



**MALAYSIA**

**MINUTES** of the 23<sup>rd</sup> Annual General Meeting (“AGM”) of Pos Malaysia Berhad (“Pos Malaysia” or “Company”) held at Mahkota Ballroom 2, BR Floor, Hotel Istana Kuala Lumpur, 73, Jalan Raja Chulan, 50200 Kuala Lumpur on Tuesday, 8 September 2015 at 9.00 a.m.

**PRESENT**

YBhg. Brig. Gen. (K) Tan Sri Dato’ Sri Haji Mohd Khamil bin Jamil - Chairman

YBhg. Dato’ Ibrahim Mahaludin bin Puteh

YBhg. Datuk Mohamed Razeek bin Md Hussain Maricar

YBhg. Datuk Puteh Rukiah binti Abd. Majid

YBhg. Dato’ Eshah binti Meor Suleiman

YBhg. Dato’ Ahmad Fuaad bin Mohd Kenali

Encik Abdul Hamid bin Sh. Mohamed

Mr. Lim Hwa Yu

Encik Azlan Shahrim – Covering Group Chief Executive Officer

**BY INVITATION**

As per attendance list

**SHAREHOLDERS**

As per attendance list

**PROXIES**

As per attendance list

**IN ATTENDANCE**

Dato’ Carol Chan Choy Lin – Company Secretary

The Twenty-Third (“23<sup>rd</sup>”) Annual General Meeting (“AGM”) of Pos Malaysia commenced with a welcoming remark by the emcee from the Group Communications Department of Pos Malaysia and followed by the National Anthem and the ‘Doa’ recital. The attendees also briefed on the safety and housekeeping reminder by the Security Officer from Hotel Istana.

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1. **CHAIRMAN**

The Chairman, YBhg. Brig. Gen. (K) Tan Sri Dato' Sri Haji Mohd Khamil bin Jamil ("**Tan Sri Chairman**") then presided as Chairman of the Meeting and welcomed all the shareholders and attendees present at the Meeting.

2. **INTRODUCTION**

Tan Sri Chairman introduced the members of the Board, the Covering Group Chief Executive Officer ("**Covering GCEO**") and the Company Secretary who were present at the Meeting to the attendees.

Tan Sri Chairman also introduced the Group Chief Financial Officer, Group Head, Corporate Services, Ms. Theresa Chong, representative of Messrs. KPMG ("the external auditors") and Encik Megat Abdul Munir, representative of Messrs Zain Megat & Murad ("the solicitors") who were also present at the Meeting to the attendees.

3. **QUORUM**

Upon confirming the presence of the requisite quorum, Tan Sri Chairman called the meeting to order at 9.00 a.m.

Tan Sri Chairman informed that the Covering GCEO would present a brief overview on the Group's performance and financial highlights for the financial year ended ("**FYE**") 31 March 2015.

He further informed that the Minority Shareholder Watchdog Group ("**MSWG**") had earlier raised some points of interest to the Company. The points raised by MSWG together with the Company's responses would be shared with the attendees after the brief overview of the Group's performance by the Covering GCEO.

The Covering GCEO was then invited to present the brief overview of the Group's performance and financial highlights for the FYE 31 March 2015.

**4. BRIEFING BY THE COVERING GCEO**

The Covering GCEO presented an overview of Pos Malaysia to the shareholders on inter alia, financial highlights and performance of the Pos Malaysia Group for the FYE 31 March 2015 and the Company's key growth initiatives going forward.

The list of questions from the MSWG vide letter dated 1 September 2015 and the Company's response was also projected to the shareholders for information.

**5. NOTICE**

Tan Sri Chairman continued with the meeting and with the consent of the shareholders, the notice convening the meeting having been circulated within the prescribed period was taken as read.

Tan Sri Chairman informed the members, corporate representatives and proxies present that they were welcomed to enquire on the Group's activities and prospects and share their expectations and concerns. He then briefed them of their right to speak at the meeting and vote on the resolutions set out in the Notice of 23<sup>rd</sup> AGM dated 17 August 2015, as follows:-

- (i) Only members or proxies appointed by members may vote on each of the resolutions.
- (ii) Voting at the Meeting should be by way of a show of hands unless a poll is demanded by any of the persons allowed under the Articles, before or on the declaration of the result of a show of hands;
- (iii) On a show of hands, every person present who is a member or a representative or proxy or attorney shall have one vote.

Before the meeting proceeded with the motions, Tan Sri Chairman placed on record that some shareholders had appointed him as their proxy and he would vote according to their instructions for each resolution.

**6. TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 AND THE REPORTS OF THE DIRECTORS AND INDEPENDENT AUDITORS THEREON**

The Audited Financial Statements for the FYE 31 March 2015 together with the Reports of Directors and Independent Auditors thereon were tabled to the meeting.

Tan Sri Chairman informed the shareholders that the Audited Financial Statements together with the Directors' and Independent Auditors' Reports do not require a formal approval of the shareholders as stipulated under Section 169(1) of the Companies Act, 1965. Thus, the Audited Financial Statements together with the Directors' and Independent Auditors' Reports would not be put forward for voting and is meant for discussion by shareholders only.

Tan Sri Chairman then invited questions from the floor.

A summary of the salient questions and/or comments that were raised by the shareholders/proxyholders during the Meeting and the response given by Tan Sri Chairman and/or Covering GCEO are as appended herewith under **Attachment 1**.

After all enquiries had been satisfactorily answered, Tan Sri Chairman concluded the discussion on the Audited Financial Statements and proceeded with the second agenda of the meeting.

**7. ORDINARY RESOLUTION 1**  
**FIRST AND FINAL SINGLE TIER DIVIDEND**

Tan Sri Chairman proposed that the recommendation of the Directors to declare a first and final single tier dividend of 13.1 sen per ordinary share in respect of the FYE 31 March 2015 as stated in the Directors' Report, be approved for payment on 7 October 2015 to the shareholders of the Company registered as at the close of business on 17 September 2015.

On the proposal of Tan Sri Chairman and seconded by Madam Loke Swan Yen, the following motion was put to the meeting for vote by show of hands and upon voting, the motion was unanimously declared as carried:-

"THAT a first and final single tier dividend of 13.1 sen per ordinary share in respect of the financial year ended 31 March 2015, be and is hereby approved for payment on 7 October 2015 to the shareholders of the Company registered as at the close of business on 17 September 2015."

Mr. Bhupinder Singh A/L Jeswant Singh, a shareholder, proposed that Pos Malaysia declares interim dividend which does not require shareholders' approval and payment could be made upon approval by the Board instead of final dividend which shareholders' approval would have to be sought at AGM and delay the payment. In addition, he proposed that Pos Malaysia declares interim dividend every quarter.

Tan Sri Chairman responded that the Board noted and would look into the proposal.

**8. ORDINARY RESOLUTION 2**

**RE-ELECTION OF YBHG. DATO' IBRAHIM MAHALUDIN BIN PUTEH AS DIRECTOR PURSUANT TO ARTICLE 115 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

Shareholders' approval was sought for the re-election of YBhg. Dato' Ibrahim Mahaludin bin Puteh ("Dato' Ibrahim") who retires from the Board by rotation and being eligible, has offered himself for re-election in accordance with Article 115 of the Company's Articles of Association. His profile was set out on page 53 of the Annual Report.

On the proposal of Mr. William Woon Peng Wah and seconded by Madam Loke Swan Yen, the following motion was put to the meeting for vote by show of hands and upon voting, the motion was declared carried by majority votes:-

“THAT YBhg. Dato’ Ibrahim Mahaludin bin Puteh, the Director retiring by rotation in accordance with Article 115 of the Articles of Association of the Company, be and is hereby re-elected to the Board.”

**9. ORDINARY RESOLUTION 3**

**RE-ELECTION OF YBHG. DATUK MOHAMED RAZEEL BIN MD HUSSAIN MARICAR AS DIRECTOR PURSUANT TO ARTICLE 115 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

Shareholders’ approval was sought for the re-election of YBhg. Datuk Mohamed Razeek bin Md Hussain Maricar who retires from the Board by rotation and being eligible, has offered himself for re-election in accordance with Article 115 of the Company’s Articles of Association. His profile was set out on page 54 of the Annual Report.

On the proposal of Madam Loke Swan Yen and seconded by Mr. William Woon Peng Wah, the following motion was put to the meeting for vote by show of hands and upon voting, the motion was declared carried by majority votes:-

“THAT YBhg. Datuk Mohamed Razeek bin Md Hussain Maricar, the Director retiring by rotation in accordance with Article 115 of the Articles of Association of the Company, be and is hereby re-elected to the Board.”

**10. ORDINARY RESOLUTION 4**

**RE-ELECTION OF ENCIK ABDUL HAMID BIN SH MOHAMED AS DIRECTOR PURSUANT TO ARTICLE 115 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

Shareholders’ approval was sought for the re-election of Encik Abdul Hamid bin Sh Mohamed who retires from the Board by rotation and being eligible, has offered himself for re-election in accordance with Article 115 of the Company’s Articles of Association. His profile was set out on page 58 of the Annual Report.

On the proposal of Mr. William Woon Peng Wah and seconded by Mr. Yee Wai Ling, the following motion was put to the meeting for vote by show of hands and upon voting, the motion was declared carried by majority votes:-

“THAT Encik Abdul Hamid bin Sh Mohamed, the Director retiring by rotation in accordance with Article 115 of the Articles of Association of the Company, be and is hereby re-elected to the Board.”

**11. ORDINARY RESOLUTION 5**

**RE-APPOINTMENT OF MESSRS KPMG AS AUDITORS**

Shareholders' approval was sought for the re-appointment of the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

Tan Sri Chairman proposed that Messrs KPMG, who have expressed their willingness to continue in office, be re-appointed Auditors of the Company, to hold office until the conclusion of the next AGM and that the Directors be authorised to fix their remuneration.

On the proposal of Tan Sri Chairman and seconded by Madam Loke Swan Yen, the following motion was put to the meeting for vote by show of hands and upon voting, the motion was unanimously declared carried:-

“THAT Messrs KPMG be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next annual general meeting and that the Directors be authorised to fix their remuneration.”

**12. ORDINARY RESOLUTION 6**

**PAYMENT OF DIRECTORS' FEES**

Shareholders' approval was sought for the payment of Directors' fees amounting to RM967,465.80 in respect of the financial year ended 31 March 2015.

At this juncture, Mr. William Woon Peng Wah, shareholder, proposed to increase the payment of Directors' Fees to RM1 million in view of the increase in revenue of Pos Malaysia. The Board members noted the proposal.

On the proposal of Mr. William Woon Peng Wah and seconded by Puan Madznah bte Jalil, the following motion was put to the meeting for vote by show of hands and upon voting, the motion was declared carried by majority votes:-

"That the payment of the Directors' Fees of RM967,465.80 in respect of the financial year ended 31 March 2015 be hereby approved."

### 13. ORDINARY RESOLUTION 7

#### **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR MANDATED RECURRENT RELATED PARTY TRANSACTIONS**

Tan Sri Chairman informed the shareholders that the proposed Ordinary Resolutions 7 and 8 were to approve the Proposed Renewal of Shareholders' Mandate for the Mandated Recurrent Related Party Transactions ("RRPTs") and the Proposed New Shareholders' Mandate for the New RRPTs.

Tan Sri Chairman informed that both the proposed Ordinary Resolutions 7 and 8 involved the interests of related parties namely DRB-HICOM Berhad ("DRB-HICOM") Group, YBhg. Tan Sri Dato' Seri Syed Mokhtar Shah bin Syed Nor and Etika Strategi Sdn Bhd ("Etika Strategi") as interested Major Shareholders, while Datuk Razeek, YBhg. Dato' Ahmad Fuaad bin Mohd Kenali and himself were the interested Directors in the transactions. In view thereof, Tan Sri Chairman invited Dato' Ibrahim who is the Senior Independent Director of the Company to take the Chair to conduct the proceedings for the aforesaid proposed Ordinary Resolutions.

*(At this juncture, Dato' Ibrahim took the Chair from Tan Sri Chairman and chaired the meeting.)*

Dato' Ibrahim then proceeded with the motion to vote on the proposed Ordinary Resolution 7, which was to approve the Proposed Renewal of Shareholders'



Mandate for the Mandated RRPTs as set out in Section 2.2.3 of the Circular to Shareholders dated 17 August 2015 (“Circular”).

It was noted that the Proposed Renewal of Shareholders’ Mandate for the Mandated RRPTs, if passed, would allow Pos Malaysia and/or its subsidiary companies to enter into the mandated RRPTs 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.

Dato’ Ibrahim informed that the rationale and benefits for the proposed RRPTs were as set out in Section 2.4 of the Circular. Amongst the benefits were that the close working relationships with the related parties (as named in the Circular) would ensure timely delivery of the services required and commitment and reliability of quality services for the Pos Malaysia Group in order to ensure smooth operations 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, some of the proposed RRPTs involve services provided by the Pos Malaysia Group to the related parties and these transactions would create business opportunities and revenue for the Pos Malaysia Group.

Dato’ Ibrahim further informed that the Interested Directors had abstained from deliberation and voting at Board Meetings of Pos Malaysia on the proposed resolution pertaining to the Proposed Renewal of Shareholders’ Mandate for the Mandated RRPTs. In addition, all the Interested Major Shareholders and the Interested Directors would abstain from voting on this proposed resolution and had also undertaken to ensure that persons connected to them would abstain from voting at the Meeting.

At this juncture, Dato’ Ibrahim reminded the persons connected to the Interested Major Shareholders and Interested Directors who were present in person or by proxy or by representative, to abstain and continue to abstain from all deliberations and voting on the proposed resolution.

Dato' Ibrahim thereafter invited questions from the shareholders and proxy holders but no question was raised by any shareholder or proxy holder.

On the proposal of Mr. William Woon Peng Wah and seconded by Mr. Thavarajan A/L Muthiah Pillai, the following motion was put to the meeting for vote by show of hands and upon voting, the motion was declared carried by majority votes:-

"THAT subject to the Companies Act, 1965 ("the Act"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the mandate for the Company and its subsidiaries ("**Pos Malaysia Group**") to enter into any of the mandated recurrent related party transactions of a revenue or trading nature as set out in Section 2.2.3 of the Company's Circular to Shareholders dated 17 August 2015 with the transacting related parties mentioned therein which are necessary for the Pos Malaysia Group's day-to-day operations, be hereby renewed 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 are not to the detriment of the minority shareholders of the Company; 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 where the aggregate value is equal to or exceeds the applicable prescribed threshold under Paragraph 10.09(1) of the Listing Requirements.

AND THAT the Proposed Renewal of Shareholders' Mandate will be subject to annual renewal and any authority conferred by the Proposed Renewal of Shareholders' Mandate, shall 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 of the Company 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 and with full power to assent to any conditions, modifications, revaluations, variations and/or amendments thereof in the best interest of the Company.”

#### **14. ORDINARY RESOLUTION 8**

##### **PROPOSED NEW SHAREHOLDERS’ MANDATE FOR NEW RECURRENT RELATED PARTY TRANSACTIONS**

Dato’ Ibrahim then proceeded with the motion to vote on the proposed Ordinary Resolution 8, which was to approve the Proposed New Shareholders’ Mandate for new RRPTs as set out in Section 2.2.3 of the Circular.

Dato’ Ibrahim informed the shareholders that similar to the case of the Proposed Renewal of Shareholders’ Mandate for the Mandated RRPTs, the rationale and benefits for the proposed new RRPTs were as stated in Section 2.4 of the Circular. The Interested Directors and/or Interested Major Shareholders in relation to the resolution were also the same as stated in Section 2.5 of the Circular.

The Interested Directors had also abstained from deliberation and voting at Board Meetings of Pos Malaysia on the proposed resolution pertaining to the Proposed New Shareholders’ Mandate for the New RRPTs. Similarly, all the Interested Major Shareholders and the Interested Directors would abstain from voting on the proposed resolution and had also undertaken to ensure that persons connected to them would abstain from voting at the Meeting.

At this juncture, Dato' Ibrahim reminded the persons connected to the Interested Major Shareholders and Interested Directors who were present in person or by proxy or by representative, to abstain and continue to abstain from all deliberations and voting on the proposed resolution.

Dato' Ibrahim thereafter invited questions from the shareholders and proxy holders but no question was raised by any shareholder or proxy holder.

On the proposal of Madam Loke Swan Yen and seconded by Puan Rohanah binti Mahmud, the following motion was put to the meeting for vote by show of hands and upon voting, the motion was declared carried by majority votes:-

"THAT subject to the Companies Act, 1965 ("**the Act**"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**Pos Malaysia Group**") to enter into any of the new recurrent related party transactions of a revenue or trading nature as set out in Section 2.2.3 of the Company's Circular to Shareholders dated 17 August 2015 with the transacting 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 are not to the detriment of the minority shareholders of the Company; 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 where the aggregate value is equal to or exceeds the applicable prescribed threshold under Paragraph 10.09(1) of the Listing Requirements.

AND THAT the Proposed New Shareholders' Mandate will be subject to annual renewal and any authority conferred by the Proposed New Shareholders' Mandate, shall 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 of the Company 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 and with full power to assent to any conditions, modifications, revaluations, variations and/or amendments thereof in the best interest of the Company.”

*(At this juncture, Dato' Ibrahim handed over the Chair back to Tan Sri Chairman).*

## **15. CLOSE OF MEETING**

Tan Sri Chairman then informed the shareholders 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 11.45 a.m.

Mr. William Woon Peng Wah proposed a vote of thanks to Tan Sri Chairman.

Confirmed by:



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**Chairman of the Meeting**

**POS MALAYSIA BERHAD  
23<sup>RD</sup> ANNUAL GENERAL MEETING HELD ON 8 SEPTEMBER 2015  
Questions Raised by Shareholders / Proxyholders**

Name of Shareholder/ Proxyholder	Questions / Comments Raised	Reply from the Chairman / GCEO
Mr. Wan Heng Wah (Shareholder)	<p>(i) Proposed to accelerate the process of mobile Apps currently undertaken by Pos Malaysia to increase the "Touch Points".</p> <p>(ii) Staff cost to revenue had increased to 52.5% in the current financial year ended 31 March 2015 from 40.5% in the preceding financial year ended 31 March 2014 due to the 700 over additional workforce recruited to meet the growth in courier, express and parcel ("CEP") business and e-Commerce. Has this been stabilised and was there any cap set for the staff cost? Would Pos Malaysia Management consider redeployment or transfer of staff and whether training would be provided to the staff to renew the traditional skill sets of the staff to manage the e-Commerce environment?</p>	<p>Tan Sri Chairman acknowledged the increasing cost in doing business affected the whole global market. Management had taken proactive steps to address the challenges and he invited the Covering Group Chief Executive Officer ("Covering GCEO") to brief on the initiatives taken or on-going to overcome the challenges.</p> <p>The Covering GCEO responded as follows:-</p> <p>(i) Pos Malaysia Berhad ("Pos Malaysia") would launch the E-Pos Laju mobile Apps for android and iPhone Operating System ("IOS") with additional improvement as Version 2 in October 2015.</p> <p>(ii) Staff cost would need to be capped. The increase in staff cost was partly due to the salary adjustment (i.e. 5% annual salary increment every 3 years and another 4%-5% salary adjustment) for non-executive staff under seven (7) Unions pursuant to the Collective Agreements. The major contributor to the increase in staff cost was due to the recruitment of additional 780 staff in view of the 25% growth of courier business. However, Pos Malaysia has less headcount for this financial year under review compared to previous years as new recruitment has been restricted and recruitment is</p>

**Attachment I**

		<p>only for replacement for critical positions only.</p> <p>(iii) As for redeployment or transfer of staff, it would not be a practicable measure to transfer staff from rural areas to the city. However, started from 1 March 2015, Pos Malaysia had initiated a redeployment of staff programme called Optimisation Pos Mel/Pos Laju Operations ("OPPO") whereby postmen were assigned to do sorting and deliver courier items for Pos Laju with service level availability given. Based on the feedback received from the nationwide roll-out of the programme, customers were happy with the programme.</p> <p>Tan Sri Chairman added that Pos Malaysia has always been in labour intensive business. Management had initiated e-Commerce for the last 2 years hoping to help on human capital requirement. However, investment of the innovative technology would involve capital investment which is unavoidable.</p>
<p>Mr. Raymond Soh (Shareholder)</p>	<p>(i) Proposed to start the Annual General Meeting ("AGM") at 10 a.m. next year due to heavy traffic at 9.00 a.m.</p> <p>(ii) Does Pos Malaysia intend to buy-back its own shares in this sluggish market condition?</p> <p>(iii) Commented on the poor postal services level in Kajang areas as letters were always delivered about 1 ½ months late or delivered to the wrong address. Reason given was due to short of staff.</p> <p>(iv) Noted that the postmen deliver mails twice everyday. Proposed for postmen to use trishaw with motor instead of motorbikes so that more mails could be carried so as to reduce the frequency of mail delivery by the postmen.</p>	<p>Tan Sri Chairman responded as follows:-</p> <p>(i) The Board would consider the request of having AGM at 10.00 a.m. next year. The rationale for holding AGM at 9.00 a.m. was to allow more time for interaction and questioning for the shareholders.</p> <p>(ii) The current global phenomenal was beyond the control of the Board of Directors. Pos Malaysia would need to be diligently and seriously look into implementing shares buyback exercise as it would cause shareholding dilution and would affect the level of the retained earnings of the Company which is reserved for future business expansion</p>

	<p>(v) Commented on the work attitude of the Post Masters of not going to work which has been going on for years. Pos Malaysia Management should hire quality and committed staff.</p> <p>(vi) Commented on the crowded post offices and slow in processing transactions at post offices due to short of staff. Back-end staff at post offices should help out the counter staff when post offices are crowded with customers.</p>	<p>purposes.</p> <p>(iii) 1 ½ months delay in mail delivery was not acceptable as there is service level agreement (“SLA”) imposed by the Malaysian Communications and Multimedia Commission (“MCMC”) to ensure effectiveness and efficiency of services by the postmen.</p> <p>The Covering GEO further shared that postal services is governed by the MCMC and there were certain standards set by MCMC i.e. speed and reliability standard since 2010 for enforcement from 2011 to 2015. Pos Malaysia failed in meeting the standards in 2011 but managed to meet the targets set by MCMC in years 2012 to 2014. The targets set keep increasing every year. There would be 15 minutes “market talk” with the postmen every morning to share with them the delivery SLA/targets, the regulatory requirements and Pos Malaysia Management’s expectations.</p> <p>In relation to staff attitude at work, Tan Sri Chairman took cognizance of the comment which the Board has the same concern. Management has taken actions and proactive steps to improve staff working attitude and performance. Management visits to post offices is also being undertaken to check on the operations at post offices.</p> <p>Tan Sri Chairman shared his observation on the delivery processes carried out by the postmen during his visit at Pusat PosLaju Cheras. He expressed his gratitude to the Management for the proactive efforts taken among others, the “morning market talk” is a measure taken to improve the performance of staff.</p>
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**Attachment I**

		<p>Tan Sri Chairman hoped the shareholders could bear with Pos Malaysia on some of the crowded area such as Melawati Post Office as the Management is trying their level best to ensure operational efficiency and effectiveness as well as convenience of customers to meet the customers' demands.</p>
<p>Mr. Muniandy A/L Krishnan (Shareholder)</p>	<p>(i) Commented that increasing the headcount for courier by an additional 780 staff at one go would affect the staff cost. It would be better if the recruitment is carried out as and when required. He also questioned whether the 780 staff have achieved performance optimisation.</p> <p>(ii) Irregular mails delivery i.e. receiving mails in bulk at one go and not daily.</p> <p>(iii) Noted Tan Sri Chairman's 71% attendance at Board of Directors' meetings during the financial year under review. He advised that being the Chairman of the Company should ensure full attendance of all the Board of Directors' meetings.</p> <p>(iv) Was there any plan to reward the shareholders in view of the positive reserves position of the Company.</p> <p>(v) What was the future plan for the dormant subsidiaries and its immediate value creation.</p> <p>(vi) Pos Malaysia should take necessary action to reduce the impairment since the borrowings was not high.</p> <p>(vii) Pos Malaysia should also look into social contribution in addition to high performance culture for the operations.</p> <p>(viii) Complaint on poor food serving system and Pos Malaysia should take necessary measures to improve</p>	<p>On behalf of the Board, Tan Sri Chairman apologised on the inconvenience caused by the poor food serving system in Hotel Istana. Pos Malaysia Management was not aware that the Coffee House was closed for renovation and had moved from the ground floor to the same floor behind the ballroom resulted in the open space became crowded. He ensure this inconvenience would not happen in future.</p> <p>Tan Sri Chairman further apologised on his absence for two (2) Board of Directors' meetings of the Company due to the following reasons:-</p> <p>(i) He was hospitalised for a minor operation; and</p> <p>(ii) He had to attend an urgent unscheduled business meeting in overseas last minute.</p> <p>He did not want to postpone the Board meetings as all the other Directors were able to attend. He added that the rest of the Board members were equally effective and efficient and the Senior Independent Director chaired the meetings during his absence.</p> <p>On social contribution, Tan Sri Chairman informed that Pos Malaysia has been actively involved in corporate social responsibility ("CSR") at rural and urban areas and CSR has been taken into account in the Annual Management Plan of Pos Malaysia to contribute back to the society.</p>

the same.

The Covering GCEO responded as follows:-

- (i) Pos Malaysia Management noted the suggestion to recruit staff in stages to avoid the sharp increase in staff cost. However, there was a need for Pos Malaysia to step up its performance to meet the increasing demand and business volume to avoid the risk of losing the customers.
- (ii) Pos Malaysia has constantly maintaining its dividend policy with payout ratio of 55% of the accumulated profit. Pos Malaysia has been declaring dividend of 13.1 sen per share every year.
- (ii) For impairment, Pos Malaysia had shown improvement in debts collection whereby the monthly debt collection was about RM14 million to RM20 million (debt collection for September 2015 was about RM49 million). The measures taken such as centralisation of debt collection unit (Revenue Assurance) and automation of collection processes in Group Finance had further improved the collection of receivables to reduce debts.
- (iii) For dormant companies such as Poslaju (M) Sdn Bhd was incorporated for use as a vehicle for purpose of corporatisation of Pos Laju in future. It was a common practice in the industry to maintain some dormant companies for contingency use in view of the low maintenance cost. However, Management is closing down these dormant companies from time to time when necessary.

**Attachment I**

		<p>(iv) He apologised for the poor food arrangement and would ensure that shareholders would be given due respect in food serving in the next AGM.</p> <p>On the utilisation of reserves, Tan Sri Chairman responded that apart from declaring a constant and decent dividend payout to the shareholders over the years and in view of the capital investment requirement for doing business, the reserves would be allocated for Pos Malaysia's future business development to make Pos Malaysia becomes a much more aggressive and dominant company in the market. Nevertheless, the Company would also share the "fruits" of development of Pos Malaysia with the shareholders in recognition of the loyalty of the shareholders to Pos Malaysia.</p> <p>In addition, Tan Sri Chairman also apologised on the irregular mails delivery in Semenyih area and requested Pos Malaysia Management to look into the matter to deliver mails on a regular and efficient basis.</p>
<p>Sivapathy A/L Krishnar (Shareholder)</p>	<p>(i) Complimented Pos Malaysia for the fast delivery of normal mails (i.e. 12 letters posted out of which 4 letters were received in 24 hours), cheap postages, courtesy of postmen when performing their duties and high efficiency of Pos Laju in delivering urgent letters to Singapore.</p> <p>(ii) Proposed to start the AGM at 10 a.m. next year.</p>	<p>Tan Sri Chairman noted the suggestions and thanked Mr. Sivapathy for his compliments and kind words to Pos Malaysia. He would ensure Pos Malaysia provides good services to customers.</p> <p>The Covering GCEO then introduced some of the Pos Malaysia Management to the floor:-</p> <ul style="list-style-type: none"> <li>(i) Encik Hasnul bin Haniff, Pos Mel</li> <li>(ii) Encik Bahaman Kamaruzzaman, Pos Niaga</li> <li>(iii) Encik Ahmad Najmi bin Mahfodz, Pos Laju</li> <li>(iv) Puan Adawiyah binti Jafar, Transshipment business</li> </ul>

**Attachment I**

		<p>(v) Encik Wan Mahadzer Isillah bin Wan Puteh, Revenue Assurance (vi) Encik Fikri bin Ahmad, Human Resources</p>
<p>Mr. William Woon Peng Wah (Shareholder)</p>	<p>He suspected that the decrease in revenue for ordinary mail services might be due to cheap postages. He suggested that Pos Malaysia should find a solution to increase the revenue such as by increasing the postage of ordinary mail of 60 sen slightly higher and improve the delivery service of ordinary mails, and provide mail delivery service during weekend.</p>	<p>Tan Sri Chairman thanked Mr. William Woon for the suggestions and the Management would consider the good points of the suggestions.</p>
<p>Madam Loke Swan Yen (Shareholder)</p>	<p>Thanked and expressed appreciation to Pos Malaysia on behalf of Persatuan Dialiasis Kurnia Petaling Jaya for the donation given by Pos Malaysia and hoped Pos Malaysia would continue to make donation to the charitable organisations.</p>	<p>Tan Sri Chairman responded that donation is part of the CSR of Pos Malaysia.</p>
<p>Madam Tan Suan Kiew (Proxyholder)</p>	<p>Complaint on the non-receipt of Proxy Form by the Share Registrar which was sent via registered mail at Paramount Garden and Jaya One.</p>	<p>Tan Sri Chairman apologised on the inconvenience caused and requested Encik Hasnul bin Haniff to look into the matter.</p>
<p>Mr. Tan Kim Khuat (Proxyholder)</p>	<p>(i) Compliant that he did not received letters for 1 month due to short of manpower and resulted in he has to collect the letters personally at the post office. He proposed that Pos Malaysia should look into addressing the manpower issue in the expanding area like Puchong Jaya due to increasing population to avoid delay of mails delivery besides looking at increasing revenue.  (ii) Several Annual Report Requisition Forms were posted 20 days ago but he has still yet to receive the hardcopy of the 2015 Annual Report.</p>	<p>Tan Sri Chairman apologised on the inconvenience caused. Tan Sri Chairman further explained that the Abridged 2015 Annual Report was sent to the shareholders and hardcopy of the same would be provided upon request. Tan Sri Chairman requested Management to ensure Mr. Tan gets a copy of the 2015 Annual Report. Tan Sri Chairman requested the Covering GCEO to address the operational issue as highlighted.  The Covering GCEO responded that he would look into the issues faced at Puchong Jaya and apologised for the non-receipt of hardcopy of 2015 Annual Report. He appealed to the other shareholders to see him or any staff of Pos Malaysia if they do not receive</p>

**Attachment I**

		the 2015 Annual Report.  At this juncture, YBhg. Datuk Mohamed Razeek bin Md Hussain Maricar went down from the stage and offered his copy of the 2015 Annual Report to Mr. Tan.
Madam Tanam A/P Markandu (Shareholder)	Suggested for Pos Malaysia to digitise the proxy form or accept the proxy form in digital form to address the problem of non-receipt or missing of proxy form by the Share Registrar.	The Covering GCEO informed that an Abridged 2015 Annual Report together with a CD-ROM were sent to the shareholders entitled to attend the AGM. Management would look into the suggestion to digitise the "notification" and "receipt" of proxy form.
Mr. Ho (Shareholder)	Sought clarification on the penalty imposed on Pos Malaysia amounting to RM1,613,534.79 due to underpayment of service tax.	The Covering GCEO explained that this was relating to Service tax of RM3.2 million imposed by the Royal Malaysian Customs ("Customs") on Pos Malaysia for a new Pos Laju product launched in year 2012. Pos Malaysia was under the impression that the said product was tax-exempted. The tax consultant had engaged with the Customs but was rejected and Pos Malaysia was directed by the Customs to pay the said Service Tax and also a maximum penalty of RM1.6 million being 50% of the Service Tax. Pos Malaysia Management was of the view that Customs should not impose a maximum penalty of RM1.6 million on Pos Malaysia as Pos Malaysia was not trying to evade tax. Hence, Pos Malaysia is currently appealing to the Customs for waiver or reduction of the penalty.
Mr. Lim Pin Yeong (Shareholder)	(i) Proposed to limit the door gifts/vouchers only for shareholders holding the minimum board lot i.e. 100 units and to provide packed food as a measure to cut cost and also to overcome the issue of food serving.  (ii) Enquired on the status of on-line road tax renewal at	(i) Tan Sri Chairman thanked and noted the suggestions and requested the Company Secretary to look into the matter.  (ii) The Covering GCEO informed that on-line road tax

## Attachment I

	<p>post offices.</p> <p>(iii) What is the universal standard/benchmark on staff cost to revenue ratio for postal services compared to Pos Malaysia's current staff cost to revenue ratio of 52.5%.</p> <p>(iv) Complaint on missing/lost of registered mail and registered mails for his tenant were sent to him.</p>	<p>renewal is still pending approval from Jabatan Pengangkutan Jalan Malaysia and the Ministry. More work and discussion would need to be carried out. He apologised for the delay and sought indulgence of the shareholders.</p> <p>(iii) The Covering GCEO explained that Pos Malaysia had tried obtaining the statistics on staff cost ratio from 192 other postal organisations for benchmarking. However, the statistics were unable to be obtained as different automation process level and business development level of every postal organisation; for example sorting process is almost 100% done manually in Pos Malaysia whereas postal organisation in developed countries are more dependent on automation instead of human capital.</p> <p>(iv) For missing/lost of registered mail, Encik Hasnul bin Haniff, Head of Pos Mel was requested to look into the matter.</p>
<p>Mr. Young See Ting (Shareholder)</p>	<p>Shared his bad experience and disappointment over mailing through registered mail which took 8 days to reach the addressee. He commented that the service of Pos Laju was better than registered mail.</p>	<p>Tan Sri Chairman apologised for the incident experienced and informed that Pos Malaysia would continue to improve its services at all branches of post offices including mailing services.</p>
<p>Mr. Bhupinder Singh A/L Jeswant Singh (Shareholder)</p>	<p>(i) Commented that there was no post office at Bukit Damansara even though the population there was high. Proposed to re-open a post office in Bukit Damansara in view of high demand of postal services in such area.</p> <p>(ii) Queried on the frequency of mails collection and delivery per day.</p> <p>(iii) Enquired on the progress of e-Commerce.</p>	<p>Tan Sri Chairman shared his experience when conducting post office visitation and informed that there is Standard Operating Procedures which require postmen to wait for 3 minutes when delivering the letters. He witnessed that some customers complained about postmen ringing the doorbell continuously. Nevertheless, Pos Malaysia would try to do its very best to serve the customers.</p>

**Attachment I**

<p>Madam Loke Swan Yen (Shareholder)</p>	<p>(iv) What are the action plans taken to mitigate the cost and increase the net profit of Pos Malaysia.</p> <p>(v) Complaint on the service level of postmen when deliver registered mails i.e. rang doorbell and left immediately.</p> <p>(vi) Expressed surprise over the delivery of Pos Malaysia 2015 Annual Reports by Nationwide instead of Pos Malaysia.</p> <p>(i) Concurred with the suggestion made by Mr. Bhupinder Singh A/L Jeswant Singh to open at least a post office in Bukit Damansara as there are pensioners residing there.</p>	<p>The Covering GCEO responded as follows:-</p> <p>(i) Pos Malaysia has to close down the post office in Bukit Damansara due to property development activities there. However, there are four post offices located nearby Bukit Damansara at Bangsar, Damansara Jaya, Ikano and One Utama.</p> <p>(ii) Mails collection and delivery is carried out only once as being practiced by other countries increase in the frequency of collection and delivery of mails would require increase in staff and cost.</p> <p>(iii) Pos Malaysia is in the midst of negotiating with the big players in the market on e-Commerce.</p> <p>(iv) Starting from the new financial year, Pos Malaysia is aimed at cutting cost and enhancing the revenue through various higher margin products instead of dependent on over the counter products. Pos Malaysia Management would also review the work processes so that the efficiency and effectiveness of the processes could be further enhanced as a measure to mitigate cost.</p> <p>Tan Sri Chairman further responded that Pos Malaysia would consider putting a mobile post office to serve Bukit Damansara area in the interim, while looking at a suitable premise within Bukit Damansara to set up a post office.</p>
<p>Mr. William Ng (Shareholder)</p>	<p>(i) Proposed for Pos Malaysia to acquire property in Damansara for investment purposes in view of Pos</p>	<p>Tan Sri Chairman thanked Mr. William for his suggestions and feedback on Pos Malaysia.</p>

**Attachment I**

	<p>Malaysia has a good earnings curve.</p> <p>(ii) Highlighted on the long queue in Taman Tun's post office.</p> <p>(iii) Commented on the confusing/misleading road names at Petaling Jaya area which cause difficulty to postmen when delivering mails and it might be the cause of missing mails. Suggested for Pos Malaysia to approach the relevant authority to address the confusing/misleading road names.</p> <p>(iv) Enquired on the staff allocation at post offices during low, medium and peak season.</p>	<p>The Covering GCEO responded as follows:-</p> <p>(i) Queue Management System has been implemented in most of the post offices to resolve long queue issue which is seasonal. There were also Post Automated Machines ("PAM") placed at some post offices to address long queue issue.</p> <p>(ii) A pool of clerks would help out the front counter attending the customers during peak period. Apart from that, PAM would be gradually increased in numbers and customers were encouraged to use the machine for buying stamps and carrying out other transactions. Staff are also educated to be more customer centric whereby counter with low amount of transaction would be opened up to serve other customers so as to address the queue issue.</p> <p>(iii) Pos Malaysia intends to propose to the Authority of Housing Estate to name the road using less number to avoid confusion. However, Pos Malaysia could only propose the aforesaid to the Local Council at the execution stage of new housing estate for new housing development.</p> <p>(iv) For postcode, Pos Malaysia would need to do a thorough study before making any recommendation to the Authority as it involves major changes and many areas would be affected.</p>
<p>Mr. Lim Jit Hai (Shareholder)</p>	<p>Proposed on having automated stamps vending machine to address the long queue issue.</p>	<p>Tan Sri Chairman informed that Pos Malaysia had ventured into PAM and PAM are located at some post offices at East Malaysia. However, Management</p>



**Attachment I**

		would look into increasing the PAM throughout Malaysia from time to time.
Madam Heng (Shareholder)	Proposed for Pos Malaysia to give cash voucher which can be used to redeem Pos Malaysia's stamps or courier service or shopping voucher to shop at the reputable supermarket.	Tan Sri Chairman responded that the proposal would be taken into consideration for next year's AGM.