the Group (excluding dormant subsidiaries) shall be eligible to participate in the Proposed SIS if, as at the Offer Date, the Eligible Person:

- (i) is a Malaysian citizen;
- (ii) has attained the age of 18 years old;
- (iii) is employed by and is on the payroll of a company within the Group;
- (iv) save for the Eligible Directors, is employed for a continuous period of at least 1 year in the Group from the date of confirmation of employment;
- (v) if an employee is employed by a company which is acquired by the Group during the duration of the Proposed SIS and becomes a subsidiary upon such acquisition, the employee must have completed from the date of confirmation of employment, continuous service of at least 1 year from the date that company becomes a subsidiary;
- (vi) not be an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (vii) in respect of an Eligible Director, such Eligible Director is a director named in the Register of Directors of the Company;
- (viii) in respect of employment under fixed-term contract, such person must have been continuously in service for at least 5 years in the Group prior to the Offer Date;

- (ix) the allocation of Shares to the Eligible Directors must have been approved by the shareholders of the Company in a general meeting and such Eligible Directors are not prohibited or disallowed by the relevant authorities or laws from participating in the Proposed SIS; and
- (x) fulfils any other criteria including but not limited to the performance targets, appraisals and assessments as may be set or determined by the Group that may be determined by the Scheme Committee from time to time, at its absolute discretion.

In determining the eligibility and allocation of Eligible Persons to participate in the Proposed SIS, the Scheme Committee will take into account among others, the performance appraisal(s) and past and future contributions of the Eligible Persons to the Group (excluding dormant subsidiaries), and such other factors that the Scheme Committee deems relevant from time to time. For avoidance of doubt, the selection of Eligible Persons for participation in the Scheme shall be at the sole and absolute discretion of the Scheme Committee. The decision of the Scheme Committee shall be final and binding.

For avoidance of doubt, the employees/executive directors of FFB Group shall only be eligible to participate in the Proposed FFB SIS unless they are also employees/executive directors of the Group (besides FFB Group), in which case they are eligible to participate in both the Proposed SIS and Proposed FFB SIS.

2.3 Basis of allotment and maximum allowable allotment of Shares

Subject to any adjustments which may be made to the By-Laws, the aggregate number of new Shares to be made available to an Eligible Person in accordance with the Scheme shall be determined at the sole and absolute discretion of the Scheme Committee after taking into consideration the Eligible Person's performance, position, seniority, responsibility and the number of years in service subject to the following:

- (i) that the aggregate number of new Shares made available under the Scheme shall not exceed the amount stipulated in **Section 2.1** of this Circular; notwithstanding the foregoing and the Scheme Committee shall not be obliged in any way to offer an Eligible Person the Options or grant the SGP Awards for all the specified maximum number of Shares that the Eligible Person is entitled to under the Proposed SIS;
- (ii) that not more than 80%* of the new Shares available under the Proposed SIS at any point in time when the Offer is made shall be allocated, in aggregate, to the Eligible Directors and senior management of the Group (excluding dormant subsidiaries);

Note:

* *The breakdown of percentage between the Eligible Directors and senior management of the Group (excluding dormant subsidiaries) shall be determined at the discretion of the Scheme Committee. The basis in arriving at this threshold takes into account the number of Eligible Directors and senior management of the Group (excluding dormant subsidiaries) who are eligible to participate in the Proposed SIS and was determined after considering that the Eligible Directors and senior management are the key drivers that spearhead and strategise the long-term direction, performance and growth of the Group's businesses.*

This is intended to incentivise the Eligible Directors and senior management for their contribution towards improving the Group's overall financial performance and enhancing the total returns, including the appreciation of share price and dividend to the shareholders. The Proposed SIS also aims to reward and retain the Eligible Directors and senior management of the Group (excluding dormant subsidiaries) for their attainment of higher performance, commitment, dedication and loyalty.

- (iii) that not more than 10% of the total new Shares available under the Scheme at any point in time when an Offer is made shall be granted to any individual Eligible Person who, either singly or collectively through persons connected with an Eligible Person, holds 20% or more of the total number of issued shares in the Company (excluding treasury shares); and
- (iv) the Eligible Directors and senior management of the Group (excluding dormant subsidiaries) do not participate in the voting, deliberation or discussion of their own allocations of Options and SGP Awards under the Proposed SIS.

The criteria for granting of the SIS Options and SGP Awards to Eligible Persons shall be determined at the sole and absolute discretion of the Scheme Committee after taking into consideration the following:

- (i) expected performance of the Eligible Persons whether has been met (in which SIS Options may be granted) or exceeded expectation (in which SGP Awards may be granted); and
- (ii) overall financial performance of the Group.

2.4 Basis of determining the Subscription Price and SGP Price

Subject to any adjustment made in accordance with the By-Laws and pursuant to the Listing Requirements, the Subscription Price shall be based on a price to be determined by the Board upon recommendation of the Scheme Committee based on the 5D-VWAP of the Shares immediately preceding the offer date, with a discount of not more than 10%.

The SGP Price shall be determined based on the fair value of the SGP Awards, which will take into account the market price of the Shares as at or prior to the date of granting of the SGP Awards. For avoidance of doubt, any monetary consideration to be paid by the Eligible Persons for the acceptance of and subsequent vesting of the new Shares pursuant to the SGP Awards shall be determined by the Scheme Committee.

2.5 Acceptance of Offer and SGP Award

Acceptance of an Offer by an Eligible Person shall be accompanied by the payment of RM1.00 or such other amount and/or in such other currency as may be determined at the discretion of the Scheme Committee as non-refundable consideration for the SIS Option.

Acceptance of an SGP Award by an Eligible Person shall be made by way of a written notice from the Eligible Person to the Scheme Committee in the form prescribed by the Scheme Committee and accompanied by payment of RM1.00 or such other only as non-refundable consideration for the acceptance of each SGP Award (regardless of the number of shares comprised therein).

2.6 Ranking of the new Shares

The new Shares arising from the Proposed SIS shall, upon allotment and issuance, rank equally in all respects with the then existing Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which precedes the date of allotment and issuance of the new Shares.

The SIS Options shall not carry any rights to vote at any general meeting of the Company. The Grantee shall not in any event be entitled to any dividends, rights, allotments or any other distributions that may be declared, made or paid, or other entitlements on his/her unexercised SIS Options.

2.7 Retention period

The new Shares to be allotted and issued to a Grantee pursuant to the Proposed SIS will not be subject to any retention period or restriction on transfer. However, the Grantees are encouraged to hold the Shares as a long-term investment rather than for realisation of any immediate gain.

2.8 Effective date and duration of the Proposed SIS

The effective date for the commencement of the Proposed SIS shall be the date of full compliance with the Listing Requirements in relation to the Proposed SIS and after the expiry of the Existing SIS.

The Proposed SIS shall be in force for a period of 5 years from the effective date of commencement of the Proposed SIS. However, an extension to the Proposed SIS may be effected by the Board upon recommendation of the Scheme Committee, subject always that the aggregate duration of the Proposed SIS shall not exceed a duration of 10 years from the effective date of commencement.

2.9 Exercise of SIS Options

The exercise of the SIS Option may be staggered over the Scheme Period as determined by the Scheme Committee.

Where the maximum percentage of a SIS Options exercisable within a particular year of the Proposed SIS is not fully exercised by the Grantee, the percentage unexercised shall be carried forward to the following year and the maximum percentage of the SIS Options exercisable in that year shall not exceed the aggregate of the percentage unexercised in the previous year and the exercisable percentage of that year, provided always that no SIS Option shall be carried forward beyond the Scheme Period.

2.10 Amendments and/or modification to the Proposed SIS

Subject to compliance with the requirements of Bursa Securities and any other relevant authorities, the Board shall have the power, at any time and from time to time, by resolution to amend, at the recommendation of the Scheme Committee, all or any provisions of the Proposed SIS. However, no such amendment shall be made which would alter to the advantage of any Eligible Person or Grantee in respect of matters prescribed under Appendix 6E of the Listing Requirements, without the prior approval of the Company's shareholders in a general meeting where such approval is required by applicable laws.

Where an amendment and/or modification is made to the By-Laws, the Company shall submit to Bursa Securities, the amendment and/or modification to the By-Laws and a confirmation letter that the amendment and/or modification complies with the provision of the guidelines on SIS as stipulated under the Listing Requirements and rules of Bursa Depository no later than 5 market days from the effective date of the said amendment and/or modification.

The Grantees shall be given written notice in the form prescribed by the Scheme Committee from time to time of any additions, amendments to and/or modifications of the By-Laws within 5 market days of any of the foregoing taking effect.

Further details of the By-Laws as set out in **Appendix I** of this Circular.

3. RATIONALE FOR THE PROPOSED SIS

The rationale for the Proposed SIS are as follows:

- (i) to attract prospective skilled and experienced executives or personnel to join the Group as and when required and to reward and retain Eligible Persons who have contributed to the success of the Group, whose services have proven to be invaluable to the smooth operation and continued growth of the Group; and
- (ii) to create a sense of ownership in the Group through direct equity participation in the Company by the Eligible Persons and to provide an incentive for them to participate in the future growth of the Group, thereby increasing the level of motivation, commitment, dedication and loyalty amongst the Eligible Persons.

4. UTILISATION OF PROCEEDS

The gross proceeds to be raised pursuant to the exercise of the SIS Options under the Proposed SIS will depend on the number of SIS Options granted and exercised at the relevant point in time and the Subscription Price. Such proceeds will be utilised for the Group's working capital requirements within 12 months from the date when such proceeds are received. Pending utilisation of proceeds from the exercise of the SIS Options, the proceeds would be placed in deposits with financial institutions and/or short-term money market financial instruments.

The estimated expenses for the Proposed SIS of approximately RM100,000 will be funded through the Group's internally-generated funds.

5. EFFECTS OF THE PROPOSED SIS

As at the LPD, the Company owns 140,748,343 ordinary shares in FFB (representing 60.73% of shareholding in FFB based on FFB's issued shares (excluding treasury shares) of 231,743,763). Assuming FFB implements the Proposed FFB SIS and issues 23,174,000 new ordinary shares in FFB (i.e., at 10% of FFB's issued shares), the Company's shareholding in FFB will be diluted from 60.73% to 55.21%, computed based on the enlarged number of FFB's issued shares of 254,917,763 (excluding treasury shares).

5.1 Share capital

The Proposed SIS is not expected to have any immediate material effect on the share capital of the Company until such time when such SIS Options are exercised and/or the new Shares under the SGP Awards are vested. However, the share capital of the Company will increase progressively depending on the number of new Shares to be issued pursuant to the exercise of the SIS Options and/or the new Shares under the SGP Awards that may be granted under the Proposed SIS, subject to a maximum of 10% of the total number of issued shares of the Company (excluding treasury shares) at any point in time during the duration of the Proposed SIS.

As at the LPD, the Company has 27,958,000 outstanding Existing SIS Options with an exercise price of RM2.25 each. As the outstanding Existing SIS Options are out-of-the-money in view of the closing market price of the Shares as at the LPD of RM0.535, it is assumed that none of the outstanding Existing SIS Options will be exercised until the expiry of the Existing SIS on 9 July 2022.

For illustrative purposes only, the pro forma effects of the Proposed SIS on the share capital of the Company are set below, assuming none of the treasury shares is sold prior to the Proposed SIS:

	No. of Shares	RM
As at the LPD	726,950,818	427,463,065
Less: Treasury shares	(1,783,000)	(5,561,000)
	725,167,818	421,902,065
To be fully issued pursuant to the Proposed SIS ⁽¹⁾	72,516,000	36,983,160 ⁽²⁾
Enlarged share capital	797,683,818	458,885,225

Notes:

- (1) Assuming the maximum of up to 10% of the existing number of issued shares of the Company (excluding 1,783,000 treasury shares) pursuant to the Proposed SIS.
- (2) Assuming the Subscription Price of RM0.51, based on 8.93% discount to the 5D-VWAP of the Shares of RM0.5600 up to the LPD.

5.2 NA and gearing

The Proposed SIS is not expected to have an immediate effect on the consolidated NA per Share and gearing of the Group until such time when the new Shares are allotted and issued when the Options are exercised or pursuant to the vesting of the SGP Awards. The effects on the NA per Share and gearing of the Group will depend upon the Option Price, the number of new Shares to be issued upon exercise of the Options and the vesting of the SGP Awards as well as the potential effect on the future earnings of the Group and the adoption of the Malaysian Financial Reporting Standards 2 (“**MFRS 2**”) on share-based payments.

Under the Proposed SIS, whilst the granting of the Options is expected to result in the recognition of a charge in the Group’s statement of comprehensive income pursuant to MFRS 2, the recognition of such a charge will have no material effect on the Group’s NA as a corresponding amount will be classified as an equity compensation reserve which forms part of the Group’s shareholders’ equity. If none of the granted Options are exercised within the duration of the Proposed SIS, the amount outstanding in the equity compensation reserve would be transferred to the Company’s retained earnings. If the granted Options are exercised, the amount outstanding in the equity reserve would be transferred to the Company’s share capital account.

Any potential effect of the SGP Awards on the Group’s consolidated NA per Share and gearing will depend on the fair value of the Shares to be awarded on the date of granting as well as the number of Shares to be issued, which can only be determined at the point of the vesting of the SGP Awards on the date of vesting.

The Company has taken note of the potential impact of MFRS 2 on the Group’s future NA per Share and shall take into consideration such impact on the allocation and granting of Options and the SGP Awards to the Eligible Persons.

5.3 Earnings and EPS

The Proposed SIS is not expected to have any material effect on the earnings of the Group, save for the estimated expenses of approximately RM100,000 to be incurred in relation to the Proposed SIS and the possible impact of MFRS 2.

The potential effects of the Proposed SIS on the earnings and EPS of the Group would depend on the number of Options granted and exercised, the number of Shares granted and vested under the SGP Awards, the Option Price payable upon the exercise of the Options, as well as the earnings impact of MFRS 2.

Under MFRS 2, the potential cost arising from the issuance of the Options is measured by the fair value of the Options, which is expected to vest at each date of offer and is recognised in the statement of profit or loss and other comprehensive income of the Group over the vesting period of the Options, thereby reducing the earnings of the Group. The fair value of the Options is determined after taking into consideration the historical volatility of the Shares, the risk-free rate of return, the Option Price and the time to maturity of the Options from the vesting date of the Options. Hence, the potential effect on the EPS of the Group, as a consequence of the recognition of the said cost, cannot be determined at this juncture.

Under MFRS 2, the potential cost of awarding the Shares under the SGP Awards will need to be measured by the fair value on the date of granting and recognised as an expense in the Group’s statement of profit or loss and other comprehensive income over the vesting period of such Shares under the SGP Awards.

The extent of the effect of the SGP Awards on the Group’s EPS cannot be determined at this juncture as it would depend on the fair value of the Shares at the respective dates of the SGP Awards. However, the potential cost of the SGP Awards does not represent a cash outflow and is only an accounting treatment.

The Company has taken note of the potential impact of the MFRS 2 on the Group’s future earnings and shall take into consideration such impact on the allocation and granting of the Shares to the Eligible Persons.

5.4 Substantial shareholders' shareholdings

The Proposed SIS is not expected to have any immediate effect on the Company's substantial shareholders' shareholdings until such time the Options granted are exercised and new Shares are issued pursuant to the SGP Awards. Any potential effect on the substantial shareholders' shareholdings in the future would depend on the number of new Shares arising from such exercise or issuance.

For illustration purposes only, the pro forma effects of the Proposed SIS on the substantial shareholders' shareholdings in the Company are set out in the table below:

	As at the LPD				After full issuance of Shares under the Proposed SIS ⁽¹⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Mac Ngan Boon @ Mac Yin Boon	123,638,124	17.05	-	-	123,638,124 ⁽³⁾	15.50	-	-
Pandanus Associates Inc.	-	-	42,649,900 ⁽⁴⁾	5.88	-	-	42,649,900 ⁽⁴⁾	5.35
FIL Limited	-	-	42,649,900 ⁽⁵⁾	5.88	-	-	42,649,900 ⁽⁵⁾	5.35
FIL Asia Holdings Pte. Limited	-	-	42,600,000 ⁽⁵⁾	5.87	-	-	42,600,000 ⁽⁵⁾	5.34
FIL Investment Management (Hong Kong) Limited	-	-	42,600,000 ⁽⁶⁾	5.87	-	-	42,600,000 ⁽⁶⁾	5.34

Notes:

- (1) Assuming that the total new Shares to be issued pursuant to the Proposed SIS amount to 10% of the total number of issued shares of the Company as at the LPD and none of the treasury shares is sold prior to the Proposed SIS.
- (2) Excluding 1,783,000 treasury shares as at the LPD.
- (3) Assuming no provision has been made for the allotment of SIS Options to Mac Ngan Boon @ Mac Yin Boon as the Scheme Committee has yet to decide on the quantum of SIS Options to be allocated to the Eligible Directors.
- (4) Deemed interested arising from the interest held by one or more funds managed by the subsidiaries of FIL Limited, by virtue of its shareholdings in FIL Limited.
- (5) Deemed interested arising from the interest held by one or more funds managed by its subsidiaries.
- (6) Deemed interest arising from the interest held by one or more funds managed by FIL Investment Management (Hong Kong) Limited.

5.5 Convertible securities

As at the LPD, the Company does not have any outstanding options, warrants or convertible securities except for 27,958,000 Existing SIS Options that are outstanding.

The Existing SIS is administered by the Scheme Committee which consists of Mac Ngan Boon @ Mac Yin Boon (Group Managing Director), Ooi Sen Eng (Executive Director), Mac Chung Jin (Executive Director/ Deputy Chief Executive Officer) and Lee Poh Kwee (Group Finance Director), as appointed by the Board.

Since the commencement of the Existing SIS up to the LPD, a total of 38,138,000 Existing SIS Options had been granted to the eligible Directors and employees (including senior management) of the Group whereby 3,114,000 Existing SIS Options had been exercised with the following breakdown:

	No. of Existing SIS Options			
	Granted	Exercised/ Vested	Rejected/ Lapsed /Forfeited	Outstanding
Eligible Directors	11,700,000	(900,000)	-	10,800,000
Employees (including senior management)	26,438,000	(2,214,000)	(7,066,000)	17,158,000
Total	38,138,000	(3,114,000)	(7,066,000)	27,958,000

Under the Existing SIS, not more than 80% of the Existing SIS Options were granted, in aggregate, to the eligible Directors and senior management of the Group. As at the LPD, approximately 52.2% of Existing SIS Options have been granted to the eligible Directors and senior management of the Group.

All the Existing SIS Options that had been exercised were satisfied via issuance of new Shares, representing approximately 0.43% of the total number of issued shares of the Company (excluding treasury shares) as at the LPD. The Company does not intend to grant any further Existing SIS Options from the LPD until the expiry of the Existing SIS.

6. HISTORICAL PRICES OF THE SHARES

The monthly highest and lowest transacted prices of the Shares for the past 12 months are as follows:

	Highest (RM)	Lowest (RM)
<u>2021</u>		
June	1.070	0.925
July	0.945	0.890
August	0.950	0.870
September	0.995	0.880
October	1.030	0.885
November	0.955	0.810
December	0.850	0.800
<u>2022</u>		
January	0.860	0.550
February	0.670	0.550
March	0.642	0.515
April	0.565	0.495
May	0.585	0.515

(Source: Bloomberg Finance L.P.)

The last transacted market price of the Shares on the LPD (being the last trading date prior to the announcement of the Proposed SIS) was RM0.535.

7. APPROVALS REQUIRED

The Proposed SIS is subject to the following approvals being obtained:

- (a) Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the Proposed SIS on the Main Market of Bursa Securities.

The approval of Bursa Securities, which was obtained on 23 May 2022, is subject to the following conditions:

	Conditions	Status of compliance
(a)	TA Securities and the Company must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed SIS;	To be complied
(b)	TA Securities is required to submit a confirmation to Bursa Securities of full compliance of the Proposed SIS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed SIS; and	To be complied
(c)	The Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the Proposed SIS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

(b) the shareholders of the Company at the forthcoming EGM.

8. CONDITIONALITY OF THE PROPOSED SIS

The Proposed SIS is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

The Board confirms that there is no other corporate proposal which has been announced by the Company but is pending implementation or completion before the date of this Circular.

9. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

All the Eligible Directors of the Company, namely Mac Ngan Boon @ Mac Yin Boon (who is also a major shareholder of the Company) (“**Interested Major Shareholder**”), Mac Chung Jin, Ooi Sen Eng, Lee Poh Kwee and Mazlan bin Abdul Hamid, are deemed interested in the Proposed SIS by virtue of their eligibility to participate in the Proposed SIS (“**Interested Directors**”). All the Non-Executive Directors of the Company are not eligible to participate in the Proposed SIS.

Accordingly, the Interested Directors have abstained and will continue to abstain from all deliberations and voting in respect of their respective potential allocations of the Proposed SIS at the relevant board meetings. Furthermore, the Interested Directors will abstain and will also ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the resolutions pertaining to their respective potential allocations of the Proposed SIS to be tabled at an EGM to be convened.

Save as disclosed above, none of the Company’s other Directors, major shareholders, chief executive and/or other persons connected to them has any interest, direct or indirect, in the Proposed SIS.

The direct and indirect shareholdings of the Interested Directors and Interested Major Shareholder as at the LPD are set out below:

	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
<u>Interested Directors</u>				
Mac Ngan Boon @ Mac Yin Boon	123,638,124	17.05	29,943,750 ⁽²⁾	4.13
Mac Chung Jin	9,990,000	1.38	75,000 ⁽³⁾	0.01
Ooi Sen Eng	20,946,099	2.89	-	-
Lee Poh Kwee	10,212,308	1.41	975,000 ⁽³⁾	0.13
Mazlan bin Abdul Hamid	500,000	0.07	-	-
<u>Interested Major Shareholder</u>				
Mac Ngan Boon @ Mac Yin Boon	123,638,124	17.05	- ⁽⁴⁾	-

Notes:

- (1) Excluding 1,783,000 treasury shares.
- (2) Deemed interested by virtue of the Shares held by his spouse and children pursuant to Section 59 (11) (c) of the Act. For avoidance of doubt, his son, Mac Chung Jin's direct shareholding in MEB is excluded herein as Mac Chung Jin is also a Director of MEB.
- (3) Deemed interested by virtue of the Shares held by his/her spouse's direct shareholdings pursuant to Section 59 (11) (c) of the Act.
- (4) Not deemed interested by virtue of Section 8 of the Act.

10. RECOMMENDATION AND BASIS OF RECOMMENDATION

After having considered all aspects of the Proposed SIS, the Board (save for the Interested Directors) is of the opinion that the Proposed SIS is in the best interests of the Company. Accordingly, the Board (save for the Interested Directors) recommends that shareholders vote **IN FAVOUR** of the resolutions pertaining to the Proposed SIS to be tabled at the forthcoming EGM.

11. TIMEFRAME FOR IMPLEMENTATION

The Proposed SIS is expected to be implemented in the 2nd half of 2022.

12. EGM

An EGM, the notice of which is enclosed together with this Circular, will be conducted as a fully virtual meeting entirely through live streaming from the online meeting platform using the Remote Participation and Voting facilities provided by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd via the TIIH Online website at <https://tiih.online> on Wednesday, 22 June 2022 at 3.30 p.m. or immediately following the conclusion or adjournment (as the case may be) of the 49th AGM, whichever is later, will be held at the same online meeting platform and on the same day on Wednesday, 22 June 2022 at 2.30 p.m. for the purpose of considering, and if thought fit, passing the ordinary resolutions as set out in the Notice of EGM enclosed herein pertaining to the Proposed SIS.

If you are unable to attend, participate, speak and vote remotely at the forthcoming EGM, you may appoint a proxy(ies) to do so by completing and depositing the enclosed Proxy Form in accordance with the instructions therein at the Company's Share Registrar's office at **Tricor Investor & Issuing House Services Sdn Bhd** at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the EGM. You can also lodge the Proxy Form electronically via the TIIH Online website at <https://tiih.online>. The last day and time for lodging the Proxy Form is Monday, 20 June 2022 at 3.30 p.m.

The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

13. FURTHER INFORMATION

Shareholders are advised to refer to the attached appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board
MUHIBBAH ENGINEERING (M) BHD.

MAC NGAN BOON @ MAC YIN BOON
Group Managing Director

1. DEFINITIONS

(i) Except where the context otherwise requires, the following expressions in these By-Laws shall have the following meanings:

“Act”	:	The Companies Act, 2016 or any statutory modification, amendment or re-enactment thereof for the time being in force
“Adviser”	:	A person who is eligible to act as a principal adviser that fulfils the requirements as set out in the Guidelines on Submission of Corporate and Capital Market Products Proposal and Chapter 7A of the Licensing Handbook issued by the Securities Commission Malaysia
“Auditor”	:	An approved company auditor as defined in Section 263 of the Act, of the Company for the time being or such other external auditors as may be nominated by the Board
“Award(s)”	:	the award(s) of Option(s) and/or SPG Award(s) granted to the Eligible Person
“Board”	:	The board of directors of MEB
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd [<i>Registration No. 198701006854 (165570-W)</i>]
“Bursa Securities”	:	Bursa Malaysia Securities Berhad [<i>Registration No. 200301033577 (635998-W)</i>]
“By-Laws”	:	The By-Laws governing the Scheme, as may be amended, varied or supplemented from time to time in accordance to By-Law 18 hereof
“CDS Account”	:	An account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities
“CDS”	:	A Central Depository System governed under the Central Depositories Act
“Central Depositories Act”	:	The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force
“CMSA”	:	Capital Markets and Services Act 2007 or any statutory modification, amendment or re-enactment thereof for the time being in force
“Director(s)”	:	An executive director of MEB and/or its Subsidiaries
“Duration of the Scheme”	:	The duration of the Scheme shall be five (5) years from the effective date of the commencement of the Scheme as defined in By-Law 19 hereof unless extended in accordance with By-Law 19 hereof or terminated in accordance with By-Law 20 hereof
“Eligible Person(s)”	:	An Employee or a Director who meets the criteria of eligibility for participation in the Scheme as set out in By-Law 4 hereof
“Employee”	:	A natural person which is employed by and on the payroll of any company in the Group and whose employment has been confirmed in writing and falls within any other eligibility criteria that may be determined by the Scheme Committee from time to time at its discretion

“ESOS”	:	An employees’ share option scheme to the Eligible Person pursuant to the SIS
“Exercise Period”	:	The specific period or periods within the Duration of the Scheme which the Options may be exercised by the Grantee, as determined by the Scheme Committee
“Grantee”	:	An Eligible Person who has accepted an Offer in the manner indicated in By-Law 8 hereof
“Letter of Offer”	:	Each Offer made in writing by the Scheme Committee
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“Market Day”	:	Any day between Monday and Friday (inclusive) other than a day on which Bursa Securities is declared officially closed for trading
“Maximum Allowable Allotment”	:	The maximum number of new MEB Shares in respect of which Offers may be made to Eligible Persons, as provided in By-Law 6 hereof
“MEB Group” or “the Group”	:	MEB and its Subsidiaries, collectively
“MEB” or the “Company”	:	Muhibbah Engineering (M) Bhd [<i>Registration No.: 197201001137 (12737-K)</i>]
“MEB Shares” or “Shares”	:	Ordinary share(s) in the Company
“Offer(s)”	:	An offer made in writing by the Scheme Committee to an Eligible Person under the SIS in the manner indicated in By-Law 5 hereof
“Offer Date”	:	The date on which an Offer (including any subsequent Offer(s)) is made by the Scheme Committee to an Eligible Person to participate in the Scheme in accordance with the By-Laws
“Option(s)”	:	The rights of a Grantee to subscribe for new MEB Shares under ESOS pursuant to the contract constituted by acceptance by a Grantee, in the manner as set out in By-Law 8 hereof
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Rules of Bursa Depository”	:	The Rules of Bursa Depository as issued pursuant to the Central Depositories Act or any statutory modification, amendment or re-enactment thereof for the time being in force
“Scheme” or “SIS”	:	The employees’ share issuance scheme established for the grant of Options (under ESOS) and SGP Award (under SGP) to the Eligible Persons to subscribe for new MEB Shares subject to the terms as set out herein
“Scheme Committee”	:	The committee to be duly appointed and authorised by the Board to administer the Scheme. For the avoidance of doubt, the Scheme Committee may consist of executive Director and

- senior management of the Company as well as such persons to be appointed by the Board from time to time
- “Scheme Period”** : A period commencing from the Offer Date for each Eligible Person and expiring on a date which the Scheme Committee may in its discretion decide, provided that no Scheme Period shall extend beyond the Duration of the Scheme
- “Senior Management”** : A person holding senior managerial position within the Group who is nominated at any time and shall be subject to criteria as determined by the Scheme Committee from time to time
- “SGP”** : The share grant plan to the Eligible Person pursuant to the SIS
- “SGP Award(s)”** : The grant of an award of such number of the Shares to the Eligible Person under the SGP at the terms and conditions to be set out in the Letter of Offer by the Scheme Committee
- “SGP Award Date”** : The date of which an SGP Award is awarded to any Eligible Person pursuant to an Offer
- “SGP Price”** : In respect of each SGP Award, the reference price which is based on the fair value of the SGP Award, which will take into account the market price of the MEB Shares as at or prior to the date of granting of the SGP Award
- “Subscription Price”** : In respect of each Option, the subscription price per share at which a Grantee shall be entitled to subscribe for new MEB Shares by exercising his Option
- “Subsidiary(ies)”** : The subsidiary companies of MEB as defined under Section 4 of the Act which are not dormant. For the avoidance of doubt, the “subsidiary companies” shall include subsidiaries which are existing during the Duration of the Scheme and subsidiaries which are incorporated or acquired at any time during the Duration of the Scheme, but exclude any subsidiaries which have been divested in the manner provided under By-Law 24 hereof
- “Undue Options”** : The Options which are not yet due to be exercisable into new MEB Shares under the Scheme Period
- “Due Options”** : The unexercised Options which are due to be exercisable into new MEB Shares under the Scheme Period
- (ii) For the purposes of these By-Laws, all references made to “Bursa Securities” and “Listing Requirements” shall where the context so permits and requires, include or refer to such other relevant authority(ies) and such acts, enactments, rules, regulations and guidelines currently or from time to time hereafter in force affecting the valid implementation and continuation of the Scheme in accordance with the provisions of these By-Laws.

- (iii) The headings in these By-Laws are for ease of reference only and shall not be taken into account in the interpretation of these By-Laws.
- (iv) References to the provisions of statutes include such provisions as amended or re-enacted from time to time, and references to statutes or listing requirements include any consolidations, replacements or revisions of the same.
- (v) Words importing the masculine gender shall include the feminine and neuter genders and vice versa.
- (vi) Words importing the singular number shall include the plural number and vice versa.
- (vii) If an event is to occur on a stipulated day, which is not a Market Day, then the stipulated day will be taken to be the first (1st) Market Day after that day.
- (viii) Any liberty or power or discretion which may be exercised or any determination which may be made hereunder by the Scheme Committee shall be exercised in the Scheme Committee's absolute and unfettered discretion and the Scheme Committee shall not be under any obligation to give any reason there for except as may be required by the relevant authorities or under law.

2. NAME AND OBJECTIVE OF SCHEME

- 2.1 This Scheme will be named the "Muhibbah Engineering (M) Bhd Employees' Share Issuance Scheme 2022/2027" and shall comprise the ESOS and SGP.
- 2.2 The establishment of this Scheme is serves to align the interest of the Eligible Persons to the performance of the Group. As such, the Scheme is established to achieve the objectives as set out below:
 - (a) to continue to recognise, reward, retain and motivate the Eligible Person whose contributions are important to the Group;
 - (b) to attract and reward the Eligible Persons by allowing them to participate in the Group's business and eventually realise any capital gains arising from appreciation in the value of the MEB Shares; and
 - (c) to motivate Eligible Persons towards better performance through greater productivity and loyalty.
- 2.3 On [*], Favelle Favco Berhad ("**FFB**"), a 60.73% owned subsidiary of MEB, has implemented a separate and similar scheme known as "Favelle Favco Berhad Employees' Share Issuance Scheme 2022/2027" ("**FFB Scheme**"). For avoidance of doubt, the eligible employees/executive directors of FFB and its subsidiaries (excluding dormant company) ("**FFB Group**") shall only be eligible to participate in the FFB Scheme unless such eligible employee /executive director of FFB Group is also an Employee and/or Director of MEB Group. In such case, the said eligible employee /executive director shall be eligible to participate in both the Scheme and FFB Scheme.

3. MAXIMUM NUMBER OF NEW SHARES ALLOWABLE UNDER THE SCHEME

- 3.1 Subject to By-Law 3.2, the maximum number of new MEB Shares which may be allotted under the Scheme shall not exceed in aggregate ten per cent (10%) of the number of issued shares of the Company (excluding treasury shares) at any point in time during the Duration of the Scheme.

The aggregate number of new Shares available pursuant to the Scheme shall consist of:

- (i) the Options and/or SPG Awards exercised/accepted by all Grantees; and
- (ii) the remaining Options exercisable / unvested SPG Awards by all Grantees; and
- (iii) the unexpired Offers pending acceptance by all Eligible Persons for the Awards,

and shall not exceed an amount equivalent to ten percent (10%) of the prevailing number of issued shares of the Company (excluding treasury shares) at any one time.

3.2 Notwithstanding the provision of By-Law 3.1 above nor any other provisions herein contained, in the event the maximum number of new MEB Shares comprised in the Options and/or SGP Award granted under the Scheme exceeds the aggregate of ten per cent (10%) of the issued share capital of the Company (excluding treasury shares) as a result of the Company: -

- (a) purchasing its own Shares in accordance with the provision of Section 127 of the Act, whereby the shares so purchased in treasury will not be taken into account in calculating the number of its issued share capital;
- (b) cancelling any MEB Share purchased by MEB or reducing its issued share capital and thereby diminishing its issued share capital; or
- (c) undertaking any corporate proposal which diminishes its issued share capital,

then such Options and/or SGP Award granted prior to the adjustment of the issued share capital of the Company (excluding treasury shares) shall remain valid and exercisable in accordance with the provisions of this Scheme.

However, in such a situation, the Scheme Committee shall not make any further Offers, unless and until such time when the total number of Shares to be issued under the Scheme falls below ten percent (10%) of the Company's prevailing issued share capital (excluding treasury shares), at any one time throughout the duration of the Scheme as provided in By-Law 19.1.

3.3 The Company will, for the Duration of the Scheme, keep available sufficient authorised and unissued Shares to satisfy all outstanding Options and/or SGP Award, which may be exercisable from time to time.

3.4 For the avoidance of doubt, the number of Shares comprised in any unexercised Options or unvested SGP Award which become null and void under By-Laws 10.5 and 10.6 shall not form part of the maximum shares under By-Law 3.1 and shall continue to be viable under the Scheme.

4. ELIGIBILITY FOR THE SCHEME

4.1 Only Eligible Person who fulfill the following conditions on the date on which an Offer for ESOS and SGP, is made in writing by the Scheme Committee to such person to participate in the Scheme shall be eligible to participate in the Scheme: -

- (a) is a Malaysian citizen;
- (b) has attained the age of eighteen (18) years;
- (c) is employed by and is on the payroll of a company within the MEB Group;
- (d) save for a Director, is employed for a continuous period of at least one (1) year in the Group from the date of confirmation of employment;

- (e) if an employee is employed by a company which is acquired by the Group during the duration of the Scheme and becomes a Subsidiary upon such acquisition, the employee must have completed from the date of confirmation of employment, continuous service of at least one (1) year from the date that company becomes a Subsidiary;
- (f) not be an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (g) in respect of the Director, such Director is a director named in the respective Register of Directors of the Group;
- (h) in respect of employment under fixed-term contract, such person must have been continuously in service for at least five (5) years in the Group prior to the Offer Date;
- (i) the allocation of MEB Shares to the Directors of MEB must have been approved by the shareholders of MEB in a general meeting and such Directors are not prohibited or disallowed by the relevant authorities or laws from participating in the Scheme; and
- (j) fulfils any other criteria including but not limited to the performance targets, appraisals and assessments as may be set or determined by MEB Group and/or Scheme Committee from time to time, at its absolute discretion.

No Offer and/or allocation of the Options and/or SGP Award under the Scheme shall be made to the following persons unless the shareholders of the Company in a general meeting approve the specific allocation and allotment to such persons: -

- (i) any person who is a director, major shareholder or chief executive officer of the Company or holding company of the Company ("**Interested Party(ies)**"); or
- (ii) a person connected with any of the Interested Party(ies).

- 4.2 The Employees and Directors of the Subsidiaries of the Company which are dormant shall not be eligible to participate in the Scheme.
- 4.3 Any eligible Employee or each Director who holds more than one (1) position within the MEB Group and by holding such position is an Eligible Person, shall only be entitled to the Maximum Allowable Allotment of one (1) category/designation of employment. The Scheme Committee shall be entitled at its discretion to determine the applicable category/ designation of employment.
- 4.4 Eligibility under the Scheme does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the Options and/or SGP Award or the new MEB Shares comprised therein unless an Offer had been made by the Scheme Committee to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the Scheme.
- 4.5 In determining the eligibility and allocation of Eligible Person to participate in the Scheme, the Scheme Committee will take into account among others, the performance appraisal(s) and past and future contributions of Eligible Person to the Company and/or its Subsidiaries, and such other factors that the Scheme Committee deems relevant from time to time.

For avoidance of doubt, the selection of Eligible Persons for participation in the Scheme shall be at the sole and absolute discretion of the Scheme Committee. The decision of the Scheme Committee shall be final and binding.

- 4.6 A set of criteria on eligibility of the employees and criteria for allocation as determined by the Board from time to time shall be made available to the Eligible Persons.
- 4.7 A verification of allocation of the Options and/or SGP Award pursuant to the Scheme shall be carried out by the audit committee of the Company at the end of each financial year.
- 4.8 Where an Offer is made to an Eligible Person who is a member of the Scheme Committee, such grant of Awards shall be decided and carried out by the Scheme Committee PROVIDED ALWAYS that such Eligible Person and persons connected to him who are also members of the Scheme Committee shall abstain from all deliberations and voting in respect of the Offer proposed to be granted to him at the relevant Scheme Committee meetings.
- 4.9 An Eligible Person may be eligible to participate either in or both the SIS and/or SGP, as may be determined by the Scheme Committee.
- 4.10 Disciplinary proceedings

In the event that a Grantee is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service), the Scheme Committee shall have the right, in its discretion, to suspend the Grantee's Awards pending the outcome of such disciplinary proceedings. The Scheme Committee may impose such terms and conditions as the Scheme Committee shall deem appropriate having regard to the nature of the charges made or brought against the Grantee PROVIDED ALWAYS THAT: -

- (a) in the event that such Grantee shall subsequently be found to be not guilty of the charges which gave rise to such disciplinary proceedings, the Scheme Committee shall reinstate the rights of such Grantee to the Awards PROVIDED THAT such reinstatement is within the Scheme Period;
- (b) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Grantee, the Awards shall immediately lapse and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation may be subsequently challenged by the Grantee in any other forum; and
- (c) in the event such Grantee is found guilty but no dismissal or termination of service is recommended, the Scheme Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his Awards and if so, to impose such limits, terms and conditions as it deems appropriate, on such exercise.

For the purpose of these By-Laws, a Grantee shall be deemed to be subject to “**disciplinary proceedings**” if: -

- (i) the Grantee is suspended from work and pending investigation into his conduct;
- (ii) the Grantee is issued with a letter requiring him to attend an internal domestic inquiry;
- (iii) the Grantee is issued with warnings and/or show cause letters; or
- (iv) such other instances as the Scheme Committee may deem as being subject to disciplinary proceedings.

5. OFFER OF AWARDS UNDER THE SCHEME

5.1 The Scheme Committee may at its discretion at any time and from time to time within the Duration of the Scheme as it shall deem fit make an Offer to any Eligible Person whom the Scheme Committee may in its sole and absolute discretion select to subscribe during the Scheme Period for new MEB Shares in accordance with the terms of the Scheme.

5.2 Each Offer shall be made in writing by the Scheme Committee and shall state the number of new MEB Shares which the Eligible Person shall be entitled to, where applicable, may include the following: -

- (a) subscribe under the Awards;
- (b) the Subscription Price and/or SGP Price;
- (c) Exercise Period and/or the Scheme Period;
- (d) the due period for exercisability of the Options;
- (e) vesting period and vesting date of the Awards; and
- (f) any other conditions may be imposed by the Scheme Committee, and the closing date for acceptance of the Offer.

5.3 Nothing herein shall prevent the Scheme Committee from making more than one (1) Offer to any Eligible Person provided always that, the total aggregate number of new MEB Shares comprised in the Offers shall not be less than 1,000 new MEB Shares but not more than the Maximum Allowable Allotment as set out in By-Law 6 hereof and shall always be in multiples of 1,000 MEB Shares.

5.4 If the Scheme is subject to vesting conditions, vesting period and vesting date, such details of the vesting conditions, vesting period and vesting date shall be determined by the Scheme Committee at a later stage. Further to the above, the maximum allocation available for each financial year over the Duration of the Scheme shall be determined at the sole and absolute discretion of the Scheme Committee.

In the event the Scheme Committee decides that an Offer or vesting of any number of Options and/or SGP Awards is staggered, the number of Options and/or SGP Awards to be offered in an Offer and the timing for the vesting of these Options and/or SGP Awards shall be decided by the Scheme Committee and shall be subject to other conditions as set out by the Scheme Committee in the Letter of Offer (including but not limited to performance targets, performance period, assessment and appraisal or performance targets) at its sole and absolute discretion and an Offer shall be separate and independent from the others.

5.5 Unless otherwise approved in writing by the Scheme Committee in its absolute discretion, any Offer which has not been accepted in the manner set out in By-Law 5 shall automatically lapse and be null and void in the event the Eligible Person shall cease to be employed for any reason whatsoever by the Group, or in the event the Eligible Person shall have died or become a bankrupt prior to the acceptance of the Offer.

6. MAXIMUM ALLOWABLE ALLOTMENT AND THE BASIS OF ALLOTMENT

6.1 Subject to any adjustments which may be made under By-Law 14, the aggregate number of Shares comprised in the Options and/or SGP Award to be offered to an Eligible Person in accordance with the Scheme shall be determined at the discretion of the Scheme Committee after taking into consideration the Eligible Person's performance, position, seniority, responsibility and the number of years in service subject to the following: -

- (a) that the aggregate number of Shares comprised in the Options made available under the Scheme shall not exceed the amount stipulated in By-Law 3.1; notwithstanding the foregoing, the Scheme Committee shall not be obliged in any way to offer an Eligible Person the Options and/or SGP Award for all the specified maximum number of Shares that the Eligible Person may be / is entitled to under the Scheme;
- (b) that not more than eighty per cent (80%) of the total Shares available under the Scheme at any point in time when an Offer is made shall be allocated, in aggregate, to Directors and Senior Management;
- (c) that not more than ten per cent (10%) of the total Shares available under the Scheme at any point in time when an Offer is made shall be granted to any individual Eligible Person who, either singly or collectively through persons connected with an Eligible Person, holds twenty per cent (20%) or more of the total number of issued share in the Company (excluding treasury shares); and
- (d) the Directors and Senior Management of the Group do not participate in the voting, deliberation or discussion of their own allocations of Awards under the Scheme.

The term “**person connected with an Eligible Person**” shall have the same meaning given in relation to persons connected with a Director or major shareholder as defined in the Listing Requirements.

- 6.2 The criteria for granting of the Options and SGP Awards to Eligible Persons shall be determined at the sole and absolute discretion of the Scheme Committee after taking into consideration the following:
- (i) expected performance of the Eligible Persons whether has been met (in which SIS Options may be granted) or exceeded expectation (in which SGP Awards may be granted); and
 - (ii) overall financial performance of the Group.

7. SUBSCRIPTION PRICE AND SGP PRICE

- 7.1 Subject to any adjustment in accordance with the By-Laws, the Subscription Price and SGP Price shall be determined based on five (5)-day volume weighted average market price of the Shares immediately preceding the Offer Date, with a discount of not more than ten per cent (10%).
- 7.2 The SGP Price shall be determined based on the fair value of the SGP Awards, which will take into account the market price of the Shares as at or prior to the date of granting of the SGP Awards. For avoidance of doubt, any monetary consideration to be paid by the Eligible Persons for the acceptance of and subsequent vesting of the new Shares pursuant to the SGP Awards shall be determined by the Scheme Committee.
- 7.3 The Subscription Price as determined by the Board shall be conclusive and binding on the Grantees and shall be subjected to any adjustments in accordance with By-Law 14 herein.

8. ACCEPTANCE OF THE OFFER

- 8.1 The Offer to participate in the Scheme shall be valid for acceptance for a period of thirty days (30) calendar days from the Offer Date or such longer period as may be determined by the Scheme Committee on a case-to-case basis at its discretion. The acceptance of an Offer shall be made by way of a written notice from the Eligible Person to the Scheme Committee in the form prescribed by the Scheme Committee from time to time. In the event that the Eligible Person fails to accept the Offer within the prescribed period and in the manner aforesaid, the Offer shall automatically lapse PROVIDED THAT the Scheme Committee shall not be precluded from making a new Offer to the Eligible Person subsequently.
- 8.2 Acceptance of the Offer by an Eligible Person shall be accompanied by the payment of Ringgit Malaysia One (RM1.00) or such other amount and/or in such other currency as may be determined at the discretion of the Scheme Committee as non-refundable consideration for the Awards.
- 8.3 An Award shall be personal to the Grantee and cannot be assigned, encumbered, transferred or otherwise disposed of in any manner whatsoever.
- 8.4 In respect of the Options, the Scheme Committee has been authorised that it may call for surrendering or cancellation of any Options under this Scheme granted to the Grantee (subject to notification is given to the affected Grantee) that has been not exercised Provided That it is fair and reasonable to do so and for the benefit of the Grantee. In the event of such surrendering or cancellation of the Options (as the case may be), the Scheme Committee may, at its discretion, authorize the granting of new Options that had been the subject of any prior Options in such manner, at such Subscription Price and subject to such terms, conditions and discretion as would have been applicable under this Scheme had the cancelled Options not been granted.

9. EXERCISE OF OPTIONS

- 9.1 Subject to By-Laws 10, 14, 19, 20 and 24 hereof and as long as the Option remains valid, an Option may be exercised by the Grantee by notice in writing to the Company by the Grantee or its authorised agent (subject that such authorised agent must be recognised by the Company) or in such other manner as may be determined by the Scheme Committee during the Scheme Period in respect of all or any part of the new MEB Shares comprised in the Option, PROVIDED THAT where an Option is exercised in respect of a part of the new MEB Shares comprised therein, the number of new MEB Shares of which such Option may be exercised shall not be less than 1000 and shall be in multiples of 1000.
- 9.2 The exercisability of the Options may be on staggered basis over the Scheme Period as determined by the Scheme Committee. Where the maximum percentage of an Option exercisable within a particular year of the Scheme is not fully exercised by the Grantee, the percentage unexercised shall be carried forward to the following year and the maximum percentage of the Option exercisable in that year shall not exceed the aggregate of the percentage unexercised in the previous year and the exercisable percentage of that year, provided always that no Option shall be carried forward beyond the Scheme Period.
- 9.3 Every such written notice referred to in By-Law 9.1 hereof must be in the form prescribed by the Scheme Committee from time to time and accompanied by a remittance (calculated in accordance with the provisions of By-Law 7 hereof) for the full amount of the subscription monies for the new MEB Shares in respect of which notice is given. Within eight (8) Market Days from the receipt by the Company of the aforesaid notice and remittance from the Grantee or any other period as may be prescribed by Bursa Securities, the Company shall issue and/allot such new MEB Shares to the Grantee accordingly, subject to and in accordance with the provisions of the Constitution of the Company, the Central Depositories Act and the Rules of Bursa Depository.

- 9.4 A Grantee who exercises his/her Option shall provide the Scheme Committee with his/her CDS account number or the CDS account number of his/her authorised nominee, as the case may be, in the notice referred to in By-Law 9.1. The new MEB Shares to be issued pursuant to the exercise of an Option will be credited into the CDS account of the Grantee or his authorised nominee, as the case may be and a notice of allotment stating the number of shares credited into such CDS account will be issued and despatched to the Grantee or the Grantee's authorised nominee with a copy to the Grantee, as the case may be, within eight (8) Market Days from the date of receipt by the Company of the written notice of the exercise of the Option together with the requisite remittance. No physical share certificate(s) will be issued.
- 9.5 No Options shall be exercisable on and after the expiry of the Option Period.
- 9.6 The Board, the Scheme Committee, the Company and/or any officer of the Company shall not, under any circumstances, be held liable for any costs, losses, expenses and/or damages whatsoever or howsoever arising in any event, including but not limited, to the delay on the part of the Company in allotting and issuing the new MEB Shares or in procuring Bursa Securities to list the new MEB Shares on Bursa Securities for which the Grantee is entitled to subscribe.
- 9.7 Unless the Scheme Committee shall decide otherwise, failure by the Grantee to comply with the procedure for an exercise of an Option as stipulated in By-Laws 9.1 to 9.5 herein will invalidate the purported exercise of such Option by an Eligible Person.
- 9.8 Every Option shall be subject to the condition that no new MEB Shares shall be issued to a Grantee pursuant to the exercise of an Option if such issue would be contrary to any law, enactment, rules and/or regulations of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.
- 9.9 The Options shall not carry any right to vote at any general meeting of the Company.

10. TERMINATION OF THE OFFERS, UNVESTED SPG AWARDS AND UNEXERCISED OPTIONS

- 10.1 In the event of the cessation or termination of employment or appointment of a Grantee with the Group for whatever reason, including but not limited to the date of the notice or letter of termination from the Company or Subsidiary to the Grantee or the date of expiry of the fixed term contract or the date of the letter or notice of resignation by the Grantee, any unaccepted Offers by the Eligible Person and/or any unvested SPG Awards and/or unexercised Options shall cease immediately and become null and void on the date of such cessation or date of such notice or letter of termination or date of the letter or notice of resignation by the Grantee or the date of expiry of the fixed term contract without any liability or right whatsoever to claim against the Company, Subsidiaries, Scheme Committee and/or the Board.
- 10.2 In the event of the cessation or termination of employment or appointment of a Grantee with the Group in any of the following circumstances: -
- (a) retirement on attaining the retirement age under the MEB Group's retirement policy; or
 - (b) retirement before attaining the normal retirement age but with the consent of the Board; or
 - (c) subjected to the disciplinary proceedings or termination of employment of the Eligible Person and/or Grantee; or
 - (d) redundancy or retrenchment, or cessation of service pursuant to the acceptance of the Eligible Person and/or Grantee of a voluntary separation scheme offered by the Company or relevant Subsidiaries; or
 - (e) ill-health, injury, physical or mental disability or mental disorder; or

- (f) non-renewal of any fixed-term contract; or
- (g) death of the Eligible Person and/or Grantee; or
- (h) any other circumstances which are acceptable to the Scheme Committee in its sole and absolute discretion,

any remaining unexercised Options (including Due Options and Undue Options) and/or the unvested SGP Award during the Scheme Period shall cease immediately and become null and void on the date of such cessation of or date of such notice or letter of termination or date of the letter or notice of resignation by the Eligible Person or the Grantee or the date of expiry of the fixed term contract without any liability or right whatsoever to claim against the Company, Subsidiaries, Scheme Committee and/or the Board.

Upon termination of the Options and/or SGP Award pursuant to By-Law 7.2 above, as the case may be, pursuant to this By-Law 7, the Grantee shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or under a contract of service or from the suspension of his/her right to exercise or be vested his/her Options and/or SGP Award, as the case may be, or his/her Options and/or SGP Awards, as the case may be, ceasing to be valid.

- 10.3 If a Grantee ceases his employment or appointment with MEB Group by reason of his notice or letter of resignation, his remaining unexercised Options and/or the unvested SGP Award shall cease with immediate effect and become null and void on the effective date of such cessation. For the avoidance of doubt, the date of a Grantee's notice or letter of resignation, shall be deemed to be the effective date when a Grantee ceases his employment or appointment with the Group.
- 10.4 Subject to By-Laws 10.1 and 10.2, where a Grantee retires and is immediately re-employed by the Company or by any Subsidiaries based on contract basis, upon his re-employment, the Scheme Committee may at its absolute discretion allow the Grantee to (i) exercise his accumulated Due Options or (ii) to vest such unvested SGP Award, in all or parts which are offered to him/ her under Scheme, prior to his retirement within the duration of his contract only and subject to other terms and conditions that may be determined by the Scheme Committee and to be fulfilled by the re-employed Grantee.
- 10.5 An Option shall immediately become void and of no further effect upon the Grantee being adjudicated a bankrupt.
- 10.6 In the event of the liquidation of the Company, any unaccepted Offers, unexercised Options and/or unvested SGP Awards shall lapse and/or be deemed to be cancelled and/or cease to be capable of vesting /exercisable, as the case may be, without any claim against the Company, Scheme Committee and/or Board.
- 10.7 Where a Grantee dies before the expiry of the Scheme Period and at the time of his death holds accumulated Due Options prior to the date of his death, such Due Options shall cease immediately on the date of such death without any claim whatsoever against the Company, Subsidiaries, Scheme Committee and/or the Board PROVIDED ALWAYS THAT, subject to the written approval of the Scheme Committee in its discretion, the Due Options may be exercised by the legal or personal representatives of the Grantee after the date of his death provided that such exercise shall be within the Scheme Period.

11 TAKEOVER AND DISPOSAL OF ASSETS

- 11.1 Subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities: -

- (a) in the event a take-over offer for the Company, under the Malaysian Code on Take-overs and Mergers 2016 and Rules on Take-overs, Mergers and Compulsory Acquisitions, to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over offer) (“**Offeror**”); or any person acting in concert with the Offeror, the Grantee or Grantee’s legal and personal representatives shall be entitled, within such period to be determined by the Scheme Committee, to exercise in full or in part any Option as yet unexercised or to vest the unvested SGP Award in full or in part, and the Board shall use its best endeavours to procure that such a general offer be extended to any new MEB Shares that may be issued pursuant to the exercise of the Options and /or SGP Award under this Clause;
- (b) in the event a person becomes entitled or bound to exercise rights of compulsory acquisition of MEB Shares under the provisions of the Act, Code or the CMSA and gives notice to the Grantee that it intends to exercise such rights on a specific date (“**Specific Date**”), within such period to be determined by the Scheme Committee, the unexercised Option may be exercisable by; or the unvested SGP Awards may be vested to the Grantee or Grantee’s legal and personal representatives in full or in part until the expiry of the Specific Date. In the foregoing circumstance if the Grantee or Grantee’s legal and personal representatives fails to exercise or vest his/her Option and/or SGP Awards respectively, or elects to exercise and/or vest only part of his/ her Option and/or SGP Awards by the Specific Date, then the Option and /or SGP Awards, or as the case may be the Option and/or SGP Awards in relation to the balance thereof, shall automatically lapse after the Specific Date and be null and void; and
- (c) the Company disposes of all or substantially all of its assets and the disposal becomes unconditional, then any unexercised Options may be exercised at any time by or the unvested SGP Awards may be vested to the Grantee or Grantee’s legal and personal representatives, as the case may be, commencing from the unconditional date of the said disposal until the date prescribed by the Scheme Committee within the Scheme Period,

subject to such terms and conditions (if any) as may be prescribed by the Scheme Committee notwithstanding that: -

- (i) the Exercise Period or the vesting period has not commenced; and/or
- (ii) other terms and conditions set out in the Offer have not been fulfilled or satisfied.

11.2 For clarity purposes, upon occurrence of events in By-Law 11.1 above, the Scheme Committee is authorized in its absolute discretion, to vary any of the terms and conditions of the Exercise Period, vesting date and/or vesting conditions under the Awards.

12 SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, MERGER, DEMERGER, ETC.

12.1 Subject to the discretion of the Scheme Committee and By-Law 12.2, in the event of: -

- (a) the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 366 of the Act or its amalgamation with any other company or companies under Section 370 of the Act, the Scheme Committee may permit the vesting of the SGP Awards and/or the unexercised Options (whether in whole or parts) to the Grantee or Grantee’s legal and personal representatives, as the case may, at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court or the a date to be specified by the Scheme Committee

PROVIDED ALWAYS THAT no Option and/or SGP Award shall be exercised or vested after the expiry of the Scheme Period. Upon the compromise or arrangement becoming effective, all Options and/or SGP Award, to the extent unexercised shall automatically lapse and shall become null and void; or

- (b) the Company decides to merge with other company or companies or demerge any company within the Group from the Group, the Scheme Committee may permit the vesting of the SGP Awards and/or the unexercised Options (whether in whole or parts) to the Grantee or Grantee's legal and personal representatives, as the case may, at any time commencing from the unconditional date of the said transaction until the date prescribed by the Scheme Committee within the Scheme Period,

subject to such terms and conditions (if any) as may be prescribed by the Scheme Committee notwithstanding that: -

- (i) the Exercise Period or the vesting period has not commenced; and/or
(ii) other terms and conditions set out in the Offer have not been fulfilled or satisfied.

- 12.2 For clarity purposes, upon occurrence of events in By-Law 12.1 above, the Scheme Committee is authorized in its absolute discretion, to vary any of the terms and conditions of the Exercise Period, vesting date and/or vesting conditions under the Awards.

13 RETENTION PERIOD

- 13.1 The new MEB Shares to be issued and allotted to a Grantee under this Scheme will not be subject to any retention period or restriction of transfer. However, the Grantees are encouraged to hold the MEB Shares as a long-term investment rather than for any speculative purpose and/or realisation or immediate gains.
- 13.2 Notwithstanding By-Law 13.1, the Scheme Committee shall be entitled to impose any further conditions for the SGP Award in respect of the restriction on transfer if any and if deem fit by the Scheme Committee.

14 ALTERATION OF SHARE CAPITAL DURING THE SCHEME PERIOD

- 14.1 In the event of any alteration in the capital structure of the Company during the Scheme Period, whether by way of rights issues, bonus issues, capitalisation issues, consolidation or subdivision of shares or capital reduction or any other variation of capital, or otherwise howsoever taking place: -
- (i) the Subscription Price and/or SGP Price; and/ or
(ii) the number of new MEB Shares comprised in the Option and/or SGP Awards in so far as the Option has not been exercised and/or unvested SGP Awards,

may be adjusted, PROVIDED ALWAYS THAT: -

- (a) any adjustment to the Subscription Price and/or SGP Price shall be rounded down to the nearest RM0.01;
(b) in the event that a fraction of a new Share arising from the adjustment referred to in By-Law 14 would otherwise be required to be issued, the Grantee's entitlement shall be rounded down to the nearest whole number;

- (c) upon any adjustment being made pursuant to this By-Law, the Scheme Committee shall, within ten (10) Market Days of the effective date of the alteration in the capital structure of the Company, notify the Grantee (or his legal or personal representatives, where applicable) in writing, informing the Grantee: -
- (i) of the adjusted Subscription Price and/or SGP Price in effect and/or the revised number of new MEB Shares to be issued under the Award;
 - (ii) the effective date of such adjustment; and
 - (iii) the event giving rise to the adjustment.

Any adjustment pursuant to this clause shall be made in accordance with the formulas as set out in the **Schedule A** AND shall be effective on the day as set out in the **Schedule A**.

14.2 Notwithstanding anything to the contrary contained in the Scheme, in the event that a fraction of a new Share arising from the adjustments referred to in By-Law 14.1 hereof would otherwise be required to be issued upon the exercise of an Option by or vesting of the SGP Award the Grantee, the Grantee's entitlement shall be rounded down to the nearest whole number of new Shares.

14.3 The provisions of this By-Law shall not apply where the alteration in the capital structure of the Company arises from: -

- (a) an issue of new MEB Shares or any other convertible securities into new MEB Shares in consideration or part consideration for an acquisition of any other securities, assets or business;
- (b) a special issue of new MEB Shares or any other convertible securities into new MEB Shares to Bumiputera investors nominated by the Ministry of International Trade and Industry, Malaysia and/or any other government authority to comply with Government policy on Bumiputera capital participation;
- (c) special issue, a private placement or restricted issue of new MEB Shares or any other convertible securities into new MEB Shares by the Company or other instrument by the Company which may give a right of conversion into new MEB Shares from the conversion of such securities;
- (d) a share buy-back arrangement by the Company;
- (e) any issue of new Shares arising from the exercise of any exercise or conversion rights attached to the issue of warrants, convertible securities or other instrument; or
- (f) an issue of new MEB Shares upon the exercise of Options or vesting of the SGP Award pursuant to the Scheme.

14.4 All adjustments (other than bonus issue) must be confirmed in writing by the external Auditors of the Company (acting as experts and not as arbitrators) and such certification shall be final and binding in all respects.

15 QUOTATION OF NEW SHARES

Upon any new Shares (if any) being issued and allotted to the Grantee pursuant to an exercise of the Options or pursuant to SGP Award, the Company shall make the necessary application to Bursa Securities within the stipulated timeframe as prescribed by the Listing Requirements for the listing of and quotation for such new MEB Shares and use its best endeavours to obtain permission and approval for such listing and quotation.

16 RIGHTS ATTACHING TO THE NEW MEB SHARES AND OPTIONS

The new Shares to be allotted and issued upon the exercise of the Options or pursuant to SGP Award will upon such allotment and issuance, rank *pari passu* in all respects with the then existing Shares of the Company except that the Shares so allotted will not be entitled to any dividends, rights, allotments or other distributions, the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments or other distributions) of which is prior to the date of allotment of the new Shares and will be subject to all the provisions of the Constitution of the Company relating to the transfer, transmission and otherwise of the Shares.

17 ADMINISTRATION OF THE SCHEME

17.1 The Scheme shall be administered by the Scheme Committee consisting of such persons appointed by the Board from time to time. The Scheme Committee shall administer the Scheme in such manner as it shall in its discretion deem fit and with such powers and duties as are conferred upon it by the Board. The Scheme Committee shall, subject to these By-Laws administer the Scheme and regulate the Scheme Committee's own proceedings in such manner as it shall think fit. The decision of the Scheme Committee shall be final and binding.

17.2 Without limiting the generality of By-Law 17.1, the Scheme Committee may, for the purpose of administering the Scheme, do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Scheme, as the Scheme Committee may in its discretion deem fit necessary and/or expedient for the implementation of the Scheme, including the power and right to: -

(a) construe and interpret the Scheme, Options and SGP Award granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the Scheme and its administration. The Scheme Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for an Option or SGP Award in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and

(b) determine the eligibility and/or criteria for Eligible Person under this Scheme, answering and questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and rights to decide and perform such acts as are deemed necessary or expedient to promote the best interests of the Company; and

(c) do all acts and things, rectify any errors in an Option or SGP Award, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion necessary or desirable for giving effect to the Scheme.

17.3 The Board shall have the discretion and power at any time and from time to time as it deems fit to approve, rescind and/or revoke the appointment of any person in the Scheme Committee.

18. AMENDMENT AND/OR MODIFICATION TO THE BY-LAWS

Subject to the compliance with the requirements of Bursa Securities and any other relevant authorities, the Board shall have the power at any time and from time to time by resolution to amend, at the recommendation of the Scheme Committee, all or any part of the By-Laws, as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these By-Laws upon such recommendation subject to the Company submitting a letter of compliance to Bursa Securities for the amendment made, that the said amendment is in compliance with the provisions of the Listing Requirements pertaining

to share issuance scheme and Rules of the Depository (as defined under the Listing Requirements) pursuant to Paragraphs 2.10, 2.11 and 2.12 of the Listing Requirements.

The approval of the shareholders of the Company in general meeting shall not be required for any amendments to the By-Laws PROVIDED THAT no additions or amendments to or deletions of these By-Laws shall be made which will: -

- (a) prejudice any rights then accrued to any Grantee without the prior consent or sanction of that Grantee;
- (b) increase the number of Shares available under the Scheme beyond the maximum imposed by By-Law 6.1; or
- (c) alter to the advantage to the Grantee any provisions of the Scheme.

For the purpose of complying with the provisions of Appendix 6E of the Listing Requirements, no such amendment shall be made which would alter to the advantage of any Eligible Person or Grantee, without the prior approval of the Company's shareholders in a general meeting where such approval is required by applicable laws/regulations.

Where an amendment and/or modification is made to the By-Laws of the Scheme, the Company shall submit to Bursa Securities, the amendment and/or modification to the By-Laws of the Scheme and a confirmation letter that the amendment and/or modification complies with the provision of the guidelines on Scheme as stipulated under the Listing Requirements and Rules of Bursa Depository no later than five (5) Market Days from the effective date of the said amendment and/or modification.

19. EFFECTIVE DATE AND DURATION OF THE SCHEME

19.1 The effective date of the commencement of the Scheme ("**Effective Date**") shall be the date of full compliance with the Listing Requirements including the following: -

- (a) receipt of approval-in-principle for the listing of and quotation for the new Shares to be issued pursuant to the exercise of the Options or pursuant to SGP Award from Bursa Securities;
- (b) receipt of approval of the shareholders' for the Scheme;
- (c) submission of a final copy of the By-Laws to Bursa Securities pursuant to the Listing Requirements; and
- (d) fulfilment of all the conditions attached to the above approvals for the Scheme.

The Adviser of the Company shall submit a confirmation letter to Bursa Securities of full compliance pursuant to Paragraph 2.12 of the Listing Requirements stating the Effective Date of the Scheme together with a certified true copy of the relevant resolution passed by the shareholders of the Company in a general meeting. The confirmation or compliance letter must be submitted to Bursa Securities no later than five (5) Market Days after the Effective Date.

The Scheme shall be in force for a period of five (5) years from the Effective Date, provided always that on or before the expiry thereof, the Board shall have the absolute discretion, without the approval of the Company's shareholders in a general meeting, to extend the duration of the Scheme (as the Board may deem fit) for up to a further five (5) years provided that the Company shall serve appropriate notices on each Grantee and/or make the necessary announcements to Bursa Securities (if required) at least thirty (30) days prior to the expiry of the original Scheme.

Any extended Scheme under this provision shall be implemented in accordance with the terms of the By-Laws, subject however to any revisions and/or changes to the relevant laws and/or regulations then in force.

For avoidance of doubt, the duration of the Scheme shall not in aggregate exceed ten (10) years or such other period as may be prescribed by Bursa Securities or any other relevant authorities from the Effective Date.

- 19.2 Subject to the approval of the relevant authorities and the shareholders, the Company may establish a new share issuance scheme after the expiry of the current Scheme or if the current Scheme has been terminated during the Duration of the Scheme provided that the aggregate number of Shares available under all Schemes does not breach the maximum limit prescribed in the prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.
- 19.3 An Eligible Person who has been granted Options and/or SGP Awards under the earlier Scheme may be allowed to participate in this new scheme, subject to the then by-laws of the new scheme.

20. TERMINATION OF THE SCHEME

- 20.1 Notwithstanding the provisions of By-Law 19, and subject always to compliance with Bursa Securities and any other regulatory authorities' requirements, guidelines or directives, the Scheme may be terminated at any time during the duration of the Scheme by the Scheme Committee upon approval of the Board without obtaining the consents from the Grantees or approvals from the shareholders of the Company provided that the Company makes an announcement which shall include the effective date of termination ("**Termination Date**"), number of Options exercised or Shares vested under the SGP Awards and reasons for termination immediately to Bursa Securities pursuant to the Listing Requirements.
- 20.2 Upon termination of the Scheme, the following shall apply: -
- (a) the Scheme Committee shall make no further Offers;
 - (b) all Offers which have yet to be accepted by the Eligible Persons shall automatically lapse on the Termination Date;
 - (c) all exercised or outstanding Options which have yet to be exercised by the Grantees shall be automatically terminated and be null and void on the Termination Date; and
 - (d) all unvested SGP Awards to the Grantees shall be automatically terminated and be null and void on the Termination Date.

For the avoidance of doubt, any Options which have been exercised or the SGP Award is vested but where the new Shares have yet to be allotted, issued or registered in the name of the Eligible Person or his estate as at the date of the resolution to terminate the Scheme shall remain effective and the Company shall issue and register the new Shares in Grantee's name accordingly.

21. GOVERNING LAW AND MULTIPLE JURISDICTIONS

The Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Grantee, by accepting the Options and SGP Awards in accordance with the By-Laws and terms of the Scheme, irrevocably submits to the exclusive jurisdiction of the courts of Malaysia.

In order to facilitate the making of any grant under this Scheme, the Board may provide for such special terms to Eligible Persons who are employed by the Company or any Subsidiary in a particular jurisdiction as the Board may consider necessary or appropriate to accommodate differences in local law, tax, policy or custom of that jurisdiction. The Board may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Scheme as in effect for any other purpose, and the appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme, as then in effect, unless this Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any Offer made to such Eligible Persons pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the Scheme Committee in the Offer.

22. NO COMPENSATION

- 22.1 An Eligible Person or Grantee who ceases to hold office or employment or under contract basis shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or non-renewal of contract of employment.
- 22.2 No Eligible Person or Grantee or legal or personal representatives shall bring any claim, action or proceeding against the Company or the Scheme Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Option or his Option ceasing to be valid pursuant to the provisions of these By-Laws, as may be amended from time to time in accordance with By-Law 18 hereof.
- 22.3 No Eligible Person or legal or personal representatives shall be entitled to any compensation for damages arising from the termination of the Scheme and SGP Awards pursuant to the provision of these By-Law.

23. TRANSFER OR RECRUITMENT FROM OTHER COMPANIES TO THE GROUP

In the event that: -

- (a) an employee or a director who was employed in a company related to MEB pursuant to Section 7 of the Act (being a company that is not a subsidiary of the Company) and is subsequently transferred/employed from such company to any company within the Group; or
- (b) an employee or a director who was in the employment of a company which subsequently becomes a subsidiary of the Company as a result of a restructuring or acquisition or otherwise involving the Company and/or any company within the Group;

(the first mentioned company in each of (a) and (b) is hereinafter referred to as the “**Previous Company**”), such an employee or a director of the Previous Company (the “**Affected Employee**”) will, if the Affected Employee satisfies all the conditions of these By-Laws, be eligible to participate the Scheme only for the remaining Duration of the Scheme and subject to all the terms and conditions of these By-Laws.

The Affected Employee shall also be entitled to continue to exercise all such unexercised option(s) or any awards which were granted to him under the share issuance scheme (if any) in which he was participating (the “**Previous Scheme**”) whilst the Affected Employee was in the employment of the Previous Company in accordance with the by-laws of such Previous Scheme but he/ she shall not, upon such transfer or restructuring or acquisition as the case may be, be eligible to participate for further options of such Previous Scheme unless the Affected Employee also remains eligible to participate in Previous Scheme as stipulated in the by-laws of the Previous Company.

24. DIVESTMENT FROM THE GROUP

If a Grantee who was in the employment with a company in the Group which was subsequently divested wholly or in part from the Group, resulting in such company being no longer a subsidiary of MEB Group pursuant to Section 4 of the Act, then such Grantee: -

- (a) may be entitled to continue to exercise all such unexercised Options which were granted to him under the Scheme within a particular time frame determined within the Scheme Period at the discretion of the Scheme Committee, failing which the right of such Grantee to subscribe for that number of new MEB Shares or any part thereof granted under such unexercised Options shall automatically lapse and be null and void and of no further force and effect; and
- (b) shall not be eligible to participate for further Options under the Scheme.

For the purpose of By-Law 24, a company shall be deemed to be divested from the Group in the event that the effective interest of the Company in such company is reduced from above 50% to 50% or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act or such company ceases to form part of the Group for such reason(s) as determined by the Scheme Committee as its absolute discretion.

25. COSTS AND EXPENSES

All costs and expenses incurred in relation to the administration and management of the Scheme including but not limited to the fees, costs and expenses relating to the grant, vesting, issue and allotment of the new MEB Shares upon the exercise of any Option or pursuant to SGP Award shall be borne by the Company.

Notwithstanding this, the Grantee shall bear the costs and expenses incurred in relation to his/her acceptance of the SGP Award and exercise of the Option, opening and maintaining of his/her respective CDS Account and the sale of the Shares in the market.

26. SCHEME NOT A TERM OF EMPLOYMENT

This Scheme does not form part nor shall it in any way be construed as part of the terms and conditions of employment of any Eligible Person of the Group.

27. CONSTITUTION

Notwithstanding the terms and conditions contained in this Scheme, if a situation of conflict should arise between this Scheme and the Constitution of the Company, the provisions of the Constitution of the Company shall at all times prevail.

28. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

All Grantees are entitled to inspect the latest audited financial statements of the Company during normal office hours on any working day at the Registered Office of the Company.

29. WINDING UP

All outstanding Options shall be automatically terminated in the event that a resolution is passed or a court order is made for the winding up of the Company.

30. DECISION OF THE SCHEME COMMITTEE

Any decision and/or determination made by the Scheme Committee under these By-Laws or any matters with regards or related to this Scheme shall, in the absence of any manifest error, be final and binding.

31. TAXES

All taxes (including income tax) arising from the exercise of any Option or accepting and vesting of the SGP Awards under the Scheme shall be borne by the Grantee and the Company shall not be liable for any of such costs, levies, fees or taxes.

32. NOTICE

32.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given: -

- (a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his address, such notice shall be deemed to have been received five (5) Market Days after posting;
- (b) if it is given by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; or
- (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received upon the date of delivery in the timestamp in such electronic media.

Any change of address of the Eligible Person or the Grantee shall be communicated in writing to the Company and the Scheme Committee.

32.2 Any certificate, notification or other notice required to be given to the Company or the Scheme Committee shall be properly given if sent by registered post or delivered by hand to the Company at its registered address at Lot 586 and 579, 2 Mile Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan or any other business address which may be notified in writing by the Scheme Committee from time to time.

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THE SCHEDULE A

(PURSUANT TO BY-LAW 14.1)

ADJUSTMENT TO THE SUBSCRIPTION PRICE / SGP PRICE OR THE NUMBER OF SHARES

The Subscription Price, SGP Price and/or the number of Shares to be comprised in the Offer, to which a Grantee may be entitled shall from time to time be adjusted, calculated or determined by the Scheme Committee and confirmed in writing by the external auditors (other than adjustments made pursuant to bonus issues) for the time being of the Company (acting as experts and not as arbitrators) in accordance with the following relevant provisions: -

- (a) If and whenever the Shares by reason of any consolidation or subdivision or conversion of Shares, the Subscription Price, SGP Price and the additional Shares comprised in the Options / SGP Awards as yet unexercised / unvested (“**Additional Number of Shares**”) shall be adjusted, calculated or determined in the following manner: -

$$\text{New Subscription Price/ New SGP Price} = \frac{L}{B} \times S$$

$$\text{Additional Number of Shares} = \frac{M}{A} \times T$$

where:

A = the aggregate number of issued Shares immediately before such consolidation or subdivision or conversion;

B = the aggregate number of issued Shares immediately after such consolidation or subdivision or conversion;

S = existing Subscription Price / SGP Price.

T = existing number of Shares comprised in the Offer.

Each such adjustment will be effective from the close of business of the Market Day next following the date on which the consolidation or subdivision or conversion becomes effective (being the date on which the Shares are traded on Bursa Securities) or such other date as may be prescribed by Bursa Securities.

- (b) If and whenever the Company shall make any issue of Shares to shareholders credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Subscription Price / SGP Price shall be adjusted by multiplying it by the following fraction: -

$$\text{New Subscription Price} = S \times \left[\frac{A}{A + B} \right]$$

/ New SGP Price

and the Additional Number of Shares shall be calculated in the following manner:

$$\text{Additional Number of Shares} = T \times \left[\frac{A+B}{A} \right] - T$$

Where:

S = as S above;

APPENDIX I – DRAFT BY-LAWS (CONT'D)

- A = the aggregate number of issued Shares on the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments or other distributions) immediately before such capitalisation issue;
- B = the aggregate number of Shares to be issued pursuant to any allotment to shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund); and
- T = as above.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for such issue.

- (c) If and whenever the Company shall make: -
- (1) a Capital Distribution (as defined below) to shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets); or
 - (2) any offer or invitation to shareholders where they may acquire or subscribe for Shares by way of rights; or
 - (3) any offer or invitation to shareholders by way of rights where they may acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares,

then and in any such case, the Subscription Price / SGP Price shall be adjusted in the following manner: -

$$\frac{\text{New Subscription Price}}{\text{New SGP Price}} = S \times \left[\frac{C - D}{C} \right]$$

and in respect of the case referred to in paragraph (c)(2) hereof, the Additional Number of Shares shall be adjusted, calculated or determined in the following manner: -

$$\text{Additional Number of Shares} = T \times \left[\frac{C}{C - D^*} \right] - T$$

Where:

- S = as S above;
- T = as T above;
- C = the Current Market Price (as defined in paragraph (h) below) of one (1) Share on the Market Day immediately preceding the date on which the Capital Distribution, or as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing such announcement), immediately preceding the date of announcement of the entitlement date of the Capital Distribution or, as the case may be, of the offer or invitation (where appropriate), or any relevant date as may be determined by the Company in consultation with the external auditors of the Company; and
- D = (aa) in the case of an offer or invitation to acquire or subscribe for Shares or securities convertible into Shares or with rights to acquire or subscribe for Shares under paragraphs (c)(2) and (c)(3) above, the value of rights attributable to one (1) Share (as defined below); or

- (bb) in the case of any other transaction falling within this paragraph (c), the fair market value, as determined by the Company in consultation with the external Auditors of the Company, of that portion of the Capital Distribution attributable to one (1) Share.

For the purpose of sub-paragraph (aa) of D above, the “value of rights attributable to one (1) Share” shall be calculated in accordance with the formula: -

$$\frac{C - E}{F + 1}$$

Where:

- C = as C above;
- E = the subscription consideration for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares, the conversion value paid for conversion into one (1) additional Share, or the exercise price paid in connection with the rights to acquire or subscribe for one (1) additional Share;
- F = the number of Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or to acquire or subscribe for securities convertible into one (1) additional Share or rights to acquire or subscribe for one (1) additional Share; and
- D* = the value of the rights attributable to one (1) Share (as defined below).

For the purpose of definition D* above, the “value of the rights attributable to one (1) Share” shall be calculated in accordance with the formula: -

$$\frac{C - E^*}{F^* + 1}$$

Where:

- C = as C above;
- E* = the subscription consideration for one (1) additional Share under the terms of the offer or invitation; and
- F* = the number of Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of this paragraph (c), “Capital Distribution” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue (not falling under paragraph (b) above) of Shares or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund). Any dividend charged or provided for in the accounts of any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the shareholders as shown in the audited consolidated profit and loss accounts of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for such issue.

- (d) If and whenever the Company makes any allotment to its shareholders as provided in paragraph (b) above and also makes any offer or invitation to its shareholders as provided in paragraph (c)(2) or paragraph (c)(3) above and the entitlement date for the purposes of the allotment is also the entitlement date for the purpose of the offer or invitation, the Subscription Price shall be adjusted in the following manner: -

$$\frac{\text{New Subscription Price}}{\text{New SGP Price}} = S \left[x \frac{(G \times C) + (H \times I)}{(G + H + B) \times C} \right]$$

and in respect of each case referred to in paragraph (b) and paragraph (c)(2) above, the Additional Number of Shares shall be calculated in the following manner: -

$$\text{Additional Number of Shares} = T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Where:

S = as S above;

B = as B above;

C = as C above;

G = the aggregate number of issued Shares on the entitlement date;

H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares, as the case may be;

H* = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;

I = the subscription consideration of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share, as the case may be;

I* = the subscription consideration of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares; and

T = as T above.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the date next following the entitlement date for such issues.

- (e) If and whenever the Company makes any offer or invitation to the shareholders as provided in paragraph (c)(2) above together with an offer or invitation to the shareholders as provided in paragraph (c)(3) above, the Subscription Price shall be adjusted in the following manner: -

$$\frac{\text{New Subscription Price}}{\text{New SGP Price}} = S \left[x \frac{(G \times C) + (H^* \times I^*) + (J \times K)}{(G + H^* + J) \times C} \right]$$

and the Additional Number of Shares shall be calculated in the following manner: -

$$\text{Additional Number of Shares} = T \times \left[\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Where:

S = as S above;

C = as C above;

G = as G above;

H* = as H* above;

I* = as I* above;

J = the aggregate number of Shares to be issued to its shareholders upon conversion of such securities or exercise of such rights to acquire or subscribe for Shares by the shareholders;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share; and

T = as T above.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for the above transactions.

- (f) If and whenever the Company makes an allotment to its shareholders as provided in paragraph (b) above and also makes an offer or invitation to its shareholders as provided in paragraph (c)(2) above together with an offer or invitation to its shareholders as provided in paragraph (c)(3) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of the offer or invitation, the Subscription Price shall be adjusted in the following manner: -

$$\text{New Subscription Price} / \text{New SGP Price} = S \times \left[\frac{(G \times C) + (H^* \times I^*) + (J \times K)}{(G + H^* + J + B) \times C} \right]$$

and the Additional Number of Shares shall be calculated in the following manner: -

$$\text{Additional Number of Shares} = T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Where:

S = as S above;

B = as B above;

C = as C above;

G = as G above;

H* = as H* above;

I* = as I* above;

J = as J above;

K = as K above; and

T = as T above

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the date next following the entitlement date for the above transactions.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all the shareholders alike and requiring an adjustment under paragraphs (c)(2), (c)(3), (d), (e) or (f) above), the Company shall issue any Shares, any securities convertible into Shares or securities with rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety per centum (90%) of the Average Price (as defined in paragraph (h) below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, then the Subscription Price shall be adjusted in the following manner: -

$$\frac{\text{New Subscription Price}}{\text{New SGP Price}} = S \times \left[\frac{L + M}{L + N} \right]$$

Where:

- S = as S above;
- L = the aggregate number of Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the aggregate number of Shares which the Total Effective Consideration (as defined below) would have purchased at such Current Market Price (exclusive of expenses); and
- N = the aggregate number of Shares so issued or, in the case of securities convertible into Shares or securities with rights to acquire or subscribe for Shares, the maximum number (assuming no adjustment of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights; and

For the purposes of this paragraph (g), the “Total Effective Consideration” shall be as determined by the Directors of the Company in consultation with the external Auditors and shall be: -

- (1) in the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares; or
- (2) in the case of the issue by the Company of securities wholly or partly convertible into Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (3) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration per Share**” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid or, in the case of securities convertible into Shares or securities with rights to acquire or subscribe for Shares, by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights.

Each such adjustment will be effective (if appropriate, retroactively) from the close of the Market Day immediately preceding the date on which the aforesaid Shares, or securities convertible into Shares or securities with rights to acquire or subscribe for Shares are issued, as the case may be.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

- (h) For the purpose of paragraphs (c), (d), (e) and (f), the “**Current Market Price**” in relation to each Share shall be the volume weighted average market price of the Shares as transacted on Bursa Securities for the five (5) consecutive Market Days preceding such relevant date.

For the purpose of paragraph (g), the “**Average Price**” means the average price of one (1) Share as derived from the last dealt price for one (1) or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

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1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or information contained in this Circular, or other facts and information the omission of which would make any statement in this Circular false or misleading.

2. CONSENT

TA Securities, being the Adviser for the Proposed SIS, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. CONFLICT OF INTERESTS

TA Securities has confirmed that there is no conflict of interests which exists or is likely to exist in its capacity as the Adviser for the Proposed SIS.

4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Save for the following, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Board confirms that there is no proceedings, pending or threatened, or of any facts likely to give rise to any other proceedings, which might materially and adversely affect the business or financial position of the Group as at the LPD:

A(i) MEB v Ketua Pengarah Hasil Dalam Negeri (“KPHDN”)

MEB filed an application on 29 January 2020 for a judicial review to Kuala Lumpur High Court (“**KLHC**”) for an order to quash the notices of assessment for the years of assessment 2015 and 2016 for an additional tax liability amounting to RM11,993,408.46 and the notification of non-chargeability for year of assessment 2017 raised by KPHDN (“**Judicial Review Application**”), whereby KPHDN disallowed deduction for project cost incurred and accrued by MEB at respective year end, and unilaterally added back those accrued cost to the total estimated projects profit and hence increased the overall profit margin of projects. This application was dismissed on 27 July 2020 by the KLHC.

MEB appealed to the Court of Appeal and the appeal and stay were allowed by the Court of Appeal on 19 July 2021. The matter was then remitted to the High Court for the substantive Judicial Review hearing. The substantive hearing of the Judicial Review is stayed pending the decision of the Federal Court. A case management is fixed on 24 May 2022.

On 18 August 2021, KPHDN filed a leave to appeal to the Federal Court and that leave hearing took place on 31 January 2022. The Federal Court allowed leave for the matter to go on to the substantive stage. The date for the substantive hearing at the Federal Court has not been fixed yet. A case management is fixed on 23 May 2022.

Concurrently, MEB had on 13 February 2020 filed an appeal under section 99 of the Income Tax Act 1967 to Special Commissioners of Income Tax (“**SCIT**”) to quash these notices of assessment. The case management before the SCIT has been fixed on 9 March 2022. During the case management held on 9 March 2022, the SCIT has fixed the next case management on 7 July 2022 to update on the status of the appeal at the Federal Court and the Judicial Review hearing at the High Court.

The solicitors acting for MEB are of the view that there is a good chance that MEB’s appeal will be allowed.

Save for the sum of RM11,993,408.46 claimed by KPHDN under the notice of assessment and related legal cost, there will be no other operation or financial impact including any possibility of termination of contracts in the event the result of the Judicial Review Application and appeal to SCIT is not favourable to MEB.

A(ii) Muhibbah Marine Engineering Sdn Bhd (“MMESB”) v KPHDN

A wholly-owned subsidiary of MEB, MMESB’s application on 29 January 2020 for a judicial review to KLHC for an order to quash the notices of assessment for the years of assessment 2015 and 2016 for an additional tax liability amounting to RM10,979,764.96 raised by KPHDN due to group tax relief being not allowed, was dismissed on 16 December 2020 by the KLHC (“**High Court Decision**”).

MMESB then filed for a stay and appealed against the High Court Decision (“**Appeal**”). The Court of Appeal allowed the stay application and case management has been fixed on 8 March 2022 for the Appeal. During the case management held on 8 March 2022, the Court of Appeal then fixed the next case management on 29 July 2022 to update on filing of documents and the hearing has been fixed on 12 August 2022.

Concurrently, MMESB had on 13 February 2020 filed an appeal under Section 99 of the Income Tax Act 1967 to SCIT to quash these notices of assessment. The case management for the SCIT has been fixed on 27 June 2022.

The solicitors acting for MMESB are of the view that there is a good chance that MMESB’s appeal will be allowed.

Save for the sum of RM10,979,764.96 claimed by KPHDN under the notice of assessment and related legal cost, there will be no other operation or financial impact including any possibility of termination of contracts in the event the result of the Judicial Review Application and appeal to SCIT is not favourable to MEB.

B(i) MEB v TTCL Malaysia Sdn Bhd (“TTML”)

On 11 September 2019, MEB commenced arbitration proceedings against TTML in Kuala Lumpur for the total amount of approximately RM157.3 million (excluding interest) for amongst others, breach and wrongful termination of a contract dated 26 June 2015 to construct and complete the civil, concrete and building works for offsite areas for a project known as the Rapid Steam Cracker Complex Project in Pengerang, Johor (“**TTML Contract**”).

TTML raised a counterclaim of approximately RM28 million for alleged overpayments, back-charges and loss and expenses due to MEB’s alleged breaches under the TTML Contract.

MEB had on 9 November 2021 filed an amended reply to defence and defence to the counterclaim. Evidential hearing has been fixed to be held between August 2022 and November 2022.

The solicitors acting for MEB informed that they will be in a better position to advise on the probable financial outcome after having reviewed and analysed all the relevant documents which are still being exchanged at this stage.

Save for the counterclaim sum of RM28 million raised by TTML and related legal cost, there will be no other operation or financial impact including any possibility of termination of contracts in the event the result of the arbitration is not favourable to MEB.

B(ii) MEB v TTCL Public Company Limited (“TTCL”)

Arising from the claim under item B(i) above, on 14 September 2020, MEB filed an action against TTML’s parent company, TTCL in South Bangkok Civil Court to, amongst others, enforce the parent company guarantee (“**PCG**”) dated 28 July 2015 issued in favour of MEB. The total claim amount is approximately RM172 million (including interest as at the date of filing of action on 14 September 2020).

TTCL filed their defence and also filed a petition to dismiss MEB’s action. MEB is opposing the application and the hearing for the petition was fixed for 18 February 2022. The hearing was subsequently rescheduled to 6 June 2022.

The solicitors acting for MEB are of the view that MEB will be successful in objecting to TTCL’s petition for dismissal.

Save for related legal cost, there will be no other operation or financial impact including any possibility of termination of contracts in the event the result of the suit is not favourable to MEB.

C(i) Syrian Civil Aviation Authority (“SCAA”) v MEB

On 7 February 2016, SCAA filed a suit against MEB for the sum of approximately European Dollar (“EURO”) 33 million which is equivalent to approximately RM151.33 million at the Administrative Jurisdiction Court of Syria (“AJC”) alleging, amongst others, breach of a contract agreement dated 22 January 2008 entered into between MEB and SCAA (“SCAA Contract”) wherein MEB was appointed by SCAA to execute the rehabilitation and upgrading of the existing passenger terminal building, road, car parks and parking apron at Damascus International Airport, Syrian Arab Republic (“Work”) and outstanding payments for remaining rehabilitation Work undertaken by SCAA after the termination of the SCAA Contract.

On 14 December 2021, the AJC made a decision for an arbitration to be held in Damascus to resolve the parties’ dispute (“AJC Decision”).

On 1 February 2022, MEB filed an appeal against the AJC Decision at the Supreme Administrative Court (“SAC”). The next session of the appeal before the court has been fixed on 16 February 2022.

On 16 February 2022, MEB made a submission to appeal against the AJC Decision before the SAC. On 27 April 2022, the SAC upheld the AJC Decision for an arbitration to be held in Damascus.

The solicitors acting for MEB is of the view that in the event that arbitration is conducted in Damascus, the resolution of the dispute will depend largely on the technical expertise that will determine the percentage of completion and conformity of the completed works to the contractual conditions from a technical point of view, and the party responsible for the delay in implementation and the damage caused to the two parties, and based on that, the material obligations of the two parties are determined.

Save for the sum of approximately EURO 33 million which is equivalent to approximately RM151.33 million claimed by SCAA and related legal costs, there will be no other operation or financial impact including any possibility of termination of contracts in the event the result of the suit is not favourable to MEB.

C(ii) MEB v Government of Syrian Arab Republic (represented by the Ministry of Transport, Syrian Arab Republic – The Syrian Civil Aviation Authority) (“SCAA”)

On 19 September 2019, MEB issued a request for arbitration pursuant to Dubai International Arbitration Centre (“DIAC”) Rules of Arbitration against SCAA in accordance with the terms of the contract. The dispute arises from the same subject matter as stated in item C(i) above. Under the request for arbitration, MEB is seeking for, amongst others, wrongful termination and payment for the sum of approximately EURO 25 million which is equivalent to approximately RM114.65 million from SCAA.

A hearing was held on 9 November 2021 to resolve preliminary matters including the Respondent’s objection to DIAC’s jurisdiction.

On 24 January 2022, DIAC issued a preliminary award confirming, amongst others, it has jurisdiction to determine the matter. On 18 March 2022, DIAC issued directions for the commencement of the arbitration by adopting a memorial style approach. MEB is required to file its initial pleading (attaching all documents and witnesses’ testimonies and expert reports) by 18 June 2022 and SCAA to file its pleading (attaching all documents and witnesses’ testimonies and expert reports) by 18 September 2022.

The solicitors acting for MEB informed that it is too preliminary to form an opinion as the arbitration is at a preliminary stage.

MEB is unable to assess the impact of the arbitration to the Group’s operations and financials as the arbitration is at a preliminary stage where MEB is still in the midst of preparing for statement of claim and SCAA has yet to make its defence and counterclaim, if any. Nevertheless, the dispute will not have any impact on the SCAA Contract as the SCAA Contract had been terminated.

D. Letter of Demand from Bakun Hydro Power Generation Sdn Bhd (“Bakun”) to BEM1-C Contract Consortium members, of which MEB is a member

On 8 October 2021, Bakun had issued a letter of demand to BEM1-C Contract Consortium (“**Consortium**”) of which MEB is a member together with South Asia Logistics Services Limited (formerly known as IMPSA Asia Ltd (“**SALSL**”) and IMARTEK Sdn Bhd (formerly known as IMPSA Malaysia Sdn Bhd) (“**IMARTEK**”) for a sum of approximately RM61.5 million for alleged defective runner blades designed, constructed, built and installed by the Consortium pursuant to a contract agreement dated 22 July 2008 and supplemental agreement dated 25 July 2008 entered into between Bakun and Consortium (“**Bakun Contract**”).

IMARTEK and MEB had on 22 November 2021 and on 3 December 2021 respectively responded to deny and dispute in its entirety all claims and allegations. As at the LPD, MEB has not received any further letters or claims from Bakun.

The solicitors acting for MEB informed that they are unable to express any opinion at the present stage as the matter is at a preliminary stage.

In view that Bakun has not commenced any action against the Consortium, MEB is unable to assess the impact of the dispute to the Group’s operations and financials. Nevertheless, the dispute will not have any impact on the Bakun Contract as the relevant work under Bakun Contract had been completed.

Note:

(1) *Converted at approximately RM4.5859: EURO1, being the middle rate as at the close of business as at the LPD as extracted from Bank Negara Malaysia.*

5. MATERIAL COMMITMENT

As at the LPD, the Board confirmed that there is no material commitment incurred or known to be incurred by the Group, which upon being enforced, may have a material impact on the financial position of the Group.

6. CONTINGENT LIABILITIES

Save as disclosed below, the Board confirmed that there is no contingent liability incurred or known to be incurred by the Company, which upon becoming enforceable, may have a material impact on the financial position of the Company as at the LPD:

Capital commitment	Amount RM'million
Contracted for:	
• Property, plant and equipment	12.8

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Lot 579 & 586, 2nd Mile, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan, Malaysia, during normal business hours from 8.30 a.m. to 5.30 p.m. from Mondays to Fridays (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming EGM:

- (a) the Constitution of the Company;
- (b) the Group’s audited consolidated financial statements for the past 2 financial years ended 31 December 2020 and 31 December 2021 as well as the latest unaudited quarterly results for the 3-month period ended 31 March 2022;
- (c) the letter of consent and conflict of interests referred to in **Sections 2 and 3** above;
- (d) the relevant cause papers referred to in **Section 4** above; and
- (e) the draft By-Laws.



MUHIBBAH ENGINEERING (M) BHD.
(Registration No. 197201001137 (12737-K))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of Muhibbah Engineering (M) Bhd. (“MEB” or the “Company”) will be held as a fully virtual meeting entirely through live streaming from the online meeting platform on Wednesday, 22 June 2022 at 3.30 p.m. or after the conclusion of the 49th AGM of MEB or at any adjournment thereby, whichever is later for the purpose using the Remote Participation and Voting facilities (“RPV”) provided by Tricor Investor & Issuing House Services Sdn Bhd via the TIIH Online website at <https://tjih.online>, for the purpose of considering and if thought fit, passing the following ordinary resolutions with or without modifications:

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES’ SHARE ISSUANCE SCHEME OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN MEB (EXCLUDING TREASURY SHARES) AT ANY ONE TIME DURING THE DURATION OF THE EMPLOYEES’ SHARE ISSUANCE SCHEME (“PROPOSED SIS”)

“THAT subject to and conditional upon the provisions under the Companies Act 2016 and approvals of the relevant authorities being obtained for the Proposed SIS, approval be and is hereby given to the Board of Directors of the Company (“Board”) to:

- (a) establish and administer a new Proposed SIS, which comprises an employees’ share option scheme (“ESOS”) and a share grant plan (“SGP”), for the benefit of the eligible Directors of the Company who is involved in the execution of strategic and operational decisions of the Company and/or its subsidiaries (excluding dormant subsidiaries) (“Group”) and employees of the Group as defined in the by-laws of the Proposed SIS (“By-Laws”) (“Eligible Persons”), the salient terms of which are described in **Section 2** of the circular to shareholders dated 7 June 2022 (“Circular”) and in accordance with the provisions of the By-Laws as set out in **Appendix I** of the Circular, under which options (“SIS Options”) may be granted to the Eligible Persons giving the right to subscribe for new ordinary shares in the Company (“Shares”) and awards under the SGP (“SGP Awards”) may be made to Eligible Persons and to give full effect to the Proposed SIS with full power to assent to any modification or amendment as may be made or required by the relevant authorities or as the Board may in their absolute discretion deem fit, including any revision to the allocations of the Proposed SIS to the Eligible Persons;
- (b) offer and grant the SIS Options as required to be granted under the Proposed SIS and to allot and issue from time to time such number of new Shares as may be required to be issued pursuant to the exercise of the SIS Options and vesting of SGP Awards under the Proposed SIS provided that the total number of new Shares to be issued under the Proposed SIS shall not exceed 10% of the total number of issued shares in the company at any one time during the duration of the Proposed SIS and that such new Shares will, upon allotment and issuance, rank equally in all respects with then existing Shares except that the Shares so allotted will not be entitled to any dividend, rights, allotments or other distributions, the entitlement date of which is prior to the date of allotment of the new Shares and will be subject to all the provisions of the Constitution of the Company relating to the transfer, transmission and otherwise of the Shares. For the purpose hereof, the entitlement date means the date as at the close of business on which shareholders must be registered in the Record of Depositors with Bursa Malaysia Depository Sdn Bhd in order to be entitled to any dividends, rights, allotments and/or other distributions;
- (c) make the necessary applications to Bursa Malaysia Securities Berhad (“Bursa Securities”) and take whatever necessary actions at the appropriate time or times for permission to deal in and for the listing of and quotation for the new Shares which may from time to time be allotted and issued pursuant to the exercise of the SIS Options to be granted under the Proposed SIS; and

- (d) modify and/or amend the By-Laws from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the By-Laws relating to modifications and/or amendments.

AND THAT the Board be and are hereby authorised to take all such steps and do all acts, deeds and things and execute, sign and deliver on behalf of the Company all necessary documents to give full effect to and for the purpose of completing or implementing the Proposed SIS with full power to assent to any condition, revaluation, modification, variation and/or amendment in any manner as may be required by any relevant authorities.”

ORDINARY RESOLUTION 2

PROPOSED GRANTING OF SIS OPTIONS AND SGP AWARDS TO MAC NGAN BOON @ MAC YIN BOON

“THAT contingent upon the passing of Ordinary Resolution 1 above, and subject to the approval and in compliance with any conditions as may be imposed by the relevant authorities, the Company hereby authorises, at any time and from time to time during the existence of the Proposed SIS, to offer and to grant to Mac Ngan Boon @ Mac Yin Boon, the Group Managing Director of the Company, options to subscribe for new Shares as well as SGP Awards and if such options are accepted and exercised, to allot and issue such number of new Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-Laws as set out in **Appendix I** of the Circular, provided that:

- (a) not more than 80% of the new Shares which are available under the Proposed SIS shall be allotted, in aggregate, to the eligible Directors and senior management of the Group; and
- (b) not more than 10% of the total new Shares which are available under the Proposed SIS shall be allotted to Mac Ngan Boon @ Mac Yin Boon, as long as Mac Ngan Boon @ Mac Yin Boon either singly or collectively through persons connected to him, as defined in the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”), holds 20% or more of the total number of issued shares in the Company (excluding treasury shares),

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws.”

ORDINARY RESOLUTION 3

PROPOSED GRANTING OF SIS OPTIONS AND SGP AWARDS TO OOI SEN ENG

“THAT contingent upon the passing of Ordinary Resolution 1 above, and subject to the approval and in compliance with any conditions as may be imposed by the relevant authorities, the Company hereby authorises, at any time and from time to time during the existence of the Proposed SIS, to offer and to grant to Ooi Sen Eng, the Executive Director of the Company, options to subscribe for new Shares as well as SGP Awards and if such options are accepted and exercised, to allot and issue such number of new Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-Laws as set out in **Appendix I** of the Circular, provided that not more than 80% of the new Shares which are available under the Proposed SIS shall be allotted, in aggregate, to the eligible Directors and senior management of the Group, subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws.”

ORDINARY RESOLUTION 4

PROPOSED GRANTING OF SIS OPTIONS AND SGP AWARDS TO MAC CHUNG JIN

“THAT contingent upon the passing of Ordinary Resolution 1 above, and subject to the approval and in compliance with any conditions as may be imposed by the relevant authorities, the Company hereby authorises, at any time and from time to time during the existence of the Proposed SIS, to offer and to grant to Mac Chung Jin, the Executive Director/ Deputy Chief Executive Officer of the Company, options to subscribe for new Shares as well as SGP Awards and if such options are accepted and exercised, to allot and issue such number of new Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-Laws as set out in **Appendix I** of the Circular, provided that:

- (a) not more than 80% of the new Shares which are available under the Proposed SIS shall be allotted, in aggregate, to the eligible Directors and senior management of the Group; and
- (b) not more than 10% of the total new Shares which are available under the Proposed SIS shall be allotted to Mac Chung Jin, as long as Mac Chung Jin either singly or collectively through persons connected to him, as defined in the Listing Requirements, holds 20% or more of the total number of issued shares in the Company (excluding treasury shares),

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws.”

ORDINARY RESOLUTION 5

PROPOSED GRANTING OF SIS OPTIONS AND SGP AWARDS TO LEE POH KWEE

“THAT contingent upon the passing of Ordinary Resolution 1 above, and subject to the approval and in compliance with any conditions as may be imposed by the relevant authorities, the Company hereby authorises, at any time and from time to time during the existence of the Proposed SIS, to offer and to grant to Lee Poh Kwee, the Group Finance Director of the Company, options to subscribe for new Shares as well as SGP Awards and if such options are accepted and exercised, to allot and issue such number of new Shares as may be required to be issued to her under the Proposed SIS, in accordance with the provisions of the By-Laws as set out in **Appendix I** of the Circular, provided that not more than 80% of the new Shares which are available under the Proposed SIS shall be allotted, in aggregate, to the eligible Directors and senior management of the Group, subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws.”

ORDINARY RESOLUTION 6

PROPOSED GRANTING OF SIS OPTIONS AND SGP AWARDS TO MAZLAN BIN ABDUL HAMID

“THAT contingent upon the passing of Ordinary Resolution 1 above, and subject to the approval and in compliance with any conditions as may be imposed by the relevant authorities, the Company hereby authorises, at any time and from time to time during the existence of the Proposed SIS, to offer and to grant to Mazlan bin Abdul Hamid, the Non-Independent Non-Executive Director of the Company, options to subscribe for new Shares as well as SGP Awards and if such options are accepted and exercised, to allot and issue such number of new Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-Laws as set out in **Appendix I** of the Circular, provided that not more than 80% of the new Shares which are available under the Proposed SIS shall be allotted, in aggregate, to the eligible Directors and senior management of the Group, subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws.”

BY ORDER OF THE BOARD

IRENE CHOE MEE KAM @ IRENE CHOW MEE KAM (SSM PC No. 202008003930) (MIA16775)

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

Company Secretaries

Selangor Darul Ehsan

7 June 2022

Notes:

1. As part of the initiatives to curb the spread of COVID-19 and Government of Malaysia's official guidance on social distancing, the EGM of the Company will be conducted on a fully virtual basis where shareholders are only allowed to attend, participate, speak and vote remotely through live streaming from the online meeting platform using the RPV facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via the TIIH Online website at <https://tiih.online>. Please refer to the Administrative Notes for the EGM available at the Company's website at <http://www.muhibbah.com/> or Bursa Malaysia Securities Berhad's website at <https://www.bursamalaysia.com> on registration, participation, speaking and voting remotely at the EGM.
2. The conduct of a fully virtual EGM is in line with the Guidance Note and Frequently Asked Questions ("**the Revised Guidance Note and FAQ**") by the Securities Commission of Malaysia on 7 April 2022.
3. In respect of deposited securities, only members whose names appear on the Record of Depositors as at 15 June 2022 shall be entitled to attend, participate, speak and vote or appoint proxy(ies) to attend, participate, speak and vote remotely on his behalf at the EGM.
4. 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.
5. 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.
6. 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.
7. The duly completed Proxy Form must be deposited at the Share Registrar's office, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time set for the holding of the EGM or any adjournment thereof. Alternatively, the appointment of proxy may be electronically lodged with the Company's Share Registrar via the TIIH Online website at <https://tiih.online>. Please refer to the Administrative Notes for the EGM on the appointment and registration of proxy for the EGM.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - i. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - ii. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by: (a) at least two (2) authorised officers, of whom one shall be a director; or, (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
10. Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all resolutions set out in this Notice will be put to vote by way of poll.

MUHIBBAH ENGINEERING (M) BHD.
(Registration No. 197201001137 (12737-K))
(Incorporated in Malaysia)

**EXTRAORDINARY GENERAL MEETING
ADMINISTRATIVE NOTES FOR SHAREHOLDERS**

Date	:	Wednesday, 22 June 2022
Time	:	3.30 p.m. or after the conclusion of the 49 th AGM of Muhibbah Engineering (M) Bhd. or at any adjournment, whichever is later
Online Meeting Platform	:	TIIH Online website at https://tiih.online as provided by Tricor Investor & Issuing House Services Sdn Bhd

MODE OF MEETING

The Extraordinary General Meeting (“EGM”) of Muhibbah Engineering (M) Bhd. (“**MUHIBBAH**” or the “**Company**”) will be conducted on a fully virtual basis through live streaming and online remote participation and voting via Remote Participation and Voting (“**RPV**”) facilities provided by Tricor Investor & Issuing House Services Sdn Bhd (“**Tricor**”).

REMOTE PARTICIPATION AND VOTING FACILITIES (“RPV”)

1. Shareholders who wish to participate, speak and vote remotely at the EGM may do so using the RPV facilities provided by Tricor. Shareholders are required to register via Tricor’s TIIH Online website at <https://tiih.online> prior to the EGM. For more details, please refer to the Procedures for RPV set out below.
2. Shareholders who appoint a proxy or up to 2 proxies to participate, speak and vote remotely via RPV in the EGM must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor no later than **Monday, 20 June 2022 at 3.30 p.m.**
3. Authorised representatives of corporate members must deposit their original certificate of appointment of authorised representative to Tricor no later than **Monday, 20 June 2022 at 3.30 p.m.** to participate, speak and vote remotely via RPV in the EGM.
4. Attorneys appointed by power of attorney are to deposit their power of attorney with Tricor no later than **Monday 20 June 2022 at 3.30 p.m.** to attend, participate, speak and vote remotely via RPV in the EGM.

PROCEDURES FOR RPV

Shareholders/proxies/authorised representatives/attorneys who wish to participate, speak and vote remotely in the EGM remotely using the RPV are to follow the requirements and procedures as summarised below:

Procedure	Action
Before the EGM Day	
(a) Register as a user with TIIH Online	<ul style="list-style-type: none">• Using your computer, access the website at https://tiih.online. Register as a user under the “e-Services” select “Create Account by Individual Holder”. Refer to the tutorial guide posted on the homepage for assistance.• Registration as a user will be approved within one (1) working day and you will be notified via e-mail.• If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.

MUHIBBAH ENGINEERING (M) BHD.
- ADMINISTRATIVE NOTES FOR EGM

Procedure	Action
Before the EGM Day	
(b) Submit your request to attend, participate, speak and vote remotely at the EGM	<ul style="list-style-type: none"> • Registration is open from 7 June 2022 until the day of EGM on Wednesday, 22 June 2022. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the EGM to ascertain their eligibility to attend, participate, speak and vote remotely at the EGM using the RPV. • Login with your user ID (i.e. email address) and password and select the corporate event: “(REGISTRATION) MUHIBBAH EGM 2022”. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select “Register for Remote Participation and Voting”. • Review your registration and proceed to register. • The System will send an e-mail to notify that your registration for remote participation and voting is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors as at 15 June 2022. The system will send you an e-mail after 20 June 2022 to approve or reject your registration for remote participation and voting. <p><i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).</i></p>
On the day of the EGM	
(c) Login to TIIH Online	Login with your user ID and password for remote participation and voting at the EGM at any time from 2.30 p.m. i.e. 1 hour before the commencement of the EGM on Wednesday, 22 June 2022 at 3.30 p.m.
(d) Participate through Live Streaming	<ul style="list-style-type: none"> • Select the corporate event: “(LIVE STREAMING MEETING) MUHIBBAH EGM” to engage in the proceedings of the EGM remotely. • If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will endeavor to respond to questions submitted by remote participants during the EGM. If there are any questions not answer due to time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
(e) Online Remote Voting	<ul style="list-style-type: none"> • Voting session commences from 3.30 p.m. on Wednesday, 22 June 2022 until a time when the Chairman announces the completion of the remote voting session of the EGM. • Select the corporate event: “(REMOTE VOTING) MUHIBBAH EGM”. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the Central Depository System (CDS) account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
(f) End of remote participation and voting	Upon the announcement by the Chairman on the closure of the EGM, the live streaming will end.

NOTE TO USERS OF THE RPV:

1. Should your application to join the EGM be approved, we will make available to you the rights to join the live streamed EGM and to attend, participate, speak and vote remotely at the EGM. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual EGM.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live streamed EGM or online participation and voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 or e-mail to tiih.online@my.tricorglobal.com for assistance.

GENERAL MEETING RECORD OF DEPOSITORS (“ROD”)

Only members whose name appears in the ROD as at 15 June 2022 shall be entitled to attend, participate, speak and vote remotely at the EGM.

POLL VOTING

The voting at the EGM will be conducted by poll in accordance with Paragraph 8.29A(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting and Cooper Professional Scrutineers Sdn Bhd as Scrutineers to verify the poll results.

Shareholders may proceed to vote on the resolution from the commencement of the EGM on **Wednesday, 22 June 2022 at 3.30 p.m.** until the end of the voting session which will be announced by the Chairman of the meeting.

Upon completion of the voting session, the Scrutineers will verify and announce the poll results followed by the Chairman’s declaration whether the resolutions are duly passed.

PROXY

The appointment of a proxy or up to 2 proxies may be made in a hardcopy form or by electronic means as specified below and must be received by Tricor no later than **Monday, 20 June 2022 at 3.30 p.m.**

1. In hardcopy form

You may submit your Proxy Form to Tricor by fax at +603-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com. However, please ensure that the **Original Proxy Form** is deposited at Tricor’s office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or, alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, no later than **Monday, 20 June 2022 at 3.30 p.m.** otherwise the Proxy Form shall not be treated as valid.

2. By electronic form

The proxy form can be electronically lodged with Tricor via TIIH Online at <https://tiih.online>. Kindly refer to the “Procedure for Electronic Submission of Proxy Form” for steps to submit your electronic proxy form.

PROCEDURES FOR ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge your proxy form electronically via Tricor’s **TIIH Online** website are summarised below:

Procedure		Action
i	Steps for Individual Shareholders	
(a)	Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. Please do refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
(b)	Proceed with submission of Proxy Form	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. Select the corporate event: “MUHIBBAH EGM 2022 - SUBMISSION OF PROXY FORM”. Read and agree to the Terms & Conditions and confirm the Declaration Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. Review and confirm your proxy(s) appointment. Print proxy form for your record.

Procedure		Action
ii	Steps for corporation or institutional shareholders	
(a)	Register as a User with TIIH Online	<ul style="list-style-type: none"> • Access TIIH Online at https://tiih.online. • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor if you need assistance on the user registration.)</i></p>
(b)	Proceed with submission of proxy form	<ul style="list-style-type: none"> • Login to TIIH Online at https://tiih.online. • Select the corporate exercise name: “MUHIBBAH EGM 2022 – SUBMISSION OF PROXY FORM”. • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Submit the proxy appointment file. • Login to TIIH Online, select corporate exercise name: “MUHIBBAH EGM 2022 – SUBMISSION OF PROXY FORM”. • Proceed to upload the duly completed proxy appointment file. • Select "Submit" to complete your submission. • Print the confirmation report of your submission for your record.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Shareholders may submit questions for the Board in advance of the EGM via Tricor’s TIIH Online website at <https://tiih.online> by selecting “e-Services” to login, pose questions and submit electronically no later than Monday, 20 June 2022 at 3.30p.m. The Board will endeavour to answer the questions received at the EGM.

RECORDING OR PHOTOGRAPHY

Strictly **NO** unauthorised recording or photography of the proceedings of the EGM is allowed.

REFRESHMENTS AND NO DOOR GIFTS

There will be no distribution of refreshments and door gifts for the EGM of the Company.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn Bhd

General Line : +603-2783 9299 | Fax: +603-2783 9222 | Email : is.enquiry@my.tricorglobal.com

Contact persons: Ms. Lim Lay Kiow +603-2783 9232 (Lay.Kiow.Lim@my.tricorglobal.com)

Ms. Siti Zalina Osmin +603-2783 9247 (Siti.Zalina@my.tricorglobal.com)

Mr. Lim Jia Jin +603-2783 9246 (Jia.Jin.Lim@my.tricorglobal.com)



MUHIBBAH ENGINEERING (M) BHD.
(Registration No. 197201001137 (12737-K))
(Incorporated in Malaysia)

CDS Account No.	Number of Shares Held

*I/*We _____ NRIC No. /Passport No. /Company No. _____
(Full name as per NRIC/Certificate of Incorporation in Capital Letters)

of _____
(Full address)

being a member/members of **MUHIBBAH ENGINEERING (M) BHD. (“the Company”)**, hereby appoint Mr/Ms _____

_____ NRIC No./Passport No. _____

of _____
(Full address)

with email address _____ Mobile No. _____

AND Mr/Ms _____

NRIC No. /Passport No. _____

of _____
(Full address)

with email address _____ Mobile No. _____

or failing whom, the Chairman of the Meeting as *my/*our proxy/proxies to participate, speak and to vote for *me/*us and on *my/*our behalf at the Extraordinary General Meeting of the Company which will be conducted fully virtual through online meeting platform via TIIH Online website at <https://tjih.online> or <https://tjih.com.my> provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia on **22 June 2022 at 3.30 p.m.** or after the conclusion of the 49th AGM of the Company or at any adjournment thereof, whichever is later.

The proportion of *my/*our holding to be represented by *my/*our proxies are as follows:

Proxy 1	%	Proxy 2	%	100%

*My/*Our proxy(ies) is/are to vote as indicated below:

Resolutions	AGENDA	FOR	AGAINST
Ordinary Resolution 1	Proposed SIS		
Ordinary Resolution 2	Proposed Granting of SIS Options and SGP Awards to Mac Ngan Boon @ Mac Yin Boon		
Ordinary Resolution 3	Proposed Granting of SIS Options and SGP Awards to Ooi Sen Eng		
Ordinary Resolution 4	Proposed Granting of SIS Options and SGP Awards to Mac Chung Jin		
Ordinary Resolution 5	Proposed Granting of SIS Options and SGP Awards to Lee Poh Kwee		
Ordinary Resolution 6	Proposed Granting of SIS Options and SGP Awards to Mazlan bin Abdul Hamid		

(Please indicate with an “X” on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.)

(*Delete if not applicable)

Dated this _____ day of _____ 2022

Telephone No. during office hours:

Signature/Common Seal of shareholder(s)

Notes:

- As part of the initiatives to curb the spread of COVID-19 and Government of Malaysia's official guidance on social distancing, the EGM of the Company will be conducted on a fully virtual basis where shareholders are only allowed to attend, participate, speak and vote remotely through live streaming from the online meeting platform using the RPV facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via the TIIH Online website at <https://tjih.online>. Please refer to the Administrative Notes for the EGM available at the Company's website at <http://www.muhibbah.com/> or Bursa Malaysia Securities Berhad's website at <https://www.bursamalaysia.com> on registration, participation, speaking and voting remotely at the EGM.
- The conduct of a fully virtual EGM is in line with the Guidance Note and Frequently Asked Questions (“the Revised Guidance Note and FAQ”) by the Securities Commission of Malaysia on 7 April 2022.
- In respect of deposited securities, only members whose names appear on the Record of Depositors as at 15 June 2022 shall be entitled to attend, participate, speak and vote or appoint proxy(ies) to attend, participate, speak and vote remotely on his behalf at the EGM.

Notes (cont'd):

4. *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.*
5. *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.*
6. *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.*
7. *The duly completed Proxy Form must be deposited at the Share Registrar’s office, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time set for the holding of the EGM or any adjournment thereof. Alternatively, the appointment of proxy may be electronically lodged with the Company’s Share Registrar via the TIIH Online website at <https://tiih.online>. Please refer to the Administrative Notes for the EGM on the appointment and registration of proxy for the EGM.*
8. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
9. *For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:*
 - i. *If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.*
 - ii. *If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by: (a) at least two (2) authorised officers, of whom one shall be a director; or, (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.*
10. *Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all resolutions set out in this Notice will be put to vote by way of poll.*

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AFFIX
STAMP

The Share Registrar
MUHIBBAH ENGINEERING (M) BHD.
(Registration No. 197201001137 (12737-K))
c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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