

**SMIS CORPORATION BERHAD**  
**(Company No. 491857-V)**

MINUTES OF THE NINETEENTH ANNUAL GENERAL MEETING OF THE COMPANY 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.

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**PRESENT:**

**DIRECTORS**

Mr Ng Wai Kee	- Chairman and also Shareholder
Madam Yap Siew Foong	- Also Shareholder
Mr Foo Lee Khean	
Ms Wern Li Morsingh	
Mr Oei Kok Eong	

**IN ATTENDANCE**

Ms Choong Lee Wah	- Company Secretary
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**BY INVITATION**

Mr Robert Koong Yin Leong	- Group Financial Controller
Mr Ong Teng Yan	} Representing the Auditors, Messrs Baker Tilly Monteiro Heng
Ms Edwin Tan Kheng Soon	
Ms Esther Cheng	} Representing Boardroom Corporate Services (KL) Sdn. Bhd.
Ms Yong Suet Yee	
Ms Megan Song	
Ms Ch'ng Sue Ying	

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

**1. CHAIRMAN**

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The Chairman, Mr Ng Wai Kee extended a warm welcome to all shareholders, proxies and invitees present at the Company's Nineteenth Annual General Meeting ("19th AGM").

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### **2. QUORUM**

The Company Secretary confirmed that a quorum was present. With the requisite quorum being present, the Meeting was called to order at 10.00 a.m.

The Chairman then proceeded to introduce the Board and the Company Secretary to the shareholders.

### **3. NOTICE**

With the consent of the members present, the Notice convening the Meeting having been circulated for the prescribed period was taken as read. The Chairman then proceeded with the business of the 19th AGM.

### **4. SUMMARY OF PROXIES RECEIVED**

As part of good governance, the Chairman informed the shareholders that the Company had received in total of thirteen (13) proxy forms from shareholders for a total of Sixteen Million Five Hundred Nineteen and Three Hundred Seventy-Eight (16,519,378) only Ordinary Shares representing 39.18% of the total number of issued shares of the Company.

### **5. RIGHTS OF SHAREHOLDERS**

The Chairman further informed the shareholders that they are encouraged to participate, speak and vote in this meeting. The Chairman then proceeded with the business on the agenda.

### **6. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

The Chairman informed the Meeting that the Audited Financial Statements of the Company for the financial year ended 31 December 2017 were meant for discussion only as approval from the shareholders is not required.

The Chairman then opened to the floor for questions on the Audited Financial Statements of the Company for the financial year ended 31 December 2017. In summary, the issues raised by the shareholders/proxies and responses from the Chairman were as follows:-

- (i) Based on the summary of financial highlights of the Company and its subsidiaries (the "Group") for the past six (6) years, a shareholder enquired on the Management's turnaround strategy on its loss making businesses unit. He further enquired on the reason of increased in total borrowings of the Group for the financial year ended 31 December 2017 as compared to the financial year

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ended 31 December 2016 and impairment incurred after the cessation of the business operations of a subsidiary, namely Plaspoint Sdn. Bhd. (“Plaspoint”) on 22 February 2018.

The Chairman responded that the Group’s loss in financial position for the past two (2) years was mainly due to depreciation in Malaysian Ringgit and hike in prices of raw materials. He added that the increased of the total borrowings of the Group was mainly due to loans for the plant in Bandar Sri Sendayan and acquisition of land in Indonesia. The Chairman informed that the businesses in Indonesia and the operations in Bandar Sri Sendayan shall be stabilised gradually and anticipated the businesses in Indonesia to be breakeven in year 2021/2022.

In respect of the impairment on the cessation of Plaspoint, the Chairman responded that there would not be any additional impairment on the cessation of business operations of Plaspoint and the Management is in the midst of disposing the assets of Plaspoint.

- (ii) The shareholder commented that sales of braking components should be a profitable business in Malaysia but the Group is making loss in year 2017 and he enquired on the reason for the loss of the said business as well as strategy of the Group to turnaround the loss making business of the Group.

The Chairman responded that the Company is the leading manufacturer of hydraulic brake and clutch components in Malaysia and the reason of not achieving breakeven in year 2017 was due to substantial decrease of sales volume from Proton. He informed the shareholders that the Company had secured some new projects and he believed that year 2018 would be the turnaround year at a brighter curve in the business cycle.

- (iii) The shareholder then enquired on the usage of a vacant land situated at Kawasan Industri Terpadu Indonesia China Lot 70, which is located in Kawasan Industri Terpadu Indonesia China, Kota Deltamas, Cikarang Pusat, Bekasi 17530, West Java, Indonesia (the “Land”), of which was acquired by the Group on 28 April 2017.

The Chairman responded that the Management is considering building a factory on the said Land and currently is renting a plant in Indonesia for production purposes. The Chairman informed the shareholders that the Group had initially acquired a small piece of land in Indonesia on 23 August 2011, but due to insufficient capacity, the Group decided to acquire the Land to cater more business volumes in Indonesia. He added that the Management would dispose the small piece of land at a better market rate.

- (iv) Lastly, the shareholder enquired on the dividend payment to the shareholders of the Company and the Chairman responded that the Management expected such payment to be made in two (2) years’ time.

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After having addressed all the questions/issues raised, it was recorded that the Audited Financial Statements of the Company had been duly tabled and received by the Shareholders.

#### **7. POLL PROCEDURE**

The Chairman highlighted that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 19th AGM must be voted by poll. Pursuant to the Articles of Association of the Company, the Chairman demanded for a poll on all the resolutions set forth in the Notice of the 19th AGM. The poll shall be taken in such manner as the Chairman directs.

The Chairman also informed that GovernAce Advisory & Solutions Sdn. Bhd. has been appointed as the Scrutineers to facilitate the poll process and the Meeting went through all the motions and proceeded with the polling process after the last motion has been tabled. At the request of the Chairman, the Company Secretary then briefed the Meeting on the polling procedures.

After polling procedures was briefed by the Company Secretary, the Chairman then proceeded with the resolutions set out in the Notice of the 19th AGM.

#### **8. ORDINARY RESOLUTION 1 NON-EXECUTIVE DIRECTORS' FEES AND BENEFITS PAYABLE**

The Chairman informed that the first resolution on the Agenda was to approve the payment of Non-Executive Directors' Fees of RM140,200.00 for the financial year ended 31 December 2017 and Benefits Payable up to an aggregate amount of RM27,000.00 to the Non-Executive Directors for the period from 1 January 2018 until the next AGM of the Company in year 2019.

The shareholders and/or proxies were requested to indicate their votes on the polling form in respect of Ordinary Resolution 1 and to retain the polling form for the next resolution.

#### **9. ORDINARY RESOLUTION 2 RE-ELECTION OF DIRECTOR – MR FOO LEE KHEAN**

The Chairman informed that the next resolution in the Agenda was the re-election of Mr Foo Lee Khean as a Director of the Company who was retiring pursuant to Article 103 of the Articles of Association of the Company and being eligible had offered himself for re-election.

The shareholders and/or proxies were requested to indicate their votes on the polling form in respect of Ordinary Resolution 2 and to retain the polling form for the next resolution.

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**10. ORDINARY RESOLUTION 3  
RE-ELECTION OF DIRECTOR – MR OEI KOK EONG**

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The Chairman informed that the third resolution in the Agenda was the re-election of Mr Oei Kok Eong as a Director of the Company who was retiring pursuant to Article 103 of the Articles of Association of the Company and being eligible had offered himself for re-election.

The shareholders and/or proxies were requested to indicate their votes on the polling form in respect of Ordinary Resolution 3 and to retain the polling form for the next resolution.

**11. ORDINARY RESOLUTION 4  
RE-APPOINTMENT OF AUDITORS**

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The Chairman informed the Meeting that the existing Auditors, Messrs Baker Tilly Monteiro Heng, had retired and had indicated their willingness to continue in office.

The shareholders and/or proxies were requested to indicate their votes on the polling form in respect of Ordinary Resolution 4 and to retain the polling form for the next resolution.

Having concluded the ordinary business of the 19th AGM, the Chairman then proceeded to table the resolutions under the Special Business of the 19th AGM.

**12. ORDINARY RESOLUTION 5  
AUTHORITY FOR MR FOO LEE KHEAN TO CONTINUE IN OFFICE AS  
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR**

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The Chairman informed that the next resolution on the Agenda was the authority for Mr Foo Lee Khean (“Mr Foo”) who served as Senior Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue in office as Senior Independent Non-Executive Director of the Company in accordance with the Malaysian Code of Corporate Governance.

The justification to recommend Mr Foo to continue to act as Senior Independent Non-Executive Director was set out in the item 2 of the Explanatory Notes on Special Business found in Page 136 of the Annual Report of the Company.

The shareholders and/or proxies were requested to indicate their votes on the polling form in respect of Ordinary Resolution 5 and to retain the polling form for the next resolution.

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**13. ORDINARY RESOLUTION 6  
PROPOSED RENEWAL OF AUTHORITY UNDER SECTIONS 75 AND 76 OF  
THE COMPANIES ACT 2016 (“THE ACT”) FOR THE DIRECTORS TO  
ALLOT AND ISSUE SHARES**

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The Meeting was informed that the next resolution on the Agenda was to seek shareholders’ approval for the Directors to allot and issue shares up to a maximum of ten percent (10%) of the total number of issued shares of the Company pursuant to Sections 75 and 76 of the Act. The full text of the resolution was set out in the Notice of the 19th AGM found in Page 133 of the Annual Report of the Company.

The shareholders and/or proxies were requested to indicate their votes on the polling form in respect of Ordinary Resolution 6 and to retain the polling form for the next resolution.

**14. ORDINARY RESOLUTION 7  
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR  
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR  
TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”)**

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The Chairman, being an interested party in the resolution on the Proposed Shareholders’ Mandate, invited Mr Foo to take over the Chair.

Mr Foo informed the members that the related parties involved in the transactions and Directors who were deemed interested in the transactions have abstained and would continue to abstain from all deliberations and voting on the resolution approving the Proposed Shareholders’ Mandate.

The shareholders and/or proxies were requested to indicate their votes on the polling form in respect of Ordinary Resolution 7 and to retain the polling form for the next resolution.

Mr Foo then handed the Chair back to Mr Ng Wai Kee.

**15. ORDINARY RESOLUTION 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**

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The Meeting was informed that the final Agenda was to seek shareholders’ renewal of the general mandate from shareholders for the purchase of the Company’s shares of up to 10% of the total number of issued shares. The details and rationale for the share buy-back were set out in Part B of the Circular/Statement to Shareholders dated 24 April 2018.

The shareholders and/or proxies were requested to indicate their votes on the polling form in respect of Ordinary Resolution 8.

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### 16. BALLOTING PROCESS

After all the resolutions have been tabled to the Meeting, the Chairman of the Meeting requested the Secretary to brief on the polling process. The Secretary informed all shareholders and/or proxies to complete the polling form correctly and to sign on the polling form. The polling forms were to be deposited into the ballot box. It would take some time to tabulate the results of the poll and the outcome of the poll would be announced after a break of about thirty (30) minutes.

The Chairman then adjourned the Meeting at 10.35 a.m. for the Scrutineers to tabulate the results of the poll. The Meeting resumed at 11.05 a.m. for the declaration of the results of the poll.

### 17. ANNOUNCEMENT OF POLL RESULTS FOR RESOLUTIONS

At 11.05 a.m., the Chairman called the Meeting to order for the declaration of results. The shareholders and/or proxies were informed that the poll results were received from the Scrutineer, GovernAce Advisory & Solutions Sdn. Bhd.

The Chairman then read out the results of the poll as follows:-

#### 17.1 Ordinary Resolution 1

Ordinary Resolution 1	Votes in Favour		Votes Against	
	No. of Shares	%	No. of Shares	%
Approval of the payment of Non-Executive Directors' Fees for the financial year ended 31 December 2017 and Benefits Payable to the Non-Executive Directors for the period from 1 January 2018 until the next AGM of the Company in year 2019	19,326,413	100	0	0

The Chairman of the Meeting declared that Ordinary Resolution 1 was duly carried. Accordingly, it was RESOLVED:-

“That the payment of Non-Executive Directors' Fees for the financial year ended 31 December 2017 and Benefits Payable to the Non-Executive Directors for the period from 1 January 2018 until the next AGM of the Company in year 2019 be and is hereby approved.”

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<b>Ordinary Resolution 2</b>	<b>Votes in Favour</b>		<b>Votes Against</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Re-election of Mr Foo Lee Khean as Director	19,326,413	100	0	0

The Chairman of the Meeting declared that Ordinary Resolution 2 was duly carried. Accordingly, it was RESOLVED:-

“That the retiring Director, namely Mr Foo Lee Khean who retired pursuant to Article 103 of the Articles of Association of the Company, be and is hereby re-elected as Director of the Company.”

17.3 Ordinary Resolution 3

<b>Ordinary Resolution 3</b>	<b>Votes in Favour</b>		<b>Votes Against</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Re-election of Mr Oei Kok Eong as Director	19,326,413	100	0	0

The Chairman of the Meeting declared that Ordinary Resolution 3 was duly carried. Accordingly, it was RESOLVED:-

“That the retiring Director, namely Mr Oei Kok Eong who retired pursuant to Article 103 of the Articles of Association of the Company, be and is hereby re-elected as Director of the Company.”

17.4 Ordinary Resolution 4

<b>Ordinary Resolution 4</b>	<b>Votes in Favour</b>		<b>Votes Against</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Re-appointment of Messrs Baker Tilly Monteiro Heng as Auditors	19,326,413	100	0	0

The Chairman of the Meeting declared that Ordinary Resolution 4 was duly carried. Accordingly, it was RESOLVED:-

“That the retiring Auditors, Messrs Baker Tilly Monteiro Heng having signified their consent to act, be and is hereby re-appointed as Auditors of the Company for the



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ensuing year until the conclusion of the next AGM at a fee to be determined by the Directors.”

**17.5 Ordinary Resolution 5**

<b>Ordinary Resolution 5</b>	<b>Votes in Favour</b>		<b>Votes Against</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Authority for Mr Foo Lee Khean to continue in office as Senior Independent Non-Executive Director	19,326,413	100	0	0

The Chairman of the Meeting declared that Ordinary Resolution 5 was duly carried. Accordingly, it was RESOLVED:-

“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 the Malaysian Code of Corporate Governance.”

**17.6 Ordinary Resolution 6**

<b>Ordinary Resolution 6</b>	<b>Votes in Favour</b>		<b>Votes Against</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Proposed Renewal of Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares	19,326,413	100	0	0

The Chairman of the Meeting declared that Ordinary Resolution 6 was duly carried. Accordingly, it was RESOLVED:-

“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.”

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Ordinary Resolution 7	Votes in Favour		Votes Against	
	No. of Shares	%	No. of Shares	%
Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	308,801	100	0	0

The Chairman of the Meeting declared that Ordinary Resolution 7 was duly carried. Accordingly, it was RESOLVED:-

“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:-

- (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,

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 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
- (iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is earlier;

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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.”

#### 17.8 Ordinary Resolution 8

Ordinary Resolution 8	Votes in Favour		Votes Against	
	No. of Shares	%	No. of Shares	%
Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares of up to 10% of the total number of issued shares	19,326,413	100	0	0

The Chairman of the Meeting declared that Ordinary Resolution 8 was duly carried. Accordingly, it was RESOLVED:-

“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:

- (i) 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;
- (ii) the expiration of the period within which the 20th 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;

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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.”

**CONCLUSION**

There being no other business to be transacted, the Meeting concluded at 11.10 a.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

- Signed -

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CHAIRMAN

Date: 15 August 2018