

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

MINUTES OF THE TWENTY-FOURTH 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 MONDAY, 15 JUNE 2015 AT 11.00 A.M.

PRESENT :

**SHAREHOLDERS
AND PROXIES :**

As per attendance list

DIRECTORS :

YB Dato' Nasarudin bin Hashim (Chairman)
Tuan Haji Ab Rahman Bin Mohammed
Dato' 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

CHAIRMAN

The Chairman, YB Dato' Nasarudin bin Hashim, welcomed all present and called the Meeting to order at 11.00 a.m.

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 16 shareholders representing 53,011,227 shares within the prescribed period of 48 hours before the time for convening the Meeting.

NOTICE OF MEETING

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

BUSINESS AT HAND

The Chairman proceeded to the business of the Meeting and highlighted that pursuant to Article 65 of the Articles of Association, the Chairman of the Meeting; or at least 3 shareholders present in person or by proxy; or any member holding not less than 10% of the issued share capital may demand a poll to be taken to vote on each resolution.

Unless a poll is demanded, the Chairman informed that the resolutions to be tabled at the Meeting would be voted by a show of hands.

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 TOGETHER WITH THE REPORT OF THE DIRECTORS AND AUDITORS THEREON

The Chairman informed the Meeting that the first agenda was to receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2014 (“**FY 2014**”) together with the Report of the Directors and Auditors thereon.

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 (“**MSWG**”) 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:

- (i) the management services and others segment recorded lower profit before tax for FY 2014 as compared to the preceding year due to the payment of special dividend by Lumut Maritime Terminal Sdn Bhd (“**LMTSB**”) in FY 2013 but not in FY 2014.
- (ii) the management foresee long term growth for the hospitality and tourism segment with the completion of the Movie Animation Park Studio (“**MAPS**”) in March 2016. The development of the surrounding areas of Casuarina@Meru Hotel would also complement the continued growth of Casuarina@Meru Hotel.
- (iii) the strategy for the property development segment remain intact in view of the current sentiment. The Company has over 300 acres of land in Bandar Meru Raya (“**BMR**”) for development and the management is optimistic of the performance of the property development segment.
- (iv) MAPS is expected to commence operation in the second quarter of 2016. The projected revenue of MAPS for the first year of operation is RM140 million. It will focus on domestic market for the first few years upon commencement of operation. The management will collaborate with foreign third parties to bring in foreign tourists to visit MAPS. The development of Bulatan 18, construction of more hotels and apartments and a water park in BMR would also enhance the revenue of the Group.
- (v) the Group’s strategic plan for the next three (3) years will focus on three (3) core businesses, namely Property Development, Ports and Logistics as well as Hospitality and Tourism. In terms of Ports and Logistics, the management is planning to construct a new port at the vicinity of Bagan Datoh. With the infrastructure in place, a new township is expected to be developed in that area.
- (vi) the internal audit services were provided by Perbadanan Kemajuan Negeri Perak, the holding corporation of the Company on a cost sharing basis at approximately RM100,000 per annum.

The Chairman commented that the Board would take note of the request from MSWG for the Company to publish a summary of proceedings on the salient points raised at general meetings and a copy of the Memorandum and Articles of Association on the Company’s website and would do so accordingly.

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

Several shareholders and proxies, namely Mr Foo Lim Get, Mr Ang Huat, Mr Cheang Lek Choy, Mr Teoh Ewe Hun and Mr James Huntzen Ong, raised various questions pertaining to the following areas:

- (i) viability of the investment in Visi Cenderawasih Sdn Bhd (“VCSB”), future capital injection into VCSB, the charge created by Taipan Merit Sdn Bhd (“TMSB”) to secure the project financing facility of RM16 million granted to VCSB and repayment of loan advance by directors of VCSB prior to the entry of TMSB into VCSB;
- (ii) future of MAPS including ticketing sales, risk of failure, cost overrun and further capital injection required;
- (iii) repayment of the revolving credit facility by TMSB and the breakdown of the shares pledged as security for the facility;
- (iv) expected results for the financial year ending 31 December 2015 (“FY 2015”);
- (v) implication on the livelihood of fishermen with the construction of a port at Bagan Datoh;
- (vi) consideration on higher dividend payment; and
- (vii) effect of the expiry of the Concession Agreement of LMTSB on the financial results of LMTSB.

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

- (i) VCSB, an associated company, is principally engaged in the business to design, construct, operate and provide dark fibre services to telecommunication companies. VCSB managed to secure a concession for right of way to install fibre optic network using Indah Water Konsortium sewerage system. VCSB will initially focus on the areas in Putrajaya and Kuala Lumpur. The Board viewed the investment as an opportunistic investment with high potential and low risk. The management expect VCSB to record high return within two (2) to three (3) years.

The total investment by TMSB comprises RM3.5 million for the acquisition of 46% equity stake in VCSB from non-active shareholders and an additional RM1.5 million for subscription to special share issues to increase TMSB’s stake to 49% ultimately. There has been no further capital injection required from TMSB. Any additional funding will be through external financing from financial institutions or joint venture with third parties.

The charge was created by TMSB in favour of Malaysia Debt Ventures Berhad by way of third party memorandum of deposit of fixed deposit of RM300,000 to facilitate the granting of a Project Financing Facility of up to RM16 million to VCSB.

In respect of the loan advanced by the directors of VCSB, it was agreed that the loan will only be repaid when VCSB can generate enough cashflow for the repayment.

- (ii) MAPS targeted to attract 1.4 million visitors in the first year of operation with the entry ticket price ranging from RM80 to RM100. The management is involved in negotiation with a few airlines to have direct flights to Ipoh, targeting tourists from the Republic of China. The flights to Ipoh are slowly increasing.

As Ipoh is located centrally along the North-South Expressway, the management is targeting visitors from Penang and Kuala Lumpur to visit MAPS. The management has also lined up a few more attractions to enable tourists to spend 3 to 4 days in Ipoh.

In the event there is cost overrun on the construction and development of MAPS, such cost shall be borne by the turnkey contractor. Further capital injection into Animation Theme Park Sdn Bhd, if required, would be for working capital purposes.

- (iii) TMSB has repaid the revolving credit facility and the quoted shares pledged as security for the facility are wholly the shares in Integrax Bhd held by TMSB .
- (iv) the financial results for FY 2015 should be marginally better than the financial results for FY 2014.
- (v) the management has conducted business strategy and technical design studies on the construction of a port at the vicinity of Bagan Datoh and do not foresee implication on the livelihood of the fishermen.
- (vi) as the Group is embarking on long term business strategies which require funding to develop the assets of the Group in order to create sustainable income, the expected dividend rate may remain low for the foreseeable future.
- (vii) the expiry of the Concession Agreement entered into by LMTSB with the State Government of Perak, whereby LMTSB has been granted an exclusivity to develop and operate the port for 20 years, in July 2015 will not have material effect on the financial results of LMTSB.

As there were no further questions, on the proposal of Mr Foo Lim Get and seconded by Encik Sayed Shariffuddin bin Sayed Shamshuddin, on a show of hands, the Meeting unanimously resolved:

“That the Audited Financial Statements for the year ended 31 December 2014 together with the Report of the Directors and Auditors thereon be and are hereby received and adopted.”

The Chairman then declared the resolution duly passed.

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

The Chairman informed the Meeting that resolution numbered 2 was to approve the increase in Directors’ fees for the FY 2014 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 2014 was RM335,000.

On the proposal of Encik Ahmad Al-Hadi bin Abdul Khalid 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 2014 and the payment of Directors’ Fees of RM335,000 thereon be and are hereby approved.”

The Chairman then declared the resolution duly passed.

3. RE-ELECTION OF DATO’ DR VASAN A/L SINNADURAI

The Chairman informed that resolution numbered 3 was to re-elect Dato’ Dr Vasan a/l Sinnadurai, the Director who retired in accordance with Article 80 of the Company’s Articles of Association.

On the proposal of Encik Sayed Shariffuddin bin Sayed Shamshuddin and seconded by Mr Ang Huat, on a show of hands, the Meeting unanimously resolved:

“That Dato’ Dr Vasan a/l Sinnadurai 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 DATUK DR WAN NORASHIKIN BT WAN NOORDIN

Resolution numbered 4 was to re-elect Datuk Dr Wan Norashikin bt Wan Noordin, the Director who retired in accordance with Article 80 of the Company’s Articles of Association.

On the proposal of Mr Ang Huat and seconded by Encik Azizi bin Mohd Rajab, on a show of hands, the Meeting unanimously resolved:

“That Datuk Dr Wan Norashikin bt Wan Noordin 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 AUDITORS

The Meeting proceeded to the next agenda of the Meeting which was 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 Encik Ahmad Al-Hadi bin Abdul Khalid and seconded by Encik Azizi bin Mohd Rajab, 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.

6. 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 Mr Ang Huat and seconded by Puan Nurul Afidah binti Jamean, 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 22 May 2015, 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 12.20 p.m. and thanked all present for their attendance.

SIGNED AS A CORRECT RECORD



CHAIRMAN

Dated: 15 June 2015
Ipoh