

GENERAL MEETINGS: Outcome of Meeting

MUHIBBAH ENGINEERING (M) BHD

Type of Meeting	Annual General Meeting
Indicator	Outcome of Meeting
Date of Meeting	22 Jun 2017
Time	02:45 PM
Venue	Concorde Hotel Shah Alam Concorde II, Level 2 No. 3, Jalan Tengku Ampuan Zabedah C9/C 40100 Shah Alam Selangor Darul Ehsan
Outcome of Meeting	<p>On behalf of the Board of Directors of Muhibbah Engineering (M) Bhd ("MEB"), we are pleased to announce that at the Forty-Fourth Annual General Meeting ("44th AGM") of MEB held on 22 June 2017, the shareholders of MEB had approved all the resolutions referred to in the Notice of 44th AGM dated 28 April 2017.</p> <p>All the resolutions were determined by way of poll and the results of the poll were validated by Coopers Professional Scrutineers Sdn Bhd, the Independent Scrutineer appointed by the Company.</p> <p>Please refer to the attachment for the results of the poll.</p> <p>This announcement is dated 22 June 2017.</p>

Please refer attachment below.

Attachments

[MEB_Poll Result of AGM.pdf](#)
53.6 kB

Announcement Info	
Company Name	MUHIBBAH ENGINEERING (M) BHD
Stock Name	MUHIBAH
Date Announced	22 Jun 2017
Category	General Meeting
Reference Number	GMA-16062017-00006

MUHIBBAH ENGINEERING (M) BHD

(12737-K)

Forty-Fourth Annual General Meeting

Concorde II, Concorde Hotel Shah Alam, Level 2,

No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan

On 22-June-2017 at 02:45PM

Appendix 1

Result On Voting By Poll

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Ordinary Resolution 1	276,829,821	100.00000	0	0.00000	276,829,821	100.00000
Ordinary Resolution 2	190,624,305	94.62038	10,837,900	5.37962	201,462,205	100.00000
Ordinary Resolution 3	272,072,921	99.64084	980,700	0.35916	273,053,621	100.00000
Ordinary Resolution 4	271,688,821	99.50017	1,364,800	0.49983	273,053,621	100.00000
Ordinary Resolution 5	276,828,821	100.00000	0	0.00000	276,828,821	100.00000
Ordinary Resolution 6	266,347,857	97.54416	6,705,764	2.45584	273,053,621	100.00000
Ordinary Resolution 7	225,062,157	82.42422	47,991,264	17.57578	273,053,421	100.00000
Ordinary Resolution 8	223,033,221	96.88923	7,160,800	3.11077	230,194,021	100.00000
Ordinary Resolution 9	276,829,721	99.99996	100	0.00004	276,829,821	100.00000
Ordinary Resolution 10	176,445,905	100.00000	0	0.00000	176,445,905	100.00000

GENERAL MEETINGS: Outcome of Meeting

MUhibbah Engineering (M) Bhd

Type of Meeting	Extraordinary General Meeting
Indicator	Outcome of Meeting
Date of Meeting	22 Jun 2017
Time	03:45 PM
Venue	Concorde Hotel Shah Alam Concorde II, Level 2 No. 3, Jalan Tengku Ampuan Zabedah C9/C 40100 Shah Alam Selangor Darul Ehsan
Outcome of Meeting	<p>On behalf of the Board of Directors of Muhibbah Engineering (M) Bhd ("MEB"), we are pleased to announce that at the Extraordinary General Meeting ("EGM") of MEB held on 22 June 2017, the shareholders of MEB had approved all the resolutions referred to in the Notice of EGM dated 7 June 2017.</p> <p>All the resolutions were determined by way of poll and the results of the poll were validated by Coopers Professional Scrutineers Sdn Bhd, the Independent Scrutineer appointed by the Company.</p> <p>Please refer to the attachment for the results of the poll.</p> <p>This announcement is dated 22 June 2017.</p>

Please refer attachment below.

Attachments

[MEB_Poll Result of EGM.pdf](#)
53.0 kB

Announcement Info

Company Name	MUhibbah Engineering (M) Bhd
Stock Name	MUhibbah
Date Announced	22 Jun 2017
Category	General Meeting
Reference Number	GMA-16062017-00007

MUHIBBAH ENGINEERING (M) BHD

(12737-K)

Extraordinary General Meeting

Concorde Hotel Shah Alam, Concorde II, Level 2,

No.3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor, Darul Ehsan

On **22-June-2017** at **03:45PM**

Appendix 1

Result On Voting By Poll

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Ordinary Resolution 1	251,005,001	89.936	28,088,714	10.064	279,093,715	100.000
Ordinary Resolution 2	109,825,185	79.594	28,155,714	20.406	137,980,899	100.000
Ordinary Resolution 3	237,013,835	89.382	28,155,714	10.618	265,169,549	100.000
Ordinary Resolution 4	109,825,185	79.594	28,155,714	20.406	137,980,899	100.000
Ordinary Resolution 5	244,891,629	89.688	28,155,714	10.312	273,047,343	100.000
Ordinary Resolution 6	250,437,701	89.894	28,155,714	10.106	278,593,415	100.000
Ordinary Resolution 7	109,825,185	79.594	28,155,714	20.406	137,980,899	100.000



MINORITY SHAREHOLDER WATCHDOG GROUP
Shareholder Activism and Protection of Minority Interest

15 June 2017

BY FAX/EMAIL

No: 603-(Fax 3342 4327)

The Board of Directors
Muhibbah Engineering (M) Berhad
Lot 579 & 586, 2nd Mile,
Jalan Batu Tiga Lama
41300 Klang
Selangor Darul Ehsan

Attention: Ms. Irene Choe Mee Kam @ Irene Chow Mee Kam
Ms. Lim Suak Guak & Ms. Tia Hwei Ping
Joint Company Secretaries

Dear Sirs,

44th Annual General Meeting (AGM) of Muhibbah Engineering (M) Berhad, Thursday, 22 June 2017

In the interest of minority shareholders and all other stakeholders of the Group and the Company, we would like to raise the following points and queries.

Strategy and Financial Matters

1. The Group Managing Director reported in the Management Discussion & Analysis (MD & A) that the outstanding secured order book for the Construction and Engineering Division stood at RM1.1 billion as at 30 March 2017 amid its on-going contracts secured in the previous years.
 - (a) What is the Board's assessment of the Group's performance, profitability and earnings for FY2017 given that the growth in revenue was driven by the increase in execution of contracts and revenue recognition in the Construction and Engineering Division that had exceeded RM1 billion for the recent years?
 - (b) What is the breakdown of the Group's outstanding secured order book including the contracts secured recently in the local construction sector and the overseas contracts for projects in the Middle East, Cambodia or elsewhere?
2. The MD & A reported that the Crane Division had achieved the improvement in net profit margin and made inroads in its investment in its operations and maintenance business. The Division had also expanded the size of its own rental fleet for the home markets and completed the revamp of its four additional new tower crane models to be introduced for FY2017.
 - (a) What is the Board's business strategy for the Crane Division to improve its performance and results given its positive contribution to the Group's bottom-line until 2016 when it encountered a decline due to the slowdown in the oil and gas industry?

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia • Company No: 524989-M)

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- (b) What are the business areas of the construction cranes market the Board had assessed that would provide prospects for its expanded rental fleet and its new tower crane models across the cranes segment on a worldwide basis?
 - (c) What is the expected return on investment in the Group's operations and maintenance business from the perspective of its Marine, Ship Building and Ship Repair Division which had not made much progress in segment profit since 2012?
3. The Concessions Division demonstrated rising segment profits for the past three years as a result of the growth at an average rate of 9% year-on-year at the Group's three Cambodia airports, namely Phnom Penh, Siem Reap and Sihanoukville International Airports, in addition to the Company being awarded the road maintenance concession in the central region of Peninsular Malaysia by the Government.
- (a) What is the contract sum for the expansion programme undertaken by the Group to enlarge the domestic terminal at the Phnom Penh Airport and what is the duration of the expansion programme?
 - (b) Given the extension of the road maintenance concession from 2016 to 2026, what are the revenue expected and the cost to be expended for the road maintenance annually?

Corporate Governance Matter

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors, and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a listed company and its subsidiaries shall be approved at a general meeting.

We noted that there is no resolution tabled to seek shareholders' approval for payment of Directors' remuneration for FY 2017. Does it mean that the Group would not be paying such remuneration to the directors until the next AGM in 2018 when the approval is obtained from shareholders?

Extraordinary General Meeting

Given the Notice of Extraordinary General Meeting ("EGM") with Circular to Shareholders in relation to the Proposed Establishment of a New Share Issuance Scheme, could the Board elaborate on the composition of the Options Committee and its Terms of Reference?

We hope and appreciate if the Board could present the points raised and its related responses for shareholders present at the forthcoming AGM. At the same time, we look forward to a written reply for our records. Thank you.

Yours sincerely,


LYA RAHMAN
General Manager

MUHIBBAH ENGINEERING (M) BHD
44TH AGM – 22 JUNE 2017

MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) – Q&A

Strategy/Financials

The Group Managing Director reported in the Management Discussion & Analysis (MD & A) that the outstanding secured order book for the Construction and Engineering Division stood at RM1.1 billion as at 30 March 2017 amid its on-going contracts secured in the previous years.

Question 1 (a)

What is the Board’s assessment of the Group’s performance, profitability and earnings for FY2017 given that the growth in revenue was driven by the increase in execution of contracts and revenue recognition in the Construction and Engineering Division that had exceeded RM1 billion for the recent years?

Answer to Question 1 (a)

In year 2017, we secured two (2) contracts from the Economic Zone Company of Qatar (MANATEQ) of approximately Qatari Riyal 356.7 million (equivalent to approximately RM438.1 million) and from the Bintulu Port Authority of approximately RM585 million. The Group continues to monitor the execution of these projects and beyond for a satisfactory performance.

MUHIBBAH ENGINEERING (M) BHD
44TH AGM – 22 JUNE 2017

MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) – Q&A

Question 1 (b)

What is the breakdown of the Group’s outstanding secured order book including the contracts secured recently in the local construction sector and the overseas contracts for projects in the Middle East, Cambodia or elsewhere?

Answer to Question 1 (b)

The outstanding secured order book for our construction sector as of June 2017 of RM1.63 billion comprises RM1.2 billion in Malaysia and RM450 million in Middle East.

MUHIBBAH ENGINEERING (M) BHD
44TH AGM – 22 JUNE 2017

MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) – Q&A

Question 2

The MD & A reported that the Crane Division had achieved the improvement in net profit margin and made inroads in its investment in its operations and maintenance business. The Division had also expanded the size of its own rental fleet for the home markets and completed the revamp of its four additional new tower crane models to be introduced for FY2017.

Question 2 (a)

What is the Board’s business strategy for the Crane Division to improve its performance and results given its positive contribution to the Group’s bottom-line until 2016 when it encountered a decline due to the slowdown in the oil and gas industry?

Answer to Question 2 (a)

Our strategy for the Crane Division is to control overhead costs and expenses. The slowdown in the oil and gas industry has affected the demand for offshore cranes. We are consolidating our production facilities and are trying to expand our markets by strategic application of our tower crane usage.

MUHIBBAH ENGINEERING (M) BHD
44TH AGM – 22 JUNE 2017

MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) – Q&A

Question 2 (b)

What are the business areas of the construction cranes market the Board has assessed that would provide prospects for its expanded rental fleet and its new tower crane models across the cranes segment on a worldwide basis?

Answer to Question 2 (b)

The Board is targeting new market in clean energy sector. Our tower crane has proven its economic capabilities in the erection and installation of wind turbines. We are working on more models for this market.

In this period of low oil price, our strategic is to utilize our spare capacities to build more tower cranes for wind turbine industry.

MUHIBBAH ENGINEERING (M) BHD
44TH AGM – 22 JUNE 2017

MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) – Q&A

Question 2 (c)

What is the expected return on investment in the Group’s operations and maintenance business from the perspective of its Marine, Ship Building and Ship Repair Division which had not made much progress in segment profit since 2012?

Answer to Question 2 (c)

The performance of the shipyard division has been affected by the low oil price.

Since 2012, we have seen a significant increase in foreign built vessels entering the market. However, we have maintained our customers.

This division has rationalized its overhead and expects to maintain its position in the market.

MUHIBBAH ENGINEERING (M) BHD
44TH AGM – 22 JUNE 2017

MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) – Q&A

Question 3

The Concessions Division demonstrated rising segment profits for the past three years as a result of the growth at an average rate of 9% year-on-year at the Group’s three Cambodia airports, namely Phnom Penh, Siem Reap and Sihanoukville International Airports. In addition to the Company being awarded the road maintenance concession in the central region of Peninsular Malaysia by the Government.

Question 3 (a)

What is the contract sum for the expansion programme undertaken by the Group to enlarge the domestic terminal at the Phnom Penh Airport and what is the duration of the expansion programme?

Answer to Question 3 (a)

Our concession has capital expenditure of approximately RM100 million in its expansion and revatalsation program for the domestic terminal at the Phnom Penh Airport. The construction work is expected to be completed by end 2017.

MUHIBBAH ENGINEERING (M) BHD
44TH AGM – 22 JUNE 2017

MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) – Q&A

Question 3 (b)

Given the extension of the road maintenance concession from 2016 to 2026, what are the revenue expected and the cost to be expended for the road maintenance annually?

Answer to Question 3 (b)

The revenue from Roadcare Sdn Bhd for our road maintenance is about few hundred million Ringgit. The cost and overhead vary in accordance to types of maintenance works undertaken.

MUHIBBAH ENGINEERING (M) BHD
44TH AGM – 22 JUNE 2017

MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) – Q&A

Corporate Governance

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors, and any benefits payable to the directors including any compensation for loss of employment of a director of former director of a listed company and its subsidiaries shall be approved at a general meeting.

We noted that there is no resolution tabled to seek shareholders' approval for payment of Directors' remuneration for FY2017. Does it mean that the Group would not be paying such remuneration to the directors until the next AGM in 2018 when the approval is obtained from shareholders?

Answer to Question Corporate Governance

Under the new Companies Act, we will table a resolution in 2018 AGM for shareholders' approval.

MUHIBBAH ENGINEERING (M) BHD
44TH AGM – 22 JUNE 2017

MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) – Q&A

Extraordinary General Meeting

Given the Notice of Extraordinary General Meeting (“EGM”) with Circular to Shareholders in relation to the Proposed Establishment of a New Share Issuance Scheme, could the Board elaborate on the composition of the Options Committee and its Terms of Reference?

Answer to Question Extraordinary General Meeting

The members of the Options Committee comprise executive directors of the Company.

Terms of Reference of the Option Committee will be published in the Company website after the approval of the New Share Issuance Scheme in the upcoming EGM.