

SOLUTION ENGINEERING HOLDINGS BERHAD

(Company No. 654575-P)

(Incorporated in Malaysia)

MINUTES OF THE 15TH ANNUAL GENERAL MEETING OF SOLUTION ENGINEERING HOLDINGS BERHAD (“SEHB” OR “THE COMPANY”) HELD ON PT13796, JALAN TEKNO USAHAWAN 2, TECHNOLOGY PARK MALAYSIA, 57000 KUALA LUMPUR ON TUESDAY, 28 MAY 2019 AT 10.00 A.M.

Present : Datuk Dr. Syed Muhamad bin Syed Abdul Kadir
(Chairman and Independent Non-Executive Director)
Dato’ Dr Mohd Nazlee bin Kamal (Deputy Group Managing Director)
Mr. Lim Yong Hew (Group Managing Director)
Mr. Lim Hai Guan (Executive Director)
En. Mohd Shahrin Bin Saparin @ Abd Rahman (Executive Director)
Mdm. Lim Chiou Kim (Executive Director)
Mr. Low Wei Ngee (Independent Non-Executive Director)
En. Zainuddin bin Muhamad (Independent Non-Executive Director)

In Attendance : Ms Siew Suet Wei (Company Secretary)

The list of shareholders and proxies who attended the Meeting are set out in the Attendance Lists attached and shall form an integral part of these Minutes.

1. CHAIRMAN

- 1.1. Datuk Dr. Syed Muhamad bin Syed Abdul Kadir (“Datuk Dr. Syed”), being the Chairman of the Board of Directors (“Board”), presided as Chairman of the Meeting and welcomed all members and guests to the Meeting.

2. QUORUM

- 2.1. The Company Secretary confirmed that a quorum was present. With the requisite quorum, the Chairman called the Meeting to order at 10.10 a.m.

3. NOTICE OF MEETING

- 3.1. The Notice dated 30 April 2019 convening the 15th Annual General Meeting (“AGM”) as set on Pages 152 to 155 of the 2018 Annual Report of the Company having been despatched to all members of the Company within the prescribed period, was taken as read.

4. VOTING BY POLL

- 4.1. The Chairman informed the members that pursuant to the Listing Requirements of Bursa Malaysia, all thirteen (13) resolutions proposed at the 15th AGM will be decided by poll at the end of the Meeting. The Secretary shall explain the polling procedure prior to commencement of the poll.

ORDINARY BUSINESS

5. AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2018 AND THE REPORTS OF DIRECTORS' AND AUDITORS' THEREON

- 5.1. The Audited Financial Statements of the Company and the Group for the year ended 31 December 2018 and the Reports of Directors' and Auditors' thereon, had been sent to all persons entitled to receive notice of the 15th AGM of the Company. A copy of the Financial Statements was laid before the members.
- 5.2. The Chairman explained that no formal approval of shareholders was required for the Audited Financial Statements and hence, Agenda 1 was not put forward for poll but for discussion only.
- 5.3. The Chairman invited questions from the floor in respect of the Audited Financial Statements for the financial year ended 31 December 2018.
- 5.4. As there were no questions raised, it was recorded that the Audited Financial Statements for the financial year ended 31 December 2018 was received by the members present.

6. PAYMENT OF DIRECTORS' FEES (Ordinary Resolution 1)

- 6.1. Ordinary Resolution 1 was to approve the payment of directors' fees in respect of the financial year ended 31 December 2018 as follows:

“THAT the payment of directors' fees of RM188,400 in respect of the financial year ended 31 December 2018 be approved”.

7. PAYMENT OF DIRECTORS' BENEFITS (Ordinary Resolution 2)

- 7.1. Ordinary Resolution 2 was to approve the payment of directors' benefits of RM188,400 for the period from 28 May 2019 until the next AGM of the Company as follows:

“THAT the payment of Directors' benefits of RM188,400 for the period from 28 May 2019 until the next AGM of the Company”.

There were no questions raised on Ordinary Resolution 2.

8. RE-ELECTION OF DIRECTORS

8.1. Re-election of Mr. Lim Yong Hew (Ordinary Resolution 3)

- 8.1.1. Pursuant to Article 83 of the Company's Constitution, Mr. Lim Yong Hew retired by rotation as a Director of the Company and being eligible, has offered himself for re-election. Ordinary Resolution 3 was to approve:

"THAT Mr. Lim Yong Hew, who retires pursuant to Article 83 of the Constitution of the Company and being eligible, be hereby re-elected as Director of the Company."

There were no questions raised on Ordinary Resolution 3.

8.2. Re-election of Mr. Lim Hai Guan (Ordinary Resolution 4)

- 8.2.1. Pursuant to Article 83 of the Company's Constitution, Mr. Lim Hai Guan retired by rotation as a Director of the Company and being eligible, has offered himself for re-election. Ordinary Resolution 4 was to approve:

"THAT Mr. Lim Hai Guan, who retires pursuant to Article 83 of the Constitution of the Company and being eligible, be hereby re-elected as Director of the Company."

There were no questions raised on Ordinary Resolution 4.

8.3. Re-election of Dato' Dr Mohd Nazlee Bin Kamal (Ordinary Resolution 5)

- 8.3.1. Pursuant to Article 90 of the Company's Constitution, Dato' Dr Mohd Nazlee Bin Kamal retired by rotation as a Director of the Company and being eligible, has offered himself for re-election. Ordinary Resolution 5 was to approve:

"THAT Dato' Dr Mohd Nazlee Bin Kamal, who retires pursuant to Article 90 of the Constitution of the Company and being eligible, be hereby re-elected as Director of the Company."

There were no questions raised on Ordinary Resolution 5.

9. RE-APPOINTMENT OF AUDITORS (Ordinary Resolution 6)

- 9.1. The Chairman informed that Ordinary Resolution 6 was to approve:

"THAT Messrs Folks DFK & Co. be re-appointed as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration".

There were no questions raised on Ordinary Resolution 6.

10. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS (Ordinary Resolution 7 and 8)

- 10.1. At the request of the Chairman, Mr. Lim Yong Hew (“Mr. Lim”) the Group Managing Director, presided as Chairman in view of Datuk Dr Syed’s interest in the next two (2) items on the Agenda pertaining to the retention as Independent Non-Executive Director of the Company.
- 10.2. Mr. Lim informed the members that both Datuk Dr. Syed Muhamad bin Syed Abdul Kadir and Mr. Low Wei Ngee were appointed as Independent Directors of the Company since 28 May 2005 and have therefore served for more than twelve (12) years. Mr. Lim also explained that the Nomination and Remuneration Committee and the Board of Directors had assessed the independence of Datuk Dr. Syed and Mr Low and concluded that:
- (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
- 10.3. Therefore, the Board has recommended that both Datuk Dr. Syed and Mr Low be retained to continue as Independent Directors. On this note and pursuant to the Malaysian Code on Corporate Governance, the approval of the shareholders shall be sought through a two-tier voting process. Ordinary Resolution 7 and 8 was to approve:
- “THAT Datuk Dr. Syed Muhamad bin Syed Abdul Kadir be and is hereby retained as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.”
- “THAT Mr. Low Wei Ngee be and is hereby retained as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.”
- 10.4 There were no questions from the floor on Ordinary Resolution 7 and 8. Datuk Dr. Syed thanked to Mr Lim and continued with the proceedings of the Meeting.

11. AUTHORITY TO ISSUE SHARES (Ordinary Resolution 9)

- 11.1. The Chairman informed that Ordinary Resolution 9 was to give authority for the Directors to issue shares up to 10% of the existing issued and paid-up share capital of the Company, subject to the approvals of the relevant authorities being obtained. Ordinary Resolution 9 was to approve:

“THAT pursuant to Section 75 and 76 of the Companies Act 2016, the Directors be and are hereby empowered to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approvals of Bursa Malaysia Securities Berhad and other relevant governmental/regulatory authorities being obtained for the issuance and allotment.”

There were no questions raised on Ordinary Resolution 9.

12. AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (Ordinary Resolution 10)

- 12.1. The Chairman informed that at the 14th AGM of the Company held on 31 May 2018, the shareholders had given a mandate for the Company to purchase its own shares up to ten per centum (10%) of the total issued shares of the Company (“Share Buy-Back”) by utilising the available retained profits in the Company. The mandate will lapse at the conclusion of the Annual General Meeting unless renewed by an ordinary resolution passed by the shareholders. The Company has not made any purchase of its own shares since obtaining the mandate. Ordinary Resolution 10 was to approve:

“THAT subject to compliance with the Companies Act, 2016, the Companies Regulations 1966, the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), provisions of the Company’s Constitution and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company 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:-

- (1) the aggregate number of shares purchased or held does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
- (2) the maximum fund to be allocated by the Company for the purpose of purchasing such number of ordinary shares shall not exceed the retained profit account of the Company.
- (3) the authority conferred by this resolution will commence immediately upon passing of this resolution and will continue to be in force until:-

- (a) at the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting in which the authorisation is obtained, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting.

whichever occurs first;

AND THAT upon completion of the purchase(s) of the ordinary shares of the Company, the Directors of the Company be and are hereby authorised to deal with the ordinary shares so purchased in the following manner:

- (a) to cancel the ordinary shares so purchased; or
- (b) to retain the ordinary shares so purchased as treasury shares for distribution as dividend to shareholders and/or resell on Bursa Securities or subsequently cancelled; or
- (c) to retain part of the ordinary shares so purchased as treasury shares and cancel the remainder; or
- (d) in any other manner prescribed by the Act, rules, regulations and orders made to the Act, the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Board of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the aforesaid share buy-back with full powers to assent to any conditions, modifications, variations, and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Board may deem fit and expedient in the best interest of the Company.”

There were no questions raised on Ordinary Resolution 10.

13. PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (Ordinary Resolution 11)

- 13.1. The Chairman informed that Ordinary Resolution 11, if passed, will give authority for the Company and its subsidiary to enter into recurrent related party transactions of a revenue or trading nature with the mandated related parties as stated out in Section 3 of Part B of the Circular dated 30 April 2019. The Circular has been sent together with the Annual Report setting out the details and rationale of the proposed Shareholders’ Mandate.

- 13.1. The Chairman also reminded the Interested Directors and Interested Major Shareholders as well as persons connected to them including their proxies to abstain from voting on this resolution. Ordinary Resolution 11 was to approve:

“**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 Part B of the Circular to Shareholders dated 30 April 2019, subject to the following:-

- (a) The Recurrent Related Party Transactions 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 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 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 Proposed Renewal of Shareholders’ Mandate.”

There were no questions raised on Ordinary Resolution 11.

SPECIAL BUSINESS

14. PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY (Special Resolution 1)

- 14.1. The Chairman informed that Special Resolution 1 was primarily for the purposes of streamlining the Company’s existing M&A to be aligned with the Companies Act 2016 which was implemented with effect from 31 January 2017 and the amendments to Bursa Malaysia

Securities Berhad Listing Requirements and the prevailing statutory and regulatory requirement applicable to the Company. Special Resolution 1 was to approve:

“THAT approval be and is hereby given to revoke the existing Constitution (previously referred to as the Memorandum and Articles of Association) of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company, as set out in Appendix I of the Circular to Shareholders dated 30 April 2019, be adopted as the Constitution of the Company AND THAT the Directors of the Company be authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.”

There were no questions raised on Special Resolution 1.

15. PROPOSED CHANGE OF COMPANY NAME FROM “SOLUTION ENGINEERING HOLDINGS BERHAD” TO “SOLUTION GROUP BERHAD” (Special Resolution 2)

15.1. The Chairman informed that Special Resolution 2, if passed, will facilitate the proposed change of company name from “Solution Engineering Holdings Berhad” to “Solution Group Berhad” and will take effect from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia.

15.2. The Chairman explained that the Board had recommended for the proposed change of name as it will more accurately reflect the Group’s current structure and the various business activities which is not solely focused on Engineering. Special Resolution 2 was to approve:

“THAT the name of the Company be changed from “Solution Engineering Holdings Berhad” to “Solution Group Berhad” effective from the date of the Notice of Registration of New Name to be issued by the Companies Commission of Malaysia to the Company and that all references in the Constitution of the Company in relation to the name “Solution Engineering Holdings Berhad”, wherever the same may appear, shall be deleted and substituted with “Solution Group Berhad”.

AND THAT the Board be and is hereby authorised to carry out all the necessary steps and formalities in effecting the Proposed Change of Name.”

There were no questions raised on Special Resolution 2.

16. CONDUCT OF POLL

16.1. All the above Resolutions was proposed by Mr Lim Chee Tiong and seconded by Mr Chai Ko Fong.

16.2. The Chairman informed that the Company had appointed Asia Securities Sdn Berhad as Independent Scrutineer to verify and confirm the poll results.

- 16.3. The Secretary briefed the shareholders on the polling procedures and at 10.30 am, the shareholders proceeded to take the poll. The Share Registrars, Tricor Investor & Issuing House Services Sdn Bhd then collected the polling slips and conducted the vote counts.
- 16.4. The Meeting was adjourned for about 30 minutes for the conduct of the poll and vote counting.

17. ANNOUNCEMENT OF POLL RESULTS

- 17.1. At 10.55 am, the Chairman called the Meeting to resume for the announcement of the poll results.

Based on the following poll results verified by the Scrutineer, the Chairman declared all resolutions tabled at the 15th Annual General Meeting carried.

Resolutions	For		Against	
	No. of Shares	% of votes	No. of Shares	% of votes
Ordinary Resolution 1	105,893,783	99.981	20,000	0.019
Ordinary Resolution 2	105,893,783	99.981	20,000	0.019
Ordinary Resolution 3	105,893,783	99.981	20,000	0.019
Ordinary Resolution 4	105,893,783	99.981	20,000	0.019
Ordinary Resolution 5	105,893,783	99.981	20,000	0.019
Ordinary Resolution 6	105,893,783	99.981	20,000	0.019
Ordinary Resolution 7				
Tier 1: Large Holders	83,035,651	100.00	0	0.000
Tier 2 : Other Holders	20,012,710	99.900	20,000	0.100
Ordinary Resolution 8				
Tier 1: Large Holders	83,035,651	100.00	0	0.000
Tier 2 : Other Holders	22,858,033	99.913	20,000	0.087
Ordinary Resolution 9	105,813,783	99.906	100,000	0.094
Ordinary Resolution 10	105,893,783	99.981	20,000	0.019
Ordinary Resolution 11	102,448,762	99.980	20,000	0.020
Special Resolution 1	105,893,783	99.981	20,000	0.019
Special Resolution 2	105,893,783	99.981	20,000	0.019

18. CONCLUSION

There being no other business to be transacted, the Chairman declared the 15th Annual General Meeting closed at 11.05 a.m.

CONFIRMED AS CORRECT RECORD

-signed-

DATUK DR. SYED MUHAMAD BIN
SYED ABDUL KADIR
CHAIRMAN

Date : 28 May 2019