

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Nineteenth ("19th") Annual General Meeting ("AGM") of the Company will be held at Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 23 May 2018 at 10.00 a.m. to transact the following businesses:-

AGENDA**As Ordinary Business**

- To receive the Audited Financial Statements for the financial year ended 31 December 2017 together with the Directors' and Auditors' Reports thereon.
(Please refer to Note 1 of the Explanatory Notes)
- To approve the Non-Executive Directors' Fees of RM140,200 in respect of the financial year ended 31 December 2017 and Benefits Payable up to an aggregate amount of RM27,000 to the Non-Executive Directors for the period from 1 January 2018 until the next AGM of the Company in year 2019 and payments thereof.
Ordinary Resolution 1
- To re-elect Mr Foo Lee Khean who is retiring under Article 103 of the Company's Articles of Association.
Ordinary Resolution 2
- To re-elect Mr Oei Kok Eong who is retiring under Article 103 of the Company's Articles of Association.
Ordinary Resolution 3
- To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company and to authorise the Directors to fix their remuneration.
Ordinary Resolution 4

As Special Business

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

- Authority for Mr Foo Lee Khean to continue in office as Senior Independent Non-Executive Director**

"THAT authority be and is hereby given to Mr Foo Lee Khean who has served as a Senior Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Senior Independent Non-Executive Director of the Company until the conclusion of the next AGM in accordance with Malaysian Code on Corporate Governance."
Ordinary Resolution 5

- Proposed Renewal of Authority under Sections 75 and 76 of the Companies Act 2016 ("the Act") for the Directors to allot and issue shares**

"THAT pursuant to Sections 75 and 76 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 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 total number of issued shares 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 6

- 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 2.4 of Part A of the Circular to Shareholders dated 24 April 2018 with the related parties mentioned therein which are necessary for the SMIS Group's day-to-day operations, subject further to the following:-

- 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
- 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.

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

- 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;
- the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- 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 7

- Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares of up to 10% of the total number of issued 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 as at 31 December 2017 of RM17.5 million to purchase such amount of ordinary shares 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 total number of issued shares of the Company;

THAT an amount not exceeding the Company's 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 cancel and/or retain the shares so purchased as treasury shares in accordance with Section 127 of the Act;

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

- the conclusion of the next AGM of the Company [being the Twentieth ("20th") 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;
- the expiration of the period within which the 20th AGM of the Company is required by law to be held; or
- 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 8

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
CHOONG LEE WAH (MAICSA 7019418)
Secretaries

Selangor Darul Ehsan
Date: 24 April 2018

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. A proxy need not be a member of the Company, and there shall be no restriction as to the qualification of the proxy.
- 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 Share Registrar's Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 16 May 2018 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.
- Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolutions set out in the Notice of the AGM will be put to vote by way of poll.

EXPLANATORY NOTES**1. To receive the Audited Financial Statements**

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. Ordinary Resolution No. 5 - Authority for Mr Foo Lee Khean to continue in office as Senior Independent Non-Executive Director

The Board of Directors has via the Nomination Committee ("NC") conducted an annual performance evaluation and assessment of Mr Foo Lee Khean, who has served as Senior Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to act as Senior Independent Non-Executive Director of the Company based on the following justifications:

- He has fulfilled the criteria under the definition on Independent Director as stated in the MMLR of Bursa Securities, and therefore is able to bring independent and objective judgement to the Board;
- His experience in accounting enables him to provide the Board with a diverse set of experience, expertise, skills and competence;
- He has been with the Company for more than nine years and therefore understands the Company's business operations which enables him to participate actively and contribute during deliberations or discussions at Audit and Risk Committee ("ARC"), NC, Remuneration Committee ("RC") and Board meetings without compromising his independence and objective judgement;
- He has devoted sufficient time and efforts and attended all the ARC, NC, RC and Board meetings for informed and balanced decision making; and
- He has exercised due care during his tenure as Senior Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

3. Ordinary Resolution No. 6 - Proposed Renewal of Authority under Sections 75 and 76 of the Act for the Directors to allot and issue shares

The Company had, during its 18th AGM held on 24 May 2017, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Act. As at the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

Ordinary Resolution 6 proposed under item 7 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 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 total number of issued shares (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.

4. Ordinary Resolution No. 7 - Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

Ordinary Resolution 7 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 MMLR of Bursa Securities 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 SMIS Group or affecting the business opportunities available to the SMIS Group. The shareholders' mandate is subject to renewal on an annual basis.

Further information on the Proposed Shareholders' Mandate is set out in the Circular of the Proposed Shareholders' Mandate of the Company dated 24 April 2018 accompanying the Company's Annual Report 2017.

5. Ordinary Resolution No. 8 - Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares of up to 10% of the Total Number of Issued Shares

The proposed Ordinary Resolution 8, 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 20th 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 24 April 2018 accompanying the Company's Annual Report 2017.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.