

**MINUTES OF THE 34TH ANNUAL GENERAL MEETING OF
SURIA CAPITAL HOLDINGS BERHAD ("THE COMPANY")
HELD AT TRAINING CENTRE, 1ST FLOOR, WISMA
SABAHPORTS, SAPANGAR BAY CONTAINER PORT,
SAPANGAR BAY, KOTA KINABALU, SABAH ON MONDAY,
22ND MAY 2017 AT 10.00 A.M.**

CHAIRMAN OF THE MEETING : YBhg. Datuk Hj. Faisyal Datuk Yusof Hamdain Diego

DIRECTORS : PRESENT

Mdm. Ng Kiat Min
YBhg. Datuk Dr. Mohd Yaakub Hj. Johari
Mr. Chin Kiang Ming
YM. Tuan Hj. Muluk bin Samad
YBhg. Datuk Ismail bin Awang Besar
YBhg. Datuk Kee Mustafa
YB. Datuk Hj. Ramlee bin Marahaban
Mdm. Georgina L. George

ABSENT

YBhg. Datuk Mohd Hasnol bin Ayub

IN ATTENDANCE : Pn. Suryani Mohd Saidi – Company Secretary

MEMBERS PRESENCE : Attendance list as attached as ***Appendix 1***

1. CHAIRMAN'S ADDRESS

- 1.1 The Chairman welcomed all the Shareholders and guests to the 34th Annual General Meeting (AGM) of the Company and thanked all for their attendances. The Chairman announced that for the financial year ended 31st December 2016, the Group registered total revenue of RM258.51 million, which stood lower by 58% as against RM496.65 million generated in 2015. The significantly higher performance in 2015 was due to the non-recurring property development income of RM229.23 million.

- 1.2 The Secretary informed that in accordance with Article 67 of the Company's Article of Association, the required quorum is present. The Secretary further informed that as at 10.00 a.m. on the 22nd May 2017, a total of 31 proxies had been received. Out of the 31 proxies, 20 proxies represented by the Chairman. On being informed the presence of sufficient numbers of Shareholders to form a quorum, the Chairman declared the Meeting opened.

2. NOTICE AND AGENDA OF MEETING

- 2.1 The Chairman proceeded with the Meeting by requesting the Shareholders' consent to take the Notice and Agenda of Meeting dated 28th April 2017 which had been distributed to the Shareholders in accordance with the requirements of the Articles of Association and Bursa Malaysia Listing Requirements to be taken as read.
- 2.2 All Shareholders consented that the Notice and Agenda were taken as read.

3. COMPANY FINANCIAL PERFORMANCE

- 3.1 The Chairman proceeded to invite the Group Managing Director (GMD), Mdm. Ng Kiat Min to present the Company's financial performance for the year under review. (*as attached as Appendix 2*).

4. QUESTION FROM MINORITY SHAREHOLDER WATCHDOG GROUP (MSWG) AND MR. JOSHUA KONG

- 4.1 The Minority Shareholder Watchdog Group (MSWG) had submitted questions through a letter dated 17th May 2017 (*as attached as Appendix 3*).
- 4.2 Mr. Joshua Kong had submitted questions through email on 13th May 2017 (*as attached as Appendix 4*).
- 4.3 The GMD presented the Management's answer to the questions put forward by MSWG and Mr. Joshua Kong (*as attached as Appendix 5*).

5. MEETING PROCEDURES

- 5.1 The Chairman explained that in accordance with Paragraph 8.29A of the Bursa Malaysia Listing Requirement, all Resolutions set out in the Notice shall be decided on a poll.

- 5.2 Tricor Investor & Issuing House Sdn. Bhd. has been appointed as Poll Administrator to conduct the polling process and Scrutineer Solutions Sdn. Bhd. as Independent Scrutineer to verify the poll results.

6. TO ADOPT THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2016 AND REPORTS OF THE DIRECTORS AND AUDITORS

NOTED

THAT, copies of the Audited Financial Statements of the Company for the financial year ended 31st December 2016 together with Reports of the Directors and Auditors had been circulated earlier to the Shareholders together with the Notice and Agenda of the Meeting. This Agenda is for discussion only and in accordance with Section 340(1) of the Companies Act 2016, the audited financial statements does not require a formal approval from the Shareholders. The Chairman invited further questions from the floor and the summary of proceedings are as follows:

- 6.1 Mr. Simon Chee Sei Mun, a Shareholder, queried on the Company strategy to utilise the Share Premium amounting RM70.64 million in view that all shares issued before or upon the commencement of Companies Act 2016 shall have no par or nominal value. The GMD responded that the Company is considering to utilise the excessive amount in the share premium account by way of bonus issue. The Company is also planning to propose corporate exercise by way of right issue for getting public fund to acquire a State Land. Mr. Simon also suggested to distribute bonus issue at the time where share price is diluted. Moving forward, the GMD replied that the Company need to look into size of issuance of bonus issue and the Board need to deliberate many other factors that might affect the Company.

Mr. Simon also added a question on the Company initiatives for increasing number of volume despite of low port charges. The Chairman told that the Management has engaged with Sabah Ports Authority (SPA) and a sub-committee has been formed to fasten the process of reviewing port charges.

- 6.2 Mr. Joshua Kong, a Shareholder, seek reason for unpromising share price of the Company despite of the SBCP expansion project. The GMD explained that the share price is related with demand and supply in the market. Market sentiment for instance selling shares or buying shares would give impact towards the share price. The GMD hopes that announcement of liberalisation of the National Cabotage Policy by the Federal Ministry of Transport will increase the share price.

- 6.3 Mr. Phoon Kin Seng, a Shareholder, put a question on finalisation and approval of tariff by SPA. Mr. Phoon viewed that SPA should work more aggressively on this matter. The GMD responded that the tariff is to be approved by the Board of SPA and later to the State Cabinet as the port tariff is part of the SPA Enactment.
- 6.4 The representative of MSWG enquired on the rationale of the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors up to RM1 million.

The Secretary informed that with the coming into force of the Companies Act 2016 on 31st January 2017, fees of the Directors and any benefits payable shall be approved at the general meeting. In view of this, the Company is submitting a provision based on the financial year ended 2015 expenses for the Non-Executive Directors at the Holdings and Subsidiaries. The amount of RM1 million is to cover the period of more than one year i.e. February 2017 until the next AGM.

**7. RESOLUTION 1
TO RE-ELECT DATUK DR. MOHD. YAAKUB BIN HJ. JOHARI WHO
RETIRES BY ROTATION PURSUANT TO ARTICLE 89 OF THE
COMPANY'S ARTICLES OF ASSOCIATION**

- 7.1 Mr. Simon Chee Sei Mun proposed:

"THAT, the Directors retiring by rotation pursuant to Article 89 of the Company's Articles of Association and eligible for re-election is Datuk Dr. Mohd. Yaakub bin Hj. Johari."

- 7.2 Mr. Chew Wai Loke seconded the motion.

**8. RESOLUTION 2
TO RE-ELECT HJ. MULUK BIN SAMAD WHO RETIRES BY
ROTATION PURSUANT TO ARTICLE 89 OF THE COMPANY'S
ARTICLES OF ASSOCIATION**

- 8.1 Mr. Sahid bin Hj. Nawab Khan proposed:

"THAT, the Directors retiring by rotation pursuant to Article 86 of the Company's Articles of Association and eligible for re-election is Hj. Muluk bin Samad."

- 8.2 Mr. Phoon Kin Seng seconded the motion.

**9. RESOLUTION 3
TO RE-ELECT CHIN KIANG MING WHO RETIRES BY ROTATION
PURSUANT TO ARTICLE 89 OF THE COMPANY'S ARTICLES OF
ASSOCIATION**

9.1 Mr. Simon Chee Sei Mun proposed:

"THAT, the Directors retiring by rotation pursuant to Article 86 of the Company's Articles of Association and eligible for re-election is Chin Kiang Ming."

9.2 Mr. Azman bin Amarasikin seconded the motion.

**10. RESOLUTION 4
TO RE-APPOINT DATUK ISMAIL BIN AWANG BESAR AS
DIRECTOR OF THE COMPANY**

10.1 Mr. Loh Boon Hon proposed:

"THAT, with the enforcement of Companies Act 2016, there is no more age limit for directors. This Resolution will enable the Datuk Ismail bin Awang Besar to continue in office and subject to retirement by rotation in accordance with the Company's Articles of Association."

10.2 Datuk Hj. Abu Bakar seconded the motion.

**11. RESOLUTION 5
TO RE-ELECT GEORGINA L. GEORGE WHO RETIRES BY
COMPULSORY RETIREMENT PURSUANT TO ARTICLE 93 OF THE
COMPANY'S ARTICLES OF ASSOCIATION**

11.1 Mr. Richard Kiob proposed:

"THAT, Georgina L. George was appointed on 27th January 2017 and offering herself for re-election under the Article 93 of the Company's Articles of Association."

11.2 Mr. Simon Chee Sei Mun seconded the motion.

**12. RESOLUTION 6
TO APPROVE FINAL TAX-EXEMPT DIVIDEND OF 4% (4 SEN
PER ORDINARY SHARES), IN RESPECT OF THE FINANCIAL
YEAR ENDED 31ST DECEMBER 2016**

12.1 It was noted that the entitlement date shall be fixed on 9th June 2017.

12.2 Mr. Phoon Kin Seng proposed:

"THAT, a final tax-exempt dividend of 4% (4 sen net per ordinary share) in respect of the financial year ended 31st December 2015, be and is hereby declared and approved to be paid on 30th June 2016."

12.3 Mr. Simon Chee Sei Mun seconded the motion.

**13. RESOLUTION 7
TO APPROVE PAYMENT OF DIRECTORS' FEES AMOUNTING TO
RM535,000.00 FOR THE FINANCIAL YEAR ENDING
31ST DECEMBER 2016**

13.1 Mr. Simon Chee Sei Mun proposed:

"THAT, the Directors' Fees of RM585,000.00 for the financial year ending 31st December 2015 be and is hereby approved."

13.2 Mr. Phoon Kin Seng seconded the motion.

**14. RESOLUTION 8
TO APPROVE PAYMENT OF THE DIRECTORS' REMUNERATION
(EXCLUDING DIRECTORS' FEES) TO THE NON-EXECUTIVE
DIRECTORS UP AN AMOUNT OF RM1 MILLION FROM 1ST
JANUARY 2017 UNTIL THE NEXT AGM**

14.1 It was noted that pursuant to Section 230(1) of the Companies Act 2016 provides amongst others that, "the Fees" of the directors of a company and subsidiaries shall be approved at the general meeting. The directors' remuneration (excluding directors' fees) comprises the allowances and other emoluments payable to the Non-Executive Directors in the company and subsidiaries.

14.2 Mr. Simon Chee Sei Mun proposed:

"THAT, payment of the Directors' remuneration (excluding Directors' fees) to the Non-Executive Director in the Company and Subsidiaries."

14.3 Mr. Sahid bin Hj. Nawab Khan seconded the motion.

**15. RESOLUTION 9
TO RE-APPOINT AUDITORS OF THE COMPANY AND TO
AUTHORISE THE DIRECTORS TO DETERMINE THEIR
REMUNERATION**

15.1 Mr. Phoon Kin Seng proposed:

"THAT, Messrs. Ernst & Young, Chartered Accountants be and is hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next AGM at a remuneration to be determined by the Directors."

15.2 Mr. Simon Chee Sei Mun seconded the motion.

**16. RESOLUTION 10
AUTHORITY TO THE DIRECTORS TO ALLOT AND ISSUE SHARES**

16.1 Datuk Hj. Abu Bakar proposed:

"THAT, pursuant to Section 75 and 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, until the conclusion of the next annual general meeting and 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 does not exceed ten per centum (10%) of the issued capital of the Company at the time of issue and **THAT** the Directors be and are and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued, subject to the Act, the Articles of Association of the Company and approval from the Bursa Malaysia Securities Berhad and other relevant bodies where such approval is necessary."

16.2 Mr. Simon Chee Sei Mun seconded the motion.

17. ANY OTHER BUSINESS

17.1 The Chairman informed that the Company had not received any notification of any other business to be transacted at the AGM.

18. POLL VOTING AND RESULTS

18.1 The Chairman proceed to the conduct of poll for all Resolutions by explaining the polling procedures. The Shareholders are reminded to collect their poll slips from the Poll Administrators. The Meeting adjourned to allow for poll voting and counting of votes.

18.2 The Chairman invited the Independent Scrutineer to announce the result of the votes. The Scrutineer read the polling results as follows:

RESOLUTION	VOTE FOR		VOTE AGAINST	
	NO. OF UNITS	%	NO. OF UNITS	%
<u>RESOLUTION 1</u> To re-elect Datuk Dr. Mohd. Yaakub bin Hj. Johari who is retire pursuant to Article 89 of the Company's Articles of Association	147,133,207	100	0	0
<u>RESOLUTION 2</u> To re-elect Hj. Muluk bin Samad who is retire pursuant to Article 89 of the Company's Articles of Association	147,133,207	100	0	0
<u>RESOLUTION 3</u> To re-elect Chin Kiang Ming who is retire pursuant to Article 89 of the Company's Articles of Association	146,980,207	99.9	153,000	0.1
<u>RESOLUTION 4</u> To re-appoint Datuk Ismail bin Awang Besar as Director of the Company	147,133,207	100	0	0

RESOLUTION	VOTE FOR		VOTE AGAINST	
	NO. OF UNITS	%	NO. OF UNITS	%
<u>RESOLUTION 5</u> To re-elect Georgina L. George who retires pursuant to Article 93 of the Company's Articles of Association	147,048,707	99.94	84,500	0.06
<u>RESOLUTION 6</u> To approve the final tax-exempt dividend of 4% (4 sen per ordinary share), in respect of the financial year ended 31 st December 2016	148,856,007	100	0	0
<u>RESOLUTION 7</u> To approve the payment of Directors' fees amounting RM535,000.00 for the financial year ended 31 st December 2016	148,792,804	99.99	5,700	0.01
<u>RESOLUTION 8</u> To approve the payment of the Directors' remuneration (excluding the Directors' fees)	148,598,304	99.86	200,200	0.14
<u>RESOLUTION 9</u> To re-appoint Auditors of the Company and to authorise the Directors to determine their remuneration	147,724,907	99.24	1,129,100	0.76

RESOLUTION	VOTE FOR		VOTE AGAINST	
	NO. OF UNITS	%	NO. OF UNITS	%
RESOLUTION 10 To authorise the Directors to allot and issue shares under Section 75 and Section 76 of the Companies Act 2016	146,962,357	98.73	1,893,600	1.37

18.3 Based on the poll results, the Chairman declared that all Resolutions in the Notice of Meeting are carried.

19. CONCLUSION

19.1 The Chairman recorded the Board's appreciation and gratitude to the Shareholders and Stakeholders in particular the State Government of Sabah, Federal Ministry of Transport Malaysia, State's Ministry of Infrastructure Development, the Ministry of Finance, the Federal Economic Planning Unit, Sabah State Economic Planning Unit, Sabah Ports Authority and Sabah Economic Development and Investment Authority and Jabatan Tanah & Ukur for their great support and assistance.

19.2 The Chairman declared the Meeting conclude at 1.19 p.m.

Confirmed as a Correct Record

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DATUK HJ. FAISYAL
DATUK YUSOF HAMDAIN DIEGO
Chairman

Date: