

PERAK CORPORATION BERHAD (210915-U)
(Incorporated in Malaysia)

MINUTES OF THE TWENTY-FIFTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT AMANJAYA CONVENTION CENTRE, CASUARINA @ MERU HOTEL, NO. 1-C, JALAN MERU CASUARINA, BANDAR MERU RAYA, 30020 IPOH, PERAK DARUL RIDZUAN ON WEDNESDAY, 25 MAY 2016 AT 10.00 A.M.

PRESENT :

**SHAREHOLDERS
AND PROXIES :**

As per attendance list

DIRECTORS :

YB Dato' Nasarudin bin Hashim (Chairman)
Tuan Haji Ab Rahman Bin Mohammed
Dato' Dr Vasan a/l Sinnadurai
Datuk Dr Wan Norashikin bt Wan Noordin
Dato' Aminuddin bin Md Desa

IN ATTENDANCE :

SECRETARY:

Mr Cheai Weng Hoong

CHAIRMAN

The Chairman, YB Dato' Nasarudin bin Hashim, welcomed all present and called the Meeting to order at 10.00 a.m.

NOTICE OF MEETING

A shareholder objected to the validity of the Meeting on the ground that the convening of the Meeting did not comply with Section 145(2A) of the Companies Act, 1965 stating that annual general meeting of a public company should be called by a notice in writing of not less than twenty one (21) days before the annual general meeting or such longer period as is provided in the articles. He highlighted that he had received the Notice of Meeting on 17 May 2016 which is less than twenty one (21) days.

The Secretary informed that the Company had sent out the Notice of Meeting to its shareholders in compliance with Section 145(2A) of the Companies Act, 1965. At the request of the shareholder, the Chairman requested the Company Secretary to furnish the proof of posting of the Notice of Meeting to him after the Meeting.

The Notice of Meeting, with the permission of the Meeting, was then taken as read.

QUORUM

The Secretary confirmed the presence of the requisite quorum pursuant to Article 61 of the Company's Articles of Association and the Chairman declared the Meeting duly convened.

PROXIES

The Secretary then reported that proxy forms have been received from 13 shareholders representing 1,542,211 shares within the prescribed period of 48 hours before the time for convening the Meeting.

1. **AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

The Chairman informed the Meeting that the first item on the agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2015 (“FY 2015”) together with the Directors’ and Auditors’ Reports thereon.

The Chairman declared that the Audited Financial Statements for FY 2015 do not require shareholders’ approval under the provisions of Section 169(1) and (3) of the Companies Act, 1965. Hence, the matter was not put for voting.

Before inviting questions from the floor on the Audited Financial Statements, the Chairman informed that the Company had earlier received a letter from the Minority Shareholder Watchdog Group seeking clarification on certain issues. For the benefit of the shareholders, the Chairman invited the Group Chief Financial Officer (“Group CFO”) and Group Chief Executive Officer (“Group CEO”) to respond to the issues raised accordingly.

In summary, the Group CFO and the Group CEO commented as follows:

Ports and Logistics

- (i) Lumut Maritime Terminal Sdn Bhd (“LMTSB”), which is operating Lumut Maritime Terminal, has achieved a higher capacity with cargo throughput reaching 3.05 million tons in the year 2015.
- (ii) LMTSB has been revising its business strategies in respect of the following areas:
 - productivity enhancements involving product flow and upgrading ancillary services with the objective to become a leading bulk port and maximise gross utilisation; and
 - capacity expansion, which will required detailed studies, probably five years from now
- (ii) Out of the RM200 million capital expenditure, LMTSB will be utilising RM5 million for productivity enhancement with the balance earmarked for capacity expansion.

Property Development

- (i) PCB Development Sdn Bhd’s (“PCBD”) revenue is expected to derive from two components, namely township development and development of theme park. Currently, township development is progressing as scheduled. The management is aware of the risk involved in township development therefore, housing projects are developed under acceptable and affordable range and PCBD has generally entered into joint ventures with other developers to create enhanced value for property development.

Hospitality and Tourism

- (i) Casuarina@Meru currently has approximately 50% occupancy rate which can be considered high. The status of the construction of hotel and rest house in Teluk Intan and Kuala Kangsar respectively is at the tender stage only and is expected to commence construction in the fourth quarter of 2016. Meanwhile, the

development of the resorts at Tanjong Malim and Pangkor is currently awaiting the approval of the relevant authorities.

- (ii) The revenue from the boathouse at Temenggor is not significant to the Group's revenue. The expected return of the second boathouse is in the region of 18% of the investment cost.
- (iii) The opening of the Movie Animation Park Studios ("MAPS") has been delayed to the later part of the year as the company is proposing to undertake enhancement to the attractions in the MAPS. The marketing team has held and will continue to hold road shows at selected destinations to promote the MAPS.

Corporate Governance

- (i) The management would ensure that the Company complies with the requirement to publish a summary of key matters discussed at the annual general meetings, on the Company's website.

Thereafter, the Chairman opened to the floor for questions on the Audited Financial Statements for FY 2015.

The shareholders, namely Mr Foo Lim Get and Mr Chee Min Khong, raised various questions pertaining to the following areas:

- (i) on property development and the projects under implementation stage;
- (ii) the net book value and market value of the remaining lands in Bandar Meru Raya ("BMR");
- (iii) the expected results for the financial year ending 31 December 2016;
- (iv) consideration on the payment of dividend; and
- (v) the privileges to be offered to the shareholders of the Company for entry to the MAPS.

The Chairman, assisted by the Group CEO and the Group CFO, responded and answered the queries as follows:

- (i) in respect of property development, there are seven projects in BMR which have commenced in the year 2015. Three housing projects in Zone 5, 7 and 9 of BMR are expected to be completed within three (3) years while two projects are still in planning stage.
- (ii) the net book value of the remaining land in BMR is estimated to be approximately RM100 million including development cost. The Company has not engaged professional valuer to value the land. Subject to the conduct of a proper valuation, the market value of the land in BMR could be at least 100% above the current carrying value of the land.
- (iii) the Group's strategic plan will focus on three core businesses, namely Property Development, Ports and Logistics as well as Hospitality and Tourism. The Ports and Logistics segment is expected to record profitable results with growing cargo throughput and better financial performance. The Property Development segment is expected to remain subdued as revenue will only be realised in the year 2017 and 2018. The Hospitality and Tourism segment is expected to be profitable in the year 2017 with the opening of the MAPS.
- (iv) the Company has made a dividend payment of 30 sen per share on 30 June 2015 for FY 2015. Hence, the Board did not recommend a final dividend for the FY 2015 as the Group needs to invest in capital expenditure for its development in hospitality and tourism sector and port and logistic sector. In the event that the

Group's business operation reached a profitable level, the Board may consider declaring a dividend.

- (v) the management would look into offering the shareholders of the Company special privileges or packages for the entry to the MAPS.

As there were no questions from the floor, the Chairman declared that the Audited Financial Statements for FY 2015 together with the Directors' and Auditors' Reports thereon be taken as received.

2. APPROVAL OF THE INCREASE IN PAYMENT OF DIRECTORS' FEES

The Chairman informed the Meeting that resolution numbered 1 was to approve the increase in Directors' fees for the FY 2015 and the payment of Directors' fees thereon. The Board of Directors have recommended the proposed increase of an additional RM5,000 per director and in total, the amount provided for in the Audited Financial Statements for the FY 2015 was RM365,000.

On the proposal of Encik Abd Karim Nast bin Mohd Alias and seconded by Mr Foo Lim Get, on a show of hands, the Meeting unanimously resolved:

"That the increase in Directors' fees for the year ended 31 December 2015 and the payment of Directors' Fees of RM365,000 thereon be and are hereby approved."

The Chairman then declared the resolution duly passed.

3. RE-ELECTION OF DATO' ABD KARIM BIN AHMAD TARMIZI

The Chairman informed that resolution numbered 2 was to re-elect Dato' Abd Karim bin Ahmad Tarmizi, the Director who retired in accordance with Article 80 of the Company's Articles of Association.

On the proposal of Encik Ahmad Al-Hadi bin Abdul Khalid and seconded by Cik Norwazi binti Abdul Wahab, on a show of hands, the Meeting unanimously resolved:

"That Dato' Abd Karim bin Ahmad Tarmizi who retired in accordance with Article 80 of the Company's Articles of Association be and is hereby re-elected as Director of the Company."

The Chairman then declared the resolution duly passed.

4. RE-ELECTION OF DATO' AMINUDDIN BIN MD DESA

Resolution numbered 3 was to re-elect Dato' Aminuddin bin Md Desa, the Director who retired in accordance with Article 80 of the Company's Articles of Association.

On the proposal of Mr Foo Lim Get and seconded by Encik Abd Karim Nast bin Mohd Alias, on a show of hands, the Meeting unanimously resolved:

"That Dato' Aminuddin bin Md Desa who retired in accordance with Article 80 of the Company's Articles of Association be and is hereby re-elected as Director of the Company."

The Chairman then declared the resolution duly passed.

5. **RE-APPOINTMENT OF TUAN HAJI AB RAHMAN BIN MOHAMMED**

The Chairman informed that resolution numbered 4 was to re-appoint Tuan Haji Ab Rahman bin Mohammed, the Director who retired in accordance with Section 129(6) of the Companies Act, 1965.

On the proposal of Encik Ahmad Al-Hadi bin Abdul Khalid and seconded by Encik Sayed Shariffuddin bin Sayed Shamshuddin, on a show of hands, the Meeting unanimously resolved:

“That Tuan Haji Ab Rahman bin Mohammed be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965.”

The Chairman then declared the resolution duly passed.

6. **RE-APPOINTMENT OF AUDITORS**

The Meeting proceeded to the next resolution which was for the re-appointment of Auditors and authorising the directors to fix their remuneration. The Chairman informed the shareholders that Messrs Ernst & Young, the retiring auditors, had indicated their willingness to accept re-appointment.

On the proposal of Mr Chee Min Khong and seconded by Encik Abd Karim Nast bin Mohd Alias, on a show of hands, the Meeting unanimously resolved:

“That the retiring Auditors, Messrs Ernst & Young, who have indicated their willingness to continue in office, be and are hereby re-appointed Auditors of the Company for the ensuing year at a remuneration to be determined by the Directors.”

The Chairman then declared the resolution duly passed.

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

The Chairman informed that resolution numbered 6 was to seek the shareholders’ approval for the Proposed Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

The Chairman informed the Meeting that the interested major shareholder and related parties as well as the persons connected with them as stated in Clause 5, page 6 of the Circular to Shareholders would abstain from voting on this resolution.

On the proposal of Encik Abd Karim Nast bin Mohd Alias and seconded by Mr Chee Min Khong, on a show of hands, the Meeting unanimously resolved:

“THAT approval be and is hereby given pursuant to Paragraph 10.09, Part E of Chapter 10 of Bursa Malaysia Securities Berhad Main Market Listing Requirements for the Company and/or its subsidiaries to enter into the Recurrent Related Party Transactions of a revenue or trading nature which are necessary for day-to-day operations with the Related Parties, as detailed in Section 2.2 of the Circular to Shareholders of the Company dated 29 April 2016, subject to the following:-

- (a) *the transactions are carried out in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company; and*

- (b) *disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year based on the following information:-*
- (i) *the type of the Recurrent Related Party Transactions made; and*
 - (ii) *the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company.*

THAT the approval given in the paragraph above shall only continue to be in force until:-

- (a) *the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed;*
- (b) *the expiration of the period within which the next AGM after the date it is required to be held pursuant to section 143(1) of the Companies Act, 1965 ("the Act"), but must not extend to such extension as may be allowed pursuant to section 143(2) of the Act; or*
- (c) *revoked or varied by resolution passed by the shareholders in general meeting;*

whichever is the earlier.

AND THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution".

The Chairman then declared the resolution duly passed.

CONCLUSION

There being no further business, the Chairman concluded the Meeting at 10.40 a.m. and thanked all present for their attendance.

SIGNED AS A CORRECT RECORD



CHAIRMAN

Dated: 25 May 2016

Ipoh

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