

SOLUTION GROUP BERHAD
Registration No. 200401016072 (654575-P)
Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Sixteenth (16th) Annual General Meeting (“AGM”) of Solution Group Berhad will be held at PT 13796, Jalan Tekno Usahawan 2, Technology Park Malaysia, 57000 Kuala Lumpur on Monday, 29 June 2020 at 10.00 a.m. to transact the following businesses:

A G E N D A

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note A)**
2. To approve the payment of Directors’ Fees of RM188,400 for the financial year ended 31 December 2019. **RESOLUTION 1**
3. To approve the payment of Directors’ benefits of RM188,400 for the period from 29 June 2020 until the next AGM of the Company. **RESOLUTION 2**
4. To re-elect the following Directors, who retire in accordance with Article 18.3 of the Company’s Constitution and being eligible, have offered themselves for re-election:
 - (i) Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir **RESOLUTION 3**
 - (ii) En. Mohd Shahrin Bin Saparin @ Abdul Rahman **RESOLUTION 4**
 - (iii) Mr. Low Wei Ngee **RESOLUTION 5**
5. To re-appoint Messrs Folks DFK & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration. **RESOLUTION 6**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions:

6. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS**
 - (i) **“THAT** subject to the passing of Resolution 3 above, approval be and is hereby given to retain Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, who has served as Independent Non-Executive Director of the Company for more than twelve (12) years, to continue to serve as Independent Non-Executive Director of the Company until the conclusion of the next AGM.” **RESOLUTION 7**
 - (ii) **“THAT** subject to the passing of Resolution 5 above, approval be and is hereby given to retain Mr. Low Wei Ngee, who has served as Independent Non-Executive Director of the Company for more than twelve (12) years, to continue to serve as Independent Non-Executive Director of the Company until the conclusion of the next AGM.” **RESOLUTION 8**

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

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval from the relevant authorities, where such approval is necessary, the Board of Directors be authorised to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the ACE Market of Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM which is required by law to be held or revoked / varied by a resolution passed by the shareholders in general meeting whichever is the earlier.”

RESOLUTION 9

8. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

“THAT subject to the provisions under the Act, the Constitution of the Company, the ACE Market Listing Requirements and any other applicable laws, rules, regulations and guidelines for the time being in force, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company (“Shares”) as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed 10% of the total issued and paid-up share capital of the Company.

RESOLUTION 10

THAT the maximum amount of funds to be allocated for the purpose of purchasing the Shares shall not exceed the retained profits of the Company.

THAT authority be and is hereby given to the Directors to decide at their discretion, as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any of the Shares so purchased by the Company in the following manner:

- (a) the Shares so purchased could be cancelled; or
- (b) the Shares so purchased could be retained as treasury shares for distribution as dividends or bonus shares to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or transferred in accordance with the Act and/or be cancelled subsequently; or
- (c) combination of (a) and (b) above.

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company, at which time the said authority would lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM is required by law to be held; or
- (iii) the authority is revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT the Directors be and are hereby authorised to take such steps as are necessary or expedient to implement or to effect the purchase(s) of the Shares with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”

9. **PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

“**THAT**, subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be given to the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature (“Recurrent Related Party Transactions”) as set out in Section 3 of the Circular to Shareholders dated 5 June 2020, subject to the following:-

RESOLUTION 11

- (a) the Recurrent Related Party Transactions are undertaken in the ordinary course of business which are necessary for the day-today operations on arm’s length basis, on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company; and
- (b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Proposed Renewal of Shareholders’ Mandate during the financial year.

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company, at which time the said authority would lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

- (iii) the authority is revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT the Directors be and are hereby authorised to take such steps as are necessary or expedient to implement or to effect the Proposed Renewal of Shareholders' Mandate."

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

BY ORDER OF THE BOARD

SIEW SUET WEI (MAICSA 7011254)

SSM Practicing Certificate No. 202008001690

LIM YEN TENG (LS0010182)

SSM Practicing Certificate No. 201908000028

Company Secretaries

Kuala Lumpur

Date: 5 June 2020

NOTES: -

- 1. Depositors whose names appear in the Record of Depositors as at 22 June 2020 shall be regarded as members of the Company entitled to attend, speak and vote at the 16th AGM.*
- 2. A member entitled to attend and vote at the meeting is entitled to appoint two (2) proxies, each representing a minimum of 100 shares held by the member to vote on his behalf. A proxy may but need not be a member of the Company. Where a member appoints two (2) proxies to attend and vote at the meeting, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
- 3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, ("SICDA") it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- 4. Where a member of the Company is an exempt authorised nominee as defined under the SICDA which is exempted from compliance with the provisions of Subsection 25(A)(1) of the SICDA, of 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.*
- 5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an attorney duly authorised.*
- 6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or notarially certified copy thereof, shall be deposited at the Share Registrar's office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, Tricor Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. Alternatively, to submit Proxy Form via TIH Online at <https://tiah.online> not less than forty-eight (48) hours before the timeset for holding the AGM or any adjournment thereof. Please refer to the Annexure to the Proxy Form for submission of electronic Proxy Form.*

7. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice shall be put to vote by poll.

EXPLANATORY NOTE A

This Agenda item is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act 2016, the audited financial statements do not require the approval of the shareholders. As such, this matter will not be put forward for voting.

EXPLANATORY NOTES TO SPECIAL BUSINESS

1. Resolutions 7 and 8

Both, Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir and Mr. Low Wei Ngee were appointed as Independent Non-Executive Directors of the Company on 28 May 2005 and have therefore served for more than twelve (12) years.

The Board vide the assessment conducted by the Nomination and Remuneration Committee, has recommended that both Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir and Mr. Low Wei Ngee continue to act as Independent Non-Executive Directors of the Company based on the following reasons and subject to the approval of the Company's shareholders through a two-tier voting process as described in the Guidance to Practice 4.2 of the Malaysian Code of Corporate Governance 2017:

- (i) They fulfil the criteria under the definition on Independent Directors as per Guidance Note 9 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (ii) They have devoted sufficient time and attention to their professional obligation and make informed and balanced decisions.
- (iii) They are able to bring independent and objective judgment and act in the best interest of the Company.
- (iv) Their wide range of business experience relevant to the Group enables them to provide the Board with a diverse set of corporate expertise, skills and competence.
- (v) They or persons connected with them have not developed, established or entered into any significant relationship with the Executive Directors, Substantial Shareholders or management of the Company.

The proposed Resolutions 7 and 8, if passed, will enable Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir and Mr. Low Wei Ngee to continue serving as the Independent Non-Executive Directors of the Company.

2. Resolution 9

The Company had during its 15th AGM held on 28 May 2019 obtained from its shareholders, a general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot shares in the Company up to an amount not exceeding 10% of the issued share capital of the Company and this mandate had not being exercised by the Company.

The Resolution 9 is a renewal mandate of the general mandate for the issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016. The mandate, if passed, will give the Directors of the Company, the authority to issue and allot shares in the Company up to an amount not exceeding 10% of the issued share capital of the

Company for the time being for such purposes as the Directors would consider to be in the best interest of the Company. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

This mandate would provide the Company the flexibility to raise fund including but not limited to placing of shares to finance future projects, working capital and/or acquisitions without having to convene a general meeting.

3. Resolution 10

The proposed Resolution 10, if passed, will give the Directors of the Company the authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or effect the purchase(s) of Shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. This authority will, unless renewed or revoked or varied by the Company at a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company following the 16th AGM is required by the law to be held. Detailed information on the proposed renewal of share buy-back authority is set out in the Share Buy-back Statement dated 5 June 2020.

4. Resolution 11

The proposed Resolution 11, if passed, will renew the authority for the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature are undertaken in the ordinary course of business which are necessary for the day-to-day operations on arm's length basis, on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not to the detrimental to the minority shareholders of the Company and shall lapse at the conclusion of the next AGM unless authority for its renewal is obtained from shareholders of the Company at the next general meeting. Detailed information on the Proposed Renewal of Shareholders' Mandate is set out in the Circular of Shareholders dated 5 June 2020.