

**PERAK CORPORATION BERHAD (210915-U)**

(Incorporated in Malaysia)

**MINUTES OF THE TWENTY-SIXTH 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 FRIDAY, 30 JUNE 2017 AT 4.10 P.M.**

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**PRESENT :**

**SHAREHOLDERS  
AND PROXIES :**

As per attendance list

**DIRECTORS :**

YB Dato' Nasarudin bin Hashim (Chairman)  
Tuan Haji Ab Rahman Bin Mohammed  
Dato' Wan Hashimi Albakri bin W.A.A Jaffri  
Dato' Abd Karim bin Ahmad Tarmizi  
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

**BY INVITATION :**

Representatives from Messrs KPMG PLT (External Auditors)  
Representatives from Symphony Share Registrars Sdn Bhd  
(Poll Administrator)  
Representatives from Symphony Corporatehouse Sdn Bhd  
(Scrutineers)

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**CHAIRMAN**

The Chairman, YB Dato' Nasarudin bin Hashim, welcomed all present and called the Meeting to order at 4.00 p.m..

**NOTICE OF 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 14 shareholders representing 52,971,759 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 2016**

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 2016 (“**FY 2016**”) together with the Directors’ and Auditors’ Reports thereon.

Before inviting questions from the floor on the Audited Financial Statements, the Chairman informed that the Company had earlier received a letter dated 22 June 2017 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 in the letter accordingly.

In summary, the Group CFO commented as follows:

Ports and Logistics

Lumut Maritime Terminal Sdn Bhd (“**LMTSB**”), which is operating Lumut Maritime Terminal, has undertaken a 5-years (2015 – 2019) strategic plan with the objective to become an efficient cargo operator in respect of the following areas:

- Improved efficiency and productivity of present capacity by increasing the level of mechanisation and automation; and
- Extension of the port by the recent acquisition of land to develop and construct additional wharf and industrial area.

Property Development

- (a) The township development segment recorded an operating loss for the FY 2016 due to PCB Development Sdn Bhd (“**PCBD**”) scaling down on the sale of land and has focused on the development of theme park.
- (b) The Bulatan 18 at Bandar Meru Raya (“**BMR**”) was a public park, hence the number of visitors to the park was not recorded but it was quite successful and has made a positive contribution to BMR.
- (c) Currently, the land bank of the Group was noted as follows:
  - PCBD has 470 acres of land in BMR and land in Pangkor and Chepor in Perak.
  - The Company has 80 acres of land in BMR, 110 acres of land in Tualang Sekah and 465 acres of land in Behrang, Perak.
  - Casuarina Meru Sdn Bhd has 100 acres of land in Lenggong, Perak.

In respect of township development, the affordable housing projects in Casa Kayangan, D’Aman Residensi and Suria@Meru recorded sales of almost 90% sold units.

Hospitality and Tourism

- (a) The latest activity of this segment was the soft opening of the Movie Animation Park Studios (“**MAPS**”) on 26 June 2017 with encouraging number of visitors within the forecasted figures. Casuarina @ Meru Hotel has also benefited from the opening of the MAPS.

The Group would be venturing into café business with the brand name ‘Labu Sayong Café’ in BMR and Silveritage complex in Medan Gopeng, Perak.

- (b) This segment is expected to contribute positively in the year 2017.
- (c) In order to mitigate the risk aspects of development, all the projects ventured in have undertaken primitive studies showing the viability of the projects and have strong project management discipline to ensure projects were delivered within time and budget.

#### Gearing

The gearing ratio of the Group was slightly higher due to the financing for the projects undertaken by the Group. The borrowings were based on individual projects to facilitate the operating cash flow.

#### Trade receivables

The amount of RM2.3 million under the allowance for impairment loss was recoverable as the company had started to generate profit in 2017.

### **Corporate Governance**

#### Directors Remuneration

The directors’ fees for the year 2017 have yet to be paid, a resolution would be put forward at the next Annual General Meeting and would only be paid upon obtaining the shareholders’ approval.

#### Meeting Attendance

Those directors who did not attend any Board meetings would be briefed on the issues discussed at the Board meetings thereafter.

#### Annual Report 2016

The delay in the issuance of Annual Report 2016 was due to the external auditors requiring more time to resolve the substantial outstanding audit and accounting issues with the management of the Company in relation to the audit to enable the issuance of the audited financial statements for the year ended 31 December 2016.

The management would be looking more closely on quarterly reporting and addressing the shortcomings of the resources and maintain a strong working relationship with the external auditors.

#### Re-appointment of auditors

Basically, the management was unable to comment on the reasons Messrs KPMG PLT were not seeking re-appointment as auditors of the Company. The management have seen the constraint in resources of Messrs KPMG PLT and the commitment on their services.

Thereafter, the Chairman opened to the floor for questions on the Audited Financial Statements for FY 2016.

The shareholders, namely Mr Foo Lim Get, Mr Ng Wooi Ying, Mr Ang Huat and Mr Ooi Chin Hock, the representative from the Minority Shareholder Watchdog Group, Puan Lya Rahman and a proxy, Mr James Huntzen Ong raised various questions pertaining to the following areas:

- (i) outlook of the Company for the year 2017;
- (ii) revaluation of the land at Behrang, Perak;
- (iii) pricing the Company shares in the market;
- (iv) statement in the Management Discussion and Analysis, particularly ‘The Group has delivered reasonably good financial results for 2016 ...’ when in fact the Company recorded a loss for the year.
- (v) increase in taxation charge for the FY 2016;
- (vi) rationale for increase in Directors’ fees for the FY 2016, non-executive director receiving a salary and the payment of meeting allowance;
- (vii) issuance of share option scheme to directors as a reward to the directors;
- (viii) change in external auditors in two consecutive years;
- (ix) delay in completing the conditional Settlement Agreement with Perak Equity Sdn Bhd;
- (x) number of visitors to MAPS and the highly priced entrance ticket of MAPS;
- (xi) reason to increase participation in the Southern Perak Regional Development;
- (xii) reason the Group need to diversify its revenue stream from ports and logistics;
- (xiii) return on investment in Casuarina @ Meru Hotel;
- (xiv) capital commitments of RM113.2 million for port facilities;
- (xv) method of evaluation for joint arrangements for property development;
- (xvi) reason for Dato’ Wan Hashimi Albakri bin W.A.A Jaffri not attending any training; and
- (xvii) projected capital expenditure and expected earnings of the MAPS;

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

- (i) the Group was under a transition period, scaling down on the sale of land and concentrating on the development of the theme park. With Animation Theme Park Sdn Bhd (“ATP”) becoming a subsidiary of PCBBD, the pre-operating expenses of ATP such as maintaining the workforce and ensuring the operation readiness of the MAPS, have been consolidated into the results of the Group.  

The first half of the year 2017 would remain challenging. With the opening of the MAPS, the second half of the year 2017 should be favourable. In addition, the port operations are doing well with increased cargo throughput. The Group’s results in the year 2018 should be more favourable.
- (ii) the land at Behrang, Perak has not been revalued but, based on management estimates, the value of the said land may be in the region of RM100 million. If there is a potential buyer who is able to offer a good price for the land, the management might consider the offer. At the moment, the management is looking at the possibility of developing the land.
- (iii) the pricing of the Company’s shares is dependent on market forces. With the net assets per share at RM5.61, the price of the Company’s shares was discounted substantially.
- (iv) the Group recorded a loss for the year was mainly due to the pre-operating expenses of the theme park however, there were some components that were doing well.
- (v) the taxation of individual companies cannot be set off between the companies within the Group. The taxation was due to the ports and logistics segment which were doing well for the FY 2016.

- (vi) on the increase in Directors' fees, the Board has taken into consideration the financial situation of the Company and comparison of the payment of directors' fees by selected public listed companies of similar size. The Board opined that the Company would continue to prosper and the proposed Directors' fees would not be a burden to the Company.

In respect of the Gratuity Policy, most of the directors have served the Company for a number of years and the proposed gratuity would be to recognise their services and contributions upon their retirement. All the directors inclusive of executive director would be entitled to the gratuity payment.

The Board noted that the payment of meeting allowance would require shareholders' approval under the Companies Act 2016.

- (vii) the management concurred with the view that share option scheme as suggested by a shareholder was not encouraged for the directors of the Company.
- (viii) the change of auditors in the year 2016 was due to corporate governance practice however, the intention of Messrs KPMG PLT for not seeking re-appointment for the financial year 2017 was not the management's decision.
- (ix) the reason for extension of time to complete the conditional Settlement Agreement with Perak Equity Sdn Bhd was due to the land administrative matters, the conversion of the Malay reservation restriction and the tax planning aspects on real property gain tax and with the implementation of the goods and services tax.
- (x) the projection on the number of visitors to MAPS was 2,000 visitors per day. On the soft opening of the MAPS on 26 June 2017, there were about 8,000 visitors and the subsequent days with 3,000 visitors per day.  
  
In terms of pricing of the entrance ticket to MAPS, ATP has sold around 23,000 of Perak and Annual Pass at a cheaper rate. The target market of MAPS was visitors from Kuala Lumpur, Klang and Penang.
- (xi) the Company was situated in Southern Perak hence, the Group would be concentrating on the tourism plans in Southern Perak and development of Bagan Datoh port.
- (xii) the Group has three core businesses, namely Property Development, Ports and Logistics as well as Hospitality and Tourism. The Group cannot depend solely on Lumut Maritime Terminal as the port is not big in comparison with other ports in Malaysia. The Group would be venturing into food franchising under the Hospitality and Tourism segment.
- (xiii) the return on investment in Casuarina @ Meru Hotel is around 4% to 5%. Casuarina @ Meru Hotel has broken even last year before depreciation and is progressing to achieve profitable results from this year onwards.
- (xiv) the capital commitments of RM113.2 million for port facilities was allocated under the 5-years (2015 – 2019) strategic plan of LMTSB for productivity enhancements and capacity expansion.
- (xv) business ventures are not by tendered but pursued based on the credibility and suitability of the venture partners.
- (xvi) Dato' Wan Hashimi Albakri bin W.A.A Jaffri confirmed that he has attended trainings through the company in which he is currently working in but was not listed in the Annual Report 2016 of the Company. He took note of the disclosure in the annual report of the Company in future.
- (xvii) the projected capital expenditure of the MAPS was RM450 million however the capital expenditure incurred to-date was RM620 million. MAPS is expected to contribute a revenue of RM200 million per year with a payback period of 6 to 7 years.

The Chairman highlighted that the Audited Financial Statements were for discussion only as it does not require shareholders' approval under the Companies Act 2016. Hence, the matter was not put for voting.

As there were no further questions from the floor, the Chairman declared that the Audited Financial Statements for the FY 2016 together with the Directors' and Auditors' Reports thereon be taken as received.

**2. APPROVAL FOR INCREASE IN DIRECTORS' FEES AND THE PAYMENT OF DIRECTORS' FEES THEREON**

The Chairman informed the Meeting that resolution numbered 1 was to approve the increase in Directors' fees in respect of the financial year ended 31 December 2016 and the total payment of Directors' fees of RM401,500 thereon. The Board of Directors has recommended the proposed increase in Directors' fees equivalent to 10%, or RM6,000 for each director, as compared to the previous financial year.

Resolution numbered 1 was proposed by Encik Abd Karim Nast bin Mohd Alias and seconded by Encik Ahmad Al-Hadi bin Abdul Khalid.

**3. RE-ELECTION OF DIRECTOR, DATO' NASARUDIN BIN HASHIM**

The Chairman invited Tuan Haji Ab Rahman bin Mohammed to conduct the next item on the agenda on his behalf which was for the re-election of Dato' Nasarudin bin Hashim, that is himself, the director who retired pursuant to Article 80 of the Company's Articles of Association.

Resolution numbered 2 was proposed by Mr Ang Huat and seconded by Encik Abd Karim Nast bin Mohd Alias.

The Chair to the Meeting was then handed back to the Chairman.

**4. RE-ELECTION OF DIRECTOR, DATO' WAN HASHIMI ALBAKRI BIN W.A.A. JAFFRI**

Resolution numbered 3 was to re-elect Dato' Wan Hashimi Albakri bin W.A.A. Jaffri, the Director who retired in accordance with Article 80 of the Company's Articles of Association.

Resolution numbered 3 was proposed by Puan Hajah Sharifah Nor Hashimah bt Syed Kamaruddin and seconded by Encik Sayed Shariffuddin bin Sayed Shamshuddin.

**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 as Director of the Company.

At the last AGM in 2016, Tuan Haji Ab Rahman, who was above the age of 70, was re-appointed pursuant to Section 129(6) of the Companies Act 1965 to hold office until the conclusion of the next AGM. With the implementation of the Companies Act 2016, the age limit of directors pursuant to Section 129 of the Companies Act 1965 was no longer in effect.

This resolution would enable Tuan Haji Ab Rahman to continue to act as Director of the Company and he shall be subject to retirement by rotation at a later date.

Resolution numbered 4 was proposed by Encik Ahmad Al-Hadi bin Abdul Khalid and seconded by Mr Ang Huat.

**6. RE-APPOINTMENT OF AUDITORS**

The Chairman informed the Meeting that Messrs KPMG PLT have indicated their intention not to seek for re-appointment as Auditors of the Company at this Meeting and the Company would be taking the necessary step to appoint new auditors as soon as practicable.

**7. GRATUITY POLICY**

The Meeting proceeded to the next resolution which was to seek the shareholders' approval for the payment of gratuity to the Directors in recognition of their years of services in the event of their retirement or cessation of office as director of the Company to be computed at the rate of 20% of the last annual Director's fee paid to that Director for each completed year of service as a director of the Company.

Resolution numbered 5 was proposed by Puan Hajah Sharifah Nor Hashimah bt Syed Kamaruddin and seconded by Encik Ahmad Al-Hadi bin Abdul Khalid.

**8. 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 7 of the Circular to Shareholders would abstain from voting on this resolution.

Resolution numbered 6 was proposed by Encik Abd Karim Nast bin Mohd Alias and seconded by Mr Ang Huat.

**9.0 OTHER BUSINESS**

The Chairman informed the Meeting that there has been no due notice received by the Company to transact any other business.

**10.0 CONDUCT OF POLL VOTING**

The Chairman proceeded to the conduct of the poll and declared the registration for attendance at the Meeting closed.

The Chairman informed the Meeting that the Company has appointed Symphony Share Registrars Sdn Bhd as Poll Administrator to conduct the e-polling process and Symphony Corporatehouse Sdn Bhd as Scrutineers to verify the poll results.

The Chairman then called upon the representative from Symphony Share Registrars Sdn Bhd to brief the Meeting on the process of the e-poll voting. Encik Noor Isaruddin briefed the Meeting on the process of e-polling.

The Meeting was adjourned to facilitate the voting and votes counting process.

**11.0 RESULTS OF POLL VOTING**

The Meeting was resumed at 5.55 p.m. and the Chairman called the Meeting to order for the declaration of the results. The Chairman announced the poll results as verified and confirmed by Symphony Corporatehouse Sdn Bhd as follows:

**Resolution 1 – Approval for increase in Directors’ fees and the payment of Directors’ fees thereon**

Resolution	Vote in Favour		Vote Against	
	No. of shares	%	No. of shares	%
<b>Resolution 1</b>	59,083,153	99.80	121,000	0.20

The Chairman then declared the Resolution 1 duly passed as follows:

*“That the increase in Directors’ fees for the year ended 31 December 2016 and the total payment of Directors’ fees of RM401,500 thereon be and are hereby approved.”*

**Resolution 2 – Re-election of Director, Dato’ Nasarudin bin Hashim**

Resolution	Vote in Favour		Vote Against	
	No. of shares	%	No. of shares	%
<b>Resolution 2</b>	59,188,453	99.97	15,700	0.03

The Chairman then declared the Resolution 2 duly passed as follows:

*“That Dato’ Nasarudin bin Hashim 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.”*

**Resolution 3 – Re-election of Director, Dato’ Wan Hashimi Albakri bin W.A.A. Jaffri**

Resolution	Vote in Favour		Vote Against	
	No. of shares	%	No. of shares	%
<b>Resolution 3</b>	59,188,453	99.97	15,700	0.03

The Chairman then declared the Resolution 3 duly passed as follows:

*“That Dato’ Wan Hashimi Albakri bin W.A.A. Jaffri 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.”*

**Resolution 4 – Re-appointment of Director, Tuan Haji Ab Rahman bin Mohammed**

Resolution	Vote in Favour		Vote Against	
	No. of shares	%	No. of shares	%
<b>Resolution 4</b>	59,186,353	99.97	17,800	0.03



The Chairman then declared the Resolution 4 duly passed as follows:

*“That Tuan Haji Ab Rahman bin Mohammed be and is hereby re-appointed as Director of the Company.”*

**Resolution 5 – Gratuity Policy**

Resolution	Vote in Favour		Vote Against	
	No. of shares	%	No. of shares	%
Resolution 5	59,154,453	99.92	49,700	0.08

The Chairman then declared the Resolution 5 duly passed as follows:

*“That approval be and is hereby given for the payment of gratuity to the Directors in recognition of their years of services in the event of their retirement or cessation of office as director of the Company to be computed at the rate of 20% of the last annual Director’s fee paid to that Director for each completed year of service as a director of the Company.”*

**Resolution 6 – Proposed Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

Resolution	Vote in Favour		Vote Against	
	No. of shares	%	No. of shares	%
Resolution 6	6,286,050	99.69	19,700	0.31

The Chairman then declared the Resolution 6 duly passed as follows:

*“That approval be and is hereby given pursuant to Paragraph 10.09 of Bursa Malaysia Securities Berhad’s 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 6 June 2017, 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 340(2) of the Companies Act 2016 (“Act”), but must not extend to such extension as may be allowed pursuant to section 340(4) of the Act; or*
- (c) revoked or varied by resolution passed by the shareholders in general meeting;*

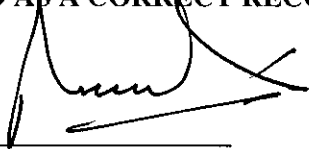
*whichever is the earlier.*

*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.”*

## CONCLUSION

There being no further business, the Chairman concluded the Meeting at 6.03 p.m. and thanked all present for their attendance.

## SIGNED AS A CORRECT RECORD



CHAIRMAN

Dated: 30 June 2017

Ipoh

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