

Pos Malaysia Berhad Annual General Meeting 2012

MINUTES of the 20th Annual General Meeting of Pos Malaysia Berhad (“Pos Malaysia” or “Company”) held at Grand Mahkota Ballroom, Level BR, Istana Hotel, 73 Jalan Raja Chulan, 50200 Kuala Lumpur on Thursday, 9 August 2012 at 9.00 a.m.

PRESENT

YBhg Dato’ Sri Haji Mohd Khamil bin Jamil	Chairman
YBhg Dato’ Ibrahim Mahaludin bin Puteh	
YBhg Datuk Low Seng Kuan	
YBhg Dato’ Krishnan a/l Chinapan	
Dato’ Lukman bin Ibrahim	
Dato’ Wee Hoe Soon @ Gooi Hoe Soon	
Puan Eshah binti Meor Suleiman	
YBhg Dato’ Khalid bin Abdol Rahman	Group Chief Executive Officer

BY INVITATION

As per attendance list.

SHAREHOLDERS

As per attendance list.

PROXIES

As per attendance list.

IN ATTENDANCE

Dato’ Sabrina Albakri Abu Bakar	Company Secretary
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1. CHAIRMAN

YBhg Dato’ Sri Haji Mohd Khamil bin Jamil, the Chairman of the Board (“Dato’ Sri Chairman”) duly took the chair and convened the Meeting at 9.00 a.m.

2. QUORUM

Upon the confirmation by the Company Secretary that a quorum was present, Dato’ Sri Chairman called the Meeting to order.

Minutes of Pos Malaysia Berhad Annual General Meeting 2012



3. INTRODUCTION

Dato' Sri Chairman proceeded with the introduction of the members of the Board of Directors, the Group Chief Executive Officer and the Company Secretary who were present at the Meeting.

4. NOTICE

The Notice of the Meeting which was dispatched earlier to all the shareholders on 18 July 2012 and advertised in The New Straits Times and Utusan Malaysia on 18 July 2012, was taken as read.

5. PRESENTATIONS

YBhg Dato' Khalid bin Abdol Rahman ("**Dato' GCEO**") then proceeded with a presentation to the shareholders, highlighting inter alia the financial highlights, key events, performance and achievements of the Pos Malaysia Group for a 15-month period i.e. from 1 January 2011 to 31 March 2012 and the Company's prospects moving forward.

The list of questions from the Minority Shareholders Watchdog Group ("**MSWG**") vide letter dated 1 August 2012 and the Company's reply as contained in its letter dated 8 August 2012 were also projected to the shareholders for their noting.

6. TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The first agenda of the meeting was to receive the Audited Financial Statements for the financial period ended 31 March 2012 and the Reports of the Directors and Auditors thereon.

Dato' Sri Chairman then proceeded with the tabling of the Company's Audited Financial Statements for the financial period ended 31 March 2012 ("**2012 Audited Financial Statements**").

Before dealing with any question from the shareholders, Dato' Sri Chairman highlighted that according to the provisions of Section 169 (1) of the Companies Act 1965, the Company's Audited Financial Statements did not require any formal approval of the shareholders at the Meeting. As such, the agenda item was for discussion only and would not be put forward for voting.

The shareholders were then invited to raise any questions that they might have pertaining to the Company's 2012 Audited Financial Statements



Questions and/or comments that were raised by the shareholders/proxyholders during the Meeting are as stated herewith under **Attachment I** and they were duly answered by either Dato' Sri Chairman or Dato' GCEO.

Thereafter, Dato' Sri Chairman concluded the discussions on the Company's 2012 Audited Financial Statements.

7. ORDINARY RESOLUTION 1
FIRST AND FINAL DIVIDEND

Dato' Sri Chairman then proceeded with the motion to vote on the proposed Ordinary Resolution 1, which was to declare a first and final dividend of 17.5 sen per ordinary share less 25% tax for the financial period ended 31 March 2012.

Questions and/or comments that were raised by the shareholders/proxyholders during the Meeting are as stated herewith under **Attachment I** and they were duly answered by Dato' GCEO.

On the proposal of Dato' Sri Chairman and seconded by Mr. Wan Heng Wah, voting on the proposed Ordinary Resolution 1 was carried out by a show of hands. Upon voting, it was **RESOLVED** that a first and final dividend of 17.5 sen per ordinary share less 25% tax in respect of the financial period ended 31 March 2012 be declared.

8. ORDINARY RESOLUTION 2
RE-ELECTION OF DATUK LOW SENG KUAN AS DIRECTOR
PURSUANT TO ARTICLE 115 OF THE ARTICLES OF ASSOCIATION
OF THE COMPANY

The following motion was to re-elect Datuk Low Seng Kuan ("**Datuk Low**") as Director of the Company.

On the proposal of Dato' Sri Chairman and seconded by Mr. Phang Ah Kow, voting on the proposed Ordinary Resolution 2 was carried out by a show of hands. Upon voting, it was **RESOLVED** that Datuk Low, who was to retire pursuant to Article 115 of the Company's Articles of Association be re-elected as Director of the Company.

9. ORDINARY RESOLUTION 3
RE-ELECTION OF PUAN ESHAH BINTI MEOR SULEIMAN AS
DIRECTOR PURSUANT TO ARTICLE 115 OF THE ARTICLES OF
ASSOCIATION OF THE COMPANY

Dato' Sri Chairman thereafter proceeded with the motion to vote on the proposed Ordinary Resolution 3, which was to re-elect Puan Eshah binti Meor Suleiman ("**Puan Eshah**") as Director of the Company.



On the proposal of Mr. William Woon Peng Wah and seconded by Puan Roslina binti Ismail, voting on the proposed Ordinary Resolution 3 was carried out by a show of hands. Upon voting, it was **RESOLVED** that Puan Eshah, who was to retire pursuant to Article 115 of the Company's Articles of Association be re-elected as Director of the Company.

10. ORDINARY RESOLUTION 4
RE-ELECTION OF DATO' SRI HAJI MOHD KHAMIL BIN JAMIL AS
DIRECTOR PURSUANT TO ARTICLE 110 OF THE ARTICLES OF
ASSOCIATION OF THE COMPANY

The following motion was to re-elect Dato' Sri Haji Mohd Khamil bin Jamil ("**Dato' Sri Haji Mohd Khamil**") as Director of the Company.

*(At this juncture, YBhg Datuk Low Seng Kuan ("**Datuk Low**") took over the Chair from Dato' Sri Chairman to conduct the proceedings of the meeting).*

Datuk Low then proceeded with the motion to vote on the proposed Ordinary Resolution 4, which was to re-elect Dato' Sri Haji Mohd Khamil as Director of the Company.

On the proposal of Mr. Wan Heng Wah and seconded by Mr. Phang Ah Kow, voting on the proposed Ordinary Resolution 4 was carried out by a show of hands. Upon voting, it was **RESOLVED** that Dato' Sri Haji Mohd Khamil, who was to retire pursuant to Article 110 of the Company's Articles of Association be re-elected as Director of the Company.

(At this juncture, Datuk Low passed the Chair back to Dato' Sri Chairman).

11. ORDINARY RESOLUTION 5
RE-ELECTION OF DATO' LUKMAN BIN IBRAHIM AS DIRECTOR
PURSUANT TO ARTICLE 110 OF THE ARTICLES OF ASSOCIATION
OF THE COMPANY

Dato' Sri Chairman thereafter proceeded with the motion to vote on the proposed Ordinary Resolution 4, which was to re-elect Dato' Lukman bin Ibrahim ("**Dato' Lukman**") as Director of the Company.

On the proposal of Mr. William Woon Peng Wah and seconded by Mr. Wan Heng Wah, voting on the proposed Ordinary Resolution 5 was carried out by a show of hands. Upon voting, it was **RESOLVED** that Dato' Lukman, who was to retire pursuant to Article 110 of the Company's Articles of Association, be re-elected as Director of the Company.



12. ORDINARY RESOLUTION 6
APPOINTMENT OF MESSRS KPMG AS AUDITORS

Dato' Sri Chairman thereafter proceeded with the motion to vote on the proposed Ordinary Resolution 6, which was to re-appoint Messrs KPMG as Auditors of the Company for the ensuing year and authorise the Directors to fix their fees.

On the proposal of Mr. Ng Aik Pheng and seconded by Tuan Haji Abu Kassim bin Abu Bakar, voting on the proposed Ordinary Resolution 6 was carried out by a show of hands. Upon voting, it was **RESOLVED** that Messrs KPMG be re-appointed Auditors of the Company for the ensuing year and that the Directors be authorised to fix their remuneration.

13. ORDINARY RESOLUTION 7
DIRECTORS' FEES

Dato' Sri Chairman proceeded with the motion to vote on the proposed Ordinary Resolution 7, which was to approve the payment of Directors' Fees amounting to RM538,474.00 for the financial period ended 31 March 2012.

Questions and/or comments that were raised by the shareholders/proxyholders during the Meeting are as stated herewith under **Attachment I** and they were duly answered by Dato' Sri Chairman.

On the proposal Mr. Wan Heng Wah and seconded by Mr. Phang Ah Kow, voting on Ordinary Resolution 7 was carried out by a show of hands. Upon voting, it was **RESOLVED** as follows:-

"That the payment of the Directors' Fees of RM538,474.00 for the financial period ended 31 March 2012 be hereby approved."

14. ORDINARY RESOLUTION 8
INCREASE IN DIRECTORS' FEES

Dato' Sri Chairman thereafter proceeded with the motion to vote on the proposed Ordinary Resolution 8, which was to approve the following increase in the Directors' Fees with effect from 1 April 2012:-

- (i) Fees payable to each of the Non-Executive Directors (save for the Non-Executive Chairman) be increased from RM30,000.00 per annum to RM80,000.00 per annum; and
- (ii) Additional fees payable to the Chairman and each member of each of the Board Committees (save for the Audit Committee) amounting to RM8,000.00 per annum and RM6,000.00 per annum respectively.

Before the abovementioned motion was put for voting, Dato' Sri Chairman made the following clarification to the shareholders:-

- (a) The reason for the proposed increase in directors' fees is to commensurate the remuneration received by the Directors with the experience and responsibilities undertaken by the Directors.
- (b) The proposed revision of directors' fees is to compensate the Directors via higher payment of directors' fees in lieu of a reduced benefits-in-kind currently enjoyed by the Pos Malaysia Directors.

The benefits-in-kind earlier enjoyed by the directors which are no longer enjoyed are:-

- (i) insurance benefits (Personal Accidents, Group Term Life and Group Hospitalisation and Surgical);
 - (ii) dental and optical allowance (RM5,000 per annum);
 - (iii) equipment allowance (RM6,000 per annum); and
 - (iv) annual business development trips (approximately RM50,000 per annum).
- (c) The proposed increase in Directors' fees from RM30,000 to RM80,000 per annum excludes the Chairman of the Board because approval from the shareholders for the increase in Directors' fees for the Chairman amounting to RM120,000 per annum was obtained in year 2007.
 - (d) The proposed increase in Directors' fees to the Chairman and members of each of the Board Committees excludes the Audit Committee because approval from the shareholders for additional fees for the Chairman and members of the Audit Committee amounting to RM12,000 per annum was granted in year 2007. Further, at the last AGM, approval from the shareholders was also granted for the additional fees to the Chairman of the Audit Committee amounting to RM20,000 per annum.

Questions and/or comments that were raised by the shareholders/proxyholders during the Meeting are as stated herewith under **Attachment I** and they were duly answered by Dato' Sri Chairman and Datuk Low.

On the proposal of Tuan Haji Abu Kassim bin Abu Bakar and seconded by Mr. William Woon Peng Wah, voting on Ordinary Resolution 8 was carried out by a show of hands. Upon voting, it was **RESOLVED** as follows:-

"That the following increase in the Directors' Fees with effect from 1 April 2012 be hereby approved:-

- (i) Fees payable to each of the Non-Executive Directors (save for the Non-Executive Chairman) be increased from RM30,000.00 per annum to RM80,000.00 per annum; and



- (ii) Additional fees payable to the Chairman and each member of each of the Board Committees (save for the Audit Committee) amounting to RM8,000.00 per annum and RM6,000.00 per annum respectively.”

15. ORDINARY RESOLUTION 9
PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS

The following motion was to approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions.

(At this juncture, Datuk Low took over the Chair from Dato' Sri Chairman to conduct voting process of the motion in view that the resolution involved the interest of the direct and indirect major shareholders of Pos Malaysia namely, DRB-HICOM Berhad Group, YBhg Tan Sri Dato' Seri Syed Mokhtar Shah bin Syed Nor and Etika Strategi Sdn Bhd).

Datuk Low then proceeded with the motion to vote on the proposed Ordinary Resolution 9, which was to approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions (“RRPT”).

It was noted that the Proposed Shareholders' Mandate, if passed, would allow the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations, subject to the transactions being in the ordinary course of business and on 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.

Datuk Low informed that the rationale and benefits for the proposed RRPT can be found under Section 2.4 of Part A of the Circular to Shareholders dated 18 July 2012. Amongst the benefits are that the close working relationships with the Related Parties (as named in the Circular) will ensure timely delivery of the services required and ensure commitment and reliability of quality services for the Pos Malaysia Group in order to ensure smooth operation of the day-to-day business of the Pos Malaysia Group, as well as to fully realise the business synergies within the Group. In addition, part of the RRPT involve services provided by the Pos Malaysia Berhad Group to the Related Parties and these transactions will create business opportunities and revenue for the Pos Malaysia Group.

Datuk Low further informed that the Interested Directors, namely Dato' Sri Haji Mohd Khamil bin Jamil and Dato' Lukman bin Ibrahim had abstained from deliberation and voting at Board Meetings of Pos Malaysia on the resolution pertaining to the Proposed Shareholders' Mandate for RRPT. In addition, all the Interested Major Shareholders namely, DRB-HICOM Berhad, YBhg Tan Sri Dato' Seri Syed Mokhtar Shah bin Syed Nor and Etika Strategi Sdn Bhd and the Interested Director would abstain from voting on this resolution and had also undertaken to ensure that persons connected to them would abstain from voting.

On the proposal of Mr. Loke Kwok Kheong and seconded by Mr. Ng Aik Pheng, voting on Ordinary Resolution 9 was carried out by a show of hands. Upon voting, it was **RESOLVED** as follows:-

“THAT subject to the Companies Act, 1965 (“**the Act**”), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements (“**the Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), approval be and is hereby given to the Company and its subsidiaries (“**Pos Malaysia Group**”) to enter into any of the category of recurrent transactions of a revenue or trading nature as set out in Part A, Section 2.2.3 of the Company’s Circular to Shareholders dated 18 July 2012 with the related parties mentioned therein which are necessary for the Pos Malaysia Group’s day-to-day operations subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public; and
- (b) the shareholders’ mandate is subject to annual renewal and disclosure is made in the annual report of the Company of the aggregate value of transactions conducted pursuant to the shareholders’ mandate during the financial year.

AND THAT the Proposed Shareholders’ Mandate, if approved by shareholders at the forthcoming AGM, will be subject to annual renewal. In this respect, any authority conferred by the Proposed Shareholders’ Mandate, shall only continue to be in force until:

- (a) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall 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 earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution.”

(At this juncture, Datuk Low passed the Chair back to Dato’ Sri Chairman).

16. SPECIAL RESOLUTION I
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

Finally, Dato' Sri Chairman proceeded with the motion to vote on the proposed Special Resolution I, which was to approve the Proposed Amendments to the Articles of Association of the Company.

Questions and/or comments that were raised by the shareholders/proxyholders during the Meeting are as stated herewith under **Attachment I** and they were duly answered by Dato' Sri Chairman.

On the proposal of Mr. William Woon Peng Wah and seconded by Mr. Ng Aik Pheng, voting on Special Resolution I was carried out by a show of hands. Upon voting, it was **RESOLVED** as follows:-

“THAT the amendments to the Articles of Association of the Company as set out in Appendix A of Part B of the Circular to Shareholders dated 18 July 2012 be and is hereby approved and adopted AND THAT the Board of Directors be and is hereby authorised to give effect to the said amendments.”

17. CLOSE OF MEETING

Dato' Sri Chairman then confirmed that there was no other business of which due notice had been given to the Company. There being no other business which required the approval of the shareholders, the Meeting ended at 12.20 p.m. with a vote of thanks to Dato' Sri Chairman.

Recorded by:



Company Secretary

Confirmed by:



Chairman

POS MALAYSIA BERHAD
20th Annual General Meeting held on 9 August 2012
Questions Raised by Shareholders / Proxyholders

Name of Shareholder/ Proxyholder	Questions / Comments Raised	Reply from the Chairman / GCEO/Board
<p>Wan Heng Wah (shareholder)</p>	<p>Observed the Chairman's Statement and Group CEO's Report in respect of the following:-</p> <p>(a) Unlocking values (to re-develop properties) and monetising land bank at areas in Sabah and Sarawak, thus can enjoy rental income. Also, suggested to have more Pos Malaysia outlets at LCCT and KLIA areas for customers to do last minute payment of bills/purchase stamps.</p> <p>(b) Review of technology value where efficient delivery system is required in order to meet Service Level Agreement. Staff of Pos Malaysia should act in honesty during their performance of duties. Need to know Pos Malaysia plans so that can compete with market players such as DHL or Fedex.</p>	<p>Most of the land where post offices are built on do not belong to Pos Malaysia as they are owned by the Federal Land Commissioner (FLC) and there is a restriction on the usage of the land for postal activities only. Management also has been actively engaging with DRB-HICOM in respect of reviewing the right concept of development for various identified locations particularly the land areas which have potential.</p> <p>In addition, the Company has an extensive post office network of more than 700 branches in Malaysia. This may offer opportunities to monetise its assets, creating revenue sharing, profit sharing and commission on insurance.</p> <p>In terms of embracing technology, IT is the key enabler which facilitates Pos Malaysia to carry out the widespread services for example, insurance, road tax, bill payment, ASB, shared banking and Islamic pawn broking services. In addition, the Track and Trace services will be improved further so that it is efficient</p>

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	<p>(c) Utmost value assets – Noted that people are the most valuable assets for the Company and believes that Pos Malaysia is a talent-based organisation. Commented that there are not many Senior Management staff from Sabah/Sarawak.</p>	<p>in terms of service delivery. With the setting up of the Integrated Parcel Centre, it will lead to improved service delivery and operational efficiency i.e. one of the embedded areas in SCORE.</p> <p>The Company has good representation with some senior management from Sabah and Sarawak, for example, one of the senior management members from Sabah has recently retired from the Company. The Company is also currently moving towards diversifying its business and strengthen its operational efficiency as well as improving the quality of services with its staff strength comprising 9,000 postmen and 3,000 counter staff.</p>
<p>Phang Ah Kow (shareholder)</p>	<p>(a) The 2012 Annual Report is getting thicker and the font used in the Annual Report is lighter (small print). This may cause difficulty reading for elderly people.</p>	<p>The contents of the 2012 Annual Report have been improved in the sense that Management has taken the liberty to ensure that most of the contents that need to be reported were reported for the benefits of the shareholders of the Company. That was also the reason why the Group Chief Executive Officer of the Company had presented the snapshot of the performance of the Company at the beginning of the AGM for the benefit of the shareholders.</p> <p>Noted the comments of the small print of the Annual Report.</p>

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	<p>(b) Poslaju is not providing efficient services due to its failure to deliver to the addressees of its clients/customers. This will cause inconvenience to the customers to collect their parcels from the particular post office which has limited parking lots.</p> <p>(c) How much percentage contribution by PosLaju to Pos Malaysia for the financial period under review? Overall, the quality of services had improved during the financial period under review and looking forward for further improvement.</p>	<p>Pursuant to the Company's standard operating procedures, the couriers will ring the door bell at the addressee's home three to four times. He will then leave a card behind at the addressee's house for the addressee to collect the parcel at the nearest post office. Should there be any call from the customer concerned, the courier will re-deliver the parcel to the addressee.</p> <p>There are more than 100 local courier companies in Malaysia and Poslaju had contributed 25% to the local courier segment.</p> <p>For the financial period ended 31 March 2012, PosLaju had contributed 21% (RM310 million) of the total revenue of Pos Malaysia.</p> <p>Moving forward, Pos Malaysia will continuously improve any shortcomings and increase the quality of service to the rakyat.</p>
<p>Tn Haji Hermani bin Abdullah (proxyholder)</p>	<p>(a) Suggested to have 'doa' prior to the commencement of AGM.</p> <p>(b) Does Pos Malaysia pay 'zakat'?</p> <p>(c) Commented that Pos Malaysia logo was not prominent enough and should be on the front cover of the Annual Report.</p>	<p>Suggestion was duly noted.</p> <p>Pos Malaysia has made zakat payment amounting to approximately RM6 million last year.</p> <p>Suggestion was duly noted.</p>

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	<p>(d) What kind of plant was featured in the Annual Report and what is the message?</p>	<p>The plants in the Annual Report were to symbolise the theme "Unveiling the Next" which is to build a sustainable organisation through the 5-year plan (SCORE).</p>
<p>Lim Pin Yeong (proxyholder)</p>	<p>(a) In respect of the new business venture with Bank Muamalat Malaysia Berhad to undertake the Islamic pawn broking business (Ar-Rahnu), what is the risk for example the gold bar scandal involving the said bank and how to mitigate the risk?</p> <p>(b) In respect of the Directors' shareholding, it was observed that apart from the Chairman, no other Board members have shareholdings in Pos Malaysia. Does this mean that the rest of the Board members do not have confidence in Pos Malaysia?</p>	<p>As of yesterday, there was no report that showed that Bank Muamalat Malaysia Berhad was involved in the gold bar scandal. BMMB has the necessary experience in running the Islamic pawn broking business and this will enable Pos Malaysia to spread the risks of entering into a new business venture by leveraging on the strength and experience of BMMB. This will also allow the business to be carried out diligently and in an efficient manner as well as to improve the revenue of Pos Malaysia.</p> <p>The 57 shares held by the Chairman was in respect of the conversion of shares to Pos Malaysia during Phileo's time (prior to listing of Pos Malaysia) where he was allocated odd lot shares which could not be sold and hence, the shares have been carried forward under his name till to-date. The Board members of Pos Malaysia have full confidence in the Company's prospects and they are constructively and proactively fully engaged in providing comments and suggestions on any strategic related matters to the Management of Pos Malaysia.</p>

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	<p>(c) Why the retail business of Pos Malaysia was making losses?</p>	<p>The loss making retail business of Pos Malaysia was mainly due to cost allocation problem. Most of the loss making post office outlets are located in the rural areas. These outlets are required to be maintained as Pos Malaysia is required to fulfill its obligations in respect of service efficiency which has been imposed by the regulators. Nevertheless, Pos Malaysia has taken the effort to operate more efficiently in providing its services for example by using Pos-on-Wheels to serve the rural areas rather than through the opening of new physical outlets.</p>
<p>William Ng Aik Pheng (shareholder)</p>	<p>(a) Need to know how Pos Malaysia manage its customers complaints.</p> <p>(b) What kind of retail business is provided by Pos Malaysia?</p>	<p>The customer care centre with toll free line has provided single point of contact for all the complaints and queries received from the customers. To date, out of the total calls received, only 5% abandoned rate was recorded which was within an acceptable benchmark of global standards and Pos Malaysia strives to resolve all complaints received from the customers at the earliest possible stage.</p> <p>The retail business of Pos Malaysia is inclusive of payment services (bill payments through Pos Malaysia's channels), postal merchandise (interesting range of philatelic items and collectibles) and financial services (transferring money either domestically or internationally, perform banking activities, motor vehicles insurance, road tax renewal and unit trust); handling about more than 100 types of retailers as well as pawn broking business (Pos Ar-Rahnu).</p>

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<p>In addition, Pos Malaysia is working closely with the DRB-HICOM group of companies for delivery of motorcycle parts using Poslaju service.</p> <p>We are also moving towards opening post office outlets at shopping malls such KLCC and Carrefour to give the customers the best possible service.</p>		
<p>On behalf Pos Malaysia, the Chairman extended his appreciation to Tuan Haji Abu Kassim, who has retired from his service as a postman for the dedication and passion for his job during his tenure of service.</p> <p>Currently, the close working relationship between Management and employees and union allows the Company to meet the Company's goals and create a better working environment. Furthermore, the introduction of higher automation system can significantly help to relieve the staff burden of manual labour job.</p> <p>Pos Malaysia had entered into shared banking service partnership with Malayan Banking Berhad and RHB Bank Berhad in providing banking services and bringing greater convenience to the customers. In addition, Management is also looking forward to enter into business collaboration with these two banks to gain more benefits in terms of profit sharing from their insurance products or financial services products.</p>	<p>(a) Briefly shared his challenges and experience during his tenure of service as postman in Pos Malaysia (retired in 1999)</p> <p>(b) Need to know about postal bank services by Pos Malaysia.</p>	<p>Tuan Haji Abu Kassim bin Abu Bakar (proxyholder)</p>

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<p>William Ng Aik Pheng (shareholder)</p>	<p>(a) How much is the rental of the post office outlets?</p>	<p>The rental for the post office outlets is depending on the location i.e. for those located in the rural areas in Sabah and Sarawak, the rental is approximately RM600.00 per month. However, if the outlets are nearer to the town area, the rental is much higher i.e. approximately RM900 per month. As for the post office outlets that are located in Penang, the rental is significantly higher as it is located in the prime area.</p>
<p>Loke Kwok Kheong (shareholder)</p>	<p>(a) Is Pos Malaysia planning to exhaust the Section 108 tax credit by the deadline 31 December 2013?</p> <p>(b) Commented on the early commencement time of the AGM at 9.00 a.m. Suggested to change to 10.00 a.m. as per the Company's normal practice.</p>	<p>The utilisation of Section 108 tax credit shall depend on the profitability and the cash position of the Company, taking cognisance of the future capital requirements to finance business expansion and improvement of activities.</p> <p>Suggestion was duly noted and will be considered.</p>
<p>William Woon Peng Wah (proxyholder)</p>	<p>(a) How much retained profits are available for the dividend payout to shareholders?</p>	<p>The dividend payout ratio of 46.6% (net) for the financial period under review was based on the Company's dividend policy i.e. minimum 35% of normalised net profit after tax and was considered the highest rate compared to the previous years that the Company had proposed so far. It was highlighted that part of the retained profits has been reserved for future business developments and investment purpose; for example, investment in the area of Information Technology in order to compete with the Company's competitors in the market for e.g. DHL. Further, there</p>

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		<p>is also the implementation of the "Look and Feel" concept for the post office outlets in order to give a new image to the outlets by creating a one-stop solution centre as well as on maintenance and refurbishment of the buildings. This will ensure long term sustainable organic growth for the Company.</p>
<p>William Ng Aik Pheng (shareholder)</p>	<p>(a) Need clarification on the payment of Directors' fees.</p>	<p>The proposed payment of Directors' fees amounting to RM538,474.00 was for the 15-month period ended 31 March 2012 instead of 12 months. The Directors' fees payable are inclusive of fees payable to the two newly appointed Directors with effect from 1 July 2011 ie. Dato' Lukman bin Ibrahim and Dato' Sri Chairman as well as the five (5) Directors who had served on the Board but have since resigned during the financial period under review.</p> <p>The Directors' profile for the current Directors of Pos Malaysia could be referred at pages 64 to 70 in the Annual Report.</p>
<p>Loke Kwok Kheong (shareholder)</p>	<p>(a) Is it a good move for the increase in Directors' fee from RM30,000 to RM80,000 which represent triple increase in Directors' fee?</p>	<p>The reason for the proposed increase in directors' fees was to commensurate the remuneration received by the Directors with the experience and responsibilities undertaken by the Directors. Further, the proposed revision of directors' fees was to compensate the Directors via higher payment of Directors' fees in lieu of a reduced benefits-in-kind currently enjoyed by the Pos Malaysia Directors.</p>

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Dato' Sri Chairman commented that the proposed increase in directors' fees to RM80,000 was actually a reduction to the Directors' fees. Currently, if the previous Directors' fee approved was RM30,000 and the benefits-in-kind earlier enjoyed by the Pos Malaysia Directors totaling to RM60,000 per annum be added together, the total amount to be paid to Directors will be RM90,000 a year. As such, the proposed Directors' fee of RM80,000 per annum is lower by RM10,000 per annum (a pay cut for Directors). Further, the additional Directors appointed during last year has not resulted in the increase of Directors' fees as there are those who have left the Board because of change of shareholding.

(Comments by Datuk Low Seng Kuan)

The impression given by the shareholders when discussing this item was that the Directors were not carrying out their duties and responsibilities diligently and this was an unfair remark made on the Directors. The shareholders were then asked to consider these questions:-

- (a) Hasn't Pos Malaysia been paying yearly dividend with a minimum of 10% per ordinary share?
- (b) Has Pos Malaysia gone into serious debt borrowing?
- (c) Has Pos gone into serious crisis periods?
- (d) Is there any other public listed company that has given good return since the last 10 years? The share value of the Company has been increased by 600% since the last 10 years.

Attachment 1

		<p>Pos Malaysia is also considered one of the best companies to work for in Malaysia and working together with DRB-HICOM Group will fully realise the business synergies within the Group.</p>
<p>Peter Chia (shareholder)</p>	<p>(a) It was noted that the Directors' fee of RM30,000 per annum paid to the twelve directors have been approved for many years. The proposed increase in Directors' fee for each of the Non-Executive Directors to RM80,000 per annum through the reduction of benefit-in-kinds currently enjoyed by the Directors of Pos Malaysia is considered a reasonable and transparent move. Furthermore, the proposed increase in Directors' fee is to commensurate with the higher responsibility to be undertaken by the Non-Executive Directors in carrying out their duties and bearing the higher expectations of the relevant regulatory bodies and shareholders. In short, the Non-Executive Directors deserve the proposed increase in Directors' fee.</p>	<p>Comment was duly noted.</p>
<p>Wan Heng Wah (shareholder)</p>	<p>(a) Fully supported the motion in respect of the increase in Directors' fee as it was considered transparent under the new payment structure as the shareholders are aware of the net basis payment that the Directors will receive.</p>	<p>Comment was duly noted.</p>

Attachment I

<p>William Ng Aik Pheng (shareholder)</p>	<p>(a) Need clarification on the proposed amendments of the Company's Articles of Association pertaining to the deletion of the word "managing director".</p>	<p>The Company currently has a Group Chief Executive Officer ("GCEO") who does not sit on the Board of Pos Malaysia and he is responsible for the business and day-to-day operations of the Group. There is a clear separation of responsibility between the GCEO and the Non Executive Directors of the Company.</p> <p>The Articles of Association of the Company defines the position of managing director which include the executive director and CEO and this definition should be deleted in order to provide clarity that the position of a managing director is not synonymous to that of a CEO.</p>
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