

**PACIFIC & ORIENT BERHAD**  
Registration no. 199401022687 (308366-H)  
(Incorporated in Malaysia)

**SUMMARY OF KEY MATTERS DISCUSSED AT THE 27TH ANNUAL GENERAL MEETING (“AGM” OR THE “MEETING”) OF THE COMPANY HELD ON A FULLY VIRTUAL BASIS AT THE BROADCAST VENUE, 17TH FLOOR, NO. 10, WISMA BUMI RAYA, JALAN RAJA LAUT, 50350 KUALA LUMPUR ON WEDNESDAY, 10TH MARCH 2021 AT 10.30 A.M.**

**PRESENT:                    BOARD OF DIRECTORS**

Mr. Chan Hua Eng	–	Chairman of the Company ^
Mr. Chan Thye Seng	–	Group Managing Director & Chief Executive Officer ^
Tunku Dato’ Mu’tamir bin Tunku Tan Sri Mohamed	–	Director & Shareholder *
Mr. Michael Yee Kim Shing	–	Director & Shareholder *
Dato’ Dr. Zaha Rina binti Zahari	–	Director & Shareholder ^
Ong Seng Pheow	–	Director *
Mr. Lim Hing Yoong	–	Head of Finance ^
Mr. Brandon Bruce Sta Maria	–	External Auditors, Ernst & Young *
Mr. Eu-Rick Khoo	–	External Auditors, Ernst & Young *

**SHAREHOLDERS:** As per online attendance list  
**PROXIES/GUESTS**

**IN ATTENDANCE:** Mr. Yong Kim Fatt                    –                    Secretary ^

*Notes :*

*^ Attend in person at the Broadcast Venue*

*\* Participated via online live streaming*

## **1. CHAIRMAN'S ADDRESS**

The Chairman welcomed the Directors and shareholders attending the 27<sup>th</sup> Annual General Meeting held on a fully virtual basis and thereupon briefed the shareholders on the procedures to be followed at the Meeting.

The Chairman informed that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), all resolutions set out in the notice of any general meeting were to be voted upon by poll. Accordingly, all the Nine (9) resolutions as set out in the Notice of 27th Annual General Meeting would be put to vote by poll through the Remote Participation Voting facilities.

The Chairman further informed that in compliance with the Listing Requirements, the Company had appointed Mega Corporate Services Sdn Bhd as the Poll Administrator to conduct the polling process, and Cygnus IT Solutions PLT as the Scrutineer to verify and validate the poll results. The polling process for the resolutions would be conducted upon completion of deliberation of all items to be transacted at the Meeting.

The Chairman informed the shareholders to proceed to vote remotely on the resolutions until he announced that the voting session is closed. He proceeded to call the virtual 27th Annual General Meeting in order.

## **2. THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 AND THE REPORTS OF THE DIRECTORS AND AUDITORS**

The Chairman declared that the Audited Financial Statements for the financial year ended 30 September 2020 together with the Reports of the Directors and Auditors as set out on pages 60 to 220 of the Annual Report 2020 as received and duly tabled at the Meeting.

## **3. RESOLUTION 1 DIRECTORS' FEES PAYABLE TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY UP TO AN AMOUNT OF RM600,000 FROM THE DAY AFTER THE 27TH ANNUAL GENERAL MEETING UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY**

Pursuant to Section 230 of the Companies Act 2016, the fees of the Directors payable to the Directors shall be approved at a general meeting.

The Directors' fees payable to the Non-Executive Directors of the Company up to an amount of RM600,000 from the day after the 27<sup>th</sup> AGM until the next AGM was approved by the shareholders.

No matter was raised by the shareholders of the Company on this agenda.

**4. RESOLUTION 2  
DIRECTORS' BENEFITS AND MEETING ALLOWANCE PAYABLE TO THE  
NON-EXECUTIVE DIRECTORS OF THE COMPANY UP TO AN AMOUNT  
OF RM100,000 FROM THE DAY AFTER THE 27<sup>TH</sup> AGM UNTIL THE NEXT  
AGM OF THE COMPANY**

Pursuant to Section 230 of the Companies Act 2016, any benefits payable to the Directors shall be approved at a general meeting.

The Directors' benefits and meeting allowance payable to the Non-Executive Directors of the Company up to an amount of RM100,000 from the day after the 27<sup>th</sup> AGM until the next AGM of the Company was approved by the shareholders.

No matter was raised by the shareholders of the Company on this agenda.

**5. RESOLUTION 3  
RE-ELECTION OF MR. CHAN HUA ENG WHO RETIRES IN ACCORDANCE  
WITH THE COMPANY'S CONSTITUTION**

The re-election of Mr. Chan Hua Eng as Director of the Company, who retires pursuant to Article 77 of the Company's Constitution was approved by the shareholders.

No matter was raised by the shareholders of the Company on this agenda.

**6. RESOLUTION 4  
RE-ELECTION OF DATO' DR. ZAHA RINA BINTI ZAHARI WHO RETIRES  
IN ACCORDANCE WITH THE COMPANY'S CONSTITUTION**

The re-election of Dato' Dr. Zaha Rina binti Zahari as Director of the Company, who retires pursuant to Article 77 of the Company's Constitution was approved by the shareholders.

No matter was raised by the shareholders of the Company on this agenda.

**7. RESOLUTION 5  
RE-APPOINTMENT OF MESSRS ERNST & YOUNG PLT AS AUDITORS  
AND TO AUTHORISE THE BOARD OF DIRECTORS TO FIX THEIR  
REMUNERATION**

The re-appointment of Messrs Ernst & Young PLT as Auditors of the Company on a remuneration to be determined by the Board of Directors of the Company was approved by the shareholders of the Company.

No matter was raised by the shareholders of the Company on this agenda.

**8. RESOLUTION 6  
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS  
75 AND 76 OF THE COMPANIES ACT, 2016**

The Chairman explained to the shareholders present that the abovementioned resolution, if passed, would allow the Company to procure the renewal of the general mandate which would give authority to the Directors of the Company, from the date of the AGM, to issue and allot shares in the Company up to and not exceeding in total twenty percent (20%) of the issued shares of the Company for the time being, for such purposes as they considered would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, would expire at the conclusion of the next AGM of the Company. The renewed general mandate would provide flexibility to the Company for any possible fund raising activities, including but not limited to shares placement, funding future investment, working capital and/or acquisition.

No matter was raised by the shareholders of the Company on this agenda.

**9. RESOLUTION 7  
PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY THE  
COMPANY OF ITS OWN SHARES**

The Chairman explained to the Meeting the purpose of the resolution. The resolution, if passed, would empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the issued shares of the Company by utilising the funds allocated which should not exceed the total retained earnings and share premium of the Company. This authority, unless revoked or varied at a general meeting, would expire at the conclusion of the next AGM of the Company.

The proposed renewal of authority for the purchase by the Company of its own shares was approved by the shareholders.

No matter was raised by the shareholders of the Company on this agenda.

## 10. RESOLUTIONS 8 AND 9 RETENTION OF INDEPENDENT DIRECTORS

The retention of the following Directors as Independent Directors of the Company were approved by the shareholders :

- (i) Mr. Michael Yee Kim Shing
- (ii) Tunku Dato' Mu'tamir bin Tunku Tan Sri Mohamed

No matter was raised by the shareholders of the Company on this agenda.

## 11. QUESTIONS & ANSWERS

Mr. Chan Thye Seng, the Managing Director and the Chief Executive Officer of the Company had responded to questions received from the shareholders. The Questions & Answers were set out in Appendix I as attached.

All questions received from the shareholders would be posted on the Company's website as soon as possible after the Meeting.

## 12. POLLING PROCESS

The Chairman reminded the shareholders who had yet to cast their votes to submit their votes via the Remote Participation Voting facilities as the voting session would end shortly. After 4 minutes, the Chairman announced that the online voting session for the Meeting was closed and adjourned the meeting for the scrutineers to validate the poll results.

## 13. POLL RESULTS

The Chairman called the Meeting to order for the declaration of the poll results and declared that all the resolutions tabled at the 27th AGM were carried :

Resolutions	No. of Shareholders	Vote in Favour		No. of Shareholders	Vote Against		Results
		No. of Shares	%		No. of Shares	%	
<b><u>Resolution 1</u></b>							
To approve Directors' fees	81	171,420,229	99.9890	9	18,903	0.0110	carried

<b>Resolutions</b>	<b>No. of Shareholders</b>	<b>Vote in Favour</b>		<b>No. of Shareholders</b>	<b>Vote Against</b>		<b>Results</b>
<b><u>Resolution 2</u></b>  To approve Directors' benefits and Meeting Allowance	77	171,414,644	99.9857	13	24,488	0.0143	carried
<b><u>Resolution 3</u></b>  To re-elect Chan Hua Eng as Director	84	171,100,248	99.9957	5	7,320	0.0043	carried
<b><u>Resolution 4</u></b>  To re-elect Dato' Dr. Zaha Rina binti Zahari	81	170,431,736	99.9957	7	7,330	0.0043	carried
<b><u>Resolution 5</u></b>  To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration	86	171,432,123	99.9959	4	7,009	0.0041	carried
<b><u>Resolution 6</u></b>  Authority under Sections 75 and 76 of the Companies Act 2016 to allot and issue shares	82	171,414,340	99.9855	8	24,792	0.0145	carried
<b><u>Resolution 7</u></b>  Proposed Renewal of Authority for the Purchase by the Company of its Own Shares	87	171,432,083	99.9959	3	7,049	0.0041	carried

Resolutions	Two-Tier Voting	No. of Shareholders	Vote in Favour		No. of Shareholders	Vote Against		Results
			No. of Shares	%		No. of Shares	%	
<b>Resolution 8</b>  To retain Mr. Michael Yee Kim Shing as Independent Director	Tier 1 – Large Shareholders	19	166,801,752	100.0000	0	0	0.0000	Carried
	Tier 2 – Other Shareholders	63	4,340,465	98.5787	6	62,582	1.4213	
<b>Resolution 9</b>  To retain Tunku Dato' Mu'tamir bin Tunku Tan Sri Mohamed as Independent Director	Tier 1 – Large Shareholders	19	166,801,752	100.0000	0	0	0.0000	Carried
	Tier 2 – Other Shareholders	60	4,340,405	98.5773	9	62,642	1.4227	

#### 14. **CONCLUSION**

There being no further queries from the shareholders, the Meeting concluded at 11.30 a.m. with a vote of thanks to the Chair.

**(i) Question From Shareholder**

How does Covid-19 affect the Group's performance?

**Company Response**

Covid-19 has since March 2020 affected the Group performance primarily because with the lockdowns our insurance agents were not able to go out to do business.

Covid-19 has continued to affect the Group performance but this has been mitigated by the initiative of the insurance subsidiary to push towards online distribution - where customers can buy their insurance via the insurance subsidiary's website ([www.poi2u.com](http://www.poi2u.com)).

There will be an impact on the business as currently we are not able to properly interact with other parts of the Group. The US and the UK have been in lockdown and a lot our investments are affected because of this but the Board feels that the business prospects for 2021 are probably better than 2020.

**(ii) Question From Shareholder**

What is the dividend policy of the Company? Will the Company still able to declare dividend?

**Company Response**

The Company has paid dividends throughout the years and expects to continue to do so in the future.

**(iii) Question From Shareholder**

What is the strategy in the coming 12 months?

**Company Response**

The Board is on a path of realising gains of the Group investments throughout the world – the Group is concentrating primarily on completion of the building project in Miami and on creating value from its investments in start-ups such as Hiringboss Holdings Pte. Ltd., Silicon Markets Ltd. and from Acumentive Ltd.



**(iv) Question From Shareholder**

What are the plans for Ancom Bhd shares?

**Company Response**

The Group's investments in Ancom Berhad over the last 6 months has done very well and it is part of the same broader investment plan that the Group has which is to create as much value on its investments.

**(v) Question From Shareholder**

Any impact of de-tariffication on the insurance business?

**Company Response**

The insurance subsidiary has been operating under de-tariffication for the last four-and-a-half years.

The de-tariffication can be considered "Work-In-Progress" as it keeps being amended and changed to meet the requirements of the market. One example of our response was the launch of a product called "PrOmilej" in April 2020. PrOmilej is basically an insurance plan which allows customers to buy discounted insurance if they drive less than 5,000km, 10,000km or 15,000km respectively.

The insurance subsidiary is in the process of modifying the product to make it more market friendly as part of the push of the insurance subsidiary towards 'B2C' – ie to allow customers to buy insurance online as Covid-19 has affected a lot of the insurance agents who are not able to operate as freely as before.

**(vi) Question From Shareholder**

Questions for General Insurance division:

1. Kindly breakdown the composition of the revenue of general insurance division.
2. What is the competitive edge of the company compared to others?
3. What is the growth potential and which area will it be from?

**Company Response**

The composition of the insurance division is basically 70% motor and 30% non-motor because the division does fairly large non motor businesses like the professional indemnity scheme for the Malaysian Bar Council.

The insurance subsidiary has the ability to compete in the current insurance market environment because it has an online portal (poi2u.com) which allows customers the ability to purchase their insurance online.

The insurance subsidiary also has launched a new product (PrOmilej) which provides discounted insurance to customers who drives their cars for 5,000km, 10,000 km, or 15,000km. This is a new product in Malaysia but not in Europe and America who have been running mileage-based insurance for many years. The Board is taking this mileage-based insurance scheme to Malaysia to change the direction of the market.

The growth potential of the insurance division is expected to be realised from the combination of sales through existing agents as well as through online distribution channels and creation of new products, e.g. PrOmilej.

**(vii) Question From Shareholder**

Questions for Money lending division:

1. What kind of loans are we offering?
2. Who is our customer or target market for money lending?
3. Does a reduction in the OPR lower our cost of funds and interest income?
4. What is the net impact when interest rate reduce or increase?
5. What is the distribution channel?

**Company Response**

The Group does not do ordinary loans in its money lending division. The Group only targets certain customers with specific loan requirements and interest is charged based on the level of risk involved.

The money lending division is basically a “high risk” lender and the Group is careful about who it lends money to.

The Group has in the last fewer years given 3 loans which have all been paid back. The Group is not a money lender as is generally understood in the Malaysian context nor is our business model in any way similar to a crowd funder.

**(viii) Question From Shareholder**

Questions for IT division:

1. IT division has been loss making for few years, what is the nature of the business of this division?
2. What is the outlook for this division?
3. Does our board have any plan to divest the IT business?

**Company Response**

The IT division is mainly to service the insurance subsidiary and there are reasons why it looks like it is loss making. What the IT division brings to the Group is the creation of all our businesses online and to have the ability to diversify and flexibility to make some of the systems cloud-based.

**(ix) Question From Shareholder**

1. Does our company have any plan to diversify?
2. What are the measures being taken to enhance shareholder value other than dividend?

**Company Response**

We have already diversified over the last few years and these are at various stages of development i.e. awaiting sale or investments from third parties to take the investments further forward in terms of value. The Group has investments in wind power, asset tracking systems, security systems, data protection systems as well as human resource systems. These are some of the measures taken to enhance shareholder value but they take time to develop.

**(x) Question From Shareholder**

How is your online sales going to impact and co-exist with your in-person agent in the long term?

**Company Response**

The Group's PrOmilej insurance plan is only available through an online portal - in other words, one either has to be a digital agent or a direct customer to purchase this insurance plan.

PrOmilej only applies to motorcar insurance and it does not affect the motorcycle market.

The Group's main form of business for the last 7 years has been in the motorcycle market and not the motorcar market and thus it will not affect the agents and in fact the agents can co-exist with the Group's PrOmilej market.

Also, with the Group's digital online platform, agents are now able to reduce their cost of doing business because the online sales platform works on the smart phone, on a laptop or on a tablet. Agents do not need to have an office to meet with their customers as they can meet face-to-face with their customers via the said online sales platform.

**(xi) Question From Shareholder**

Is it possible for other insurance players to enter the market for motor insurance products based on mileage?

**Company Response**

It is possible but they have to apply to Bank Negara Malaysia first.