



SMIS CORPORATION BERHAD (491857-V)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting of the Company will be held at Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 17 June 2013 at 10.00 a.m. to transact the following businesses:-

AGENDA

As Ordinary Business

- To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2012 together with the Directors' and Auditors' Reports thereon. **Ordinary Resolution 1**
- To declare a first and final dividend of 3.34 sen per Ordinary Share of RM1.00 each less 25% Income Tax (2.5 sen net per Ordinary Share) for the financial year ended 31 December 2012. **Ordinary Resolution 2**
- To approve the Directors' Fees in respect of the financial year ended 31 December 2012 and payment thereof. **Ordinary Resolution 3**
- To re-elect Mr Foo Lee Khean who is retiring under Article 103 of the Company's Articles of Association. **Ordinary Resolution 4**
- To re-elect the following Directors retiring under Article 109 of the Company's Articles of Association:
 - Ms Wern Li Morsing **Ordinary Resolution 5**
 - Enck Ahmad @ Mison bin Yusof **Ordinary Resolution 6**
- To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

As Special Business

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

- Proposed Renewal of Authority under Section 132D of the Companies Act, 1965 ("the Act") for the Directors to allot and issue shares**

"THAT pursuant to Section 132D of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and from time to time until the conclusion of the next Annual General Meeting ("AGM") 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 does not exceed ten per centum (10%) of the issued share capital of the Company (excluding treasury shares) for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue." **Ordinary Resolution 8**

- Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

"THAT, pursuant to Paragraph 10.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company and its subsidiaries ("SMIS Group") be and are hereby authorised to enter into any of the recurrent transactions of a revenue or trading nature as set out under Section 2.3 of Part A of the Circular to Shareholders dated 23 May 2013 with the related parties mentioned therein which are necessary for the SMIS Group's day-to-day operations, subject further to the following:-

(i) the transactions are in the ordinary course of business on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

(ii) disclosure of the aggregate value of the transactions of the Proposed Shareholders' Mandate conducted during the financial year will be disclosed in the Annual Report for the said financial year.

AND THAT such approval will continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed Shareholders Mandate is approved, at which time it will lapse, unless by a resolution passed at the Meeting, the authority is renewed;

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting, whichever is earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate." **Ordinary Resolution 9**

- Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares**

"THAT subject to the Act, the Memorandum and Articles of Association of the Company, the MMLR of Bursa Securities and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise an amount not exceeding the audited retained profits and/or share premium of the Company as at 31 December 2012 of RM24.1 million and RM4.9 million respectively to purchase such amount of ordinary shares of RM1.00 each in the Company ("Proposed Share Buy-Back") 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 the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company;

THAT an amount not exceeding the Company's share premium account and retained profits account be allocated by the Company for the Proposed Share Buy-Back;

THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 67A of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may sell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them;

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:

(i) the conclusion of the next AGM of the Company [being the Fifteenth ("15th") AGM of the Company], at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the 15th AGM of the Company is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting; whichever occurs first but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any);

AND THAT the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back as may be agreed or allowed by any relevant governmental and/or regulatory authority." **Ordinary Resolution 10**

- Proposed Amendments to the Articles of Association**

"That the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set out in Appendix I attached with the Annual Report for the financial year ended 31 December 2012 be and are hereby approved." **Special Resolution**

NOTICE OF DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Fourteenth Annual General Meeting of the Company, a first and final dividend of 3.34 sen per Ordinary Share of RM1.00 each less 25% Income Tax (2.5 sen net per Ordinary Share) in respect of the financial year ended 31 December 2012 will be paid to the shareholders of the Company on 28 June 2013. The entitlement date for the said dividend shall be 18 June 2013.

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

- Shares transferred to the depositor's securities account before 4.00 p.m. on 18 June 2013 in respect of transfers, and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

LIEW IRENE (MAICSA 7022609)

CHONG LEE WAH (MAICSA 7019418)

Secretaries

Selangor Darul Ehsan

Date: 23 May 2013

NOTES:

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints the maximum of two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy, any proxy need not be a member of the Company, and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of the attorney.
- The instrument appointing a proxy, with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of such power or authority, must be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMC Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 10 June 2013 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

EXPLANATORY NOTES ON SPECIAL BUSINESS

- Ordinary Resolution No. 8 - Proposed Renewal of Authority under Section 132D of the Companies Act, 1965 ("the Act") for the Directors to allot and issue shares**

The Company had, during its Thirteenth Annual General Meeting ("AGM") held on 8 June 2012, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Act. As at the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

Ordinary Resolution 8 proposed under item 7 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 132D of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the issued share capital (excluding treasury shares) of the Company for such purposes as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding investment project(s), working capital and/or acquisitions.

- Ordinary Resolution No. 9 - Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

Ordinary Resolution 9 proposed under item 8 of the Agenda, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions in accordance with paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.

- Ordinary Resolution No. 10 - Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares**

The proposed Ordinary Resolution 10, if passed, will give the Directors of the Company authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or to effect the purchase(s) of Shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. The authority will, unless revoked or varied by the Company in 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 15th AGM is required by law to be held.

Further information on the Proposed Renewal of Share Buy-Back is set out in the Share Buy-Back Statement of the Company dated 23 May 2013 which was despatched together with this Annual Report.

- Special Resolution on Proposed Amendments to the Articles of Association**

The Special Resolution, if passed, will render the Articles of Association of the Company to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to update the Articles of Association of the Company to be consistent with the prevailing laws, guidelines or requirements of the relevant authorities.