

DELIVERING A
BETTER
TOMORROW
TOGETHER



Delivering National Connectivity

Bridging Communities, Businesses and Opportunities

Pos Malaysia continues to play a vital role in connecting Malaysians across the nation. Through its nationwide network and evolving logistics capabilities, the Group ensures reliable delivery services that support businesses, communities and economic participation.



Group Corporate Profile

Pos Malaysia's rich and incredible history started in the 1800s, and has always been about connecting Malaysians and Malaysia's businesses for a better tomorrow. In line with our purpose and mandate to deliver the universal service obligation, the Group has evolved from being a mail business that also delivers parcels into an end-to-end parcel-focused logistics provider that also delivers mail, expanding its offerings across Retail, Logistics, Aviation and Digital services.

Pos Malaysia's unrivalled network of over 3,000 touchpoints enables it to connect Malaysians nationwide and internationally, with an exceptional and unparalleled reach covering more than 11 million addresses throughout Malaysia.

Market Capitalisation

RM0.24 billion

Revenue

RM1.84 billion

Our Purpose Statement

We are passionate about building trust to connect lives and businesses for a better tomorrow



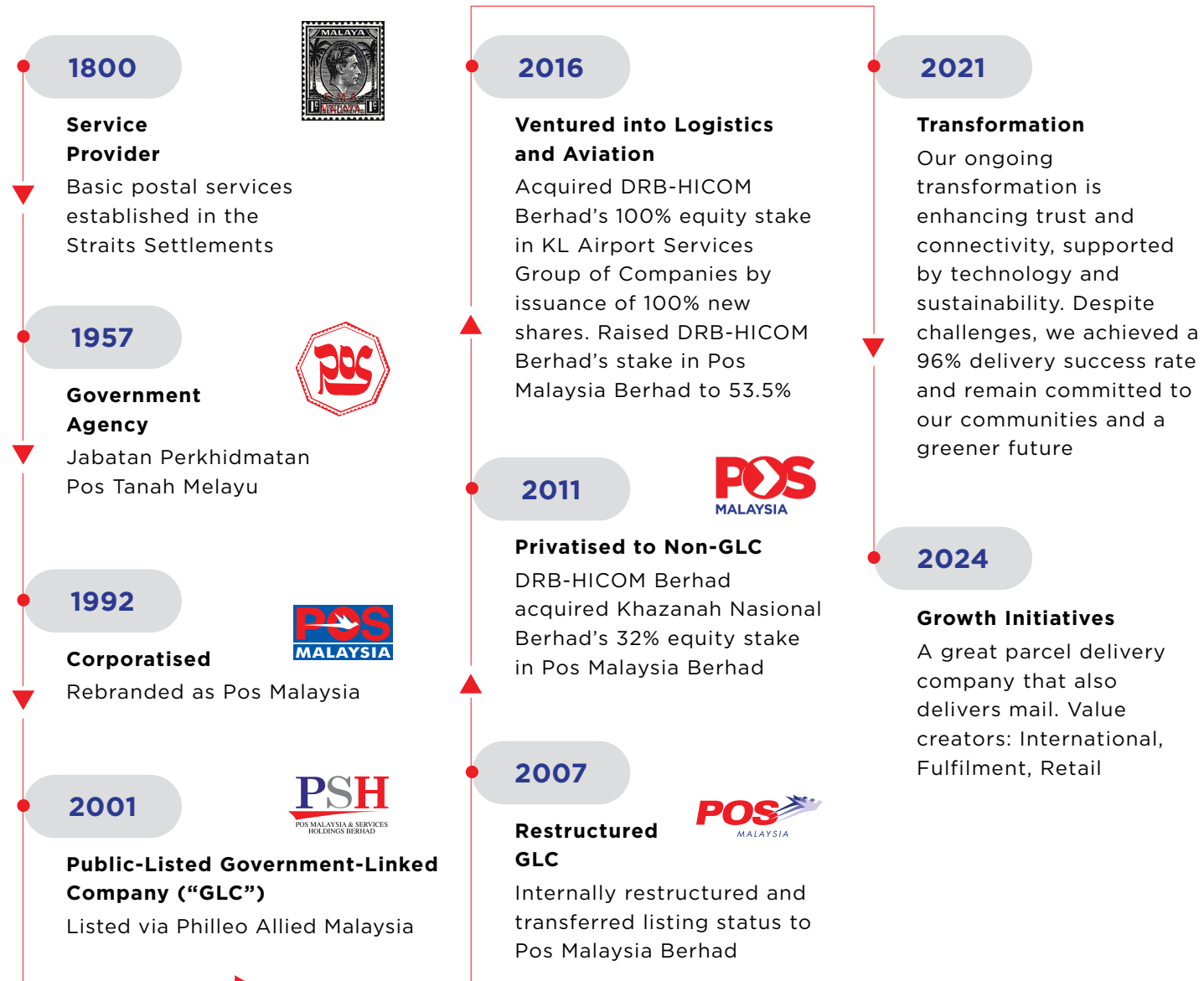
Group Corporate Profile

Our Customer Promise

- We Deliver**
- We Connect**
- We Improve Lives**

Our Values

- Own It**
We take ownership to achieve a great outcome.
- Drive Innovation**
We challenge the way we do things to create better solutions.
- Build Trust**
We win mutual trust with fairness and integrity, always.
- Move Fast**
We learn, simplify, adapt and act quickly.
- One Team**
We work together with others to achieve great results.
- Delight Customers**
We make our customers happy.



Our Businesses

Our Businesses

Postal

Revenue **56.6%**

RM1,041.48
million

- Domestic mail and parcel
- International mail and parcel
- Retail services, including bill payment, licence renewal and insurance
- Redly Pos Malaysia International; Global logistic services

Aviation

Revenue **20.9%**

RM383.81
million

- Ground handling
- Cargo handling
- In-flight catering
- Aircraft maintenance

Logistics

Revenue **11.8%**

RM216.52
million

- Air freight
- Ocean freight
- Road freight
- Rail freight
- Warehousing; Industrial and Supply Chain Project Management

Others

Revenue **10.7%**

RM197.40
million

- Pos Ar-Rahnu; Islamic Pawn Broking and Gold Trading Services
- Pos Digicert; Digital Certificate Solutions
- Datapos; Mailing Solutions

Our Presence

Our Delivery Network

- 3,225** Bikes
- 1,252** e-Bikes
- 1,379** Vans
- 279** e-Vans
- 123** Prime Movers
- 258** Lorries
- 2** Bulk Carrier Vessels
- 8** Mail Processing Centres
- 2** Integrated Parcel Centres
- 93** Parcel Distribution Centres

Our Extensive Touchpoints

- 614** General Post Offices & Post Offices
- 98** Pos Automated Machines
- 34** Pos Laju Branches & Kiosks
- 1,434** Pos Agents
- 139** Pos Mini Outlets
- 481** Community Postmen
- 213** Representatives
- 50** Pos Shop Outlets

Proudly serving Malaysians for more than 200 years
We deliver across the nation, connecting every address in Malaysia.

2025 Key Highlights

Non-Financial Highlights

- 269 million** Mail items delivered
- 32.8 million** Parcels delivered
- Total addresses served >11 million**
- 3,292,305 km** EV distance travelled (equivalent to 82 times around the planet)
- 481** Community Postmen and 213 Community Postal Agents (including Peninsular, Sabah, Sarawak)
- 8,114 GJ** Clean solar energy generated
- 92%** Next-day parcel delivery performance
- 95%** On-time mail delivery performance
- 91%** Delivery Performance: - Reliability (MCMC 2023-2024 survey)
- Pos Logistics**
- 14** Ocean voyages completed by the bulk vessels
- 40,685** TEUs container throughput carried by PLB in 2025 (TEUs: Twenty Foot Equivalent Units)
- Pos Aviation**
- 29,564** Flights handled
- 5.4 million** In-flight catering meals served

Financial Highlights

- Revenue**
RM1.84 billion
- Revenue Per Employee**
RM113,720
- Net Tangible Assets Per Share**
RM0.01
- Total Assets**
RM1.95 billion
- Total Shareholders Equity**
RM82.49 million
- Gearing Ratio**
5.90
* (Total borrowings + Total lease liabilities)/Total Equity
- Revenue by Segment**
- Postal**
RM1,041.48 million
56.6%
- Logistics**
RM216.52 million
11.8%
- Aviation**
RM383.81 million
20.9%
- Other Businesses**
RM197.40 million
10.7%

Awards and Achievements



Sustainability

- 1 Energy Asia Awards 2025**
 - Eureka Award
- 2 Sustainability & CSR Malaysia Awards 2025**
 - Company of the Year (Postal Services): Community Empowerment & Care Award
 - Company of the Year: Long-Standing Excellence Award
- 3 MIHAS Services Innovation & Sustainability Award 2025**
- 4 The Edge ESG Awards 2025 (Gold)**
 - Transportation & Logistics: Based on FTSE Russell rating

- 5 National Energy Awards 2025**
 - Energy Management (Small and Medium Building) for Mail Delivery Centres in Bandar Baru Bangi and Seri Kembangan (Winner)
 - Energy Management (Large Building) for National Mail Centre in Shah Alam (1st Runner-Up)
 - Energy Management (Small & Medium Building) for Pusat Pos Laju Kapar (Merit)

- 6 ASEAN Energy Awards (AEA) 2025**
 - Energy Management in Buildings and Industries (Small and Medium Building) for Mail Delivery Centres in Bandar Baru Bangi and Seri Kembangan (Winner)
 - Energy Management in Buildings and Industries (Large Building) for Pusat Mel Nasional (1st Runner-Up)

- 7 UNGCMYB ESG Select List 2025**
 - ESG Breakthrough Innovation, ESG Trailblazer, Future-Fit & Responsible Workforce and The North Star ESG Target Setting (4-Star Lister)
- 8 FemForward Award 2025**
 - Women Excellence in Sustainability Land Transport: Fiona Liao

Human Resources

- 9 Graduates' Choice of Employers to Work For!**
 - #1 in Courier Services (3rd Consecutive Year)
 - #4 in Warehousing
- 10 Employee Experience Awards 2025 Malaysia**
 - Most Innovative Leadership Development Programme (Gold)
 - Best HR Digital Transformation Strategy (Silver)
 - Best Use of Technology to Enhance Employee Engagement (Silver)
- 11 Human Resources Excellence Awards 2025**
 - Excellence in Digital Transformation (Silver)
 - Excellence in HR Communication Strategy (Silver)
 - Best HR Team GLC (Silver)

Occupational Safety & Health

- 12 43rd Malaysian Society of Occupational Safety & Health (MSOSH) Award 2025**
 - Gold Merit Award (Excellent OSH Performance): Pusat Poslaju Petaling Jaya, Selangor
 - Gold Class 1 (Very Good OSH Performance): DC Kepala Batas, Pulau Pinang
 - Silver Class Award (Good OSH Performance): Pusat Serahan Kuala Terengganu, Terengganu
 - Silver Class Award (Good OSH Performance): Pusat Serahan Mel Kuching A & B, Sarawak
 - MSOSH President Award (Excellent Employee): Presiden UPUS Sarawak, Tuan Haji Rasdi Ahmad bin Mohamad
- 13 Transport Expo Asia (TXA) 2025**
 - Anugerah Sokongan Keselamatan Perjalanan Selamat: Majikan Terbaik

UPU

- 14 Asian-Pacific Postal Union (APPU)**
 - Innovation Awards 2025
- 15 Universal Postal Union (UPU)**
 - International Express Mail Service (EMS) Award: Gold

Strategy and Transformation

What We Are Focusing on

We embarked on a business transformation plan in August 2021, and are now accelerating Phase 4



Fix the Basics

Service improvements

Cost reductions

Phase 1

Growth Initiatives

- Cultural transformation
- Operational excellence
- Restructured customer journey
- Digitalisation
- Growth and quality

Phase 2

Transform the Core

- **A great parcel delivery company that also delivers mail**
- **Value creators: International, Fulfilment, Retail**

Phase 3

Delivering a Better Tomorrow



The best people, service, great customer experience and a renewed business model, delivering a significantly better bottom line.

Phase 4



Continuing to transform the core



Delivering a profitable and sustainable future

4

Focus Areas

Optimising growth initiatives



Gearing for a better tomorrow



OUR COMPETITIVE STRENGTHS



Our People

Pos Malaysia's performance is driven by our dedicated Pos Wiras, whose unwavering commitment is reflected in a robust employee engagement rate of 76%, demonstrating strong levels of trust and connection across the workforce. We have further advanced diversity and deepened inclusivity throughout the organisation, with female representation in leadership roles increasing significantly from 38% to 49%. Most importantly, our ongoing emphasis on safety has resulted in sustained and accelerated improvements from 0.61 in 2024 to 0.57 in 2025 across the company, strengthening our overall organisational culture.



Our Network

Pos Malaysia boasts an extensive network comprising more than 3,000 touchpoints across the country, including over 640 post offices and Pos Laju branches, collectively forming one of Malaysia's broadest retail networks and complementing its already broadest delivery network. Leveraging this reach, Pos Malaysia successfully delivers 269 million letters and more than 32.8 million parcels each year, efficiently serving over 11 million addresses nationwide. This robust infrastructure ensures reliable and comprehensive coverage, meeting the diverse needs of our customers throughout Malaysia.



Our Service

In 2025, Pos Malaysia surpassed its service targets across several key performance indicators, demonstrating notable improvements in operational reliability and customer satisfaction. Parcel next-day on-time delivery reached an impressive 92%, underscoring our commitment to efficient and timely logistics. Mail on-time delivery attained a high level of 95%, reflecting consistent standards in traditional postal services.

Moreover, the retail Net Promoter Score ("NPS") rose to 97.6, highlighting significant advancements in customer experience and service quality. These results collectively showcase Pos Malaysia's dedication to delivering dependable services and prioritising customer needs, solidifying its reputation as a leader in the sector.

Corporate Structure

as at 31 December 2025



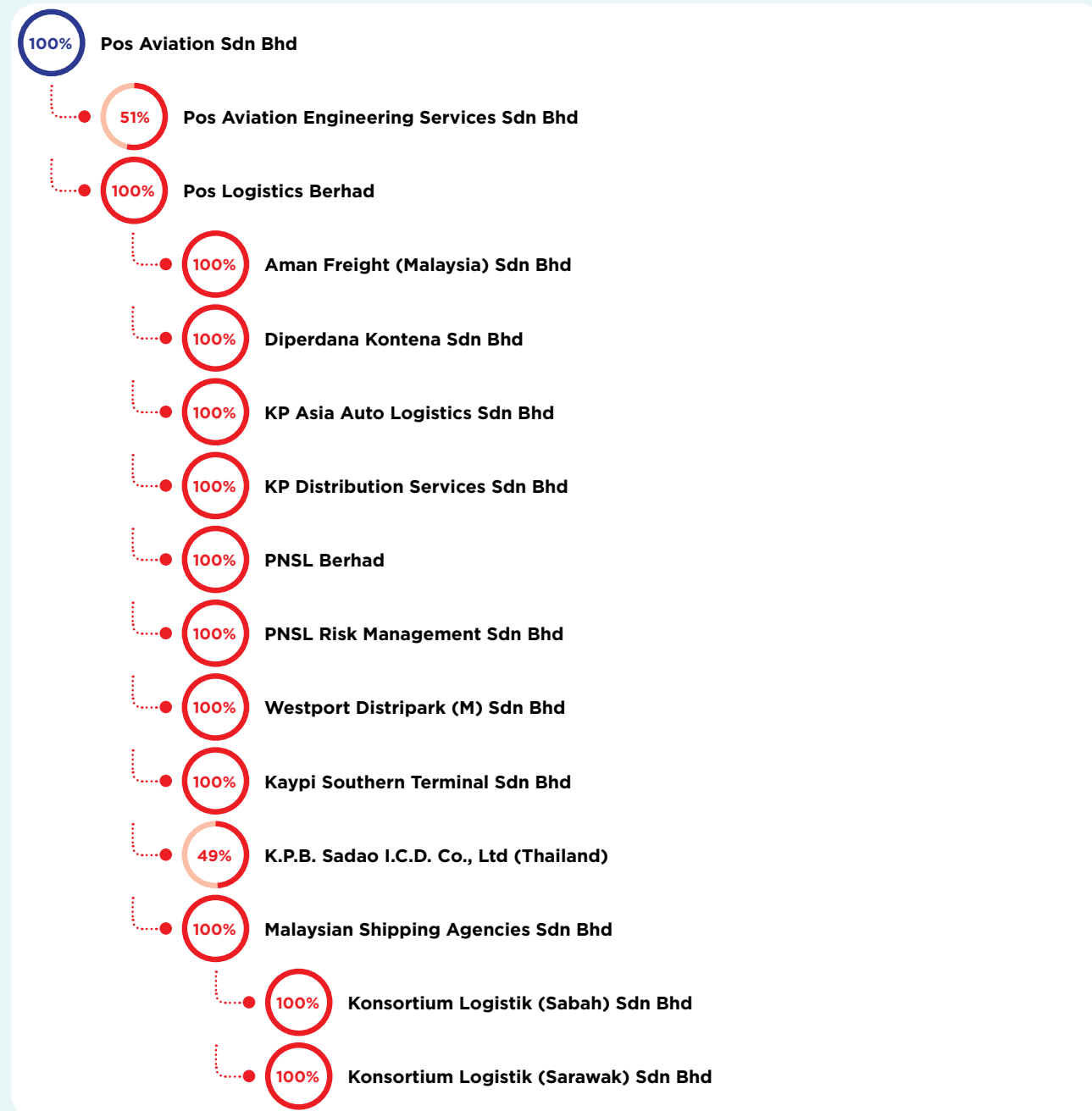
POSTAL GROUP



Corporate Structure

as at 31 December 2025

AVIATION & LOGISTICS GROUP



ASSOCIATES OF POS AVIATION SDN BHD



Strategic Leadership

Guiding Transformation in a Changing Industry

Amid structural shifts in the postal and logistics landscape, Pos Malaysia's leadership remains focused on disciplined execution, regulatory engagement and long-term transformation to strengthen resilience and sustain its national mandate.



Chairman's Statement



Chairman's Statement

Dear Shareholders,

2025 was a demanding year for Pos Malaysia, amid continued structural changes across the postal and logistics sector. Declining mail volumes, shifting consumer behaviour and intensified competition in the parcel segment reinforced the need for disciplined execution and ongoing regulatory engagement. Throughout the year, the Group focused on strengthening its financial resilience while progressing its transformation agenda.

Economic Landscape

Malaysia's economy expanded by 4.9% in 2025 (2024: 5.1%), driven by domestic demand, tourism activity and festive spending, while targeted assistance and subsidies helped preserve purchasing power among lower-income households. Inflation moderated during the year, although cost-of-living pressures continued to influence consumer spending.

Against this backdrop, the postal and logistics sector faced strong headwinds. Traditional mail volumes declined further as digital channels replaced physical mail and retail footfall softened. At the same time, competition in the parcel segment intensified, placing persistent pressure on pricing and margins despite continued growth in e-commerce volumes.

These pressures were influenced by predatory pricing, "masking" practices by large e-commerce platforms and the expansion of in-house logistics capabilities by major e-commerce players. This created uneven competitive dynamics, particularly for operators with Universal Service

Obligation ("USO") responsibilities, highlighting the importance of regular regulatory engagement to address structural imbalances within the sector.

Industry Engagement and Regulatory Progress

Long-term viability in the postal and logistics sector depends on a level playing field and regulatory settings that reflect market realities. The Group regularly engaged with the Malaysian Communications and Multimedia Commission ("MCMC"), the Association of Malaysian Express Carriers ("AMEC") and the Malaysia Competition Commission ("MyCC") to address structural imbalances, advocate for conditions that promote fair competition and strengthen industry governance.

These engagements focused on addressing anti-competitive practices, improving transparency throughout the value chain and driving regulatory reforms necessary to ensure the long-term viability of the postal and parcel ecosystem. Throughout the year, we maintained focus on the need for transformation and regulatory reform to sustain Pos Malaysia's operating model and fulfil its national mandate.



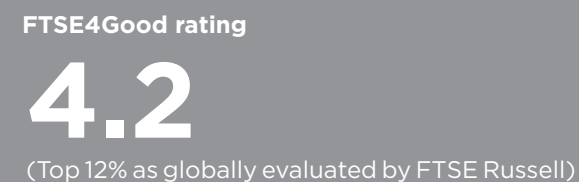
Sustainability

Pos Malaysia strengthened its commitment to safety, environmental impact and workforce practices that affect long-term performance. Despite ongoing efforts to enhance safety standards, the Group recorded one work-related fatality during the year. This demonstrated the need for ongoing focus on safety practices, clearer accountability and disciplined risk management throughout the organisation, especially within high-intensity delivery activities.

Across the network, the Group's environmental actions were embedded within daily operations. In 2025, Pos Malaysia expanded its electric vehicle ("EV") fleet to 1,252 e-bikes and 279 e-vans, the largest EV fleet in Malaysia's logistics sector, reducing last-mile emissions and avoiding 579.63 tCO₂e of emissions. This enabled approximately 10.8 million kilometres of coverage with lower environmental impact. In addition, more than 2,200 e-bikes, trucks and vans are now equipped with telematics systems to monitor vehicle movement and driver behaviour, helping to reduce idle time, lower emissions and improve safety outcomes.

Energy efficiency improved during the year through the wider adoption of renewable energy within the Group's facilities. Solar installations across 18 buildings contributed to a more stable energy consumption, generating 3.6 GWh of renewable energy and delivering RM766,000 in energy savings.

Largest EV fleet in Malaysia's logistics sector



Group Chief Executive Officer’s Statement

Group Chief Executive Officer’s Statement

Dear Shareholders,

2025 was a year of disciplined progress as Pos Malaysia continued its transformation journey in a challenging operating landscape. As a purpose-driven national institution, we remained steadfast in our commitment to serving every corner of Malaysia while reshaping our business to respond more effectively to evolving customer expectations and structural shifts across the postal and logistics sectors.



OUR PERFORMANCE IN 2025

The year unfolded in a demanding environment marked by continued structural mail decline, intense parcel competition and persistent cost pressures. Despite these headwinds, we focused on stabilising performance, strengthening service reliability and advancing the key enablers of our transformation agenda.

Our Postal Segment delivered revenue of RM1,041.48 million, a 1% increase from 2024, supported primarily by stronger contributions from the courier and retail businesses. Parcel volumes grew 9% year on year, driven by deeper partnerships with major e-commerce platforms and market share gains. Throughout the year, we intensified network optimisation efforts to reduce end-to-end delivery costs while reinforcing our service differentiation.

We also made meaningful improvements in customer experience. Mail service reliability reached 95%, while parcel service levels improved to 92%, driven by stronger network execution, tighter operational controls and greater consistency across the delivery ecosystem.

Postal Revenue

RM1,041.48

million

Pos Aviation Revenue

RM383.81

million

Pos Logistics Revenue

RM216.52

million

Pos Aviation delivered revenue of RM383.81 million and Profit Before Tax (“PBT”) of RM20.29 million, supported by increased in-flight catering and higher ground-handling volumes at key stations. Pos Logistics reported revenue of RM216.52 million, supported by contribution in the automotive, general (commodity) and marine segments.

The Other Segments recorded revenue of RM197.40 million, with growth driven by digital certificates and higher printing and insertion volumes from major clients. Within this segment, Pos Ar-Rahnu registered revenue of RM120.31 million following the rationalisation of

unprofitable outlets and tighter cash controls. DataPos achieved RM22.14 million in revenue, largely driven by major government correspondence projects, including MADANI and Sumbangan Tunai Rahmah. Pos Digicert delivered RM51.40 million, supported by retail product growth, new project wins and continued demand from government digital initiatives.

While our overall financial performance continued to reflect structural market pressures, we made encouraging progress in strengthening several business lines and positioning the Group for the next phase of our transformation.



Group Chief Executive Officer’s Statement

PROGRESS IN 2025

2025 marked our entry into Phase 4 of the Transformation Plan – a phase focused on building capabilities, empowering our people and renewing our business model to create long-term value while upholding our national mandate.

A key priority in 2025 was addressing structural cost pressures linked to the Universal Service Obligation (“USO”). With declining mail volumes, declining post office footfall and incremental delivery points, the cost of maintaining nationwide services continued to rise, underscoring the urgency of rethinking how we structure to the USO and the required compensation for providing USO-related services.

To address this, we launched two Proofs of Concept (“POCs”) in the fourth quarter to evaluate new approaches to USO delivery. Initial operational observations and customer feedback have been encouraging, and findings from these trials will guide future scalability.

We also expanded our international and cross-border capabilities through the launch of Redly Pos Malaysia International, an asset-light model designed to improve regional connectivity and customer access to global markets.

A refreshed product suite comprising Redly Express, Redly Priority and Redly Connect was introduced to better meet evolving customer needs.

Innovation remained a central priority. Pos Fulfill scaled its offerings into a fully integrated fulfilment and e-commerce logistics solution across business-to-business and business-to-consumer sectors, operating across eight sites in Peninsular Malaysia.

We continued active engagement with regulators on revisions to the Postal Services Act, industry governance and long-term sector sustainability. These efforts have moved us closer to establishing a Postal Services Fund, greater regulatory clarity for the industry and a modernised Postal Services Act.

To support these ambitions, we strengthened our digital and data foundations. More than 60 initiatives across products, systems, analytics and artificial intelligence (AI) were deployed to drive better planning, productivity, and more consistent service delivery.



Group Chief Executive Officer’s Statement



LOOKING AHEAD

The operating environment in 2026 is expected to remain challenging, shaped by ongoing mail and footfall decline, intense parcel market competition and continued USO-related cost pressures. Our focus will remain on executing Phase 4 of our Transformation Plan, rearchitecting the operating model, enhancing capabilities and elevating service quality, while aligning with regulatory developments and USO requirements.

The Postal sector is expected to benefit from long-overdue USO compensation, tariff adjustments, regulatory approvals and new business models aimed at both Mail and Retail. Network optimisation efforts will focus on accelerating efficiency gains, leveraging the rapidly changing digital developments, including AI, and service and capacity gains. Pos Aviation will pursue growth in engineering, ground handling and cargo, while Pos Logistics will focus on recovery through targeted expansion in automotive, commodity and specialised logistics. The Other Segments will continue diversifying its customer base through process automation.

2026 and 2027 will be pivotal for Pos Malaysia, as we look to leverage new approaches and business models, and execute much needed regulatory changes to create long-term resilience and fulfil our national service commitments.

ACKNOWLEDGEMENTS

2025 tested our resilience, and the progress we achieved is the direct result of the dedication, grit and unity of our Pos Malaysia family. I am deeply proud of how our people stepped forward with determination and a shared sense of purpose to serve the nation.

I would like to extend my sincere appreciation to our Chairman, Tan Sri Syed Faisal Albar, and the Board for their leadership, support and guidance. To our management team, shareholders and customers, thank you for your continued trust and confidence. I am also grateful to the government, particularly the Ministry of Communications and the MCMC, for their constructive engagement and support.

Finally, to all Pos Wiras across the country, thank you. You are the heartbeat of Pos Malaysia. Your dedication enables us to serve every Malaysian, every day, while building a stronger and more sustainable future for our organisation.

CHARLES BREWER
Group Chief Executive Officer

Business Performance

Strengthening Resilience in a Competitive Landscape

As industry dynamics continue to evolve, Pos Malaysia remains committed to enhancing operational efficiency, refining its business model and unlocking sustainable growth opportunities.

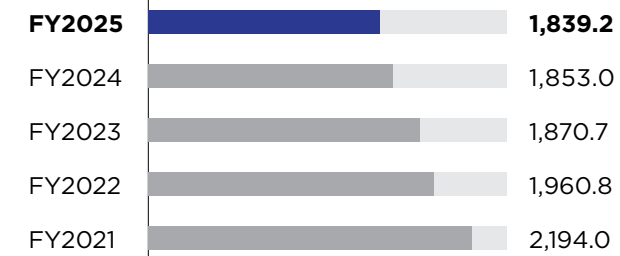


5-Year Group Financial Summary

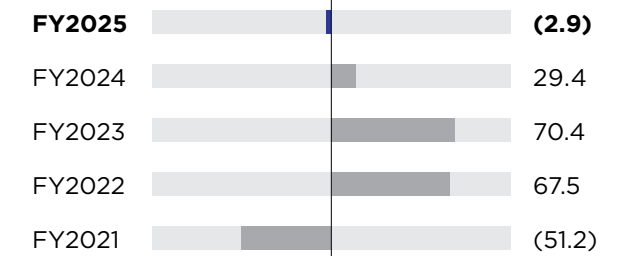
	FY2021	FY2022	FY2023	FY2024	FY2025
Profit/(Loss) Before Tax (RM million)	(331.4)	(169.8)	(140.7)	(180.2)	(186.6)
Profit/(Loss) Before Tax Margin (%)	(15.1)	(8.7)	(7.5)	(9.7)	(10.1)
EBITDA Margin (%)	(2.3)	3.4	3.8	1.6	(0.2)
Return on Assets (%)	(12.5)	(7.1)	(7.3)	(10.1)	(10.7)
Return on Equity (%)	(41.4)	(25.9)	(31.8)	(67.7)	(233.0)
BALANCE SHEET					
Total Assets (RM million)	2,688.8	2,375.5	2,174.1	2,004.1	1,947.9
Total Equity (RM million)	811.6	646.3	499.5	297.6	89.2
Equity Attributable to Owners of the Company (RM million)	811.6	646.3	495.2	292.2	82.5
Current Ratio (Times)	0.9	0.8	0.7	0.6	0.5
STAFF INFORMATION					
Number of Staff (Number)	19,071	17,825	17,194	16,307	16,173
Revenue per Employee (RM'000)	115.0	110.0	108.8	113.6	113.7

5-Year Group Financial Highlights

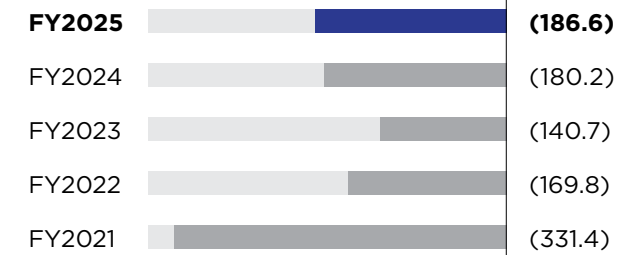
REVENUE (RM MILLION)



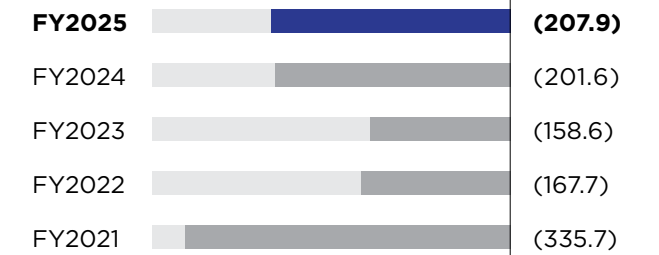
EBITDA (RM MILLION)



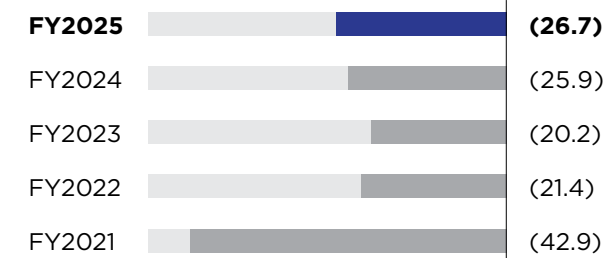
PROFIT/(LOSS) BEFORE TAX (RM MILLION)



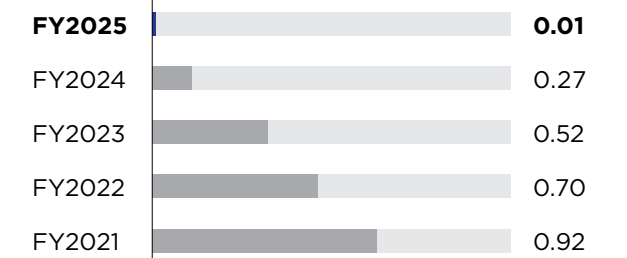
PROFIT/(LOSS) AFTER TAX (RM MILLION)



EARNINGS/(LOSS) PER SHARE (SEN)



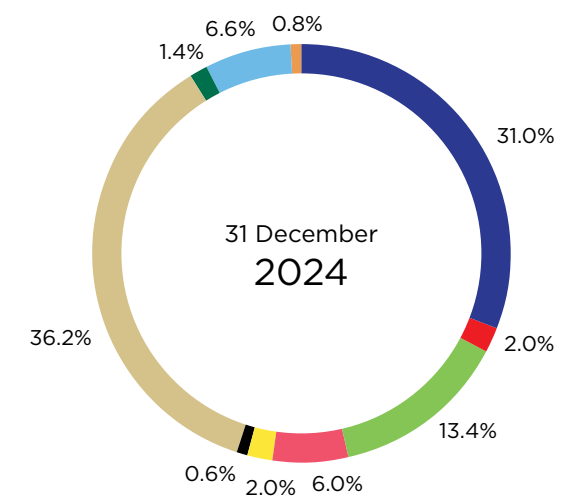
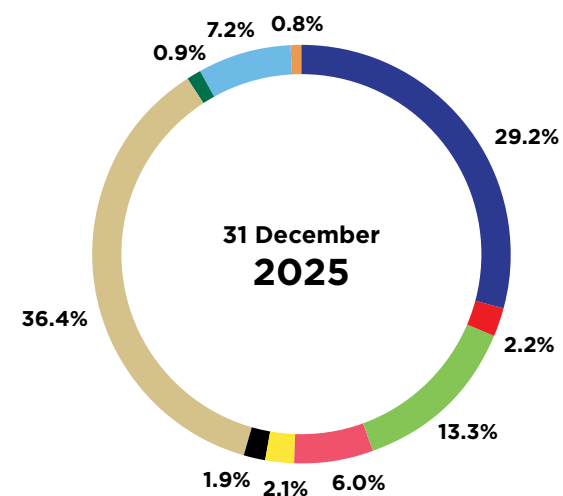
NET TANGIBLE ASSET PER SHARE (RM)



Simplified Statement of Financial Position

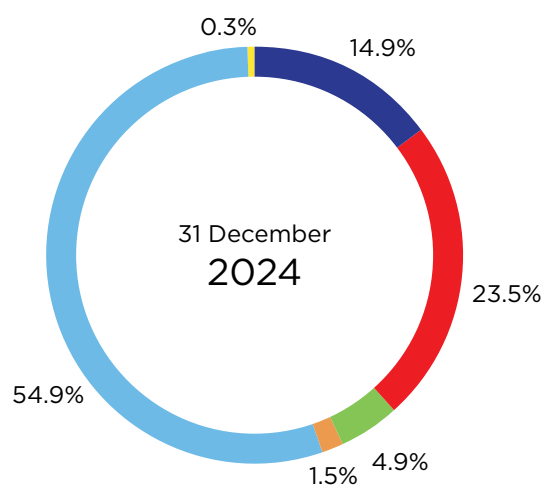
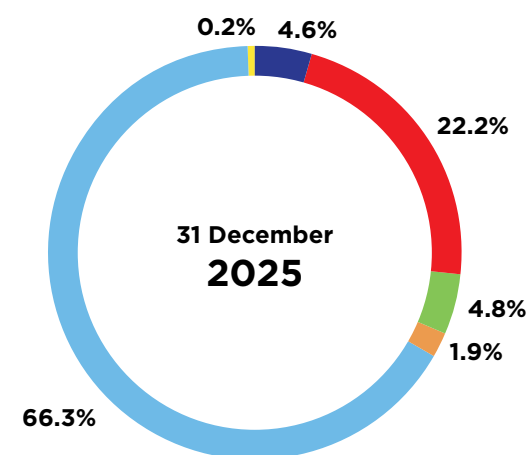
Segmental Analysis

ASSETS



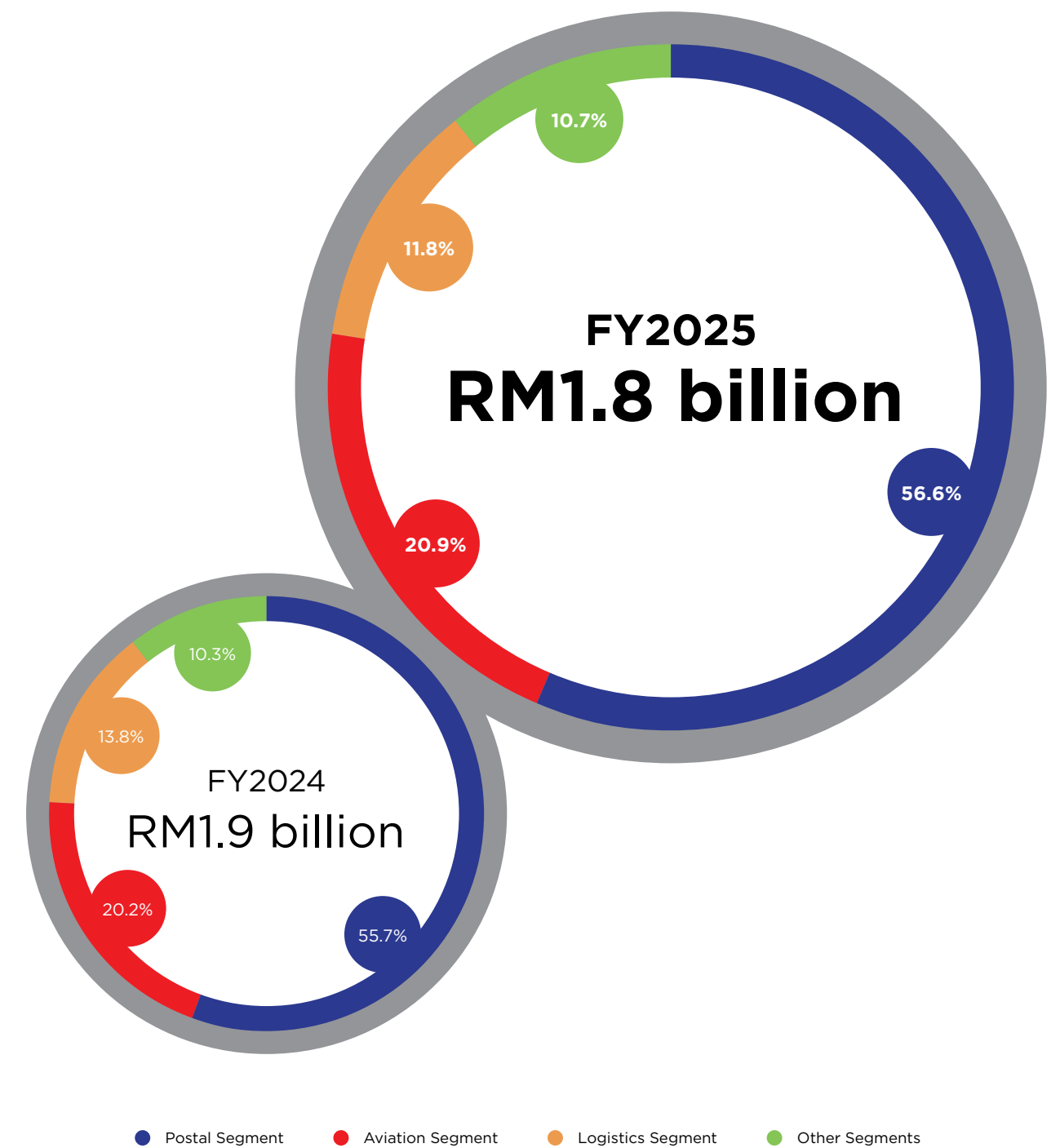
- Property, plant and equipment
- Investment properties
- Right-of-use assets
- Intangible assets
- Investments in associates
- Other investments
- Trade and other receivables
- Prepayment
- Cash and cash equivalents
- Other assets

LIABILITIES AND SHAREHOLDERS' EQUITY



- Equity
- Loans and borrowings
- Lease liabilities
- Deferred tax liabilities
- Trade and other payables
- Other liabilities

TOTAL REVENUE



- Postal Segment
- Aviation Segment
- Logistics Segment
- Other Segments

Statement of Value Added and Value Distributed

	2024 (RM million)	2025 (RM million)
VALUE ADDED		
Revenue	1,853.0	1,839.2
Purchase of goods and services	(1,457.6)	(1,630.6)
Value added by the Group	395.4	208.6
Other operating income/expense (net)	32.7	(5.9)
Finance income	1.3	1.2
Finance cost	(48.5)	(56.8)
Foreign exchange loss	3.2	5.8
Share of results of associate	0.1	-
Value added available for distribution	384.2	152.9
DISTRIBUTION		
To employees		
Employment cost	980.5	995.5
To government/approved agencies		
Tax and zakat	23.1	22.4
To shareholders		
Dividends	-	-
Non-controlling interests	(1.1)	(1.3)
Retained for reinvestment and future growth		
Depreciation, impairment and amortisation	166.5	130.3
Net reduction in retained profits	(784.8)	(994.0)
Total distributed	384.2	152.9

Financial Calendar

FY2025

- 21**

MAY 2025

Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2025
- 21**

AUG 2025

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2025
- 19**

NOV 2025

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2025
- 23**

FEB 2026

Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2025
- 23**

APR 2026

Issuance of the 34th AGM Notice and Circular to Shareholders
- 22**

MAY 2026

34th AGM of the Company

Investor Relations Report

Pos Malaysia is fully committed to transparent and consistent engagement with the investment community, recognising its importance in upholding strong corporate governance practices. All corporate communications, including quarterly and annual results as well as Bursa Malaysia announcements, are made available on our corporate website to ensure timely and accurate dissemination of information.

Annual Report and Corporate Governance Reports	Annual General Meeting ("AGM")	Extraordinary General Meeting ("EGM")	Corporate Website
25 April 2025	26 May 2025	11 July 2025	www.pos.com.my
	Hybrid format (Physical + Virtual) Board and Management engagement with shareholders	Resolution on RRPT mandate – 98% approval from eligible shareholders present and voting	Central platform for all disclosures

QUARTERLY FINANCIAL RESULTS

1 st Quarter	21 May 2025
2 nd Quarter	21 August 2025
3 rd Quarter	19 November 2025
4 th Quarter	23 February 2026

Includes:

- Bursa Malaysia announcements
- Media releases on financial results

INVESTOR ENGAGEMENT APPROACH

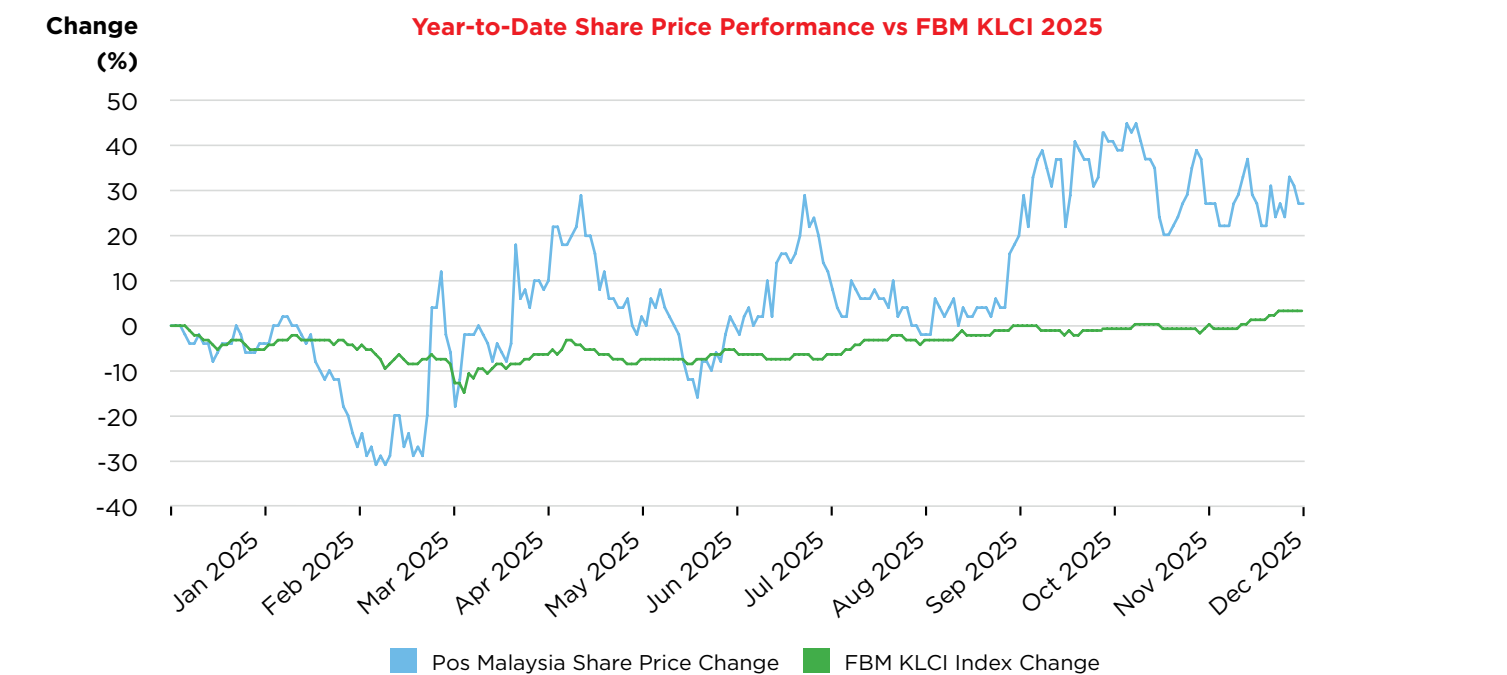
- Financial results announcements via Bursa Malaysia
- Active shareholder engagement during AGM
- Direct interaction with Board, CEO and CFO
- Continuous and timely disclosure of material information

Pos Malaysia will continue to enhance its investor relations ("IR") efforts and remain committed to communicating material information accurately, consistently and on a timely basis, in line with IR best practices and Bursa Malaysia's Listing Requirements.

Share Price Movement



2025												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Total Monthly Volume	8,134,800	10,425,000	61,433,400	126,973,900	123,023,300	23,379,800	80,857,300	53,260,800	41,419,100	88,925,700	37,892,600	40,636,200
Month-End Closing Price	0.235	0.195	0.255	0.270	0.260	0.230	0.280	0.240	0.255	0.345	0.335	0.310



Business Review

Business Review



OVERVIEW

In 2025, Pos Malaysia's Postal Segment continued its structural realignment across Mail, Courier, Retail, and International businesses. The Mail segment experienced a downturn in volumes as more customers migrated to digital alternatives. However, the financial impact of this transition was lessened by carefully calibrated pricing strategies and the robust performance of Mel Plus, which played a pivotal role in offsetting the decline in traditional mail volumes.

The Courier business achieved consistent revenue and parcel growth, driven by disciplined margin management, stronger partnerships with e-commerce platforms and small and medium-sized enterprises, and expansion of value-added services. Further enhancements in pricing flexibility, delivery payment options, and digital touchpoints improved customer convenience and engagement.



Segment

Retail operations maintained steady contributions, underpinned by greater service accessibility, optimised network operations, and digital-led service enhancements. These measures advanced customer engagement and improved long-term loyalty, reinforcing the segment's value proposition for sustained growth.

Meanwhile, international operations entered a more decisive phase of transformation. This was marked by the consolidation of products under Redly Pos Malaysia International, enhanced regulatory compliance, and diversification of delivery routes to reduce the risk of network disruptions. Collectively, these efforts helped to establish a more resilient platform for future growth.



SEGMENT FINANCIALS

Business Segments

	FY2025		FY2024	
	Revenue (RM million)	Volume	Revenue (RM million)	Volume
Mail	532.29	268.98 million	540.07	295.53 million
Retail	135.64	36.27 million transactions	134.01	36.17 million transactions
Courier	268.56	32.80 million	250.36	30.03 million
International	104.99	4.06 million	108.24	4.12 million

Business Review

Business Review

KEY INITIATIVE, CHALLENGES AND MITIGATION STRATEGIES

Key Initiatives	Challenges	Mitigation Strategies
Business Segment : Mail		
<ul style="list-style-type: none"> Continued collaboration with government agencies on special projects. Strengthened Mel Plus as a cost-efficient delivery solution for lightweight items below 2kg. Implemented bulk mail price adjustments. 	<ul style="list-style-type: none"> Compressed project timelines and operational complexities to ensure timely mail delivery. Intensified market competition as customers had multiple comparable delivery alternatives. Price adjustments may accelerate volume decline, placing further pressure on revenue. 	<ul style="list-style-type: none"> Implemented structured planning, resource optimisation, standardised processes and performance monitoring to ensure timely mail delivery. Adopted flexible pricing strategies and enhanced features to strengthen customer acquisition and retention. Proactively monitored customer usage patterns and feedback to identify and address potential issues.
Business Segment : Retail		
<ul style="list-style-type: none"> Strengthened customer retention programmes via enhanced analytical capabilities. Continued development of online channels. Introduced new insurance products to maximise cross-selling opportunities. 	<ul style="list-style-type: none"> Ongoing decline in customer footfall due to rapid service digitalisation. Elevated costs associated with maintaining the retail network. 	<ul style="list-style-type: none"> Enhanced the value proposition of online channels to capture new customer segments, including youth and digital savvy groups. Continued optimisation of the retail network to manage costs effectively.
Business Segment : Courier		
<ul style="list-style-type: none"> Strengthened margin management through Ship-to-Profile (STP) monitoring. Implemented AI-driven automation initiatives. Elevated product awareness by working closely with Retail on more impactful campaigns. 	<ul style="list-style-type: none"> Intense competition from private courier players with aggressive pricing. Margin pressure due to rising operating costs and price-sensitive customers. Operational inefficiencies arising from reliance on manual processes. Limited customer awareness of differentiated courier products. 	<ul style="list-style-type: none"> Strengthened STP-based monitoring to proactively manage margins and prevent under-pricing. Phased rollout of automation and AI to enhance productivity and lower cost per parcel. Aligned more closely with Sales and Retail teams to ensure campaigns are targeted, consistent and commercially effective. Prioritised value-based selling rather than price-only competition.
Business Segment : International		
<ul style="list-style-type: none"> The international business strengthened resilience in 2025 by diversifying routes through solutions like La Poste closed transit, enhancing UPU compliance via new SOP rollout, staff training and retail briefings, and stabilising margins through 2026 pricing adjustment, product code alignment, and accelerated pricing deployment. At the same time, product naming and service rules were simplified to reduce misclassification risks, while targeted promotions and communication campaigns were deployed to sustain volumes and customer engagement during operational disruptions. 	<ul style="list-style-type: none"> Lane restrictions especially the U.S. suspension affected service availability and pressured revenue and average revenue per item (ARPI), while rapid UPU-driven regulatory changes and ITMATT (Items Attribute) data inaccuracies heightened compliance and reputational risks. At the same time, continued structural declines in international mail volumes compressed margins and required more precise lane level pricing, and delays in SAP/PRS deployments and product matrix updates created operational bottlenecks that further constrained performance. 	<ul style="list-style-type: none"> Eliminate customs delays by using AI to automate Electronic Advance Data (EAD) and HS code validation. Ensuring 100% data accuracy at the point of origin prevents costly border hold-ups and regulatory fines. Combat the decline in traditional letters by repurposing existing mail networks into high-speed Small Packet corridors. This shifts the infrastructure focus toward the more profitable and growing B2C e-commerce market. Offset rising labour and fuel costs through automated route optimisation and tiered pricing models. Diversifying transport modes (e.g., mixing commercial and Postal) and building a resilient supply chain that can survive global disruptions.

OUTLOOK



Postal Segment Transformation in 2026

Throughout 2026, Pos Malaysia will intensify efforts to transform its Postal Segment, while continuing to drive and champion regulatory change. This transformation will be underpinned by a focus on enhancing core profitability, accelerating the adoption of digital solutions and pursuing expansion into sectors that offer higher-value growth. With structural challenges continuing to impact traditional mail, the organisation recognises the need for sustained action in these areas.

Mail Segment

Mail volumes are projected to decline further in 2026, with bulk mail particularly affected as customers increasingly transition to digital alternatives. To address these challenges, Pos Malaysia will prioritise strategic pricing initiatives and continue to expand the Mel Plus service. Mel Plus will be positioned as a crucial driver of revenue, targeting broader uptake among e-commerce merchants and small-to-medium enterprises ("SMEs") to mitigate volume and revenue pressures.

Courier Segment

The Courier business will focus on market share gains in the 'long tail' along with continued actions to protect margins. By scaling automation and artificial intelligence across key processing centres, Pos Malaysia aims to boost operational efficiency and improve consistency in deliveries, all while navigating heightened competition. The business will also seek new market opportunities and optimise the deployment of delivery partners to enhance operational flexibility and cost effectiveness.

Retail Operations

Retail operations will continue to shift towards an asset-light, digitally enabled model. The expansion of a nationwide agent network, enhancement of omnichannel capabilities and strategic focus on higher-margin offerings will be central to this transformation. These steps are designed to adapt to evolving customer behaviours and strengthen the organisation's competitive position.

International Operations

International operations will maintain a focus on ensuring full regulatory compliance and implementing robust lane-level margin management. Diversified routing strategies will be adopted to support e-commerce growth, including opportunities in delivered duty paid ("DDP") and partially delivered duty paid ("PDDP") solutions.

Financial Outlook

The combination of these strategic priorities is expected to enhance the quality of revenue, bolster margin resilience and strengthen the long-term financial performance of Pos Malaysia's Postal Segment.



Logistics

OVERVIEW

In 2025, the Logistics Segment operated amid steady domestic economic growth, improved trade activity, contained inflation and stable interest rates, alongside rising cost pressures and external uncertainties. Demand for freight, warehousing and cross-border logistics services continued to be supported by higher export and import activity.

At the same time, margin pressure intensified as customers sought greater cost flexibility, more integrated solutions and higher service reliability. These conditions prompted the shift away from unimodal logistics services towards integrated solutions while also reinforcing the need for digitalisation and more sustainable operating models across the sector.

The company's performance was badly affected by the prolonged breakdown repair of one of its coal bulker. The vessel was down for almost one year. In addition, the other vessel was down for special drydocking in the final months of 2025. The alternative vessel was only secured for a limited period due to a higher charter hire price.

During the year, the Logistics Segment continued to adapt its service offerings and operating approach. Greater emphasis was placed on developing integrated and customer-specific logistics solutions, particularly for automotive and industrial customers with specialised requirements.

Segment

Revenue
(RM million)

FY2025 **216.52**

FY2024 255.82

Loss Before Tax
(RM million)

FY2025 **64.77**

FY2024 27.04



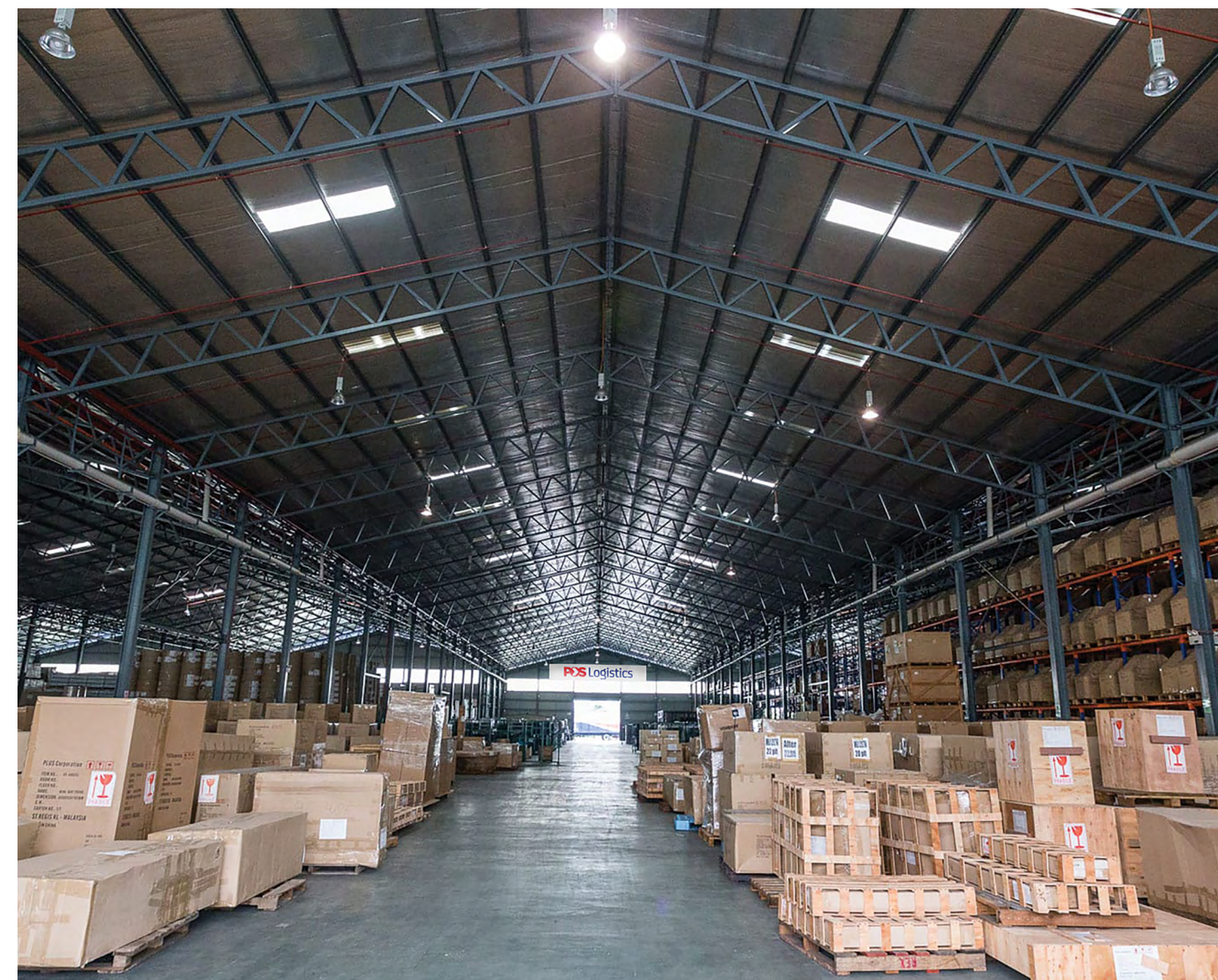
Flexible pricing and contract structures enabled services to be aligned more closely with customers' volume profiles and cost considerations. In parallel, ongoing digitalisation initiatives focused on improving operational efficiency and service effectiveness, while the segment evaluated opportunities to enhance its low-carbon capabilities, including the potential deployment of electric vehicles ("EVs") for selected long-term contracts. Collectively, these measures positioned the Logistics Segment to navigate near-term pressures while strengthening its platform for future growth.

Key Initiatives	Outcomes Achieved
Improved service deliveries for a large automotive customer through quality controls and automation	<ul style="list-style-type: none"> Delivered a 75% reduction in rejects, the strongest improvement recorded to date, strengthening the customer's confidence in Pos Logistics.
Established port-based transit warehouse for a large commodity trader shipments to reduce detention and demurrage	<ul style="list-style-type: none"> Achieved 60% reduction in demurrage and detention penalties compared to the previous year, while generating high margin revenue.
Business expansion into new territories and segments	<ul style="list-style-type: none"> Entered highly regulated segments, notably industrial waste logistics. Revived the Aviation and Defence segment and Project Logistics, with a focus on large-scale infrastructure projects.
Launched a digital transformation programme	<ul style="list-style-type: none"> Initiated company-wide digitalisation across operations, commercial and support functions in July 2025.

Business Review

Business Review

Challenges	Mitigation Strategies
Reduced market share due to the fragmentation of commodity volumes	<ul style="list-style-type: none"> Differentiated through stronger service execution via tighter SOPs, digitalisation and value-added offerings. Leveraged proven delivery performance with key customers. Broaden service scope within existing customers and industries to deepen wallet share beyond current contracts.
Rate reviews and margin pressure in the automotive segment	<ul style="list-style-type: none"> Strengthened service quality; tightened SOP and introduced automation to support customer retention. Secured rate revisions with major customers, made possible due to improved service qualities.
Prolonged bulk vessel downtime	<ul style="list-style-type: none"> Chartered an external substitute vessel to meet contractual commitments.
Expansion of international freight, cross-border and automotive logistics in Thailand and Singapore	<ul style="list-style-type: none"> Engaged subject matter experts and strengthened cross-border networks to support expansion.



Outlook

In 2026, the Logistics Segment is expected to operate in a more competitive landscape. The commodity segment may face continued pressure as customers diversify their logistics providers, while the automotive segment is anticipated to remain stable, supported by new model introductions, steady passenger vehicle demand and continued EV activity. Marine logistics continues to face uncertainty due to operational and cost-related challenges.

In response, the segment will focus on expanding logistics services, especially in highly regulated segments. Priority will be given to growing automotive logistics solutions, including support for new market entrants and deeper engagement with existing customers. The segment will also pursue logistics contracts in selected commodity sectors and strengthen its presence in highly regulated industries such as energy, industrial waste and infrastructure. These efforts will be supported by continued system integration to improve vendor and customer connectivity, enhance visibility and tracking, develop logistics engineering capabilities and reinforce ESG practices.

Business Review

Challenges	Mitigation Strategies
<p>Margin pressure arising from competitive pricing and declining yields</p>	<p>Drove cost reduction through operational optimisation, process streamlining, and productivity improvements to safeguard margins amid competitive pricing and declining yields. Engaged airline partners to jointly develop efficiency and improvement initiatives that support long-term commercial sustainability.</p>
<p>Rising labour costs driven by regulatory and policy changes</p>	<p>Implemented selective outsourcing initiatives to optimise workforce structure and mitigate rising labour costs arising from regulatory and policy changes, such as increases in minimum wage. Advanced digitalisation of operational processes to optimise manpower deployment and manage cost pressures.</p>
<p>Manpower constraints and service quality risks</p>	<p>Collaborated with aviation colleges and training institutions to build a sustainable talent pipeline through structured internship and employment pathways. Appointed external specialists to strengthen soft skills, service etiquette and passenger engagement across customer-facing roles.</p>
<p>Operational inefficiencies linked to legacy airport infrastructure</p>	<p>Maintained close coordination with airlines and airport stakeholders to minimise service disruptions. Collaborated with airport management to address infrastructure-related constraints and jointly developed customer experience measures to manage passenger impact during operational disruptions.</p>



OUTLOOK

In 2026, the ground handling sector is expected to grow in line with rising passenger traffic and steady air cargo demand, supported by increasing international arrivals and tourism activity. Airlines will continue to prioritise service reliability, safety and cost discipline, creating opportunities for service providers that can scale operations efficiently while maintaining consistent performance.

Digitalisation and automation are expected to play a larger role in enhancing operational accuracy, turnaround times and workforce productivity. For Pos Aviation, the focus will remain on strengthening operational excellence, advancing digital initiatives, building workforce capability and deepening strategic partnerships. These priorities position the business to enhance competitiveness and reinforce its role as a key aviation services provider within Malaysia's aviation ecosystem.

Business Review

Business Review

Other

OVERVIEW



Pos DigiCert

In 2025, Pos DigiCert continued to reinforce its role as Malaysia's premier Certification Authority, advancing its portfolio of digital identity, digital signing, and Public Key Infrastructure-based trust solutions. The business further strengthened its position as a digital trust enabler across public sector and enterprise use cases, supporting the broader shift towards secure and paperless transactions. Ongoing investments in platform capability, automation, and compliance underpinned Pos DigiCert's focus on scalable growth and its contribution to the Group's digital transformation agenda.



Datapos

Datapos progressed in its transition from traditional bulk printing towards digital mail and billing solutions in response to sustained structural shifts in customer demand. While physical mail volumes remained under pressure, the business maintained focus on cost optimisation, operational efficiency and the gradual expansion of digital services. Initiatives undertaken during the year were directed at improving productivity, strengthening client retention and supporting the repositioning of Datapos towards more sustainable service offerings.



Pos Ar-Rahnu

Pos Ar-Rahnu is a leading provider of Islamic pawnbroking and gold trading services, with its nationwide branch network continuing to support accessibility to Shariah-compliant financing. Despite a more challenging operating environment, resilient demand for Ar-Rahnu services remains, underpinned by the continued relevance of halal financing alternatives. The business maintained its focus on financial inclusion, service quality and prudent cost management.



Segment

Revenue (RM million)

Pos DigiCert

FY2025	51.40
FY2024	37.44

Datapos

FY2025	22.14
FY2024	21.52

Pos Ar-Rahnu

FY2025	120.31
FY2024	129.34

Profit/(Loss) Before Tax (RM million)

Pos DigiCert

FY2025	12.75
FY2024	8.49

Datapos

FY2025	(1.72)
FY2024	(0.65)

Pos Ar-Rahnu

FY2025	24.99
FY2024	26.31

OUTLOOK

Pos DigiCert

Looking ahead, Pos DigiCert will focus on renewing major national and enterprise contracts while expanding regional deployments to support continued growth. The business will also advance next-generation digital trust capabilities, including AI-enabled certificate lifecycle management and post-quantum PKI readiness, to address evolving security requirements. Through deeper collaboration with strategic partners and increased automation of customer journeys, Pos DigiCert aims to strengthen its role as a trusted Certification Authority and as a key contributor to the Group's digital transformation agenda.

Datapos

Going forward, Datapos will focus on winning back selected clients in the financial services, healthcare, and government sectors for Variable Data Printing. In parallel, the business will expand the adoption of WhatsApp and e-Billing solutions among existing clients to grow its digital services base. Datapos also plans to pursue government and education tenders for general and security printing while piloting eco-friendly packaging solutions for the F&B and healthcare segments.

Pos Ar-Rahnu

Pos Ar-Rahnu will focus on sustaining growth amid a competitive and price-sensitive environment. Key priorities include improving operational efficiency, enhancing service quality and strengthening customer engagement. While fluctuations in gold prices and regulatory developments may present challenges, the business is well-positioned to benefit from continued demand for Islamic financing solutions and opportunities to broaden its service offerings.

Key Risks and Mitigation Strategies

Key Risks and Mitigation Strategies



Business Segment		Key Risks	Mitigation Strategies
Postal	Mail	Demand for traditional mail services continues to decline as customers increasingly adopt digital communication channels. This structural shift places ongoing pressure on mail volumes, revenue, and cost efficiency, and may affect the long-term sustainability of the Postal Segment.	<ul style="list-style-type: none"> Diversified revenue through growth platforms and higher-value services to offset declining mail volumes. Optimised pricing and enhanced service offerings to improve revenue resilience. Improved operational efficiency through process simplification and digital enablement.
	Courier	The courier remains highly competitive and price-sensitive, leading to sustained pressure on margins despite volume growth driven by e-commerce expansion.	<ul style="list-style-type: none"> Reviewed and closely monitored the variable cost. Implemented automation and AI phases to improve productivity and reduce cost per parcel. Focused on value-based selling rather than price-only competition.
	Retail	<ul style="list-style-type: none"> Ongoing decline in customer footfall due to rapid digitalisation of services. High costs in maintaining the retail network. 	<ul style="list-style-type: none"> Strengthen the value proposition of online channels to acquire new customer segments, particularly youth and digital savvy groups. Continued optimisation of the retail network to manage costs effectively.
	International	Operational disruptions, regulatory changes, and data challenges have affected service delivery and financial performance. At the same time, declining international mail volumes and system delays have created additional operational and margin pressures.	<ul style="list-style-type: none"> Implemented automation and enhanced data validation at the point of origin to improve the accuracy of Electronic Advance Data ("EAD") and HS code classification. Managed rising labour and fuel costs through automated route optimisation and tiered pricing models. In addition, diversify transport modes and strengthen the supply chain to enhance resilience against global disruptions.
Logistics		Cash constraint due to operating loss for the past few years.	<ul style="list-style-type: none"> Strengthened financial and operational flexibility through group initiatives. Optimised asset utilisation, including disposal or redeployment of underutilised and ageing assets.
		Service Quality & Procurement Delivery Performance - Prolonged outage of vessel PL1.	<ul style="list-style-type: none"> Enhanced maintenance planning and operational reliability through improved scheduling and technical support.
		Loss of major customers, low utilisation of assets affect overall revenue and PBT.	<ul style="list-style-type: none"> Conducted frequent business reviews to retain customers and secure new commercial opportunities. Expansion and effective management of the sales pipeline to enhance conversion opportunities.
Aviation		Dependency on a single airline for in-flight catering revenue exposes the business to concentration risk and potential revenue disruption.	<ul style="list-style-type: none"> Continued effort to diversify the product and customer portfolio to reduce reliance on a single airline.
Others	Pos Digicert	Dependency on a major account, which may result in revenue concentration and vulnerability to contract changes.	<ul style="list-style-type: none"> Maintained strong and proactive relationship management with key accounts. Expanded customer portfolio across multiple industries to reduce reliance on a single revenue stream.
		Pricing pressure amid stringent regulatory requirements, creating challenges in balancing compliance and competitiveness.	<ul style="list-style-type: none"> Improved service scalability and deployment flexibility to support higher transaction volumes more efficiently. Streamlined onboarding and workflow automation to improve customer efficiency. Expanded value-added trust services, focusing on value over price-led competition.
		Cybersecurity and data protection.	<ul style="list-style-type: none"> Conducted continuous employee awareness and training programmes on cybersecurity and data protection. Monitored threats through real-time alerts and forensic analysis. Upgraded security infrastructure, technology controls, and governance processes to reinforce cyber resilience.
	Datapos	Talent and capability gaps.	<ul style="list-style-type: none"> Strengthen technical capability across security, audit and critical system migrations. Invested in targeted upskilling in Public Key Infrastructure ("PKI"), secure coding and cloud security. Outsourced selected non-core functions to focus on high-value engineering and innovation.
		Limited contract and service offerings, which may constrain growth opportunities in a competitive market.	<ul style="list-style-type: none"> Enabled WhatsApp delivery of e-Bill and e-statement to strengthen customer engagement.
		Competition from established computer-form printers, creating margin pressure and potential customer loss.	<ul style="list-style-type: none"> Leveraged paper-mill access and in-house offset printing capabilities to maintain competitive cost efficiency for existing clients.
		Substantial capital investment is required to implement robotics and automation capabilities.	<ul style="list-style-type: none"> Adopted market-tested automation solutions aligned with customer needs and operational feasibility.
Pos Ar-Rahnu	Limited funding capacity to support network expansion and product growth initiatives.	<ul style="list-style-type: none"> Operated within retained earnings and disciplined cash flow management. Introduced digital gold trading while expanding overall gold trading activities. 	

Sustainable Progress

Advancing Responsible Logistics

Sustainability remains integral to Pos Malaysia's long-term strategy. From expanding electric vehicle adoption to embedding environmental and social practices across operations, the Group continues to deliver logistics solutions that support a greener and more responsible future.



Our Approach to Sustainability

About This Statement

Pos Malaysia Berhad (“Pos Malaysia” or “the Company”) is pleased to present our Annual Sustainability Statement (“SS” or “the Statement”) for 2025. This Statement highlights the Company’s ongoing commitment to sustainability initiatives from 1 January 2025 to 31 December 2025, unless otherwise stated.

Scope and Basis of Scope

This Statement provides an overview of the Company’s sustainability performance and progress, and that of its subsidiaries (collectively known as “the Group”). The information outlined in this Statement also highlights the Group’s key strategies, policies and initiatives that drive positive change across the workplace, marketplace, community and environment. All monetary references are in Malaysian Ringgit, unless otherwise stated.

Reporting Frameworks and Standards

This Statement has been prepared with reference to the following frameworks and standards:

- Bursa Malaysia Sustainability Reporting Guide (3rd Edition) 2022
- Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”)
- Global Reporting Initiative (“GRI”) Standards 2021
- International Financial Reporting Standards (“IFRS”) S1 and S2

Pos Malaysia has adopted the GRI Standards as its sustainability reporting framework, ensuring alignment with global best practices.

Reliability and Assurance

The Company continues to enhance its sustainability reporting and has obtained external assurance for certain sustainability indicators in this year’s Statement.

For more information, please refer to our Assurance Statement section.

Materiality and Material Matters

The content of this report is based on key topics of material concern to Pos Malaysia’s businesses and stakeholders. The Company conducts a comprehensive materiality assessment every three years to identify, prioritise and validate these key topics.

For more details on the Company’s materiality assessment, refer to our Materiality Assessment section.

Limitations and Disclaimers

This report contains forward-looking statements, including targets, future plans, operational expectations and forecast figures, which are based on reasonable assumptions at the time of reporting. As our business operates in a dynamic environment, readers should be mindful of potential risks and uncertainties beyond the Group’s control. To provide a clearer view of our sustainability progress, we have included comparative data from the past two financial years, where available. Additionally, we have addressed key challenges and stakeholder concerns, ensuring a transparent and balanced report that reflects both our achievements and areas for improvement.

Feedback





As part of Pos Malaysia’s commitment to continuously refining its sustainability journey, we encourage stakeholders to contribute feedback on our approach, processes and performance via sustainability@pos.com.my.

Our Approach to Sustainability

STAKEHOLDER ENGAGEMENT

Stakeholder Group	Why We Engage	Our Approach	Frequency	Key Focus Area	Our Response
<p>Customers</p>	<ul style="list-style-type: none"> • To better understand customers’ needs and identify opportunities to improve our products and services 	<ul style="list-style-type: none"> • Net Promoter Surveys, dedicated account managers, sales executives to manage contract customers • General customer service platforms (e.g. phone calls, emails, social media platforms, chatbot) • Trade shows, customer events, seminars and webinars 	<ul style="list-style-type: none"> • Daily • Quarterly 	<ul style="list-style-type: none"> • Product enhancements to better meet customer needs and build loyalty • Targeted advertising to strengthen brand consideration and preference • Engagement through events and our corporate website’s Knowledge Hub 	<p>We have successfully onboarded all contract customers onto a Customer Relationship Management (“CRM”) tool, enabling us to engage them more effectively with relevant content.</p> <p>In addition, we participated in numerous trade shows to increase visibility and expand our touchpoints.</p>
<p>Employees</p>	<ul style="list-style-type: none"> • To bolster employee engagement and development opportunities • To strengthen regular health and safety practices • To augment existing sustainability practices and commitments (e.g. climate change, human rights and workplace, conditions, certifications and anti-bribery and corruption system) 	<ul style="list-style-type: none"> • Annual performance appraisals • Employee wellness initiatives, Wira Huddles • Employee opinion survey, Kyzense • Town hall meetings 	<ul style="list-style-type: none"> • Annually • Monthly • Daily • Quarterly 	<ul style="list-style-type: none"> • Health and safety in the workplace • Stance against unethical behaviour (e.g. money laundering) 	<p>Pos Malaysia continues to adopt Kyzense, enhancing engagement that provides instant insights, gamification, mobile accessibility and upcoming wellness modules, all of which streamline operations and boost participation. This is complemented by targeted focus groups - the platform that offers deeper workforce insights, driving collaboration, efficiency and satisfaction.</p>
<p>Suppliers</p>	<ul style="list-style-type: none"> • To encourage our supply chain to adhere to high standards of professionalism and sustainable practices • To comply with legal and regulatory requirements, as well as contractual commitments 	<ul style="list-style-type: none"> • Tender sessions • Annual subcontractors’ or suppliers’ performance evaluations 	<ul style="list-style-type: none"> • As and when needed 	<ul style="list-style-type: none"> • Greening Value Chain programme for our top 150 suppliers, requiring them to submit sustainability-related data 	<p>Pos Malaysia is implementing a procurement approach that aligns with sustainability principles. Throughout the procurement life cycle, the acquisition of goods, works and services is carried out with the aim of meeting customer expectations, providing long-term value for money, maximising social and economic benefits and minimising environmental and health impacts.</p>

Our Approach to Sustainability

Stakeholder Group	Why We Engage	Our Approach	Frequency	Key Focus Area	Our Response
 Union	<ul style="list-style-type: none"> To foster good ties and ensure that our employees are treated fairly and equally 	<ul style="list-style-type: none"> Regular engagement on any new strategic initiatives to ensure support from the Union Leadership Teams 	<ul style="list-style-type: none"> Monthly 	<ul style="list-style-type: none"> Continuous engagement and feedback sessions Increased welfare for members Support and commitment in operational and retail matters 	We continue to ensure that the Group's employees are treated fairly and equally.
 Regulators	<ul style="list-style-type: none"> To strengthen our engagement with government agencies and participation in any research conducted regarding road safety 	<ul style="list-style-type: none"> Periodic site visits, engagement, collaborations and audits Periodic forums and online meetings Strategic meetings 	<ul style="list-style-type: none"> As and when needed 	<ul style="list-style-type: none"> Efforts in decarbonising operations and addressing pricing matters with regulators 	Policy meetings and consultations were held with various government departments, including the: <ul style="list-style-type: none"> Ministry of Natural Resources and Environmental Sustainability Ministry of Transport Malaysian Communications and Multimedia Commission
 Community and Non-Governmental Organisations	<ul style="list-style-type: none"> To strengthen community engagement via our CSR initiatives: Pos Deliver and Pos Komuniti To foster collaborative partnerships through ongoing dialogue to build positive and mutually beneficial relationships 	<ul style="list-style-type: none"> Events (e.g. outreach events) Community outreach and development programmes 	<ul style="list-style-type: none"> Event driven 	<ul style="list-style-type: none"> Community well-being and corporate volunteering 	We leveraged our existing spaces and assets to support the community. Our volunteers made a big impact with several initiatives during post relief missions, beach clean-ups and a PPKI school visit. We also promoted inclusivity during Pos Malaysia Run 2025, whereby a Special Category was included for People with Disabilities ("PWD").
 Media	<ul style="list-style-type: none"> To increase the awareness and understanding of our business by providing timely and accurate information about the Group's products, services and financial performance 	<ul style="list-style-type: none"> Annual general meetings Annual reports Corporate website (e.g. press releases, emails, phone calls, events, sharing sessions) 	<ul style="list-style-type: none"> Annually Event driven 	<ul style="list-style-type: none"> Updated progress on our business transformation and overall company developments Creating enhanced visibility and awareness about the Company and its initiatives 	We have communicated our progress through conferences, interviews, corporate events and press releases.

Our Approach to Sustainability



Union Membership

Pos Malaysia remains dedicated to fostering an ethical work environment by promoting fair and equal treatment for all employees, both in principle and practice. The Company values open communication and collaboration with its employees, maintaining strong industrial relations through regular dialogue.

By recognising the importance of unions as key strategic partners, we uphold our commitment to compliance with local legislation, including the Industrial Relations Act 1967, which provides the right to freedom of association and collective bargaining.

We are proud to work alongside eight unions that represent our diverse team of employees:

Union	Number of Members as of 31 December 2025
Union of Postal Clerical Workers ("UPCW")	2,983
Union of Pos Malaysia Uniform Staff ("UPUS")	4,946
Pos Malaysia Junior Executive Union ("PMJEU")	221
Kesatuan Kakitangan Perkeranian Pos Sabah ("KKPPS")	192
Kesatuan Pekerja Pakaian Seragam Sabah ("KEPPSES")	280
Postal Clerical Staff Union Sarawak ("POCSUS")	218
Union of Pos Malaysia Uniform Staff Sarawak ("UPUS Sarawak")	381
Transport Workers Union (Pos Logistics Berhad)	61
Total unionised employees in the Group	9,282
Percentage of unionised employees in the Group (%) (Total employees: 16,173)	57.39

Our Approach to Sustainability

MATERIALITY ASSESSMENT

Pos Malaysia acknowledges that both direct and indirect impacts of our material matters play a vital role in shaping the long-term value we create for stakeholders. These matters also influence our business strategy and resource allocation decisions in addressing key sustainability concerns. To ensure these matters are effectively addressed, the Company conducts a comprehensive materiality assessment every three years.

In 2024, we streamlined our material matters in alignment with the Group, following a review and re-evaluation at the Group level with the support of an external consultancy. The process aimed to realign sustainability strategies in response to the evolving priorities of stakeholders and the changing business environment. An overview of the refreshed materiality assessment process at the Group level is presented below:



Our Approach to Sustainability

Based on the Group-level materiality assessment, we streamlined our material matters to 16, a decrease from 22 material matters listed in FY2023.

Pos Malaysia's 16 Material Matters



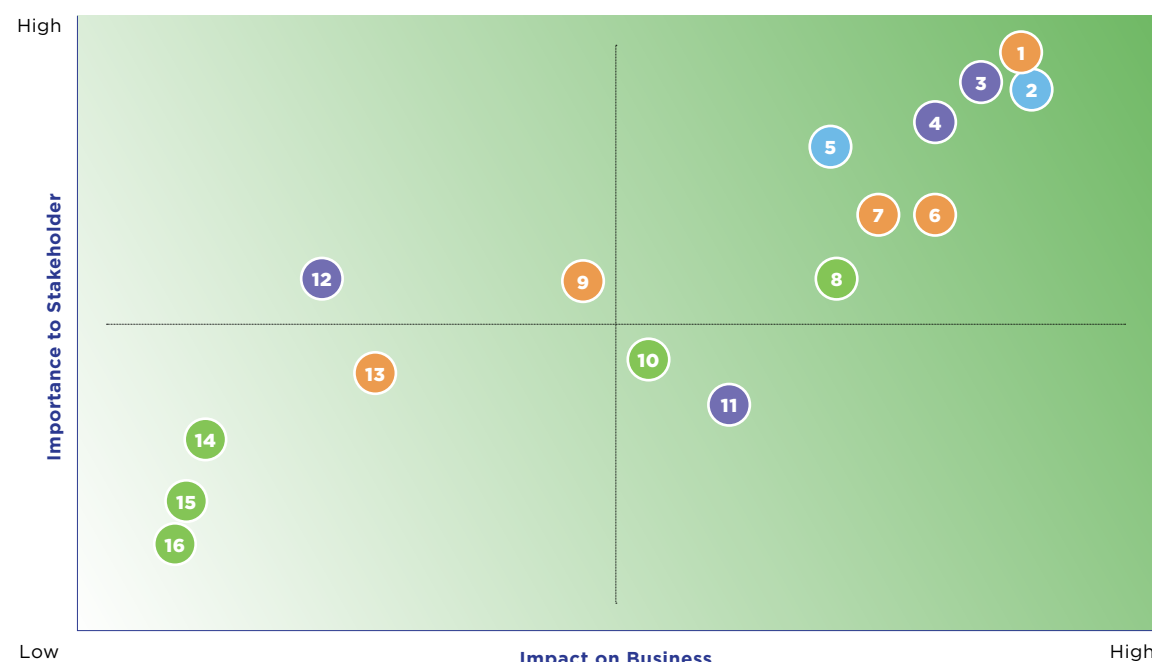
The 16 material matters are critical to Pos Malaysia's ability to create value, manage risks and drive sustainability. They also reflect the key issues impacting business operations, stakeholder concerns and long-term goals. By addressing matters such as Occupational Safety and Health, Governance and Ethics, Data Privacy and Security and Climate Change, Pos Malaysia strengthens resilience, ensures compliance and builds stakeholder trust, positioning itself as a responsible and sustainable business.

To reflect the relevance of these issues to the Company's operations, we also updated the priority ranking and significance of the 16 material matters to align with the specific context and priorities within Pos Malaysia. Among the key drivers for these changes were a broader stakeholder engagement process and an enhanced focus on business impact. In addition, the changes aimed to reflect evolving sustainability trends, regulatory pressures and stakeholder expectations.

The top three priorities for the Company in FY2025 are Occupational Safety and Health, Customer Experience and Data Privacy and Security. The streamlined material matters were presented to the BRSCC who oversaw, reviewed and approved the new ranking.

Our Approach to Sustainability

Pos Malaysia Materiality Matrix



- 1 Occupational Safety and Health
- 2 Customer Experience
- 3 Data Privacy and Security
- 4 Governance and Ethics
- 5 Product and Services Innovation
- 6 Talent Development
- 7 Human Rights
- 8 Climate Change
- 9 Diversity and Inclusivity
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SUSTAINABILITY RISK MANAGEMENT

Pos Malaysia remains dedicated to enhancing its readiness and resilience by identifying and managing potential risks that may impact our organisation. Aligned with the Group's ERM framework, we integrate environmental, economic and social risks into a Company-wide, multi disciplinary approach. This process is overseen by the Sustainability Department, in consultation with the Risk Management Department, to ensure comprehensive risk management across all operations.

One of the most pressing environmental risks we face is flooding, a common occurrence in Malaysia, particularly during the monsoon season. With climate change potentially increasing the frequency of floods, new flood-prone areas are likely to emerge. In response, we developed and continue to maintain the Operations Flood Business Continuity Plan ("BCP"), which serves

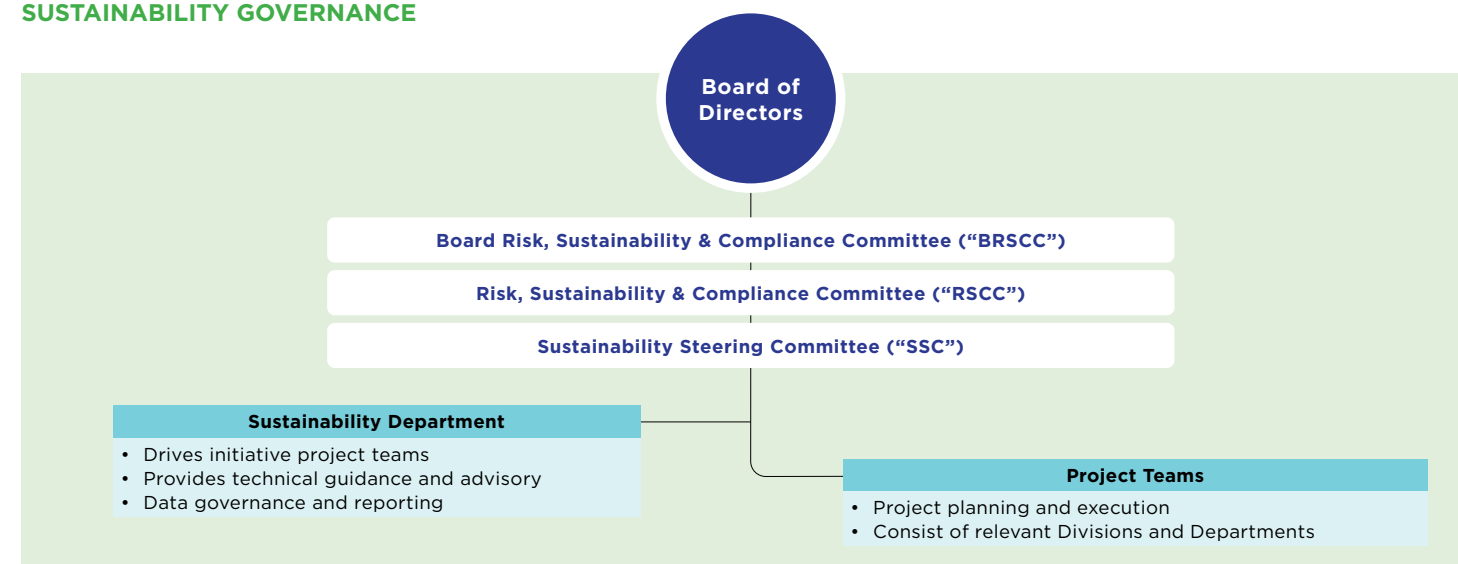
as a guide for operational teams to maintain essential functions during flood events. This plan outlines proactive response and recovery measures to minimise operational disruptions caused by flooding. As flooding incidents continue to rise in Malaysia, the plan aims to mitigate short-term risks, safeguarding our employees and company assets while ensuring operational continuity.

To manage risks within our defined risk appetite, we continuously review and monitor identified risks. This process is led by designated risk owners and supported by the Risk, Sustainability and Compliance Committee ("RSCC"), with ultimate oversight from the BRSCC.

For more details on our approach to risk management, including climate-related risks, refer to the Statement on Risk Management and Internal Control ("SORMIC") section.

Our Approach to Sustainability

SUSTAINABILITY GOVERNANCE



The Board of Directors provides strategic direction for the Group's sustainability agenda, with governance and oversight managed through the BRSCC, which consists of Independent Non-Executive Directors. The RSCC and the Sustainability Steering Committee ("SSC"), chaired by the Group CEO, further support these efforts by overseeing implementation at the management level.

The key responsibilities of each committee are outlined below:

Board of Directors	<ul style="list-style-type: none"> Oversees Group-wide integration of sustainability within key business strategies and provides strategic direction on the Group's sustainability agenda
Board Risk, Sustainability and Compliance Committee ("BRSCC")	<ul style="list-style-type: none"> Oversees Group Risk and Sustainability-related matters and provides assurance to the Board Reviews and ensures sustainability initiatives are aligned with the Group's long-term business and sustainability strategy Ensures the effective management of material sustainability matters, such as climate change, safety and health, human rights, labour standards and pollution, impacting the Group
Risk, Sustainability and Compliance Committee ("RSCC")	<ul style="list-style-type: none"> Formulates the ERM, sustainability and compliance framework and monitors its implementation Recommends direction that aligns the sustainability targets with the overall goals of the Group, as well as prioritising key sustainability matters
Sustainability Steering Committee ("SSC")	<ul style="list-style-type: none"> Monitors the implementation of sustainability-related policies and initiatives within the Group Acts as a point of escalation for sustainability issues to other relevant committees and/or the Board Reviews and endorses initiatives, including milestones, budget and timelines
Project Teams	<ul style="list-style-type: none"> Implement the sustainability initiatives on a day-to-day basis Consist of technical experts from relevant divisions and departments Lead and manage project delivery within project timelines and budgets

Board and Senior Management Commitment to Sustainability

The Board participates in sustainability-related training to remain informed of the sustainability matters relevant to the Group and its operations, including climate-related risks and opportunities. In FY2025, the Board of Directors attended training sessions such as Navigating ESG Risk in Supply Chains.

Sustainability-related matters, including climate-related risks and opportunities, are integrated into the performance evaluations of the Board and Senior Management. To reinforce this commitment, sustainability-related indicators, including climate change performance, are embedded within the key performance indicators ("KPIs") linked to the remuneration of the Senior Management.

Economic Disclosure

Economic Disclosure



Product and Services Innovation

Why It Matters

Innovation in our products and services enables us to deliver greater value to customers while remaining competitive in an evolving logistics landscape. By embedding innovation across our subsidiaries, we strengthen our ability to respond to changing market expectations and support long-term economic sustainability.

We align business growth with responsible practices by diversifying our business portfolio and integrating sustainability into our operations. Our participation in the International Post Corporation's Sustainability Measurement and Management System supports our commitment to achieving business objectives while contributing to a greener and more sustainable future.

OUR APPROACH

As a logistics provider with a diversified business portfolio, we incorporate sustainability considerations across our operations. Our innovation-related practices are managed within existing frameworks that support operational requirements and continuous improvement. Guided by the value Drive Innovation, we apply innovation across three strategic pillars to address business requirements and operational challenges:

Highly Motivated, Engaged and Safe Employees

Empowering our workforce to drive innovation.

Delivering a Great Service and Delighting Our Customers

Continuously improving products and services to meet evolving customer needs.

Delivering a Profitable Network

Strengthening operations to create long-term value.

We have established procedures which encourage creative problem-solving while ensuring alignment with our strategic objectives to foster and sustain innovation. Supported by systematic frameworks, cultural initiatives and leadership commitment, these processes proactively identify and address potential barriers to innovation.

Our service innovations are subject to ongoing tracking and monitoring through structured reporting, including weekly and monthly dashboard updates to management and monthly updates to the Board. Additionally, innovation embedded within our operational framework enables our products and services to adapt to evolving market demands and support sustainable growth.

OUR PERFORMANCE

In 2025, we built on our ongoing efforts by delivering initiatives aimed at meeting evolving customer and business needs, enhancing convenience, strengthening revenue performance and supporting decarbonisation.



Drive Innovation Challenge 2025 Turning Ideas into Impact



Winners of the Drive Innovation Challenge 2025

In 2025, Pos Malaysia's Drive Innovation Challenge received 44 submissions from across the Group, with six finalist teams recognised for solutions spanning AI-enabled automation, digital workflows, data-driven mapping and customer support. Guided by our #DriveInnovation and #OneTeam values, these initiatives reflect our commitment to continuous improvement and operational excellence.

This culture of innovation was further recognised at the Malaysia ICC/KIK Convention 2025, where all three participating Pos Malaysia teams achieved a three-star rating among 32 teams nationwide. The teams also received the Special Award for Innovation Cultivation, while The Think Qcert team earned the Potential Innovation and Creativity Circle Award. These achievements reinforce our commitment to improving products, services and operations through employee-led innovation.



Pos Hijau Leading Transparent Logistics Decarbonisation



Continuing from our earlier efforts, we have expanded the capabilities of the Pos Hijau Carbon Emissions Tool introduced in 2024. We support customers with transparent, shipment-level carbon data that helps them track, manage, and report logistics-related Scope 3 emissions. By providing greater visibility at the parcel level, Pos Hijau enables customers to make more informed decisions on their carbon footprint, strengthen disclosure readiness, and support broader decarbonisation efforts.

In 2025, our Pos Hijau Carbon Emissions Tool was recognised with the MIHAS Services Innovation & Sustainability Award, highlighting its impact in advancing transparency in sustainable logistics. This complements our ongoing fleet electrification efforts, with approximately 20% of parcels now delivered by electric vehicles, further strengthening the decarbonisation value we offered customers through lower-emission delivery solutions.

Economic Disclosure

Economic Disclosure

Service Excellence & Growth Highlights

Expanding Customer Base

- In 2025, we gained 2,100 new customers, driven mainly by targeted initiatives. These included product enhancements, a strategic partnership with Shopee to expand delivery and pick-up options, and focused digital marketing campaigns across various social media platforms. We also ran targeted paid online lead ads, outdoor advertising, and a programme sponsorship on Astro to increase awareness and strengthen brand consideration and preference. By listening to customer feedback, we tailored updates to address the most requested features, such as improved notification channels and easier payment methods, like cash on delivery. These efforts reflect our ongoing commitment to meeting customer needs and building loyalty.

Key Performance Indicator	Unit	2023	2024	2025	Remarks
Improvement in delivery time	Time	Courier: 94%	Courier: 93%	Courier: 92%	This only covers the postal and courier segment delivery time
		Mail: 96%	Mail: 93%	Mail: 95%	

OUTLOOK

We will continue to maintain oversight of our product and service innovation initiatives through regular progress tracking and reporting to management and the Board.



Customer Experience



Why It Matters

Customer experience is a key driver of Pos Malaysia's long-term sustainability, directly influencing customer trust, loyalty and brand relevance. As Malaysia's national postal and logistics provider, we recognise that consistent, reliable and responsive service delivery is essential to maintaining public confidence while supporting business growth in an increasingly competitive environment.

Economic Disclosure

OUR APPROACH

Pos Malaysia manages customer experience through structured policies, standardised service procedures and data-driven performance monitoring across all customer touchpoints. Customer feedback is systematically captured and analysed to identify service gaps, improve response effectiveness and enhance end-to-end journey consistency.

We place strong emphasis on service reliability, responsiveness, and data protection, ensuring that customer interactions are handled securely, fairly, and in line with regulatory requirements. Continuous capability development and disciplined processes foster a customer-centric culture across both frontline and support teams.

In addition, we adopt a structured, data-driven approach to enhancing customer satisfaction, leveraging digital platforms and advanced customer relationship management ("CRM") tools across our operations.

Since 2023, the Net Promoter Score ("NPS") has served as a key customer satisfaction metric and, in 2024, expanded to include Pos Shop, in addition to existing measurements across Retail, Delivery, Customer Service and the Pos Malaysia website. In parallel, we continue to strengthen our human capital capabilities during the year, equipping employees with the tools, training and resources needed to sustain a customer-centric culture and reinforce our reputation for reliability and trustworthiness.

OUR PERFORMANCE

Customer feedback continues to be central to our improvement efforts, as we continuously track, analyse and embed insights into our operations. In 2024, we introduced QR Pay for Cash on Delivery ("COD"), real-time delivery updates and expanded contact channels, with customer interactions streamlined and efficiency improved through the rollout of the Sprinklr CRM system. Alongside these initiatives, policy refinements, extended claim windows and a dedicated NPS monitoring team strengthened our ability to respond to customer needs.

In continuation of these efforts, we have implemented the following initiatives in 2025:

Expansion of NPS Surveys

Customer feedback and service outcomes are monitored using structured metrics, including customer surveys, complaint resolution rates and Net Promoter Score ("NPS").

In FY2025, the number of customer surveys conducted provided broad coverage across key service touchpoints, while the majority of customer complaints received were resolved within the reporting period.

Overall customer satisfaction, as measured by NPS, improved compared with the prior year, reflecting more consistent service delivery and improved customer engagement.

We expanded the coverage of our Net Promoter Score ("NPS") survey touchpoints to capture richer customer insights across emails, calls, chats and visits. As a result, ongoing feedback now informs service improvements and has indirectly contributed to improved NPS performance.

Economic Disclosure

The insights from these surveys continue to drive our targeted improvements across all operational areas.

Retail

- Customers visiting our Shop retail outlets are encouraged by the counter staff to scan a QR code post-transaction to provide feedback
- In 2025, 254,925 customers have responded to the survey

Customer Service

- Post-interaction surveys are issued one day after ticket closure for phone or chat engagements to inform continuous improvements across service touchpoints and the end-to-end customer journey
- In 2025, 12,446 customers have responded to the survey

Delivery

- A WhatsApp survey is sent to selected customers one day after the parcel delivery to assess delivery performance
- In 2025, 26,330 customers have responded to the survey

General Digital Engagement

- Website visitors are prompted to complete a survey shortly after landing on pages within the pos.com.my domain
- In 2025, 22,110 customers have responded to the survey

In 2025, our NPS across our key touchpoints has recorded a substantial increase, as shown in the table below:

Key Touchpoints	Unit	2024	2025
Retail	%	93.0	97.6
Customer Service	%	1.8	29.5
Delivery	%	54.0	78.5
Website	%	11.0	26.5

Key Performance Indicator	Unit	2023	2024	2025
NPS	%	82	85	88
Total Number of Customers Surveyed	Number	450,012	492,466	315,811

OUTLOOK

Pos Malaysia will continue strengthening its customer service capabilities by enhancing process efficiency, improving service consistency and leveraging data insights to better anticipate customer needs. Ongoing improvements will focus on faster resolution, clearer communication and a more seamless customer experience across channels, supporting sustained customer trust and long-term business resilience.

Environmental Disclosure

Environmental Disclosure



Climate Change

Why It Matters

Pos Malaysia's operations are directly affected by climate change. Extreme weather events disrupt our delivery services while rising temperatures drive up energy consumption to keep our premises cool. Furthermore, as Malaysia's courier service provider, we are obligated to support national climate goals by minimising our carbon footprint. Mitigating climate risks enhances our business resilience and regulatory compliance, while fulfilling stakeholder expectations. Additionally, our efforts to reduce carbon emissions, expand renewable energy adoption, and actively engage with global and industry platform such as the UN Global Compact and International Post Corporation reinforce our commitment to sustainability.

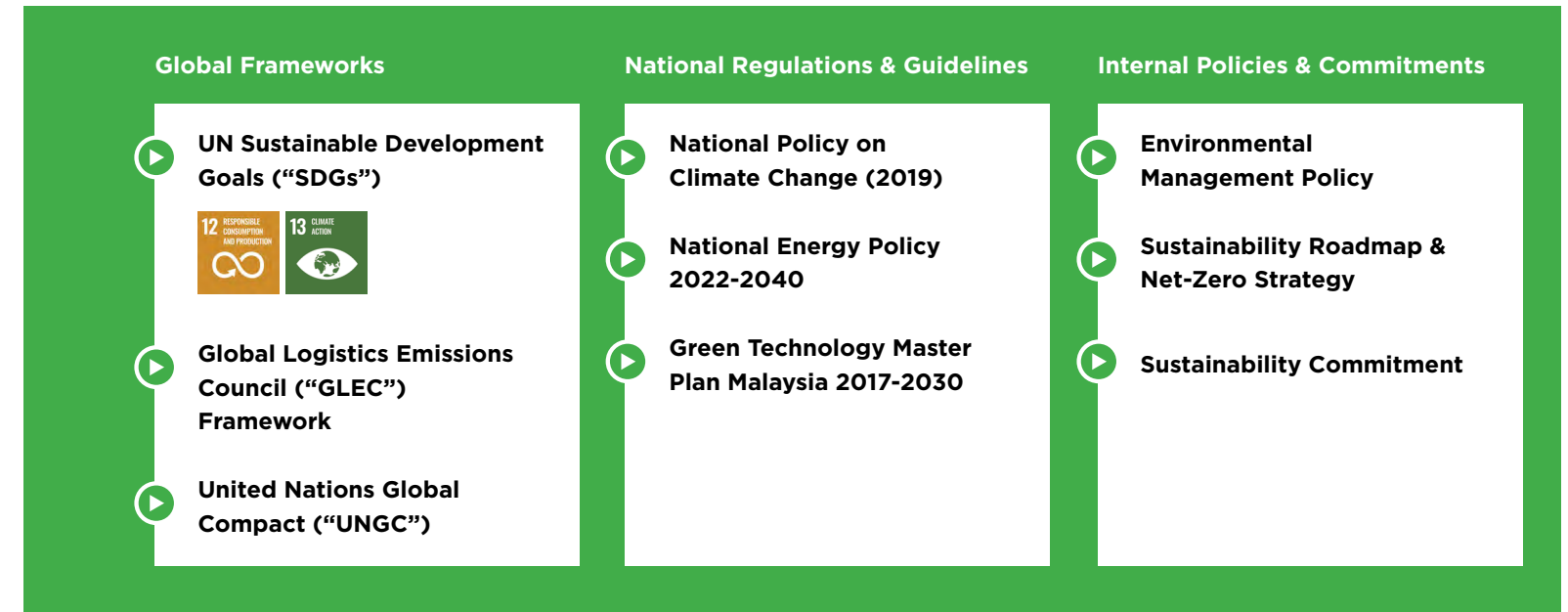
Proactively addressing climate change risks by adopting sustainability measures such as fleet electrification and route optimisation drives energy efficiency and enhances our ESG performance, strengthening our reputation as a sustainable logistics provider. Conversely,

failing to address risks such as the potential implementation of carbon taxes could incur higher operational and compliance costs, as well as reputational damage. Furthermore, our operations may be hampered by supply chain disruptions arising from extreme weather events and higher operational costs arising from inefficient resource use, waste management and emissions control.

Protecting our employees and communities from the effects of climate change safeguards their health and supports climate justice by reducing the environmental burden on vulnerable groups. Extreme weather such as flooding and heatwaves could disproportionately affect marginalised communities, widening social inequalities. Furthermore, air pollution generated by vehicles and energy consumption may cause greater harm on children, the elderly and low-income populations. Workers who are exposed to pollutants and extreme weather events are also at risk of developing illness and injuries.

OUR APPROACH

Pos Malaysia's approach to mitigating climate change is aligned with international frameworks, national regulations and guidelines, as well as its own policies and commitments. In alignment with national ambitions, we continue to pursue net-zero emissions by 2050. In the interim, we aim to achieve a 50% reduction in Scope 1 and 2 emissions by 2030. Our Sustainability Roadmap outlines initiatives to reduce carbon emissions, enhance energy efficiency and adopt clean technologies such as fleet electrification and renewable energy.



SUSTAINABILITY & CLIMATE-RELATED FINANCIAL DISCLOSURES

As climate change increasingly affects the operating environment for logistics businesses, we are strengthening our systematic and integrated approach to climate management across the Group. Climate considerations are embedded within our strategy, risk oversight and capital planning processes. In addition, we continue to strengthen operational resilience, progress our low-carbon transition and align our business with our Net Zero 2050 ambition and national sustainability objectives.

This report has been prepared in accordance with IFRS S2 Climate-related Disclosures, issued by the IFRS Foundation in June 2023, and in support of Pos Malaysia's compliance readiness under Malaysia's National Sustainability Reporting Framework ("NSRF"). It sets out how the Group governs, assesses, manages and measures climate-related risks and opportunities across four disclosure pillars: Governance, Strategy, Risk Management, and Metrics and Targets. Together, these disclosures explain how climate considerations are embedded into our strategic planning, enterprise risk management processes and capital allocation decisions.

Governance

At Pos Malaysia, climate-related risks and opportunities fall under the oversight of the Board Risk, Sustainability and Compliance Committee ("BRSCC"). As a crucial Board-level committee, the BRSCC ensures that climate considerations are embedded within Pos Malaysia's strategic direction, risk management framework and business operations.

The Group maintains a structured governance framework to identify, assess and manage climate-related risks and opportunities. To operationalise this approach, the Sustainability Steering Committee ("SSC") serves as the primary driver of sustainability initiatives across the organisation, while the executive leadership team collaborates closely with the sustainability function and cross-functional departments to embed climate considerations into strategic planning, enterprise risk management and operational decision-making. For more information on our sustainability governance, please refer to page 65.

Environmental Disclosure

Strategy

In shaping our capital expenditure strategy, we ensure alignment with our business operational needs, while also assessing the environmental implications of our investments. During the year, we updated our definitions of the short-, medium- and long-term time horizons for climate risk and opportunity assessment, based on alignment with the IFRS S2 context, to better inform our understanding of how these factors could influence our operations and organisation over time.

Period	Definition
Short-term	0-3 years
Medium-term	3 to 5 years
Long-term	6 to 10 years

Climate-related risks are divided into two main categories:



Physical Risks

Physical risks can be driven by events (acute) such as extreme weather events or caused by longer-term changes (chronic) in climate patterns. They can impact the organisation's financial performance by causing damage to its assets, disrupting its supply chains and adversely affecting its operations and access to resources.

Risk Category	Period	Risks Relevant to Pos Malaysia	Potential Impacts to Pos Malaysia
Acute	Short-term	Extreme weather events are disrupting delivery routes and operations	Higher operational costs from delays, damaged infrastructure and supply chain disruptions
Chronic	Long-term	Higher temperatures are increasing energy demand for cooling our offices and logistics centres	Higher electricity costs and operational inefficiencies

Environmental Disclosure

Transitional Risks

Transition risks arise from the shift towards a low-carbon economy and may require significant changes to policy, legislation, technology and market conditions to support climate change mitigation and adaptation.

These changes could affect our financial performance and reputation, particularly where our strategies, operations or investments are not aligned with evolving regulatory, technological and market expectations. The extent of our exposure will depend on the nature, speed and focus of these changes.

Our transition risks can be grouped into four categories:



Risk Category	Period	Risks Relevant to Pos Malaysia	Potential Impacts to Pos Malaysia
Policy & Legal	Short- to medium-term	Carbon pricing exposure and mandatory climate disclosures (IFRS S2)	Increased compliance costs, investment in data systems and governance requirements
Technology & Market	Medium-term	Tighter emissions and fuel standards accelerating fleet electrification; shifts towards autonomous last-mile and route optimisation	Significant capex for EV fleet and charging; operational changes; risks from technology transition, if poorly managed, but efficiency gains, if executed well
Finance & Reputation	Short- to medium-term	Sustainability-linked financing terms and rising customer expectations on climate action	Cost of capital impacts and potential loss of volumes or loyalty if climate performance is seen as weak

Environmental Disclosure

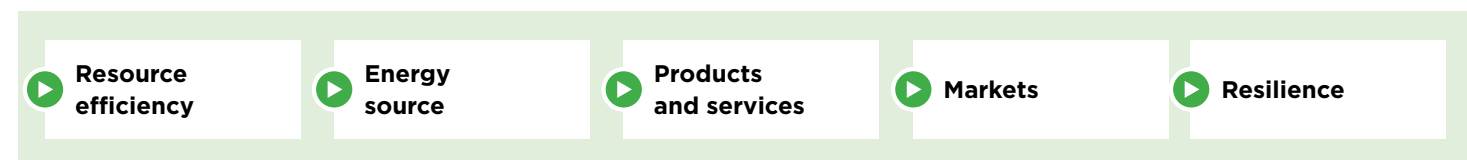
Climate-related Opportunities

Climate opportunities emerge from the global shift towards climate mitigation and adaptation, which is reshaping policies, technologies and customer expectations.

For Pos Malaysia, this transition creates potential for improved financial and operational performance as growing demand for more environmentally responsible services intersects with advances in renewable energy that can reduce operating costs and enhance energy efficiency.

The extent to which we can realise these opportunities will depend on how effectively we integrate them into our strategy and operations.

The different types of climate-related opportunities identified are outlined below:



Opportunity Category	Period	Opportunities Relevant to Pos Malaysia	Potential Benefits for Pos Malaysia
Low-carbon fleet & energy	Short-term	<ul style="list-style-type: none"> Transition to electric vehicles (“EVs”) Solar PV installations at facilities Battery Energy Storage Systems (“BESS”) Energy efficiency improvements across operations 	<ul style="list-style-type: none"> Lower fuel and energy costs Reduced emissions Greater operational efficiency Stronger regulatory compliance
Green products & services	Short-term	<ul style="list-style-type: none"> Carbon accounting & Scope 3 reporting Pos Hijau carbon tracking solutions for customers Sustainable packaging and green logistics partnerships 	<ul style="list-style-type: none"> Competitive advantage in ESG services Increased customer engagement Reduced environmental footprint - Stronger brand reputation
Resilience & continuity	Medium-term	<ul style="list-style-type: none"> Hardening critical sites against climate risks Strengthening Business Continuity Planning (“BCP”) Climate-proofing logistics hubs and networks 	<ul style="list-style-type: none"> Improved service reliability Reduced operational disruptions Lower risk exposure Better long-term cost control
Green finance & investment	Long-term	<ul style="list-style-type: none"> Accessing green financing Exploring carbon credits Sustainability-linked loans for decarbonisation projects 	<ul style="list-style-type: none"> Lower cost of capital Stronger investor confidence Support for long-term transition strategy

Environmental Disclosure

Integrating Financial Planning in Our Climate-Related Risks and Opportunities

We consider climate-related risks and opportunities in our financial planning and decision-making processes.

These considerations influence the Group’s operating expenditure, capital allocation and financing strategy, particularly in relation to fleet electrification, carbon pricing exposure, regulatory compliance and physical climate risks such as extreme weather events.

While some impacts are still being assessed, selected material climate-related risks and opportunities that have a direct influence on our financial planning are summarised below:

Material Climate-Related Risk / Opportunity	Nature	Risk / Opportunity	Impacted Areas of Financial Planning	Our Response
Stricter vehicle emissions and fuel regulations	Transition risk	⬆️ CAPEX, OPEX	Drives higher near-term capital intensity as we transition our delivery fleet to electric vehicles, while progressively reshaping our longer-term operating cost structure.	A phased fleet electrification strategy has been embedded into our capital planning, targeting 28% deployment of electric vehicles for first- and last-mile delivery by 2025 and full fleet electrification by 2030.
Carbon pricing / tax exposure	Transition risk	⬆️ OPEX	Creates upward pressure on operating expenditure based on projected Scope 1 emissions exposure under emerging carbon pricing regimes.	Scenario-based carbon pricing assumptions are being developed and incorporated into our operating cost forecasts and budgeting processes.
Access to capital and cost of financing	Transition risk	⬆️ Financing, CAPEX	May lead to higher financing costs or constrained access to capital in the absence of a credible transition pathway, influencing our capital allocation decisions.	We are strengthening our climate transition strategy and related disclosures to support continued access to financing and optimise our cost of capital.
Low-carbon delivery technologies (EVs, route optimisation, autonomous pilots)	Opportunity	⬆️ CAPEX, OPEX	Requires upfront capital investment, which is expected to be offset over time by reduced fuel consumption, lower maintenance costs, and improved operational efficiency.	We prioritise investments through targeted pilot initiatives and phased deployment to ensure balanced and cost-effective outcomes.
Mandatory climate-related disclosure requirements (e.g. IFRS S2)	Transition risk	⬆️ OPEX, CAPEX	Results in incremental expenditure related to data systems, reporting controls, and internal capability development to meet evolving regulatory requirements.	We are developing centralised climate data systems and enhancing internal competencies, with associated costs integrated into our budget planning.
Extreme weather events (floods, storms) affecting assets and operations	Physical risk	⬆️ CAPEX, OPEX	Increases potential asset repair and replacement costs, operational disruption, and insurance premium volatility, which are factored into our financial planning.	We are incorporating asset resilience measures, route contingency planning and periodic insurance reviews into both operational and capital planning.

Environmental Disclosure

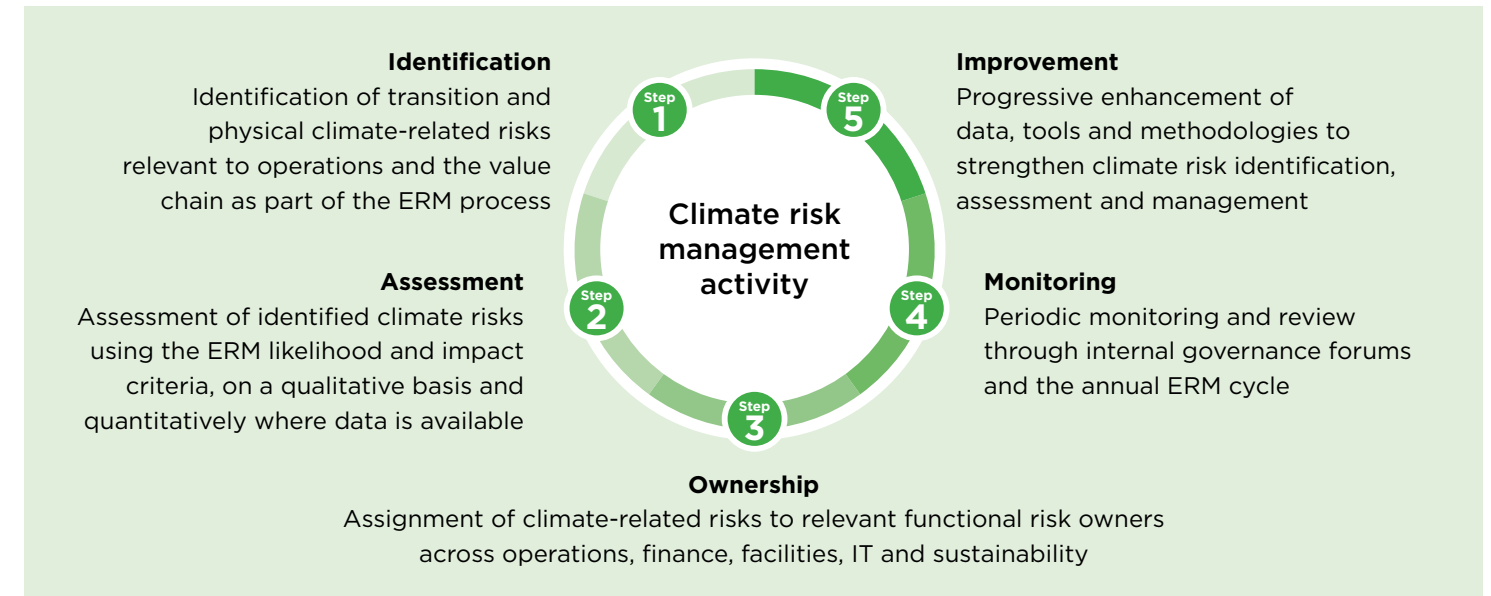
Climate-Related Scenario Analysis

We continue to assess our strategy resilience through climate-related scenario analysis, which evaluates long-term operational risks and opportunities arising from climate change.

Scenario	Key Assumptions	Impact on Pos Malaysia	Strategic Response
SCENARIO 1: 1.5°C Net-zero world, rapid transition by 2050	<ul style="list-style-type: none"> Faster policy tightening in the near term Rapid carbon pricing and subsidy removal Strong push for electrification and renewables 	<ul style="list-style-type: none"> Higher near-term transition costs Stronger long-term cost savings from EVs, solar or BESS and efficiency Increased demand for low-carbon logistics 	<ul style="list-style-type: none"> Accelerate EV fleet rollout Scale up solar PV and BESS Optimise routes and energy efficiency
SCENARIO 2: 2°C Moderate transition by 2050	<ul style="list-style-type: none"> Gradual tightening of climate policy Mixed transition environment Continued but uneven regulatory pressure 	<ul style="list-style-type: none"> Moderate transition costs Growing customer preference for low-carbon logistics Need to balance transition and adaptation spending 	<ul style="list-style-type: none"> Continue EV and charging deployment Expand solar or BESS selectively Begin targeted site hardening and stronger BCP
SCENARIO 3: 3°C-4°C High emissions, business as usual	<ul style="list-style-type: none"> Weak climate policy response Persistent reliance on fossil fuels More frequent and severe extreme weather events 	<ul style="list-style-type: none"> Physical climate-related risks dominate operations More delivery disruptions due to extreme weather Higher operating and adaptation costs Profit margins at risk if upgrades lag 	<ul style="list-style-type: none"> Prioritise infrastructure hardening Strengthen BCP Develop alternative last-mile solutions Upgrade critical sites to maintain service reliability

Environmental Disclosure

Risk Management



We identify and assess climate-related risks through our established Group Enterprise Risk Management (“ERM”) framework, which integrates sustainability considerations across our business functions and management processes. The framework is overseen by our Sustainability Department, with guidance from the Risk Management Department, and is implemented through a structured, Company-wide risk management process led by designated risk owners and the Risk, Sustainability and Compliance Committee (“RSCC”). This ensures that identified risks are regularly reviewed, monitored and managed within acceptable thresholds.

Through functional risk assessments, relevant business units evaluate the potential impacts of climate-related risks on our operations, assets and financial performance. Our assessments systematically consider both transition risks – including policy and legal developments, technological changes, market shifts and reputational factors – and physical risks arising from acute events, such as floods and storms, and chronic changes, such as rising temperatures or sea levels. Each risk is evaluated based on its likelihood of occurrence and potential impact, with materiality considerations guiding our prioritisation of risk responses, mitigation measures and strategic planning.

Recognising that flooding represents one of the most significant physical risks to our operations, we proactively identify areas that may become vulnerable to flood events

and maintain an Operations Flood Business Continuity Plan (“BCP”). This plan provides clear operational guidance to support branches in sustaining critical functions during flood events and minimising operational disruption.

For more details on our key risk management approach, refer to the Statement on Risk Management and Internal Control (“SORMIC”) on pages 182 to 188.

Metrics and Targets

In FY2025, we continued to track GHG emissions across Scope 1 and 2 and selected Scope 3 categories, alongside emissions intensity metrics (e.g. per parcel and per Malaysian Ringgit), air pollutants (NO_x, SO_x and VOCs) and progress indicators on electric vehicle (“EV”) deployment, renewable electricity uptake and energy efficiency initiatives.

The Group discloses three-year histories for Scope 1 and 2 emissions, as well as selected Scope 3 categories. Furthermore, we maintained 2021 as the baseline for our climate-related targets, aligned with the launch of our Sustainability Roadmap, to ensure consistency in measuring performance and assessing the effectiveness of our decarbonisation actions. For FY2021, our Scope 1 emissions were 74,553.23 tCO₂e, while our Scope 2 emissions were 41,565.45 tCO₂e.

Environmental Disclosure

Our Decarbonisation Strategy and Delivery Progress

We are steadfast in our commitment to aligning all future capital expenditures with our long-term GHG reduction targets and the global objective of limiting warming to 1.5°C. As part of this commitment, we are phasing out investments in carbon-intensive assets, including the full transition of first- and last-mile delivery vehicles to 100% electric by 2030.

In addition, all new capital expenditure proposals undergo a climate impact assessment, which screens for high-carbon assets, prioritises low-carbon alternatives, such as energy-efficient facilities and renewable energy installations, and evaluates the expected contribution to the Company’s GHG targets to guide investment decisions.

Decarbonisation Strategy to Achieve GHG Reduction Targets

We have developed a comprehensive decarbonisation strategy to achieve our short-, medium- and long-term GHG reduction targets. The strategy addresses our main sources of emissions, including Scope 1 (fuel for first- and last-mile delivery), Scope 2 (facility electricity) and selected Scope 3 emissions (upstream fuel and energy-related emissions, business travel and supplier activities).

Key Actions

Fleet Electrification

- Transitioning conventional vehicles to electric and other low-carbon vehicles for first- and last-mile delivery

Energy Efficiency in Facilities

- Implementing LED lighting, building management systems and process optimisation initiatives

Renewable Electricity and On-Site Solar PV

- Expanding on-site solar PV installations across major facilities

Supplier Supply Chain Engagement

- Collaborating with suppliers to reduce upstream emissions across the value chain

Route Optimisation and Operational Efficiency

- Leveraging logistics technologies and route planning tools to reduce fuel consumption

Quantified Impacts

Fleet Electrification

- Based on FY2021 as the baseline year, the transition of our first- and last-mile fleet to EVs contributed to a 4.95% reduction in Scope 1 emissions, while accounting for 25.46% of the increase in Scope 2 emissions arising from higher electricity consumption. In FY2025, this transition delivered a net emissions saving of 489 tCO₂e. As of 31 December 2025, 100% of the planned 1,092 bikes and 100% of the planned 136 vans were converted to EVs

Renewable Electricity and Solar PV

- Projected to contribute approximately 10% of the Group’s total GHG reduction target by 2030, with 6% of building electricity sourced from renewable energy in 2025

Environmental Compliance

- Recorded zero environmental fines or penalties in 2025

Additional Emission Reduction Initiatives

We are actively implementing other reduction measures, including facility energy efficiency, supplier engagement and route optimisation, which are expected to contribute further to GHG emissions reduction. Additionally, we are developing methodologies to track and quantify the contribution of these actions over time.

By combining quantified and ongoing actions, we are on track to achieve a 50% reduction in Scope 1 and 2 emissions by 2030, with continued progress towards long-term net-zero targets. This approach ensures that all major emission sources, including relevant Scope 3 categories, are addressed with time-bound actions that are measurable, where feasible, and supported by the ongoing initiatives.

Environmental Disclosure



Energy Management

Why It Matters

Energy management is a critical component of our operational transformation, as it directly influences energy efficiency, GHG emissions and the transition to low-carbon operations. Effective energy management supports cost optimisation, enhances operational resilience and contributes to broader climate objectives by reducing reliance on carbon-intensive energy sources.

The transition to energy-efficient systems also involves operational considerations, including structured planning, adequate investment, employee training and ongoing monitoring.

These ensure safe operations, minimise disruptions and support long-term system reliability and maintenance efficiency.

We are steadfast in our commitment to reducing emissions and improving energy efficiency across our operations while ensuring compliance with local and international sustainability frameworks. Our efforts include renewable energy integration, energy consumption optimisation and the implementation of efficiency-driven upgrades to strengthen our operational sustainability.

OUR APPROACH

We manage energy consumption and improve efficiency in line with our Sustainability Commitment and Energy Policy, both of which are accessible via our sustainability portal at <https://www.pos.com.my/sustainability>. Our practices comply with relevant local and international regulations, frameworks and standards, including:

- Energy Efficiency and Conservation Act (“EECA”) 2024
- Electricity Supply Act 1990
- National Energy Policy 2022-2040 (“DTN”)
- National Energy Transition Roadmap (“NETR”)
- Global Logistics Emissions Council (“GLEC”) Framework
- International Post Corporation (“IPC”)
- United Nations Global Compact (“UNGC”) Principles

Furthermore, as a member of the IPC, we align our sustainability goals with global sustainability objectives, which are tracked through the IPC’s Sustainability Measurement System.

We compile our energy consumption data from electricity bills issued by multiple suppliers, including Tenaga Nasional Berhad (“TNB”) in Peninsular Malaysia, Sabah Electricity Sdn Bhd (“SES”) in Sabah and Sarawak Energy Berhad (“SEB”) in Sarawak. As for solar energy generation, we obtain the relevant data from the respective providers, namely Malakoff and Xenergi.

In addition, we source our fuel consumption data primarily from PETRONAS Smartpay, supplemented by petrol claims with supporting purchase receipts for certain vehicles and diesel purchases for generators (gensets), which occur on an as-needed basis rather than monthly. Energy calculations are based on actual billing and purchase data.

Environmental Disclosure

Total Fuel Consumption (Gigajoule)

	FY2023	FY2024	FY2025
Total fuel consumption	861,190	742,486	593,981

Breakdown of Fuel Consumption (Gigajoule)

	FY2023	FY2024	FY2025
Diesel	452,326	349,810	338,696
LPG	N/A	12,222	14,179
Natural gas	N/A	2,129	2,339
Petrol	56,682	52,253	44,916
Residual oil			
- Marine fuel oil and marine gas oil	352,182	326,072	193,851

Electricity Consumption (Gigajoule)

	FY2023	FY2024	FY2025
Grid electricity (%)	96.4	96.4	94
Renewable energy (%)	3.6	3.6	6
Total	188,975	226,319	229,512

Total Energy Consumption (Gigajoule)

	FY2023	FY2024	FY2025
Total energy consumption	1,050,165	968,805	823,493
Reductions in energy consumption achieved (year-on-year)	82,846	81,360	145,312
Reductions in energy consumption achieved (from 1,205,407)	155,241	236,602	381,914

OUTLOOK

We will continue advancing our energy transition by expanding renewable energy deployment, enhancing energy reliability and strengthening efficiency across key facilities. We will also progress with Solar Project Phase 4, supported by Battery Energy Storage Systems (“BESS”) at major hubs, while implementing audit-driven upgrades to optimise lighting, HVAC and equipment performance.

Additionally, our ongoing energy audits, internal assessments and employee awareness campaigns will reinforce responsible energy use, complemented by efforts to renew NBEL certifications, pursue GreenPASS accreditation and participate in national benchmarking platforms. These initiatives collectively enhance operational resilience, reduce energy-related risks and support our long-term decarbonisation goals.

Environmental Disclosure



Water

Why It Matters

We recognise that responsible water use is important to our operations and the communities we serve. Water supports essential functions across Pos Malaysia, including sanitation, employee welfare and facility management.

Managing water efficiently helps us control operational costs, improve efficiency and minimise environmental impact, while avoiding unnecessary strain on local water resources. Through efficient use, waste reduction and cost-effective practices, we ensure continued access to clean water for our employees and surrounding communities and maintain a safe as well as hygienic working environment.

OUR APPROACH

As part of our broader environmental risk management approach under Pos Malaysia’s Environmental Management Policy, we manage water use in accordance with established expectations for responsible consumption. This approach supports compliance with relevant regulatory requirements and aligns our operational practices with our sustainability objectives.

All water used in our operations is sourced from municipal suppliers and supports sanitation, employee welfare and facility management across post offices, Pos Shop outlets, warehouses and mail processing centres. Given the nature of our logistics and postal services, our direct water-related impacts are limited to facility operations and supply chain activities. We do not operate in regions identified as experiencing significant water stress and do not engage in large-scale water abstraction.

We monitor water consumption quarterly using municipal billing records to assess usage patterns and identify improvement opportunities. Although specific water reduction targets have not been established, we continue to encourage conservation through monitoring and awareness initiatives.

Our operations generate wastewater mainly from sanitation facilities, pantry activities and routine cleaning processes, which mainly contains organic matter and common household detergents. This wastewater is discharged into the municipal sewage system, where treatment is conducted by local authorities. While wastewater treatment and regulatory monitoring fall under municipal responsibility, we support responsible wastewater management by ensuring our operational activities remain compliant with discharge requirements. Through responsible operational practices, we aim to minimise wastewater generation at source while relying on municipal systems for treatment and environmental oversight.

OUR PERFORMANCE

In 2025, we continue to strengthen our water management approach by monitoring consumption through utility billing data. We also encourage mindful water use among employees to support continuous water conservation efforts across our facilities.

Total Water Consumption (Millilitre)

	FY2023	FY2024	FY2025
Total water consumption	817	742	812

OUTLOOK

We will continue to promote responsible water usage through awareness initiatives involving our employees and stakeholders. By monitoring and reporting our water consumption, we aim to strengthen our understanding of usage trends and identify areas for improvement. Additionally, we will regularly review our water usage and introduce water-saving technologies where feasible to reduce our operational water consumption.

Social Disclosure

Social Disclosure

Employee Turnover During the Reporting Period, by Age Group, Gender and Region

	2023	2024	2025
Gender			
Male	1,591	1,484	1,394
Female	500	444	388
Age Group			
Under 30	923	744	825
Between 30-50	1,025	1,005	773
Above 50	143	179	184
Region			
Peninsular Malaysia	1,907	1,778	1,565
East Malaysia	184	150	217

Total Number of Turnover by Employee Category

Employee Category	2023	2024	2025
Management	137	129	87
Executive	108	178	130
Non-Executive	1,846	1,621	1,565

Turnover Rate

Employee Category	2023	2024	2025
Turnover rate (%)	11.86	11.42	10.90

** 0.29% staff with a disability
 *** Data covers all employees in the Group (16,173)

Partnership with LeadWomen

In 2025, we partnered with LeadWomen to host an International Women’s Day event themed “Accelerate Action”, focused on amplifying the voices and experiences of women across different generations. The session enabled meaningful cross-generational dialogue and the exchange of diverse perspectives, strengthening mutual understanding and allyship. The event brought together 28 female leaders from across our organisation and more than 70 external corporate leaders and DEI practitioners, expanding our leadership network, reinforcing our commitment to gender equity, and positioning the organisation as an active contributor to the broader DEI ecosystem.



OUTLOOK

Looking ahead, we will continue strengthening our practices to mitigate risks and ensure equitable treatment across the organisation.

We will also continue to monitor workforce representation, particularly among women, younger employees and other underrepresented groups, to identify gaps and strengthen targeted interventions. Ongoing engagement through employee surveys, dialogue platforms and structured feedback mechanisms will enable us to surface inclusion challenges early and address them proactively.

To build a sustainable frontliner talent pipeline for 2026, Pos Malaysia is collaborating with Dapur Digital, an initiative by Pepper Lab that empowers B40 women, enabling continuous engagement with low-cost housing communities and reinforcing our role as a responsible and preferred employer. This includes expanding awareness and training programmes to help employees and leaders recognise and address bias, reinforcing fair and transparent recruitment, promotion and talent development processes, and ensuring that our workforce policies reflect and support diverse employee needs.

Through these efforts, we aim to cultivate a culture where every employee feels respected, empowered and able to thrive, supporting Pos Malaysia’s goal of building a fair, inclusive and future-ready workplace.

Governance Disclosure



Data Privacy & Security

Why It Matters

Safeguarding personal information and securing digital data are critical in the digital age. As Malaysia's national postal service provider, we process large volumes of confidential data daily. Our business sits at the crossroads of physical and digital data, including delivery addresses, personal identification details, business correspondence, and financial records.

All data generated from each delivery, transaction, and customer interaction must remain secure as we further digitalise our services, such as online tracking systems and e-commerce offerings. Upholding the confidentiality and integrity of this information is vital to our operations and reputation as a reliable service provider. Our dedication to cybersecurity extends beyond

business continuity; it sustains stakeholder trust and protects their information.

Strong data privacy and security practices will enhance customer trust, protect our reputation, reduce the risk of data breaches and regulatory penalties. It also supports operational efficiency by safeguarding critical business information and ensuring business continuity. Subsequently, vulnerable cybersecurity systems, specifically those that are not effectively enforced, will lead to exposure to risks such as unauthorised access, data leakage and cyberattacks. This could result in reputational damage, financial losses, operational disruption and potential legal or regulatory non-compliance.

OUR APPROACH

In addressing potential threats and disruptions to business continuity, we have implemented a strong cybersecurity framework across our operations. This is in alignment with the Personal Data Protection Act ("PDPA") 2010, where data management and security are fundamental components of our Enterprise Risk Management ("ERM") Framework.

To ensure that all data collection and use comply with legal requirements and best practices, our privacy and security controls undergo regular reviews and updates. Customer information in our Customer Relationship Management ("CRM") system is limited to authorised personnel, and user activities are regularly monitored. We also set clear timeframes for data preservation following our data retention policy, after which we dispose of the information securely according to regulatory standards.

Governance Disclosure

OUR PERFORMANCE

In 2025, we recorded zero (0) substantiated complaints concerning any breaches on customer privacy. Substantiated complaints refer to:

- Complaints from a regulatory or official body addressed to Pos Malaysia, where a breach has been confirmed by the regulator or where Pos Malaysia acknowledges the breach after investigation
- Complaints received directly by Pos Malaysia, where we have reviewed and determined it to be legitimate

Safety Month

Set during the month of October, we coordinated initiatives focused on reinforcing both cybersecurity and physical security awareness across the organisation, underscoring our dedication to trust and security at all levels. During Safety Month, all employees completed targeted eLearning modules to enhance their ability to identify risks and maintain a secure environment. It supported our commitment to data privacy, operational integrity and a safe workplace.

Customer Privacy and Data Incidents

Category	2023	2024	2025
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	1	0	0

OUTLOOK

Looking ahead, we will continue to strengthen our data privacy and cybersecurity controls through regular reviews, risk assessments and system testing, while staying aligned with evolving regulatory requirements and industry best practices. This will include ongoing employee awareness and training to reinforce data protection responsibilities and secure data-handling practices. In addition, we will increase access monitoring to support early detection and timely incident response, while data retention and disposal practices will be regularly reviewed to ensure regulatory compliance and minimise data exposure.

Governance Disclosure

Governance Disclosure



Strategic Alliances



Why It Matters

Strategic alliances are fundamental to Pos Malaysia as they facilitate the Group to accelerate ESG progress beyond the limits of internal capabilities alone. Many of our sustainability commitments, ranging from decarbonisation and digital transformation to community engagement and integrity strengthening, require specialised expertise, technology, regulatory alignment and operational support.

Partnerships with industry leaders, government bodies, national and multinational organisations allow us to leverage external knowledge and shared resources to accelerate implementation, reduce risks and ensure alignment with industry

standards and national priorities. These collaborations enhance service capabilities, strengthen compliance and expand access to emerging technologies, while also supporting brand reputation, adaptability to industry shifts and stakeholder trust.

However, the Group acknowledges that partnerships may also expose it to risks, including a reliance on external parties for critical technical support, variability in partner performance, misaligned expectations and increased contract management and oversight requirements. If not managed effectively, these risks may affect programme delivery, cost efficiency or reputational integrity.

OUR APPROACH

Our governance and procurement frameworks guide our approach to strategic partnerships to ensure our collaborations are transparent, aligned with organisational values and compliant with regulatory requirements. We comply with the relevant Group policies, guidelines and procedures to provide clear guidance on partner selection, conflict-of-interest checks, contractual expectations, performance monitoring and ethical compliance. They include the Group Procurement Policy, Vendor Management Guidelines, Due Diligence and Integrity Vetting Procedures, Contract Management Framework and the ABAC Programme, ensuring all strategic alliances uphold Pos Malaysia's integrity and governance standards.

OUR PERFORMANCE

In 2025, nearly all major sustainability programmes across Pos Malaysia were supported by a variety of strategic partnerships. Collaborations with government agencies, technology providers, regulators, sustainability experts and civil society reinforced progress in environmental management, digitalisation, customer experience, workforce development and corporate integrity. These partnerships provided technical expertise, regulatory guidance, training and operational support.

Strategic Collaborations to Advance ESG Goals

In 2025, Pos Malaysia strengthened its sustainability agenda through continued collaboration with the Sustainable Energy Development Authority ("SEDA") under the Energy Audit Conditional Grant ("EACG") programme. Comprehensive audits were conducted across key operational sites, providing the Group with data-driven insights to guide long-term energy efficiency planning. These engagements with SEDA reflect our broader commitment to working with national agencies to accelerate the transition towards more efficient and environmentally responsible operations. Read more on page 87.

In parallel, Pos Malaysia advanced ESG-related innovation across the logistics sector through strategic partnerships with the Ministry of Transport Malaysia, Road Transport Department ("JPJ") and Malaysian Institute of Road Safety Research ("MIROS"). Through the MyKurier Ratings framework, developed by the Postal Forum and MIROS, we strengthened industry-wide standards on road safety, driver behaviour and regulatory compliance. These alliances reinforce our focus on transparency, operational integrity and continuous improvement, aligning our delivery ecosystem with national expectations and supporting a more resilient, safe and responsible logistics network.

OUTLOOK

Throughout the lifecycle of each collaboration, we will enhance the due diligence processes, improve partner performance monitoring and ensure a more structured engagement to strengthen the governance and effectiveness of our strategic partnerships.

To better manage and coordinate partnership-based initiatives, the Group also plans to refine contracting frameworks, expand integrity vetting for high-risk engagements and increase internal capabilities. We will build long-term, mutually beneficial alliances with reputable partners to reduce operational dependency risks and ensure that the partnership will continue to support Pos Malaysia's transition towards a more resilient, innovative and sustainable future.

Statement of Assurance

Statement of Assurance



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Independent Practitioners' Limited Assurance Report on Pos Malaysia Berhad's (the "Company") Selected Sustainability Indicators for the financial year ended 31 December 2025 presented in its Annual Report 2025

Conclusion

We have performed a limited assurance engagement on whether the Company's selected sustainability indicators ("Selected Sustainability Indicators") for the financial year ended 31 December 2025 listed below have been prepared in accordance with the Company's definition and calculation methodologies as set out in the Company's Annual Report 2025 and/or where relevant, the Bursa Malaysia Securities Berhad's Sustainability Reporting Guide (3rd Edition) ("Applicable Criteria"):

No.	Selected Sustainability Indicators	Amount	Boundary
1	Scope 1 greenhouse gas ("GHG") emissions	45,231.23 tCO ₂ e	The Company and its subsidiaries
2	Scope 2 GHG emissions (location-based)	46,487.09 tCO ₂ e	
3	Percentage of employees who have received training on anti-corruption by employee category:		
	• Management;	• 46%	
	• Executive;	• 47%	
	• Non-executive	• 35%	
4	Lost time incident rate	0.44	
5	Number of employees trained on health and safety standards	13,559	
6	Percentage of operations assessed for corruption-related risks	100%	
7	Number of work-related fatalities	1	
8	Confirmed incidents of corruption and action taken	0	
9	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	
10	Total energy consumption	823,493 GJ	

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Selected Sustainability Indicators for the financial year ended 31 December 2025 presented in the Company's Annual Report 2025 are not prepared, in all material respects, in accordance with the Applicable Criteria.

KPMG PLT, a limited liability partnership under Malaysian law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



Pos Malaysia Berhad (the "Company")
Independent Practitioners' Limited Assurance Report on the Company's Selected Sustainability Indicators for the financial year ended 31 December 2025 presented in its Annual Report 2025
20 April 2026

Conclusion (continued)

Our conclusion on the Selected Sustainability Indicators does not extend to any other information that accompanies or contains the Selected Sustainability Indicators and our report. We have not performed any procedures with respect to the other information.

Basis for conclusion

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagements ("ISAE") 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and, in respect of GHG emissions, ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*. Our responsibilities under these standards are further described in the *Our responsibilities* section of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Restriction on distribution and use of our report

Our report has been prepared for the Board of Directors of the Company (the "Directors") solely in accordance with the terms of our engagement letter.

Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk.

Without affecting, adding to or extending our duties and responsibilities to the Company or giving rise to any duty or responsibility being accepted or assumed by or imposed on us by any other party, we consent to the inclusion of this report in the Company's Annual Report 2025, to assist the Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Selected Sustainability Indicators.

Our conclusion is not modified in respect of this matter.

Statement of Assurance

Statement of Assurance



Pos Malaysia Berhad (the "Company")
Independent Practitioners' Limited Assurance Report on the Company's
Selected Sustainability Indicators for the financial year ended 31 December 2025
presented in its Annual Report 2025
20 April 2026

Responsibilities for the Selected Sustainability Indicators

The management of the Company (the "Management") is responsible for:

- (a) designing, implementing and maintaining internal control relevant to the preparation of the Selected Sustainability Indicators such that they are free from material misstatement, whether due to fraud or error;
- (b) selecting or developing suitable criteria for preparing the Selected Sustainability Indicators and appropriately referring to or describing the criteria used, including who developed them, when not readily apparent from the engagement circumstances;
- (c) preparing and properly calculating the Selected Sustainability Indicators in accordance with the Applicable Criteria;
- (d) preventing and detecting fraud; and
- (e) selecting the content of the Selected Sustainability Indicators, including identifying and engaging with intended users to understand their information needs.

Inherent limitations

1. Due to the inherent limitations of any internal control structure, it is possible that material misstatement, whether due to fraud or error, may occur and not be detected in the Selected Sustainability Indicators.
2. GHG emissions quantification is unavoidably subject to significant inherent limitations, because of incomplete scientific knowledge used to determine emissions factors and limitations inherent in the nature of and methods used for determining emissions data. The selection by Management of different but acceptable emissions factors or measurement techniques could have resulted in materially different GHG emissions being reported.

Our responsibilities

We are responsible for:

- (a) planning and performing the engagement to obtain limited assurance about whether the Selected Sustainability Indicators are free from material misstatement, whether due to fraud or error;
- (b) forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- (c) reporting our conclusion to the Directors.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Selected Sustainability Indicators that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Selected Sustainability Indicators and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, we have performed the following procedures, amongst others:

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Pos Malaysia Berhad (the "Company")
Independent Practitioners' Limited Assurance Report on the Company's
Selected Sustainability Indicators for the financial year ended 31 December 2025
presented in its Annual Report 2025
20 April 2026

Summary of the work we performed as the basis for our conclusion (continued)

- (a) enquired Management to gain an understanding of the processes established from which the Selected Sustainability Indicators are derived;
- (b) interviewed relevant staff responsible for preparing and presenting the Selected Sustainability Indicators in the Company's Annual Report 2025;
- (c) compared the Selected Sustainability Indicators presented in the Company's Annual Report 2025 to underlying sources on a sample basis; and
- (d) read the Selected Sustainability Indicators presented in the Company's Annual Report 2025 to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the Company.

We have performed the following additional procedures for GHG emissions, amongst others:

- (a) enquired Management to gain an understanding on the determination of the Company's inventory boundary, the method of classifying emission sources, and the management's key judgements in estimating emissions, including selection and application of methods, significant assumptions and data; and
- (b) tested accuracy of activity data, emission factors and global warming potential factors to relevant underlying sources on a sample basis.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Other matter

We previously expressed a limited assurance conclusion over the Selected Sustainability Indicators 2 to 7 for the financial year ended 31 December 2024 and Selected Sustainability Indicators 7 to 9 for the financial year ended 31 December 2023; our reports dated 23 April 2025 and 3 April 2024 respectively included an unmodified conclusion.

Our conclusion is not modified with respect to this matter.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya

Date: 20 April 2026

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Global Reporting Initiative (“GRI”) Content Index

Statement of use	Pos Malaysia has reported in accordance with the GRI Standards for the period of 1 January to 31 December 2025, unless otherwise stated.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

Topic	GRI Disclosure Number	Reference Section/Reasons for Omission	Reference Page
GRI STANDARD	DISCLOSURE		Location
GRI 2: General Disclosures 2021	2-1 Organizational details	<ul style="list-style-type: none"> About This Report Group Corporate Profile 	AR 58, AR 6-10
	2-2 Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> Scope and Basis of Scope 	AR 60
	2-3 Reporting period, frequency, and contact point	<ul style="list-style-type: none"> About This Statement Feedback 	AR 60
	2-4 Restatements of information	<ul style="list-style-type: none"> Restatements of information 	AR 60
	2-5 External assurance	<ul style="list-style-type: none"> Reliability and Assurance Statement of Assurance 	AR 60, AR 132
	2-6 Activities, value chain and other business relationships	<ul style="list-style-type: none"> Business Review Stakeholder Engagement Value Chain Model 	AR 42-53, AR 61, AR 68
	2-7 Employees	<ul style="list-style-type: none"> Employment by gender Employment by region 	AR 109, AR 110-111
	2-8 Workers who are not employees	<ul style="list-style-type: none"> Diversity and Inclusivity 	AR 107
	2-9 Governance structure and composition	<ul style="list-style-type: none"> Corporate Governance Overview Statement 	AR 160-177
	2-10 Nomination and selection of the highest governance body	<ul style="list-style-type: none"> Board Diversity Independence of the Board Board Nomination and Remuneration Committee Appointment of New Directors Board Evaluation and Effectiveness Assessment Continuing Development Programme for Directors 	AR 172, AR 173, AR 173, AR 165, AR 174, AR 174-175
	2-11 Chair of the highest governance body	<ul style="list-style-type: none"> Demarcation of Responsibilities between the Non Executive Chairman, Group Chief Executive Officer and Non-Executive Directors Role of the Non-Executive Chairman 	AR 167, AR 168
	2-12 Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> Role of the Non-Executive Chairman Group Chief Executive Officer Non-Executive Directors 	AR 168, AR 168, AR 168

Global Reporting Initiative (“GRI”) Content Index

Topic	GRI Disclosure Number	Reference Section/Reasons for Omission	Reference Page
GRI STANDARD	DISCLOSURE		Location
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> Materiality Assessment, Sustainability Governance 	AR 62-64, AR 67
	2-14 Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> Sustainability Governance 	AR 65
	2-15 Conflicts of interest	<ul style="list-style-type: none"> Board Meetings and Access to Information Board of Evaluation and Effectiveness Assessment Section Re-Election and Re-Appointment of Directors 	AR 169, AR 174, AR 174
	2-16 Communication of critical concerns	<ul style="list-style-type: none"> Integrity and Ethics 	AR 178
	2-17 Collective knowledge of the highest governance body	<ul style="list-style-type: none"> Continuing Development Programme for Directors 	AR 174-175
	2-18 Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> Board Evaluation and Effectiveness Assessment 	AR 174
	2-19 Remuneration policies	<ul style="list-style-type: none"> Remuneration Policy Directors' Remuneration Framework Remuneration Disclosure for Top 5 Key Senior Management 	AR 176, AR 177, AR 177
	2-20 Process to determine remuneration	<ul style="list-style-type: none"> Board Nomination, Remuneration Committee Remuneration Policy 	AR 173, AR 176
	2-21 Annual total compensation ratio	<ul style="list-style-type: none"> N/A 	
	2-22 Statement on sustainable development strategy	<ul style="list-style-type: none"> Chairman's Statement 	AR 18-21
	2-23 Policy commitments	<ul style="list-style-type: none"> Integrity and Ethics 	AR 178
	2-24 Embedding policy commitments	<ul style="list-style-type: none"> Integrity and Ethics 	AR 178
	2-25 Processes to remediate negative impacts	<ul style="list-style-type: none"> Integrity and Ethics 	AR 178
	2-26 Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> Integrity and Ethics 	AR 178
	2-27 Compliance with laws and regulations	<ul style="list-style-type: none"> Environmental Compliance 	AR 84
	2-28 Membership associations	<ul style="list-style-type: none"> Pos Malaysia is a member of and/or signatory to the following organisations: <ul style="list-style-type: none"> Universal Postal Union (“UPU”) United Nations Global Compact Malaysia and Brunei (“UNGCMYB”) 	
	2-29 Approach to stakeholder engagement	<ul style="list-style-type: none"> Stakeholder Engagement 	AR 59-60
	2-30 Collective bargaining agreements	<ul style="list-style-type: none"> Union Membership 	AR 61

Global Reporting Initiative (“GRI”) Content Index

Topic	GRI Disclosure Number	Reference Section / Reasons for Omission	Reference Page
GRI STANDARD	DISCLOSURE		Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	• Materiality Assessment	AR 62-64
	3-2 List of material topics	• Materiality Assessment	AR 62-64
	3-3 Management of material topics	• Materiality Assessment	AR 62-64
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	• Statement of value added and value distributed	AR 36
	201-2 Financial implications and other risks and opportunities due to climate change	• Integrating Financial Planning in Our Climate-Related Risks and Opportunities	AR 79
	201-3 Defined benefit plan obligations and other retirement plan	• Talent Management	AR 94
	201-4 Financial assistance received from government	• N/A	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	• N/A	
	202-2 Proportion of senior management hired from the local community	• Profile of Senior Management	AR 156-159
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	• Community Investment	AR 110-117
	203-2 Significant indirect economic impacts	• Community Investment	AR 112
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	• Supply Chain Management	AR 123
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	• Governance and Ethics	AR 125
	205-2 Communication and training about anti-corruption policies and procedures	• Governance and Ethics	AR 125
	205-3 Confirmed incidents of corruption and actions taken	• Governance and Ethics	AR 125
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	• Management Discussion and Analysis	AR 29

Global Reporting Initiative (“GRI”) Content Index

Topic	GRI Disclosure Number	Reference Section / Reasons for Omission	Reference Page
GRI STANDARD	DISCLOSURE		Location
GRI 301: Materials 2016	301-1 Materials used by weight or volume	• Material Use	AR 92
	301-2 Recycled input materials used	• Material Use	AR 92
	301-3 Reclaimed products and their packaging materials	• N/A	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	• Energy Management	AR 88
	302-2 Energy consumption outside of the organisation	• Scope 3 Category 4 (Upstream Transportation)	AR 82
	302-3 Energy intensity	• GHG emissions intensity	AR 83
	302-4 Reduction of energy consumption	• Energy Management	AR 88
	302-5 Reductions in energy requirements of products and services	• Energy Management	AR 88
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	• Water	AR 89
	303-2 Management of water discharge-related impacts	• Water	AR 89
	303-3 Water withdrawal	• Water	AR 89
	303-4 Water discharge	• Water	AR 89
	303-5 Water consumption	• Water	AR 89
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	• Climate Change	AR 82
	305-2 Energy indirect (Scope 2) GHG emissions	• Climate Change	AR 82
	305-3 Other indirect (Scope 3) GHG emissions	• Climate Change	AR 82
	305-4 GHG emissions intensity	• Climate Change	AR 83
	305-5 Reduction of GHG emissions	• Climate Change	AR 82
	305-6 Emissions of ozone-depleting substances (“ODS”)	• Ozone-depleting Substances (“ODS”)	AR 83
	305-7 Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	• Air Emissions	AR 83

Global Reporting Initiative (“GRI”) Content Index

Topic	GRI Disclosure Number	Reference Section/ Reasons for Omission	Reference Page
GRI STANDARD	DISCLOSURE		Location
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	• Waste Management	AR 90-92
	306-2 Management of significant waste-related impacts	• Waste Management	AR 90-92
	306-3 Waste generated	• Waste Generation and Diversion	AR 92
	306-4 Waste diverted from disposal	• Waste Generation and Diversion	AR 92
	306-5 Water directed to disposal	• Waste Generation and Diversion	AR 92
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	• Diversity and Inclusivity	AR 110
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	• Talent Management	AR 93 - 97
	401-3 Parental leave	• Talent Management	AR 93 - 97
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	• Occupational Safety and Health	AR 99
	403-2 Hazard identification, risk assessment, and incident investigation	• Occupational Safety and Health	AR 99
	403-3 Occupational health services	• Occupational Safety and Health	AR 99
	403-4 Worker participation, consultation, and communication on occupational health and safety	• Occupational Safety and Health	AR 99 - 101
	403-5 Worker training on occupational health and safety	• Occupational Safety and Health	AR 100
	403-6 Promotion of worker health	• Diversity and Inclusivity	AR 105
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	• Occupational Safety and Health	AR 99 - 101
	403-8 Workers covered by an occupational health and safety management system	• Occupational Safety and Health	AR 99
	403-9 Work-related injuries	• Occupational Safety and Health	AR 100
	403-10 Work-related ill health	• Occupational Safety and Health	AR 100
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	• Talent Development	AR 96
	404-2 Programs for upgrading employee skills and transition assistance programs	• Talent Development	AR 97
	404-3 Percentage of employees receiving regular performance and career development reviews	• Talent Development	AR 97

Global Reporting Initiative (“GRI”) Content Index

Topic	GRI Disclosure Number	Reference Section/ Reasons for Omission	Reference Page
GRI STANDARD	DISCLOSURE		Location
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	• Employee Category	AR 106
	405-2 Ratio of basic salary and remuneration of women to men	• N/A	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	• Union Membership • Talent Development	AR 61 AR 96
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	• Talent Development	AR 95
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	• Human Rights	AR 103
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	• N/A	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	• Community Investment	AR 110-117
	413-2 Operations with significant actual and potential negative impacts on local communities	• Community Investment	AR 110-117
GRI 414: Supplier Social Assessment 2016	414-1 New supplier that were screened using social criteria	• Supply Chain Management	AR 120-121
	414-2 Negative social impacts in the supply chain and actions taken	• Supply Chain Management	AR 120-121
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	• Data Privacy & Security	AR 121

Glossary

N/A	Not available
AR	Annual report

Performance Table

Pos Malaysia Berhad
BMLR Transition Period

Date & Time: 2026-04-15_15:31:23
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
* Anti-corruption	* (a) Percentage of employees who have received training on anti-corruption by employee category	* Percentage	* Management: 46% Executive: 47% Non- Executive: 35% Total: 36%	* 100%	External (Limited)
Footnote Sustainability Matter	Disclosed in Sustainability Report 2025				
Footnote Metric	Disclosed in Sustainability Report 2025				
Footnote Measurement Unit	Disclosed in Sustainability Report 2025				
Footnote 2025	Disclosed in Sustainability Report 2025				
Footnote Target	Disclosed in Sustainability Report 2025				
Footnote Assurance	Disclosed in Sustainability Report 2025				
Anti-Corruption	(b) Percentage of operations assessed for corruption-related risks	Percentage	100%	100%	External (Limited)
Footnote Sustainability Matter	This row has been added.				
Anti-Corruption	(c) Confirmed incidents of corruption and action taken	Number	0	0	External (Limited)
Footnote Sustainability Matter	This row has been added.				
Community / Society	(e) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	401,703	N/A	No assurance
Footnote Sustainability Matter	This row has been added.				
Community / Society	(b) Total number of beneficiaries of the investment in communities	Number	64,297	N/A	No assurance
Footnote Sustainability Matter	This row has been added.				

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Performance Table

Pos Malaysia Berhad
BMLR Transition Period

Date & Time: 2026-04-15_15:31:23
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	(a) Percentage of employees by gender and age group, for each employee category	Percentage	* Management: Male 56%, Female 44% Executive: Male 52%, Female 48% Non-Executive: Male 78%, Female 22% Management: Below 30: 2%; 30-50: 78%; Above 50: 20% Executive: Below 30: 15%; 30-50: 72%; Above 50: 13% Non-Executive: Below 30: 15%; 30-50: 74%; Above 50: 11%	Female leadership at 45%	No assurance
Footnote Sustainability Matter	This row has been added.				
Footnote 2025	Disclosed in Sustainability Report 2025				
Diversity	(b) Percentage of directors by gender and age group	Percentage	Male: 71%; Female: 29% 40-49 years old: 14% 50-59 years old and above: 43%	30% of female representation of the Board of Directors	No assurance
Footnote Sustainability Matter	This row has been added.				
Energy management	Total energy consumption	Gigajoule	823,493	N/A	External (Limited)
Footnote Sustainability Matter	This row has been added.				
Health and safety	(a) Number of work-related fatalities	Number	1	0	External (Limited)
Footnote Sustainability Matter	This row has been added.				
Health and safety	(b) Lost time incident rate	Rate	0.44	0.44	External (Limited)
Footnote Sustainability Matter	This row has been added.				
Health and safety	(c) Number of employees trained on health and safety standards	Number	13,559	N/A	External (Limited)
Footnote Sustainability Matter	This row has been added.				

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Performance Table

Pos Malaysia Berhad
BMLR Transition Period

Date & Time: 2026-04-15_15:31:23
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour practices and standards	(a) Total hours of training by employee category	Hours	Management: 18,397 hours Executive: 24,822 hours Non-executive: 195,684 hours	N/A	No assurance
Footnote Sustainability Matter	This row has been added.				
Labour practices and standards	(b) Percentage of employees that are contractors or temporary staff	Percentage	* 3.78%	N/A	No assurance
Footnote Sustainability Matter	This row has been added.				
Footnote 2025	Disclosed in Sustainability Report 2025				
Labour practices and standards	(c) Total number of employee turnover by employee category	Number	* Management: 87 Executive: 130 Non-executive: 1,585	N/A	No assurance
Footnote Sustainability Matter	This row has been added.				
Footnote 2025	Disclosed in Sustainability Report 2025				
Labour practices and standards	(d) Number of substantiated complaints concerning human rights violations	Number	0	0	No assurance
Footnote Sustainability Matter	This row has been added.				
Supply chain management	* Proportion of spending on local suppliers	* Percentage	* 98.5%	* N/A	* No assurance
Footnote Sustainability Matter	This row has been added.				
Footnote Metric	Disclosed in Sustainability Report 2025				
Footnote Measurement Unit	Disclosed in Sustainability Report 2025				
Footnote 2025	Disclosed in Sustainability Report 2025				
Footnote Target	Disclosed in Sustainability Report 2025				

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Performance Table

Pos Malaysia Berhad
BMLR Transition Period

Date & Time: 2026-04-15_15:31:23
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Assurance	Disclosed in Sustainability Report 2025				
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	* 0	* 0	* External (Limited)
Footnote Sustainability Matter	This row has been added.				
Footnote 2025	Disclosed in Sustainability Report 2025				
Footnote Target	Disclosed in Sustainability Report 2025				
Footnote Assurance	Disclosed in Sustainability Report 2025				
Water	Total volume of water used	Megalitres	812	N/A	No assurance
Footnote Sustainability Matter	This row has been added.				
Emissions Management	Scope 1 emissions in tonnes of CO2e	Metric tonnes	45,231.23	Reduction of 50% Scope 1 and 2 by 2030	* External (Limited)
Footnote Sustainability Matter	This row has been added.				
Emissions Management	Scope 2 emissions in tonnes of CO2e	Metric tonnes	* 46,487.09	Reduction of 50% Scope 1 and 2 by 2030	* External (Limited)
Footnote Sustainability Matter	This row has been added.				
Footnote 2025	Disclosed in Sustainability Report 2025				

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Performance Table

Pos Malaysia Berhad		Date & Time: 2026-04-15_15:31:23		FYE 31/12/2025	
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-corruption	(a) Percentage of employees who have received training on anti-corruption by employee category	Percentage	Management: 46% Executive: 47% Non-Executive: 35% Total: 36%	100%	External (limited)
Footnote Sustainability Matter	This row has been deleted.				
Anti-Corruption	(b) Percentage of operations assessed for corruption-related risks	Percentage	100%	100%	External (limited)
Footnote Sustainability Matter	This row has been deleted.				
Anti-Corruption	(c) Confirmed incidents of corruption and action taken	Number	0	0	External (limited)
Footnote Sustainability Matter	This row has been deleted.				
Community/Society	(d) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	401,703	N/A	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Community/Society	(b) Total number of beneficiaries of the investment in communities	Number	64,297	N/A	No assurance
Footnote Sustainability Matter	This row has been deleted.				

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Performance Table

Pos Malaysia Berhad		Date & Time: 2026-04-15_15:31:23		FYE 31/12/2025	
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	(a) Percentage of employees by gender and age group, for each employee category	Percentage	Management: Male 57%, Female 43% Executive: Male 51%, Female 49% Non-Executive: Male 78%, Female 22%	N/A	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity	(b) Percentage of directors by gender and age group	Percentage	Management: Below 30-33%, 30-50: 77%, above 50-71% Executive: Below 30-15%, 30-50: 72%, above 50-13% Non-executive: Below 30-15%, 30-50: 74%, above 50-11%	30% of female representation of the Board of Directors	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Energy-management	Total energy consumption	Gigajoule	825,483	N/A	External (limited)
Footnote Sustainability Matter	This row has been deleted.				
Health and safety	(a) Number of work-related fatalities	Number	1	0	External (limited)
Footnote Sustainability Matter	This row has been deleted.				
Health and safety	(b) Lost-time incident rate	Rate	0.44	0.44	External (limited)
Footnote Sustainability Matter	This row has been deleted.				
Health and safety	(c) Number of employees trained on health and safety standards	Number	15,559	N/A	External (limited)
Footnote Sustainability Matter	This row has been deleted.				

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Performance Table

Pos Malaysia Berhad
IFRS S1

Date & Time: 2026-04-15_15:31:23
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour practices and standards	(a)-Total hours of training by employee category	Hours	Management-18,397 hours Executive-24,622 hours Non-executive-19,664 hours	N/A	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Labour practices and standards	(b)-Percentage of employees that are contractors or temporary staff	Percentage	3.7%	N/A	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Labour practices and standards	(c)-Total number of employee turnover by employee category	Number	Management-98 Executive-125 Non-executive-1,566	N/A	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Labour practices and standards	(d)-Number of substantiated complaints concerning human rights violations	Number	0	0	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Supply-chain management	Proportion of spending on local suppliers	Percentage	99.5%	N/A	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	External limited
Footnote Sustainability Matter	This row has been deleted.				
Water	Total volume of water used	Megalitres	812	N/A	No assurance
Footnote Sustainability Matter	This row has been deleted.				

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Performance Table

Pos Malaysia Berhad
IFRS S2

Date & Time: 2026-04-15_15:31:23
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO2e)	45,231.23	50% reduction of Scope 1 and 2 combined by 2030	External limited
Footnote Sustainability Matter	This row has been deleted.				
GHG emissions	Scope 2-Location-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	46,476.09	50% reduction of Scope 1 and 2 combined by 2030	External limited
Footnote Sustainability Matter	This row has been deleted.				
GHG emissions	Scope 3-Cat.1-Purchased goods and services	Metric tonnes of carbon dioxide equivalents (tCO2e)	22,155.31	-	No assurance
Footnote Sustainability Matter	This row has been deleted.				
GHG emissions	Scope 3-Cat.4-Upstream transportation and distribution	Metric tonnes of carbon dioxide equivalents (tCO2e)	55,155.00	-	No assurance
Footnote Sustainability Matter	This row has been deleted.				
GHG emissions	Scope 3-Cat.5-Waste generated in operations	Metric tonnes of carbon dioxide equivalents (tCO2e)	2,034.22	-	No assurance
Footnote Sustainability Matter	This row has been deleted.				
GHG emissions	Scope 3-Cat.6-Business travel	Metric tonnes of carbon dioxide equivalents (tCO2e)	1,191.25	-	No assurance
Footnote Sustainability Matter	This row has been deleted.				
GHG emissions	Scope 3-Cat.7-Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO2e)	50,395.28	-	No assurance
Footnote Sustainability Matter	This row has been deleted.				

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Leadership in Action

Driving Accountability and Strategic Direction

Guided by experience, integrity and strong governance principles, Pos Malaysia's leadership team steers the organisation towards transformation while safeguarding stakeholder confidence.



Corporate Information

BOARD OF DIRECTORS

Tan Sri Syed Faisal Albar bin Syed A.R Albar
Chairman/Non-Independent Non-Executive Director
Dato' Dr. Mohd Ali bin Mohamad Nor
Independent Non-Executive Director
Dato' Jezilee bin Mohamad Ramli
Non-Independent Non-Executive Director
Dato' Mohamed Sharil bin Mohamed Tarmizi
Independent Non-Executive Director
Roshidah binti Abdullah
Independent Non-Executive Director
Sabarina Laila binti Mohd Hashim
Non-Independent Non-Executive Director
Mohd Fariszan bin Ahmad
Non-Independent Non-Executive Director
BOARD COMMITTEES
BOARD AUDIT COMMITTEE
Roshidah binti Abdullah
Chairman/Independent Non-Executive Director
Dato' Jezilee bin Mohamad Ramli
Non-Independent Non-Executive Director
Dato' Dr. Mohd Ali bin Mohamad Nor
Independent Non-Executive Director
BOARD NOMINATION AND REMUNERATION COMMITTEE
Dato' Jezilee bin Mohamad Ramli
Chairman/Non-Independent Non-Executive Director
Dato' Mohamed Sharil bin Mohamed Tarmizi
Independent Non-Executive Director
Dato' Dr. Mohd Ali bin Mohamad Nor
Independent Non-Executive Director
BOARD RISK, SUSTAINABILITY AND COMPLIANCE COMMITTEE
Dato' Mohamed Sharil bin Mohamed Tarmizi
Chairman/Independent Non-Executive Director
Dato' Dr. Mohd Ali bin Mohamad Nor
Independent Non-Executive Director
Dato' Jezilee bin Mohamad Ramli
Non-Independent Non-Executive Director
BOARD TENDER COMMITTEE
Dato' Dr. Mohd Ali bin Mohamad Nor
Chairman/Independent Non-Executive Director
Roshidah binti Abdullah
Independent Non-Executive Director
Mohd Fariszan bin Ahmad
Non-Independent Non-Executive Director
BOARD DIGITAL-FIRST COMMITTEE
Dato' Mohamed Sharil bin Mohamed Tarmizi
Chairman/Independent Non-Executive Director
Dato' Dr. Mohd Ali bin Mohamad Nor
Independent Non-Executive Director
COMPANY SECRETARIES
Sabarina Laila binti Mohd Hashim
*(LS 0004324)
(SSM PC No. 201908001661)*
Lee Siew Yoke
*(MAICSA 7053733)
(SSM PC No. 202008003820)*
REGISTERED OFFICE

 Tingkat 8, Ibu Pejabat Pos Kompleks Dayabumi 50670 Kuala Lumpur
 Tel: +603-2267 2267
 Fax: +603-2267 2266
 Email: corp_secretarial@pos.com.my
INVESTOR RELATIONS

 Contact person: Nih Jit Aun
 Tel: +603-2267 2206
 Email: investor.relations@pos.com.my
CORPORATE WEBSITE
www.pos.com.my
STOCK EXCHANGE LISTING

 Main Market of Bursa Malaysia Securities Berhad
 Stock Name: POS
 Stock Code: 4634

SHARE REGISTRAR

 Boardroom Share Registrars Sdn. Bhd.
 Registration No. 199601006647 (378993-D)
 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan
 Tel: +603-7890 4700
 Fax: +603-7890 4670
 Email: bsr.helpdesk@boardroomlimited.com
AUDITORS

 KPMG PLT
 LLPO010081-LCA & AF 0758
 Chartered Accountants
 Level 10, KPMG Tower 8, First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan
 Tel: +603-7721 3388
 Fax: +603-7721 3399

PRINCIPAL BANKERS

 AmBank Islamic Berhad
 Bank Muamalat Malaysia Berhad
 CIMB Bank Berhad
 HSBC Amanah Malaysia Berhad
 Maybank Islamic Berhad

Profile Of Board Of Directors



TAN SRI SYED FAISAL ALBAR BIN SYED A.R ALBAR

Chairman; Non-Independent Non-Executive Director

60 years old Male Malaysian

Board Meetings Attendance in 2025

Date of re-designation

 as Chairman/
 Non-Independent
 Non-Executive Director

2 April 2021

Date of Appointment

 as Non-Independent
 Non-Executive Director

14 January 2016

Board Committee Membership

- Nil

Academic/Professional Qualification(s)

- Member of Malaysian Institute of Accountants (MIA)
- Member of the Malaysian Institute of Certified Public Accountants (MICPA)
- American Institute of Certified Public Accountants (AICPA) Professional Certification from University of Illinois, Urbana Champaign, United States of America ("USA")
- Bachelor of Arts (Accountancy), Barat College of DePaul University, Lake Forest, USA

Present Appointment(s)

- Group Managing Director ("GMD"), DRB-HICOM Berhad

Past Experience(s)

- Chief Executive Officer ("CEO"), Malakoff Corporation Berhad
- CEO, Gas Malaysia Berhad
- Executive Director, Pos Logistics Berhad
- Director, Malaysia Airports Holdings Berhad
- Director, Hong Leong Bank Berhad
- Director, Kwasa Land Sdn Bhd
- Director, Yayasan Kelana Ehsan
- GMD, Pos Malaysia Berhad
- Chairman, ASEAN Postal Business Union
- CEO, The New Straits Times Press (Malaysia) Berhad ("NSTP")
- Chief Financial Officer, NSTP
- Various positions in PricewaterhouseCoopers (formerly known as Price Waterhouse), Kuala Lumpur and San Francisco, California, USA

Other Directorship(s)
Listed Company

- GMD, DRB-HICOM Berhad

Public Companies

- Chairman, PROTON Holdings Berhad
- Edaran Otomobil Nasional Berhad
- HICOM Holdings Berhad
- HICOM Berhad

Profile Of Board Of Directors



DATO' DR. MOHD ALI BIN MOHAMAD NOR

Independent Non-Executive Director

66 years old Male Malaysian

Board Meetings Attendance in 2025



Date of Appointment

1 January 2021

Committees

- Chairman of Board Tender Committee
- Member of Board Risk, Sustainability and Compliance Committee
- Member of Board Digital-First Committee
- Member of Board Audit Committee
- Member of Board Nomination and Remuneration Committee

Academic/Professional Qualification(s)

- Doctorate of Technology, Newcastle University, United Kingdom
- Master of Information of Technology, Universiti Kebangsaan Malaysia ("UKM")
- Bachelor of Geology, UKM

Present Appointment(s)

- Nil

Past Experience(s)

- Secretary-General, Ministry of Communications and Multimedia
- Various positions in key Government Ministries

Other Directorship(s)

Listed Company

- Nil

Public Companies

- Nil

Profile Of Board Of Directors



DATO' JEZILEE BIN MOHAMAD RAMLI

Non-Independent Non-Executive Director

62 years old Male Malaysian

Board Meetings Attendance in 2025



Date of Appointment

2 April 2021

Committees

- Chairman of Board Nomination and Remuneration Committee
- Member of Board Audit Committee
- Member of Board Risk, Sustainability and Compliance Committee

Academic/Professional Qualification(s)

- Member of the Malaysian Institute of Certified Public Accountants (MICPA)
- Member of the American Institute of Certified Public Accountants (AICPA)
- Member of the Malaysian Institute of Accountants (MIA)
- Uniform AICPA Professional Examination, University of Missouri, Kansas City, United States of America ("USA")
- Bachelor of Science in Business (Major in Accounting), Emporia State University, Kansas, USA

Present Appointment(s)

- Group Chief Operating Officer, Corporate Services, DRB-HICOM Berhad

Past Experience(s)

- Chief Financial Officer ("CFO"), UEM Edgenta Berhad
- Director of Operations, Khazanah Nasional Berhad
- Group Chief, Corporate Services, Pos Malaysia Berhad
- CFO, The New Straits Times Press (Malaysia) Berhad ("NSTP")
- General Manager Finance, AMI Insurans Berhad (now known as Sun Life Malaysia Assurance)
- Senior Manager, NSTP
- Assistant Manager, Arab Malaysian Merchant Bank Berhad
- Audit Senior, PricewaterhouseCoopers (formerly known as Price Waterhouse)
- Accountant, Bank Bumiputra, New York, USA

Other Directorship(s)

Listed Company

- Nil

Public Companies

- Edaran Otomobil Nasional Berhad

Profile Of Board Of Directors



DATO' MOHAMED SHARIL BIN MOHAMED TARMIZI

Independent Non-Executive Director

56 years old Male Malaysian

Board Meetings Attendance in 2025



Date of Appointment

13 April 2021

Committees

- Chairman of Board Digital-First Committee
- Chairman of Board Risk, Sustainability and Compliance Committee
- Member of Board Nomination and Remuneration Committee

Academic/Professional Qualification(s)

- LLB (Honours), University College of Wales, Aberystwyth
- Barrister-at-Law, Gray's Inn, London, United Kingdom

Present Appointment(s)

- Senior Advisor, Quantephi Sdn Bhd
- Senior Advisor, Asean Advisory Pte Ltd, Singapore
- Chairman, Civil Aviation Authority of Malaysia (CAAM)
- Chairman, APNIC Foundation Limited (Australia)
- Chairman, Digital Advisory Committee of the Ministry of Transport

Past Experience(s)

- Director, Lotus Group International Ltd, United Kingdom
- Independent Non-Executive Director, Lagenda Properties Berhad
- Member of Advisory Board, United Nations University Institute, Macau
- Chairman, Digital MedTech Solutions Sdn. Bhd.
- Independent Non-Executive Chairman, Opcom Holdings Berhad

- Independent Non-Executive Chairman, Bina Darulaman Berhad
- Independent Non-Executive Chairman, Privasia Technology Berhad
- Director, Digital Nasional Berhad
- Chairman and Chief Executive, Malaysian Communications and Multimedia Commission ("MCMC")
- Chief Operating Officer, MCMC
- Worked closely with international organisations such as the Internet Society (ISOC), International Telecommunications Union (ITU), the World Bank, the World Trade Organisation (WTO), Asia Pacific Telecommunity (APT), Pacific Islands Telecoms Association (PITA), Commonwealth Telecoms Organisation (CTO), International Institute of Communications (IIC), Universal Postal Union (UPU) and the United Nations International Children's Emergency Fund (UNICEF), particularly in the area of training and capacity building
- Chairman of the Internet Corporation for Assigned Names and Numbers ("ICANN")'s Government Advisory Committee (GAC)
- Board Member, ICANN
- Partner, BinaFikir Sdn Bhd
- Advocate & Solicitor, Zaid Ibrahim & Co
- Advocate & Solicitor, Azman Davidson & Co

Other Directorship(s)

Listed Company

- Nil

Public Companies

- Amanat Lebuhraya Rakyat Berhad
- UMobile Holdings Berhad

Profile Of Board Of Directors



ROSHIDAH BINTI ABDULLAH

Independent Non-Executive Director

58 years old Female Malaysian

Board Meetings Attendance in 2025



Date of Appointment

1 January 2024

Committees

- Chairman of Board Audit Committee
- Member of Board Tender Committee

Academic/Professional Qualification(s)

- Bachelor of Arts Degree in Accountancy, South Australian Institute of Technology (now known as University of South Australia)
- Chartered Member of the Malaysian Institute of Accountants (MIA)
- Certified Member of CPA Australia

Present Appointment(s)

- Independent Non-Executive Director, Bank Muamalat Malaysia Berhad and Muamalat Invest Sdn Bhd
- Independent Non-Executive Director, ProtectHealth Corporation Sdn Bhd

Past Experience(s)

- Chief Financial Officer, Sumatec Resources Berhad
- Consultant, Renoex International Sdn Bhd
- Finance Director, UEM Group Berhad and UEM Builders Berhad
- Various senior positions at Pharmaniaga Berhad, last position held was Chief Operating Officer
- Senior Manager Corporate Finance, Remedi Pharmaceuticals (M) Sdn Bhd
- Group Accountant, Time Engineering Berhad
- Auditor, Deloitte and Touche (Kassim Chan & Co)

Other Directorship(s)

Listed Company

- Nil

Public Companies

- Bank Muamalat Malaysia Berhad

Profile Of Board Of Directors



SABARINA LAILA BINTI MOHD HASHIM

Non-Independent Non-Executive Director

58 years old Female Malaysian

Board Meetings Attendance in 2025



Date of Appointment

1 June 2023

Committees

- Nil

Academic/Professional Qualification(s)

- Master of Science in Corporate Governance, London South Bank University, United Kingdom
- Bachelor of Laws (Honours), University of Malaya

Present Appointment(s)

- Chief Legal Officer & Company Secretary, DRB-HICOM Berhad

Past Experience(s)

- General Manager and Group Company Secretary, Secretarial and Legal Services Division, Malaysia Airports Holdings Berhad
- Director, several private limited companies
- Lawyer, several legal firms

Other Directorship(s)

Listed Company

- Nil

Public Companies

- Nil

Profile Of Board Of Directors

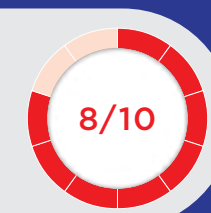


MOHD FARISZAN BIN AHMAD

Non-Independent Non-Executive Director

49 years old Male Malaysian

Board Meetings Attendance in 2025



Date of Appointment

1 June 2024

Committees

- Member of Board Tender Committee

Academic/Professional Qualification(s)

- Master of Business Administration, Universiti Kebangsaan Malaysia (“UKM”)
- Bachelor of Business Administration, UKM
- Diploma of Business Studies, MARA Institute of Technology
- Diploma in Public Management, National Institute of Public Administration (INTAN)

Present Appointment(s)

- Deputy Undersecretary, Strategic and Generic Sector (Government Investment Companies Division), Ministry of Finance

Past Experience(s)

- Assistant Secretary, Ministry of Entrepreneur Development
- Assistant Secretary, Commercial Vehicle Licensing Board of Sabah
- Principal Assistant Director, Ministry of Domestic Trade Cooperative & Consumerism (Domestic Trade Division)

- Manager, Malaysia Airlines System (MAS), (Risk and Policy Advisory Division) under Cross Fertilization Programme
- Head of Delivery Management Office, Ministry of Domestic Trade Cooperative & Consumerism
- Deputy Director, Ministry of Domestic Trade Cooperative & Consumerism (Vehicle Petroleum Subsidy Management Division)
- Head of the Indirect Taxes, Ministry of Finance
- Undersecretary, Ministry of Rural Development (Strategic Planning Division)
- Undersecretary, Ministry of Rural Development (Corporate and Skills Development Division)

Other Directorship(s)

Listed Company

- Nil

Public Companies

- DanaInfra Nasional Berhad
- Keretapi Tanah Melayu Berhad

• The following Directors are the Nominee Directors of DRB-HICOM Berhad, a major shareholder of Pos Malaysia:

- Tan Sri Syed Faisal Albar bin Syed A.R. Albar
- Dato' Jezilee bin Mohamad Ramli
- Sabarina Laila binti Mohd Hashim

• Mohd Fariszan bin Ahmad is the Appointed Director by the Minister of Finance (Incorporated) (MOF Inc.), the Special Shareholder of Pos Malaysia.

• Save as disclosed, none of the Directors have any family relationship with any Director and/or major shareholder of Pos Malaysia.

• None of the Directors have conflict of interest or potential conflict of interest, including any interest in any competing business with Pos Malaysia and/or its subsidiaries.

• Other than traffic offences, none of the Directors have been convicted of any offences within the past five years nor have been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

Profile Of Senior Management

CHARLES BREWER
Group Chief Executive Officer

61 years old Male British



Date of Appointment

- 1 August 2021

Qualifications

- Advanced Senior Executive Management Program, Henley Business School, United Kingdom
- Advanced Logistics Diploma, Cranfield University School of Management, United Kingdom
- Diploma in Management, The University of Reading, United Kingdom

Experiences

- Chief Operating Officer, Canada Post
- Chief Executive Officer & Founder, Click & Connect, Singapore
- Chief Executive Officer, DHL eCommerce Americas, Asia Pacific, Middle East & Africa
- Chief Executive Officer, DHL Express, Sub-Saharan Africa
- Chief Executive Officer, DHL Express, North East USA
- Chief Commercial Officer, DHL Express, USA
- Chief Executive Officer, DHL Express, Malaysia
- Chief Executive Officer, DHL Express, Philippines

Directorship

- PNSL Berhad
- Pos Malaysia & Services Holdings Berhad
- Other Private Limited Companies within the Pos Malaysia Group

PEERMOHAMED BIN IBRAMSHA
Group Chief Financial Officer

61 years old Male Malaysian



Date of Appointment

- 1 September 2021

Qualifications

- Fellow of Certified Practising Accountant, CPA Australia
- Malaysian Institute of Accountants
- Bachelor of Accountancy (Hons), Universiti Utara Malaysia

Experiences

- Head of Finance, HICOM Holdings Berhad
- Chief Operating Officer, Corporate Services, Bank Muamalat Malaysia Berhad
- Chief Financial Officer, Bank Muamalat Malaysia Berhad
- Chief Financial Officer, Alam Flora Sdn Bhd
- Senior Manager, Finance/CFO, Glenmarie Properties Sdn Bhd
- Senior Manager, Finance & Administration, Pelabuhan Tanjung Pelepas Sdn Bhd
- Finance Manager, Lebuhraya Shahpudu Sdn Bhd

Directorship

- Pos Logistics Berhad
- PNSL Berhad
- Pos Malaysia & Services Holdings Berhad
- Pos Malaysia Holdings Berhad
- Other Private Limited Companies within the Pos Malaysia Group

CHARLES WILLIAM
Group Chief Sales Officer

51 years old Male Singaporean



Date of Appointment

- 1 August 2023

Qualifications

- Executive Masters in Business Administration, S.P. Jain Institute of Management Studies and Research, Mumbai, India
- Bachelor's Degree in Science Mithibai College, Mumbai University, India

Experiences

- Global Head of Commercial Operations, Study Group, Singapore
- Managing Partner & Founder, Edgeworth Consulting & Technologies, Singapore
- Vice President Sales, Sales Steering & Marketing, DHL Global Forwarding Asia Pacific, Singapore
- Senior Director, Sales Development, DHL Express Asia Pacific, Singapore
- Director, Sales System, Process and Programs, DHL Express Asia Pacific, Singapore
- Sales Planning & Development Manager, DHL Express India

Directorship

- Nil

Profile Of Senior Management

FIONA LIAO YIN PENG
Group Chief Marketing, Communications and Sustainability Officer

51 years old Female Malaysian



Date of Appointment

- 7 February 2022

Qualifications

- Masters in Business Administration majoring in Marketing, Hawaii Pacific University
- Bachelors of Science in Business Administration majoring in Travel Industry Management, Hawaii Pacific University

Experiences

- Chief Officer, Head of Brand, Prudential Assurance Malaysia Berhad
- Chief Marketing Officer, Prudential Assurance Malaysia Berhad
- Director, Brand & Communications, Prudential Assurance Malaysia Berhad
- Group Product Manager, DHL Malaysia
- Communications Manager, DHL Malaysia

Directorship

- Nil

Profile Of Senior Management

NATALIA AHMED SHUKRI NAVIN
Group Chief People Officer

47 years old Female Malaysian



Date of Appointment

- 2 January 2025

Qualifications

- Bachelor of Laws, University of Staffordshire, United Kingdom

Experiences

- Chief Human Resource Officer, Maxis Berhad
- Asia Pacific HR Leader, Micro Focus
- Country HR Director, Hewlett Packard Enterprise

Directorship

- Nil

SHAHNIN OLI MOHAMED
Group Chief Technology Officer

45 years old Female Malaysian



Date of Appointment

- 15 October 2025

Qualifications

- Master of Business Administration (Finance & Strategy), University of Manchester, United Kingdom
- Bachelor of Science (Computer Science), University Science Malaysia

Experiences

- Executive Partner, Gartner Gulf (United Arab Emirates)
- Global Head of Information & Digital Technology, Shell Global LNG Marketing & Trading (United Arab Emirates)
- Founder/Global Digital Venture Head, Shell Retail Fleet Solutions (United Kingdom)
- Global Digital Innovation Lead, Shell Retail Fleet Solutions (United Kingdom)
- Strategy & BD Lead, Shell Retail Fleet Solutions, Asia & Middle East (Virtual).
- Customer Operations & Turnaround Lead, Shell Marine Products, Asia Pacific & Middle East (Singapore & Virtual).
- Global Process Design & Change Lead, Shell Marine Products (Singapore)
- Global IT Project Manager, Shell Downstream (Singapore).

Directorship

- Theta Edge Berhad (Independent Non-Executive Director)

ZAINI BIN YAHMAN
Chief Operations Officer

53 years old Male Malaysian



Date of Appointment

- 1 November 2020

Qualifications

- Bachelor of Business Administration, Open University Malaysia
- Diploma in Marketing, Politeknik Kota Bharu, Kelantan, Malaysia
- Certificate in Training Practice, Chartered Institute of Personnel Development, United Kingdom

Experiences

- Director of Operations, Pos Malaysia
- Senior Vice President, State Operations, Pos Malaysia
- Vice President II, Commercial, Pos Malaysia
- Vice President II, Operation Management, Pos Malaysia
- General Manager, Koperasi Pos Nasional Berhad (KOPONAS)

Directorship

- Datapos Sdn Bhd
- Pos Logistics Berhad
- Other Private Limited Companies within the Pos Malaysia Group

Profile Of Senior Management

KHAZALIN GHUZAL
Chief Retail Officer

50 years old Female Malaysian



Date of Appointment

- 1 September 2022

Qualifications

- Bachelor of Commerce (Accounting), University of Wollongong, New South Wales, Australia

Experiences

- Head of Retail Pos Malaysia
- Head of Retail Strategy and Marketing, Petronas Dagangan Berhad
- Head of Home Business, Celcom Berhad
- Chief Operating Officer, Pay-TV, Astro Malaysia Berhad
- Head of Priority Banking and Affluent Segment, Alliance Bank Malaysia Berhad
- Business Development Manager, Privilege Banking, Standard Chartered Bank Malaysia Berhad

Directorship

- Nil

Group Organisation Structure



Group Chief Executive Officer
CHARLES BREWER

Covering Head of Group Internal Audit & Integrity
HAFNI MOHD SAID

Joint Company Secretarial
IRENE LEE

Special Officer
YEN TINK

Executive Secretary
SERENA LIM

Group Chief Marketing, Communications & Sustainability Officer
FIONA LIAO

Chief Operations Officer
ZAINI YAHMAN

Group Chief Sales Officer
CHARLES WILLIAM

Chief Retail Officer
KHAZALIN GHUZAL

Group Chief Financial Officer
PEERMOHAMED IBRAMSHA

Group Chief People Officer
NATALIA AHMED SHUKRI NAVIN

Group Chief Technology Officer
SHAHRIN OLI MOHAMED

- MARKETING - CREATIVE
- PUBLIC RELATIONS - PHILATELY
- PRODUCT - SUSTAINABILITY
- MARKET INTELLIGENCE

- OPERATIONS RESOURCING & COMPLIANCE
- HUB OPERATIONS
- TRANSPORTATION MANAGEMENT
- STATE OPERATIONS
- OPERATIONS IMPROVEMENT & EXCELLENCE

- BUSINESS DEVELOPMENT
- SALES OPERATIONS
- RELATIONSHIP SALES
- MAJOR ACCOUNTS
- FULFILMENT

- RETAIL OPERATIONS & DISTRIBUTION
- RETAIL PRODUCTS & PARTNERSHIP
- ALTERNATE CHANNELS
- POS SHOP

- GROUP FINANCIAL CONTROL
- GROUP TAX
- TREASURY & BANKING
- CORPORATE FINANCE
- PROCUREMENT
- SYSTEMS & METHODS
- PROPERTIES & FACILITIES MANAGEMENT
- LEASING
- GOVERNMENT LIAISON

- PEOPLE STRATEGY**
 - TALENT & EMPLOYEE EXPERIENCE
 - PEOPLE REWARDS & STRATEGY
 - BENEFITS
 - PEOPLE PROJECT MANAGEMENT & GOVERNANCE
- PEOPLE OPERATIONS**
 - OCCUPATIONAL SAFETY, HEALTH & ENVIRONMENT
 - SECURITY
 - INDUSTRIAL RELATIONS
- CULTURE & ORGANISATIONAL DEVELOPMENT**
 - LEARNING & DEVELOPMENT
 - PROGRAMMES & FACILITATOR DEVELOPMENT
 - PLANNING & PROCESSES IMPROVEMENTS
 - SUCCESSION

- TECHNOLOGY
- DIGITAL PRODUCT
- ENGINEERING, ARCHITECTURE & INFRASTRUCTURE
- CUSTOMER EXPERIENCE - DELIVERY
- ANALYTICS & BUSINESS INSIGHTS
- OPERATIONS & SECURITY

General Counsel & Corporate Affairs
ROSLINA ISMAIL

Corporate Planning
ZAZELY ZAINUDIN

Head of Customer Service
VIVIEN LEE

- LEGAL COUNSEL
- RISK MANAGEMENT
- REGULATORY COMPLIANCE

International Regulatory
ADAWIYAH JAFAR

Redly Pos Malaysia International

- CUSTOMER SERVICE OPERATIONS
- CUSTOMER SERVICE QUALITY EXCELLENCE
- KEY ACCOUNT SUPPORT

Head of Datapos
MOHD NOR FAIRUZ

Covering Head of Pos Ar-Rahnu
MOHAMED ZUBAIR

COO Pos DigiCert
AMIR SUHAIMI HASSAN

CEO Pos Aviation
SARAVANAN RAMASAMY

Covering CEO Pos Logistics
NORAZMI LATIF

Governance and Integrity

Strengthening Trust Through Responsible Oversight

Robust governance frameworks, disciplined risk management and ethical business practices underpin Pos Malaysia's commitment to transparency, accountability and sustainable value creation.



Corporate Governance Overview Statement

The Board of Directors of Pos Malaysia Berhad (“Pos Malaysia” or “the Company”) places strong emphasis on sound corporate governance as a foundation for transparency, accountability and sustainable growth. A clear governance framework, supported by established policies and disciplined practices, guides the management of the Pos Malaysia Group’s operations while strengthening stakeholder confidence. The Board promotes high standards of integrity and responsible conduct, with the view that effective governance protects long term shareholders’ value and supports sustainable business performance.

In responding to a changing operating environment, the Group adopts a structured governance approach supported by comprehensive internal controls and risk management processes. These measures enhance operational resilience, support timely and informed decision making, and align business activities with regulatory requirements and stakeholder expectations. Governance principles are embedded across the organisation so that accountability, ethical conduct and disciplined oversight shape strategic direction and day-to-day operations.

This Corporate Governance Overview Statement (“CG Overview Statement”) outlines Pos Malaysia’s governance practices for the financial year ended 2025 (“FY2025”). It describes the Group’s adherence to statutory requirements, principles and recommended practices as set out in the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), the Companies Act 2016 (“CA 2016”), the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”) and the Corporate Governance Guide issued by Bursa Malaysia. These regulatory frameworks guide the Board in promoting transparency, strengthening oversight and supporting effective governance across the Group.

For FY2025, Pos Malaysia applied 37 out of 43 recommended practices under MCCG 2021 and adopted two (2) out of five (5) Step Up practices. While this CG Overview Statement provides an overview of the Company’s corporate governance approach, further details on governance practices, departures and timelines for adoption are set out in the Corporate Governance Report 2025 (“CG Report”), available at www.pos.com.my. The CG Report complements this CG Overview Statement by presenting a more detailed account of the Group’s governance framework.

OUR CORPORATE GOVERNANCE FRAMEWORK

Amid a more complex and demanding operating landscape, the Board places continued emphasis on strengthening corporate governance practices and processes across the Group. Corporate governance serves as a key driver of long-term value creation, guiding business decisions that balance the interests of shareholders while addressing the expectations of other stakeholders. Transparency and accountability are promoted in Board deliberations and reinforced throughout the organisation.

To embed sound governance practices across all business units, Pos Malaysia has established a Corporate Governance Framework (“CG Framework”). This framework enhances governance standards and supports sustainable value delivery to key stakeholders through the following objectives:

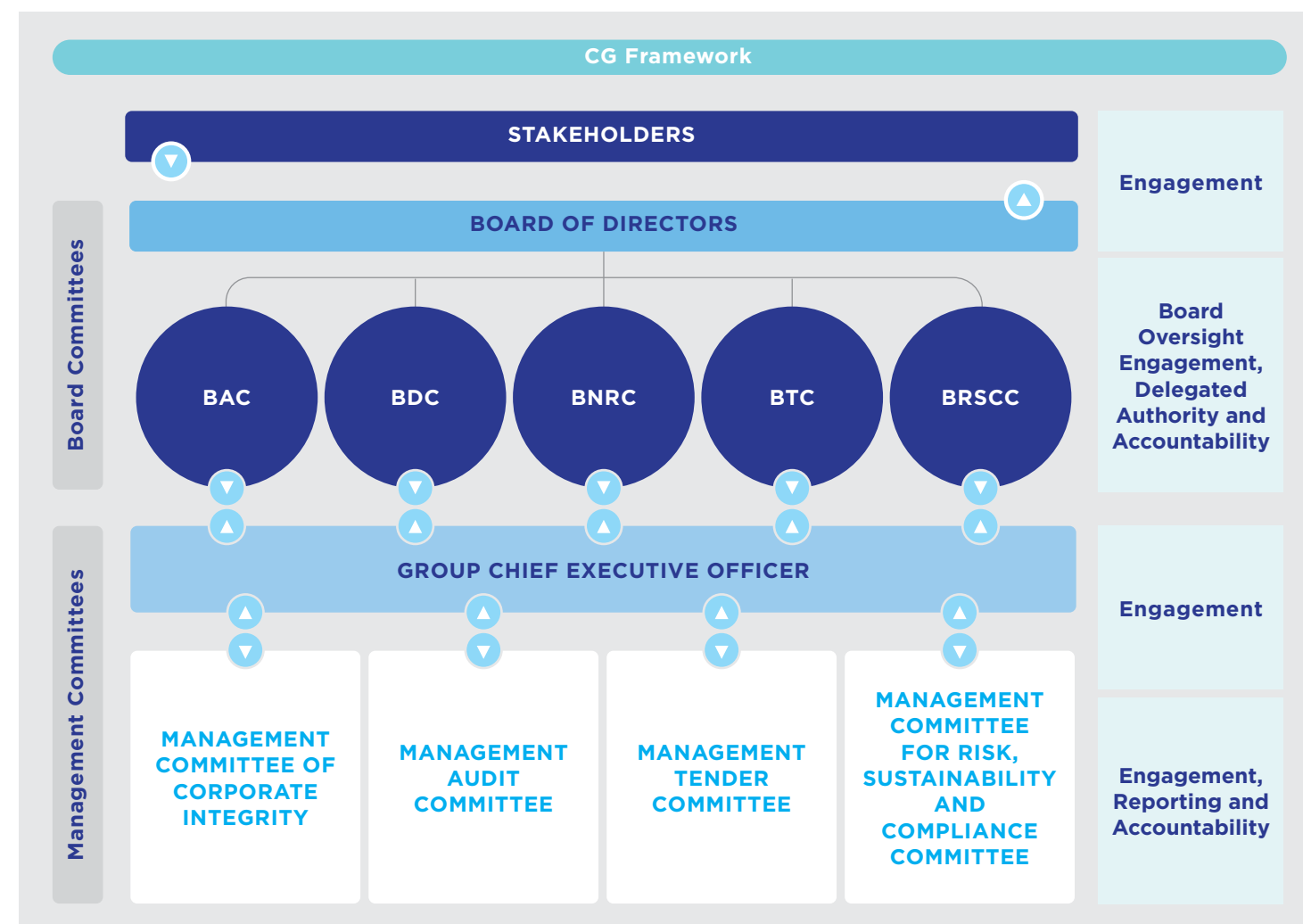
- 1 Enhancing transparency, accountability and responsibility to shareholders and other stakeholders;
- 2 Supporting timely and accurate disclosure of material matters;
- 3 Treating shareholders and stakeholders in a fair and equitable manner;
- 4 Promoting high standards of business ethics, conduct and integrity;
- 5 Encouraging sound and sustainable business practices; and
- 6 Strengthening organisational discipline through principled leadership.

Corporate Governance Overview Statement

A well-structured CG Framework enables alignment between governance structures, regulatory expectations, market developments and stakeholder priorities. The framework is subject to periodic review to assess its effectiveness and relevance, allowing the Company to adapt to changing business conditions while maintaining transparency and accountability. Continuous refinement of governance practices strengthens the Group’s ability to manage risks, maintain effective internal controls and support informed decision-making.

Clear separation between the roles and responsibilities of the Board and executive leadership is maintained in line with the principles of the MCCG 2021. This structure allows the Board to provide strategic direction and effective oversight, while management is responsible for implementing approved strategies and overseeing day-to-day operations.

Under the CG Framework, specific responsibilities are delegated to Board Committees, while the Board retains overall accountability. These committees include the Board Audit Committee (“BAC”), Board Nomination and Remuneration Committee (“BNRC”), Board Risk, Sustainability and Compliance Committee (“BRSCC”), Board Digital-First Committee (“BDC”) and Board Tender Committee (“BTC”). Supported by relevant Management Committees, these bodies oversee governance, risk management, sustainability and compliance matters, enabling the Group to operate with integrity, discipline and a focus on long-term value creation.



Corporate Governance Overview Statement

Clear governance structures guide how strategic and operational activities are directed across the Group, with defined lines of oversight and accountability. While responsibilities within this structure differ, they complement one another in advancing the Group’s objectives. The framework is supported by the Company’s Limits of Authority (“LOA”) and Management Delegated Authority (“MDA”), which set out the levels of authority throughout the organisation, including matters reserved for the Board and those delegated to Board Committees, the Group Chief Executive Officer (“GCEO”), Management Committees and Senior Management.

Group-wide strategies are formulated at the consolidated level, while business divisions are granted the appropriate level of autonomy to manage their operations. This approach enables the Board to maintain a broader view on matters such as overall strategy, risk management and governance, while supporting alignment across the organisation.

Given the diversity of the Group’s businesses, the Boards of subsidiaries provide focused oversight and governance within their respective divisions. Each subsidiary Board includes management representation to support effective supervision and alignment with the Group’s strategic direction.

The Board Charter serves as a key governance document, outlining the CG Framework, authority structure and the Terms of Reference (“TOR”) for the Board, its Committees and Management. It defines roles, responsibilities and expectations regarding commitment levels, and specifies matters reserved for Board approvals. The Board Charter and TOR are reviewed periodically and updated where necessary to reflect changes in policies, procedures and regulatory requirements, supporting alignment with applicable rules and governance practices.

The Board Charter and the respective TOR of the Board Committees are available on the Company’s corporate website at www.pos.com.my.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

BOARD LEADERSHIP

Strategic leadership and oversight sit at the centre of the Board’s mandate. The Board sets the Company’s strategic objectives and policies, with the aim of delivering long-term value for shareholders while taking into account the interests of employees, customers, suppliers, regulators, local communities and the wider public. As the Board is ultimately accountable for the Group’s performance, it provides oversight across governance, risk management and sustainability, promoting transparency, accountability and ethical conduct.

Beyond its governance function, the Board provides leadership in shaping the Group’s future direction. It guides Management on strategic priorities, promotes ethical leadership and supports a performance-driven culture that contributes to value creation. Economic, environmental, social and governance (“ESG”) considerations are integrated into decision making to enhance resilience and strengthen stakeholder confidence. The Group’s strategic plan, priorities and market outlook were reviewed at the Board Retreat held in June 2025, with the aim of aligning initiatives with long term objectives.

Key transactions and significant business matters are deliberated at Board meetings. Directors exercise their powers for proper purpose and act in good faith in the best interests of the Company. Duties are carried out with reasonable care, skill and diligence, drawing on industry knowledge, experience and sound judgement to support effective decisions. A strong internal control environment allows the Board to assess emerging risks and opportunities while supporting sustainable growth.

The presence of Non-Executive Directors (“NEDs”) provides balance to the Board, supporting independent oversight and preventing undue influence in decision making. Each NED is considered independent in character and judgement, offering constructive challenge and safeguarding shareholder interests. During the year under review, the Board was satisfied that all Directors devoted sufficient time to their responsibilities. The composition of the Board reflects a diverse mix of skills, experience and knowledge, enabling effective oversight, strategic guidance and robust discussions. Directors are also equipped to

evaluate Management proposals and support the GCEO in executing approved strategies.

In delegating responsibilities to Board Committees, the Board maintains clear oversight and accountability. The TOR for each Committee sets out the scope of authority, functions and duties, supporting effective governance across the organisation.

Roles and Responsibilities of the Board

The general powers of the Board are set out in the Company’s Constitution, while its roles and responsibilities are detailed in the Board Charter and LOA. The Board provides strategic oversight, promotes high standards of governance and ethics, and contributes a broad range of expertise in support of the Company’s long-term objectives.

As the governing body, the Board is accountable for the performance of Pos Malaysia and oversees the Group’s affairs on behalf of shareholders. It establishes goals, policies and targets within a framework of prudent and effective controls, enabling the identification and management of risks. The Board also confirms that the Group has adequate resources and capabilities to deliver its strategic priorities.

In discharging its fiduciary duties, the Board is responsible for:

- Establishing clear goals and ensuring that a strategic plan is in place.
- Overseeing the conduct of the Group’s business operations.
- Reviewing the adequacy and integrity of internal control systems, identifying principal risks and approving mitigation measures.
- Reviewing and approving strategies that support long-term value creation and business sustainability.
- Overseeing succession planning for the Board and senior management.
- Supporting effective public, stakeholder and investor communication programmes.

Each Director acknowledges both collective and individual responsibilities to shareholders, contributing to effective governance and management in line with established practices. The Board is satisfied that it fulfilled its duties and obligations during FY2025.

Corporate Governance Overview Statement

During FY2025, the Board approved, among other matters, the annual salary increment for employees, annual review and assessment of the Board and Board Committees, re-election of Directors, recurrent related party transactions, quarterly unaudited consolidated financial statements, audited financial statements, appointments of Directors and chief level officers, key performance indicators for the GCEO and Group chief level officers, the annual management plan and other significant matters affecting the Group’s operations.

Individual Roles of the Board Members

Collectively, the Board carries the legal responsibility for the management and direction of Pos Malaysia, with decisions guided by the best interests of shareholders and stakeholders. Each Director contributes distinct expertise and perspectives, and the combined application of these strengths supports effective strategy execution and value creation. A well-functioning Board promotes constructive engagement and synergy, strengthening governance and leadership across the organisation.

Effective collaboration among Board members supports sustainable growth and the successful execution of strategic objectives. Open dialogue and transparent engagement encourage informed decision making and contribute to long-term value for the Group.

Demarcation of Responsibilities between the Non-Executive Chairman, Group Chief Executive Officer and Non-Executive Directors

The roles of the Non-Executive Chairman and the GCEO are held by separate individuals, providing a clear distinction between governance oversight and executive management. This division of responsibilities supports an appropriate balance of authority, accountability and supervision, allowing each role to focus on its specific duties and stakeholder groups.

Such a structure allows the Chairman to lead the Board in providing strategic guidance and governance oversight, while the GCEO is responsible for executing strategy and managing daily operations. Close collaboration between the Chairman and the GCEO supports a balanced distribution of authority and effective decision making.

Corporate Governance Overview Statement

Role of the Non-Executive Chairman

The Chairman provides leadership to the Board and supports the integrity and effectiveness of its governance processes. By setting the Board agenda and encouraging open and constructive discussion, the Chairman promotes high standards of governance and informed decision making. The Chairman also facilitates the communication of shareholder and stakeholder views to the Board, supporting alignment between strategic priorities and stakeholder interests.

Regular engagement with the GCEO allows the Chairman to stay informed on operational matters. Where concerns arise, discussions are held with the GCEO to address issues that may affect the Group. The Chairman facilitates Board meetings in a manner that encourages balanced participation and prevents any single Director from dominating discussions. This approach supports logical and well understood outcomes from Board deliberations.

The Chairman also supports compliance with relevant laws and regulations, protects stakeholder interests and promotes the delivery of timely, quality information from Management to the Board. Engagement with external parties, the investing public, regulatory agencies and industry bodies forms part of the Chairman's role.

Group Chief Executive Officer

The GCEO is responsible for the overall management of the business and the execution of the approved strategic plan. He is accountable to the Board for the operational management of the Group and for the development and implementation of its strategy. The GCEO serves as the link between the Board and Management, supporting effective governance and management functions.

Specific authorities are delegated to the GCEO under established rules, procedures and defined authority limits. Supported by the senior management team, he oversees daily operations to promote efficient business performance and the achievement of corporate key performance indicators. Leadership development and succession planning also fall within his responsibilities, supporting the continuity of executive capabilities.

All Board authority conferred on Management is channelled through the GCEO, with such authority set out in the LOA and the MDA. Directors provide guidance and support to the GCEO in carrying out these responsibilities.

The GCEO develops and recommends the Group's long-term strategy and vision to the Board and presents annual business plans and budgets. He also promotes a corporate culture that supports ethical practices, integrity and social responsibility, and works to maintain a positive work environment that attracts and motivates employees. Oversight of product and service quality, as well as competitive positioning, also forms part of his role.

Non-Executive Directors

NEDs provide independent oversight and contribute to the Board's deliberations through constructive challenge. Their independent judgement supports balanced consideration of strategy, performance and resource allocation, in line with the long-term interests of shareholders.

Drawing on extensive experience, NEDs evaluate Management's proposals and contribute to robust discussions at the Board level. Their perspectives support sound governance practices while maintaining a clear separation from executive responsibilities. NEDs do not participate in the day-to-day management of the Group.

To preserve independence, NEDs do not engage in business dealings or relationships with the Group, other than those permitted by applicable regulations, that could be perceived to affect their independent judgement. All Directors, regardless of designation, exercise their judgement independently.

Independent NEDs provide impartial views, advice and scrutiny, supporting balanced decision making and appropriate checks within Board deliberations. This role is particularly relevant in matters such as related party transactions, where independence supports the protection of minority shareholders' interests.

Board Committees

To support the effective discharge of its responsibilities, the Board delegates specific functions to Board Committees, each operating under defined TORs. These Committees provide focused oversight in key areas while supporting governance standards across the Group.

The Chairman of each Committee reports to the Board on key deliberations and outcomes. This enables the Board to review significant matters, provide input where necessary and address areas requiring attention. The TORs of the Board Committees are available on the Company's website at www.pos.com.my.

Management is granted certain authorities to execute transactions under the LOA and the MDA. The Board remains accountable for these delegated powers and retains responsibility for actions taken under such authority.

Company Secretaries

All Directors have unrestricted access to the advice and services of the Company Secretaries on matters relating to the Group, including regulatory compliance and governance practices. The Company Secretaries advise the Board on the Company's Constitution, policies and procedures, supporting compliance with applicable laws and regulations.

They also facilitate effective information flow within the Board and its Committees, and between Senior Management and NEDs, supporting informed decision making. Discussions and resolutions of the Board and its Committees are recorded accurately and communicated to Management for appropriate follow up.

To keep pace with regulatory developments and governance practices, the Company Secretaries undertake continuous professional development. Their roles and responsibilities are set out in the Board Charter.

Following its evaluation of the Corporate Secretarial function, the Board was satisfied with the performance and support provided by the Company Secretaries during FY2025.

Board Meetings and Access to Information

Regular and well-structured Board meetings support the discharge of the Board's responsibilities in accordance with the Company's Constitution and Board Charter. The Board meets at least once every quarter, among other purposes, to review and approve quarterly financial statements prior to their release to Bursa Malaysia, consider operational reports and deliberate on matters requiring Board approval. Meeting schedules are planned in advance to accommodate Directors' commitments, with additional meetings convened where urgent matters arise. Directors are expected to devote adequate time to meeting preparation and to the discharge of their responsibilities.

Corporate Governance Overview Statement

To support informed and timely decision-making, notices, agendas and Board papers are circulated to Directors and permanent invitees at least five (5) working days before each meeting. A secure digital platform allows electronic access to Board materials, facilitating efficient review while maintaining confidentiality. Presentations are structured to provide clear, concise and comprehensive insights into key issues.

Significant matters are deliberated during Board meetings, while urgent matters may be addressed through Directors' Written Resolutions. Such resolutions are subsequently tabled at the following Board meeting for notation. Board minutes record deliberations, decisions and any dissenting views, including details of Directors who abstain from voting or participating in discussions due to conflicts of interest. Open and constructive engagement is encouraged so that all members contribute meaningfully to the decision-making process.

Where appropriate, members of Senior Management and external advisers attend Board meetings to provide insights on matters within their expertise. Directors receive regular updates on significant transactions announced to Bursa Malaysia. Each Director is required to declare any direct or indirect interest in transactions involving the Company or its related corporations, as well as any directorships or interests in other corporations. Such interests must be disclosed at a Board meeting or as soon as practicable after the Director becomes aware of a potential conflict. An interested Director abstains from deliberations and decisions relating to the matter.

In line with Paragraph 15.06(1) of Bursa Malaysia's MMLR, each Director may hold no more than five (5) directorships in public listed companies. Any new appointments are promptly reported to the Company Secretaries.

Directors' commitment is reflected in their attendance at Board and Committee meetings held during FY2025. Meetings were conducted physically or through hybrid arrangements using video conferencing facilities. The Board is satisfied with the level of commitment demonstrated by its members throughout the year.

Corporate Governance Overview Statement

DIRECTORS' ATTENDANCE FOR THE FINANCIAL YEAR 2025

During FY2025, the Board convened ten meetings. All Directors complied with the minimum attendance requirement under Paragraph 15.05(3)(c) of Bursa Malaysia's MMLR, which requires attendance of at least 50% of Board meetings during the financial year.

The attendance of the respective Directors at the Board and Board Committee meetings held during FY2025 are presented below:

Name of Board members	Board	BAC	BRSCC	BNRC	BDC	BTC
Tan Sri Syed Faisal Albar bin Syed A.R Albar	10/10	-	-	-	-	-
Dato' Dr. Mohd Ali bin Mohamad Nor	10/10	10/10	5/5	1/1	4/4	3/3
Dato' Jezilee bin Mohamad Ramli	10/10	10/10	1/1	2/2	-	-
Dato' Mohamed Sharil bin Mohamed Tarmizi	10/10	-	5/5	2/2	4/4	-
Roshidah binti Abdullah	10/10	10/10	-	-	-	3/3
Sabarina Laila binti Mohd Hashim	10/10	-	-	-	-	-
Mohd Fariszan bin Ahmad	8/10	-	-	-	-	2/3
Dato' Seri Mohamad Fauzi bin Md Isa*	4/9	-	-	-	-	-
Datuk Idris bin Abdullah @ Das Murthy**	2/4	-	1/3	1/1	-	-
Mano A/L Verabathran***	4/4	-	-	-	-	-

* Dato' Seri Mohamad Fauzi bin Md Isa was appointed to the Board with effect from 14 February 2025 and resigned on 24 November 2025.
 ** Datuk Idris bin Abdullah @ Das Murthy retired on 26 May 2025.
 *** Mano A/L Verabathran (Alternate Director to Dato' Seri Mohamad Fauzi bin Md Isa) was appointed effective from 14 February 2025 and ceased as an alternate director on 24 November 2025.

Corporate Governance Overview Statement

BOARD EFFECTIVENESS

Board Balance and Composition

The Board is structured to support active participation, sound decision-making and constructive deliberation. An appropriately sized and balanced Board supports the Group's strategic objectives while promoting a diverse and inclusive environment that welcomes varied perspectives. By encouraging diversity, Pos Malaysia benefits from broader insights, stronger deliberations and an enhanced ability to attract and retain talent.

During the year, several changes took place at Board level. Datuk Idris bin Abdullah @ Das Murthy retired on 26 May 2025 at the 33rd Annual General Meeting of Pos Malaysia. Dato' Seri Mohamad Fauzi bin Md Isa was appointed to the Board on 14 February 2025 and later resigned on 24 November 2025. His Alternate Director, Mano A/L Verabathran, who was also appointed on 14 February 2025, ceased to act as Alternate Director on 24 November 2025.

As at the date of this report, the Board composition exceeds the minimum one-third requirement for Independent Directors as set out in Bursa Malaysia's MMLR. The current structure reflects the Board's approach to promoting objective and independent deliberation while providing appropriate checks and balances in decision-making.

Each Director contributes a wide range of experience, skills and knowledge that supports the Company's strategic direction. Collectively, they offer independent perspectives and demonstrate a strong understanding of Pos Malaysia's business. The presence of NEDs with experience on other boards further enhances governance capacity, bringing insights from different industries and operating environments.

The Board acknowledges that its NEDs may hold directorships in other companies and that such exposure can enrich their contributions towards Pos Malaysia. To support adequate commitment, annual reviews are conducted on the number and nature of external directorships held, together with declarations of their ability to meet time commitments. Details of other directorships are set out in the Directors' profiles on pages 149 to 155 of this Annual Report.

The Board Charter provides that the tenure of an Independent Non-Executive Director ("INED"), as recommended by MCG 2021, should not exceed a cumulative term of nine (9) years. Any retention beyond this period requires proper justification and approval from shareholders.

The Board also notes the 12-year tenure limit for Independent Directors under Bursa Malaysia's MMLR. Upon completion of the 12-year period, the director may continue to serve on the Board subject to redesignation as a non-independent director.

During FY2025, the BNRC conducted a review of the Board's composition, taking into account the mix of skills, competencies, experience, integrity, personal attributes and time commitment required of each Director. The assessment also considered diversity in age, gender and ethnicity, supporting alignment between the Board's composition, the Group's evolving needs and governance practices.

Board Conduct

Directors are required to discharge their duties with high standards of integrity, acting as fiduciaries in the best interests of the Company. They are expected to lead by example, stay informed of their responsibilities and support the long-term growth of the business. In managing the Company's affairs, Directors exercise reasonable care, skill and diligence, applying their knowledge and experience to support sound decision-making.

While certain responsibilities are handled directly by the Board, specific functions are delegated to Board Committees operating under their defined TORs. These Committees support the Board in carrying out its stewardship role. Operational management of the Company is entrusted to the GCEO, who executes the strategic direction set by the Board.

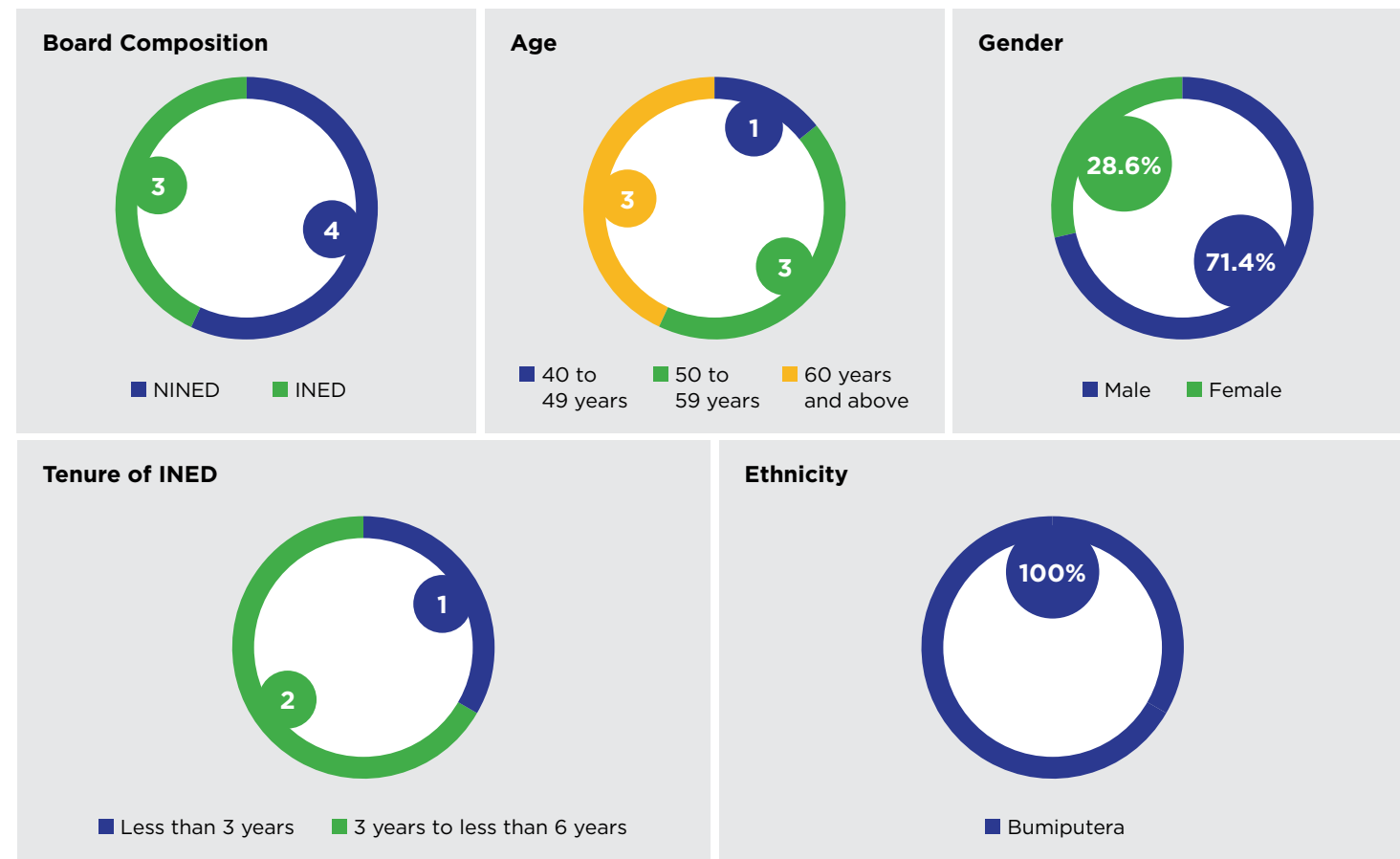
Corporate Governance Overview Statement

Board Diversity

A diverse and inclusive Board supports relevance, resilience and sustainability in a changing business environment. The BNRC plays a key role in maintaining this balance by reviewing and evaluating Board composition and performance annually, as well as assessing suitable candidates for Board appointments.

Board diversity is achieved through a mix of perspectives, experience and expertise. This combination strengthens governance, improves decision-making and supports the Company's strategic direction. While diversity is encouraged, appointments are based on the required skills, competencies, industry knowledge and experience needed for effective Board performance. Collectively, the Board brings extensive experience in guiding sustainable business growth and providing leadership.

An inclusive Board enhances governance effectiveness by drawing on different backgrounds and perspectives. The Board supports gender diversity and encourages greater participation of women in decision-making and senior leadership roles. As at 25 March 2026, the Board's diversity is reflected in the following matrix:



Corporate Governance Overview Statement

The BNRC currently comprises three (3) NEDs, two (2) of whom are INED, namely:

- 1 Dato' Jezilee bin Mohamad Ramli (Non-Independent Non-Executive Director ("NINED") - Chairman
- 2 Dato' Mohamed Sharil bin Mohamed Tarmizi ("INED") - Member
- 3 Dato' Mohd Ali bin Mohamad Nor ("INED") - Member

During FY2025, the BNRC convened two (2) meetings to carry out its responsibilities. Key activities undertaken during the year included:

- 1 Recommending the appointment of NINEDs;
- 2 Reviewing and recommending the appointment of subsidiary directors and a Chief Level Officer for Board approval;
- 3 Reviewing and recommending the re-election of Directors at the last Annual General Meeting ("AGM");
- 4 Reviewing Board composition and conducting the annual independence assessment of INEDs;
- 5 Reviewing training and conferences attended by the Board in FY2024 and approving proposed development programmes for FY2025;
- 6 Reviewing and recommending the appointment of a Joint Company Secretary;
- 7 Reviewing key performance indicators for the GCEO and Group Chief Level Officers for FY2026 and making recommendations to the Board; and
- 8 Reviewing the proposed annual salary increment for all employees for 2026.

Independence of the Board

INEDs contribute objective perspectives and constructive challenge to Management's proposals, supporting balanced and well-informed decision-making. Their presence strengthens the protection of shareholders' and stakeholders' interests and promotes disciplined deliberation at the Board level.

An annual assessment of INEDs is carried out in accordance with criteria established by the BNRC and Bursa Malaysia's MMLR. For FY2025, all three (3) INEDs met the following independence criteria:

- a Remained independent of Management and free from any relationship that could interfere with their independent judgement or ability to act in the best interests of the Company;
- b Were not involved in the day-to-day operations of the Company; and
- c Declared any interest or potential conflict of interest in matters tabled prior to Board meetings.

The Board concluded that all three (3) INEDs demonstrated independence in character and judgement throughout FY2025 and satisfied the independence criteria pursuant to Bursa Malaysia's MMLR. Their contributions supported constructive Board deliberations and the Company's long-term strategic direction.

Board Nomination and Remuneration Committee

The BNRC assists the Board in developing and implementing policies on the nomination and appointment of Directors, Board Committee members, the GCEO and Chief Level Officers, with the aim of supporting long-term sustainability.

The Committee also supports the Board in establishing and implementing remuneration frameworks and policies for Directors, the GCEO and Chief Level Officers. Remuneration structures are designed to be fair, transparent and independently administered, with appropriate linkage between rewards, corporate performance and individual contributions.

In addition, the BNRC facilitates the annual Board effectiveness evaluation.

Appointment of New Directors

Orderly succession is supported through structured planning and a disciplined selection process. When proposing new candidates, the BNRC considers the required mix of skills, competencies, character, experience, integrity and time commitment, as well as the diligence, honesty and judgement necessary to discharge the duties of a Director.

Corporate Governance Overview Statement

The BNRC is tasked with maintaining an appropriate Board balance through diversity and inclusivity. In identifying suitable candidates, the Committee reviews gaps in the Board's composition before undertaking a structured process of sourcing, screening and evaluating potential candidates. This includes initial shortlisting and assessing the ability of candidates to contribute effectively at Board level.

Board Evaluation and Effectiveness Assessment

Regular evaluation of Board performance supports strong governance standards and long-term value creation. The annual Board Effectiveness Assessment ("BEA"), conducted through the BNRC, reviews the effectiveness of the Board as a whole, its Committees and the contributions of individual Directors. The process supports compliance with regulatory expectations and identifies areas for improvement.

Assessment of individual Directors considers their contributions, experience, character, competencies, integrity and ability to discharge their responsibilities effectively. For FY2025, the BEA results formed the basis for the BNRC's recommendation on the suitability of Directors standing for re-election at the next AGM.

The FY2025 BEA was conducted internally and included evaluation of the effectiveness of the Board and Board Committees, Directors' skills and experience, self-assessment of independence status and disclosure of any conflicts of interest. These components provided insights into areas for improvement while supporting Board cohesion.

Following the BNRC's review, the BEA results were presented to the Board on 23 February 2026. The Board noted the findings and areas for enhancement and was satisfied with the overall results. Based on the assessment, the Board and its Committees were considered to have discharged their duties effectively.

Re-Election and Re-Appointment of Directors

In accordance with Article 116 of the Company's Constitution, one-third of the Directors, or the number nearest to one-third, retire from office at each AGM and may offer themselves for re-election. In line with this requirement, Dato' Dr. Mohd Ali bin Mohamad Nor and Dato' Jezilee bin Mohamad Ramli will retire at the 34th AGM scheduled for 22 May 2026 and have indicated their intention to stand for re-election.

Through the BNRC, the Board conducted a formal assessment as part of the annual BEA to determine the suitability of the retiring Directors. The assessment considered their character, experience, integrity, competence, time commitment and any actual or potential conflicts of interest, including involvement in competing businesses, as well as their fit and proper status.

The Board agreed with the BNRC's assessment that the performance and contributions of the retiring Directors were satisfactory and met the criteria set out in the Company's Fit and Proper Policy, including probity, personal and financial integrity, competence and time management.

Based on this assessment, the Board approved the BNRC's recommendation that Dato' Dr. Mohd Ali bin Mohamad Nor and Dato' Jezilee bin Mohamad Ramli are eligible to stand for re-election. Both Directors abstained from deliberations and decisions regarding their respective re-election at the relevant Board and BNRC meetings.

Continuing Development Programme for Directors

All Directors have completed the Mandatory Accreditation Programme ("MAP") Parts I and II in accordance with Bursa Malaysia's MMLR.

In line with Paragraph 15.08 of the MMLR, the Directors attended and participated in conferences, training programmes and seminars to stay informed of developments relevant to their roles. These programmes support the development of skills and knowledge required to address emerging issues and contribute effectively to Board deliberations.

Ongoing professional development opportunities are provided to all Directors, enabling them to maintain a high standard of governance and informed decision-making across the Company.

Corporate Governance Overview Statement

The details of training programmes, conferences and seminars attended by the Directors during FY2025 are outlined below:

Director	Training Programme
1 Tan Sri Syed Faisal Albar bin Syed A.R Albar	<ul style="list-style-type: none"> Talk on "Imposition of US Tariff" - How it impacts the Group Pos Malaysia Strategic Review i. US Tariffs Update and Implications ii. Adaptability iii. Capturing Conglomerate Synergies Artificial Intelligence ("AI") Integration and Governance/Ethical Oversight Navigating the Digital Frontier: Technology Risks and Boardroom Strategies
2 Dato' Dr. Mohd Ali bin Mohamad Nor	<ul style="list-style-type: none"> Pos Malaysia Strategic Review
3 Dato' Jezilee bin Mohamad Ramli	<ul style="list-style-type: none"> Culture Reflection Workshop 2025 One Team Dialogue Talk on "Imposition of US Tariff" - How it impacts the Group Pos Malaysia Strategic Review Coaching & Mentoring Program - Mentor Coach Toolkit Workshop IT Dialogue 2025 DRB-HICOM Leadership Governance Workshop and Technology Blueprint Townhall i. US Tariffs Update and Implications ii. Adaptability iii. Capturing Conglomerate Synergies Team Engagement Session - Strengthening Mentor-Mentee Connections Navigating the Digital Frontier: Technology Risks and Boardroom Strategies Artificial Intelligence ("AI") Integration and Governance/Ethical Oversight Mentoring Programme - Group Coaching 2
4 Dato' Mohamed Sharil bin Mohamed Tarmizi	<ul style="list-style-type: none"> Internet Capacity Building Impact Asia - Building Stronger Impact Measurement and Management of Ecosystem GoIPO Program Pos Malaysia Strategic Review Tech Investment Forum Transport Expo Asia
5 Roshidah binti Abdullah	<ul style="list-style-type: none"> Updates on Global Internal Audit Standards Anti-Money Laundering/Counter Financing of Terrorism/Counter Proliferation Financing, Anti-Bribery & Corruption - Board Refresher Training Pos Malaysia Strategic Review Facing the Future - Elevating Board Leadership (Breakfast Talk) Updates on Sales & Service Tax
6 Sabarina Laila binti Mohd Hashim	<ul style="list-style-type: none"> Talk on "Imposition of US Tariff" - How it impacts the Group Pos Malaysia Strategic Review ASEAN Corporate Governance Conference DRB-HICOM Leadership Governance Workshop and Technology Blueprint Townhall SSM National Conference 2025 i. US Tariffs Update and Implications ii. Adaptability iii. Capturing Conglomerate Synergies General Counsel Forum 2025 Cybersecurity Awareness Programme Navigating the Digital Frontier: Technology Risks and Boardroom Strategies Artificial Intelligence ("AI") Integration and Governance/Ethical Oversight Maximising the Value of Advanced Technology for Governance: AI, Blockchain, Crypto & Quantum Computing
7 Mohd Fariszan bin Ahmad	<ul style="list-style-type: none"> Pos Malaysia Strategic Review Kursus Kepimpinan: "The Challenge of Leadership" Mastering Authentic Leadership Programme International High-Speed Rail Association ("IHRA") Forum 2025

Corporate Governance Overview Statement

Governing Sustainability

Responsibility for sustainability governance is shared between the Board and Management, with clear accountability for setting sustainability strategies, priorities and targets, and integrating these considerations into business operations.

For FY2025, performance evaluations of the Board and Senior Management included an assessment of the Group's approach to managing material sustainability risks and opportunities. Long-term success and continued relevance are closely linked to the trust of the communities the Group serves and the condition of the environment in which it operates. Financial outcomes are influenced by the Group's ability to manage ESG-related risks and opportunities, while supporting an inclusive society built on human dignity and responsible human capital management.

Sustainability considerations form part of the Group's strategic decision-making processes, with key objectives communicated to both internal and external stakeholders. The Head of Sustainability leads dedicated initiatives across the organisation. In addition, the Board has established the BRSCC to address key risks and sustainability matters. Through the BRSCC, the Board aligns sustainability initiatives with the Group's long-term business strategy and receives assurance on sustainability-related issues.

Further details on the Group's FY2025 sustainability initiatives and the governance structure under the BRSCC are set out on page 65 of this Annual Report.

Remuneration Policy

Approval of remuneration for NEDs is governed through a formal and transparent process that aligns with the Company's long-term strategic objectives. The remuneration framework is designed to attract, retain and motivate Directors, while supporting a leadership team focused on sustainable growth.

The BNRC is responsible for developing and reviewing the remuneration framework for the Board and its Committees. This includes assessing whether remuneration levels are competitive, aligned with prevailing market practices and commensurate with the experience, skills and responsibilities of each Director. The framework balances fairness and performance, supporting sound governance while safeguarding the interests of shareholders and stakeholders.

The Directors' Remuneration Framework has remained unchanged since 2012, details of which are as shown below:

Board/Board Committees	Fee (per annum)		Meeting Allowance per Meeting (for Chairman and Members)
	Chairman	Member	
Board	RM120,000	RM80,000	RM1,000
BAC	RM15,000	RM10,000	RM2,500
BNRC			
BRSCC	RM8,000	RM6,000	
BTC			RM1,000
BDC			
General Meeting	-	-	

The remuneration framework for NEDs comprises fixed Directors' fees and meeting allowances. In accordance with Section 230(1) of the CA 2016, the payment of Directors' fees is subject to shareholders' approval at the AGM.

The Company's Constitution also provides for the reimbursement of reasonable expenses incurred by Directors in the course of discharging their duties. This structure promotes fairness and transparency, while reflecting the responsibilities undertaken by Non-Executive Directors in providing guidance and contributing to Board deliberations.

Corporate Governance Overview Statement

Directors' Remuneration

Details of the remuneration of individual Directors for FY2025 are set out below:

No	Name	Total Meeting Allowance (RM)	Directors' Fees (RM)		Total Directors' Fees (RM)	Grand Total (RM)
			Board	Committees		
1	Tan Sri Syed Faisal Albar bin Syed A.R. Albar	12,000	120,000	-	120,000	132,000
2	Dato' Dr. Mohd Ali bin Mohamad Nor	50,000	80,000	32,419	112,419	162,419
3	Dato' Jezilee bin Mohamad Ramli	40,000	80,000	20,419	100,419	140,419
4	Dato' Mohamed Sharil bin Mohamed Tarmizi	23,000	80,000	22,000	102,000	125,000
5	Roshidah binti Abdullah	40,000	80,000	21,000	101,000	141,000
6	Sabarina Laila binti Mohd Hashim	12,000	80,000	-	80,000	92,000
7	Mohd Fariszan bin Ahmad	11,000	80,000	6,000	86,000	97,000
8	Dato' Seri Mohamad Fauzi bin Md Isa (resigned, w.e.f. 24 November 2025)	6,000	62,238	-	62,238	68,238
9	Datuk Idris bin Abdullah @ Das Murthy (retired w.e.f. 26 May 2025)	4,000	32,258	4,839	37,097	41,097
10	Mano A/L Verabathran (ceased w.e.f. 24 November 2025)	4,000	-	-	-	4,000
TOTAL		202,000	694,496	106,677	801,173	1,003,173

Remuneration of Senior Management

The Company has in place a remuneration structure for the Senior Management, designed to attract, retain and motivate executives of the highest calibre and integrity to lead the Group effectively. The remuneration of the Senior Management is closely linked to performance measured through the achievements of individual key performance indicators established for Corporate and Chief Level Officers for the financial year. The Board aligns remuneration with performance outcomes, taking into account both individual contributions and overall corporate results. This supports a performance driven culture and strengthens leadership capabilities across the organisation.

Directors' Indemnity

Pos Malaysia provides and maintains indemnification for its Directors throughout the financial year, as permitted under the CA 2016, to the extent covered by the Directors' and Officers' Liability Insurance procured by the Company. This indemnity offers protection against liabilities incurred in the course of discharging their duties as Directors and Officers. The coverage supports the effective performance of their responsibilities while maintaining high standards of governance and accountability.

Corporate Governance Overview Statement

Integrity and Ethics

The Board promotes a corporate culture founded on integrity, transparency and fairness. Clear policies guide ethical standards across the Group, with expectations that Directors, Management, employees and stakeholders conduct themselves in line with the Company’s values. These policies provide a structured basis for responsible decision-making and reinforce ethical business conduct throughout the organisation.

a) Code of Conduct and Business Ethics

The Group’s Code of Conduct and Business Ethics (“CCBE”) outlines the expected standards of behaviour for employees, principals, vendors, contractors, suppliers, consultants, distributors and agents. Beyond legal and procedural compliance, the CCBE guides individual conduct in line with the Group’s values and business objectives. All relevant parties are expected to comply with the principles and standards set out in the CCBE, supporting a culture of integrity and accountability across the organisation.

Further details on the CCBE are available on the Group’s corporate website at www.pos.com.my.

b) Whistleblowing Policy

The Group’s Whistleblowing (“WB”) Policy provides a clear mechanism for stakeholders to report genuine concerns regarding misconduct without fear of retaliation or intimidation. Confidentiality and anonymity are protected for individuals who disclose concerns in good faith and follow the prescribed reporting procedures.

The policy sets out a structured process for raising concerns through appropriate channels, allowing independent investigation and timely resolution. This process enables appropriate action where required and supports the Group’s focus on integrity and accountability.

The WB Policy is available on the Company’s corporate website at www.pos.com.my.

c) Anti-Bribery and Corruption Policy

High standards of ethical conduct, integrity and accountability guide the Group’s business activities. A strict zero-tolerance policy towards bribery and corruption applies to all employees and to any individual or entity acting on behalf of the Company. This extends to all business dealings, which are carried out in accordance with applicable laws and regulatory requirements in the jurisdictions where the Group operates.

The Board and Management continue to strengthen policies and procedures aimed at preventing corrupt practices. Ongoing engagement activities and awareness programmes reinforce the zero-tolerance stance, supporting ethical conduct across the organisation.

d) Corporate Liability

Following the enforcement of Section 17A of the Malaysian Anti-Corruption Commission (“MACC”) Act 2009 on 1 June 2020, the Group implemented Adequate Procedures based on the T.R.U.S.T. Principles set out in the MACC Guidelines. A Management Committee for Corporate Integrity (“MCCI”) has been established to oversee compliance with the Anti-Bribery and Corruption Policy and the implementation of Adequate Procedures as a defence against corporate liability.

The Committee operates across four key functional pillars:

- Complaint Management
- Detection and Verification
- Training and Awareness
- Governance

These functions align with the MACC Guidelines on the Management of Integrity and Governance Unit and strengthen the Group’s framework for preventing bribery and corruption. Continuous improvements are carried out to enhance the Adequate Procedures.

The Group maintains a zero-tolerance stance on bribery and corruption, as set out in its corporate statement, available on the Group’s corporate website at www.pos.com.my.

Corporate Governance Overview Statement

The BAC’s performance for FY2025 was evaluated through the BEA, which indicated that the Committee discharged its duties satisfactorily. To support effectiveness, INEDs with financial literacy, relevant expertise and a strong understanding of the Group’s business are considered for membership. Further details on the BAC’s duties and activities are set out in the Board Audit Committee Report on pages 189 to 192 of this Annual Report.

Relationship with External Auditors

A professional and transparent relationship is maintained with the external auditors, KPMG PLT. The BAC carries out a structured annual review to assess the auditors’ suitability, objectivity and independence.

As part of this review, the Committee considers the auditors’ experience, resources, audit engagements and the expertise of the engagement partners and audit team. Meetings are also held with the external auditors without the presence of Management to discuss the audit scope, financial statements and any significant findings, including matters relating to Management where relevant.

Non audit services are also provided by the external auditors. The BAC monitors these engagements to confirm that they do not impair the auditors’ independence or objectivity. For FY2025, the Committee was satisfied with the quality of the audit, the auditors’ performance and the adequacy of resources allocated. It also confirmed that non-audit services did not affect the auditors’ independence.

Based on the annual assessment, the Board endorsed the BAC’s recommendation to seek shareholders’ approval at the forthcoming AGM for the re-appointment of KPMG PLT as the Company’s external auditors.

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

BOARD AUDIT COMMITTEE

Financial reporting integrity and a sound internal control environment are supported through the work of the BAC. The Committee reviews the Group’s business processes and assesses the suitability, objectivity and independence of both the external auditors and the internal audit function.

For FY2025, the BAC comprised three (3) members, including two (2) INEDs, one (1) of whom served as Chairperson, and one (1) NINED. In line with regulatory requirements, the Committee included at least one (1) member of the Malaysian Institute of Accountants (“MIA”), and both Roshidah binti Abdullah and Dato’ Jezilee bin Mohamad Ramli fulfilled this requirement. Roshidah binti Abdullah is a Certified Public Accountant (“CPA”) Australia and a Chartered Member of the MIA, while Dato’ Jezilee bin Mohamad Ramli is a member of the Malaysian Institute of Certified Public Accountants and the American Institute of Certified Public Accountants.

The BAC Chairperson is appointed by the Board and is independent of the Chairman of the Board. Members of the Committee bring extensive skills, knowledge and industry experience, enabling them to provide guidance on financial reporting, internal audit matters and risk management. None of the BAC members are former audit partners, in line with the three-year cooling-off period set out in the BAC’s TOR. The annual assessment of the external auditors’ suitability, objectivity and independence follows the requirements of Paragraph 15.21 of Bursa Malaysia’s MMLR.

The BNRC reviews the BAC’s composition annually and makes recommendations to the Board where appropriate. During FY2025, the BAC also reviewed its report to confirm compliance with regulatory requirements. The Committee examined disclosures on conflicts of interest, policies and procedures relating to Related Party Transactions (“RPT”) and Recurrent Related Party Transactions (“RRPT”), as well as the appropriateness of the Group’s accounting policies and any related changes. The Statement on Directors’ Responsibility for the preparation of the audited financial statements is presented on page 204 of this Annual Report, with the financial statements on pages 208 to 323.

Corporate Governance Overview Statement

Internal Audit Function

Independent assurance on the effectiveness of internal controls, risk management and governance processes is provided by the in-house Internal Audit Department (“IAD”). The function operates independently of Management and reports directly to the BAC, with administrative supervision by the GCEO.

Acting under the BAC’s mandate, the IAD has unrestricted access to review activities across the Group. This allows the function to confirm that policies and procedures are applied consistently and that a strong control environment is maintained. The internal audit function is carried out on a Group-wide basis to provide independent assurance and highlight areas for improvement.

The IAD focuses on evaluating the adequacy and effectiveness of risk management and internal controls, operating separately from the Group’s operational units. The BAC monitors the performance of the IAD, reviews the competency and experience of its personnel, and confirms that sufficient resources are available to support its activities.

Further details on the IAD’s activities during FY2025 are presented in the BAC Report on pages 189 to 192 of this Annual Report.

Risk Management and Internal Control Framework

A sound risk management framework and internal control system are maintained under the direction of the Board. These arrangements provide reasonable assurance on operational effectiveness and risk management, while safeguarding shareholders’ investments and the Group’s assets in support of sustainable growth.

The Board determines risk appetite and monitors the implementation of appropriate controls across the organisation. Risk management processes and internal control procedures are reviewed periodically to maintain a robust system that protects the Company’s interests. Risk governance responsibilities are carried out through the Board Risk, Sustainability and Compliance Committee, which aligns risk management, compliance and sustainability matters with the Group’s long-term strategy.

The BAC also supports the Board by reviewing the adequacy and effectiveness of internal controls. Based on the FY2025 review, the Board is satisfied that the internal control and risk management systems were effective in protecting the Group’s assets, shareholders’ investments and the interests of customers, regulators, employees and other stakeholders. A structured process is in place to identify, evaluate and manage significant risks across the Group. The internal control system is designed to safeguard assets, manage business risks and support compliance with relevant laws and regulations.

Further details on the Group’s Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control on pages 182 to 188 of this Annual Report.

PRINCIPLE C **INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS**

EFFECTIVE COMMUNICATION WITH STAKEHOLDERS

Open and consistent communication with stakeholders supports the Group’s sustainable growth. Transparent engagement promotes a clear understanding of the Company’s direction while allowing stakeholder expectations to be considered in decision-making. The Company engages actively with key stakeholder groups, including Ministries, regulatory agencies, employees, shareholders, investors, consumers, the general public and suppliers. Their views on governance, environmental matters and corporate social responsibility contribute to the shaping of strategic priorities and business decisions.

Regular dialogue strengthens relationships, builds trust and supports resilience, helping the Company stay well-positioned in a changing business environment. Proactive engagement also enables the Company to assess the implications of key developments and align strategic decisions with long-term objectives.

Briefings with stakeholders, including institutional shareholders and analysts, serve as the primary channel for updates on quarterly financial results, business performance and strategic direction. Material corporate developments and financial updates are also communicated through multiple platforms, including announcements to Bursa Malaysia and disclosures on the Company’s corporate website.

To improve accessibility and engagement, social media platforms are used as interactive communication channels, offering real time updates and avenues for stakeholder feedback. Press releases are issued regularly to inform the investing community and the public of significant developments.

The Annual Report remains as the principal channel for comprehensive stakeholder communication, providing detailed disclosures in line with Bursa Malaysia’s MMLR, the CA 2016 and the Malaysian Financial Reporting Standards. These communication efforts support transparency, accountability and stakeholder confidence in the Company’s operations.

Conduct of General Meetings

The AGM serves as an important platform for direct engagement between shareholders, the Board and Management. Since the 28th AGM in 2020, the Company has adopted technology enabled solutions to enhance accessibility and participation. This arrangement aligns with Section 327(1) and (2) of the CA 2016 and the Securities Commission’s guidance on the conduct of general meetings for listed issuers.

In 2025, Pos Malaysia held its 33rd AGM on 26 May 2025 and Extraordinary General Meeting (“EGM”) on 11 July 2025. The 33rd AGM was conducted through both physical and virtual arrangements, with live streaming and online voting provided via the Remote Participation and Electronic Voting system. In line with governance practices, the AGM notice was issued on 24 April 2025, more than 28 clear days in advance, setting out the proposed resolutions and relevant information. Shareholders were also invited to submit questions ahead of the meeting to allow key matters to be addressed. The EGM was conducted fully in person.

The Chairman facilitated constructive dialogue between shareholders, the Board and Senior Management, allowing shareholders to seek clarifications and gain insights into the Group’s operations and direction. The proceedings included a presentation by the GCEO on financial and operational performance for FY2025, the presentation of the external auditors’ unqualified report and a dedicated question and answer session. Responses to queries raised by the Minority Shareholders Watch Group were presented during the AGM and later published on the corporate website.

All resolutions tabled at the 33rd AGM and EGM were decided by poll through electronic voting and an independent scrutineer was appointed to validate the votes cast at the AGM and EGM. Outcomes of the meetings were announced to Bursa Malaysia on the same day.

Minutes of the AGM and EGM are available on the Company’s corporate website at www.pos.com.my.

Investor Relations

The investor relations function supports the GCEO and the Group Chief Financial Officer in engaging with the investment community. These activities aim to build transparent and constructive relationships with investors while providing timely updates on financial performance, strategic direction and key developments.

As part of this programme, Pos Malaysia conducts analyst briefings, conference calls and regular engagements with stakeholders. The investor relations team also responds promptly to investor enquiries, supporting informed understanding of the Group’s business and prospects.

For investor enquiries, stakeholders may visit the Company’s corporate website at www.pos.com.my or contact:

Contact person: NiuH Jit Aun
 Contact number: +603 2267 2206
 Email: investor.relations@pos.com.my

STATEMENT BY THE BOARD ON COMPLIANCE

The Board has reviewed and approved this Statement and is satisfied that Pos Malaysia complied with the relevant requirements of Bursa Malaysia’s MMLR, the CA 2016, the MCGG 2021, the Corporate Governance Guide issued by Bursa Malaysia and other applicable laws and regulations throughout FY2025.

This CG Overview Statement was approved by the Board of Pos Malaysia on 25 March 2026.

Statement On Risk Management And Internal Control

Pursuant to Paragraph 15.26(b) of the Bursa Securities Listing Requirements, this Statement on Risk Management and Internal Control sets out the nature and state of the risk management and internal control systems of Pos Malaysia Group (“Group”) for the financial year under review and up to the date of approval of this statement for inclusion in the Annual Report. In addition, the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”), under Principle B: Effective Audit and Risk Management, states that the Board should establish an effective risk management and internal control system and embed it within the Group’s culture.

RESPONSIBILITY

The Board is responsible for maintaining a sound system of risk management and internal control to safeguard shareholders’ interests and the Group’s assets. The Board affirms its overall responsibility for the Group’s system of risk management and internal control, including establishing an appropriate control environment and framework and reviewing their adequacy and integrity. Recognising the inherent limitations of any system, the framework is designed to manage rather than eliminate risks that may impede achievement of the Group’s business objectives. Accordingly, it provides reasonable, not absolute, assurance against material misstatement or loss. The system of internal control encompasses strategic, financial, operational and compliance controls, as well as risk management procedures.

The Board receives and reviews quarterly reports on the Group’s system of internal control and is of the view that controls instituted throughout the Group are adequate to safeguard shareholders’ investments and the Group’s assets.

The Board’s oversight of risk management and internal control is discharged through the Board Risk, Sustainability and Compliance Committee (“BRSCC”) and the Board Audit Committee (“BAC”). The BRSCC identifies and deliberates key risks and mitigation plans to ensure risks are properly managed and escalates outcomes to the Board. The BRSCC is supported by the Risk Management Department (“RMD”) and Regulatory Compliance Department (“RCD”), while the BAC is supported by an Internal Audit Department (“IAD”) that reports directly to the BAC.

RISK MANAGEMENT FRAMEWORK

Policy

The Board recognises that effective risk management is a critical component of a sound system of risk management and internal control. A systematic process is in place to identify, evaluate and manage significant risks that may impede the Group’s objectives for the financial year under review and up to the date of approval of this statement.

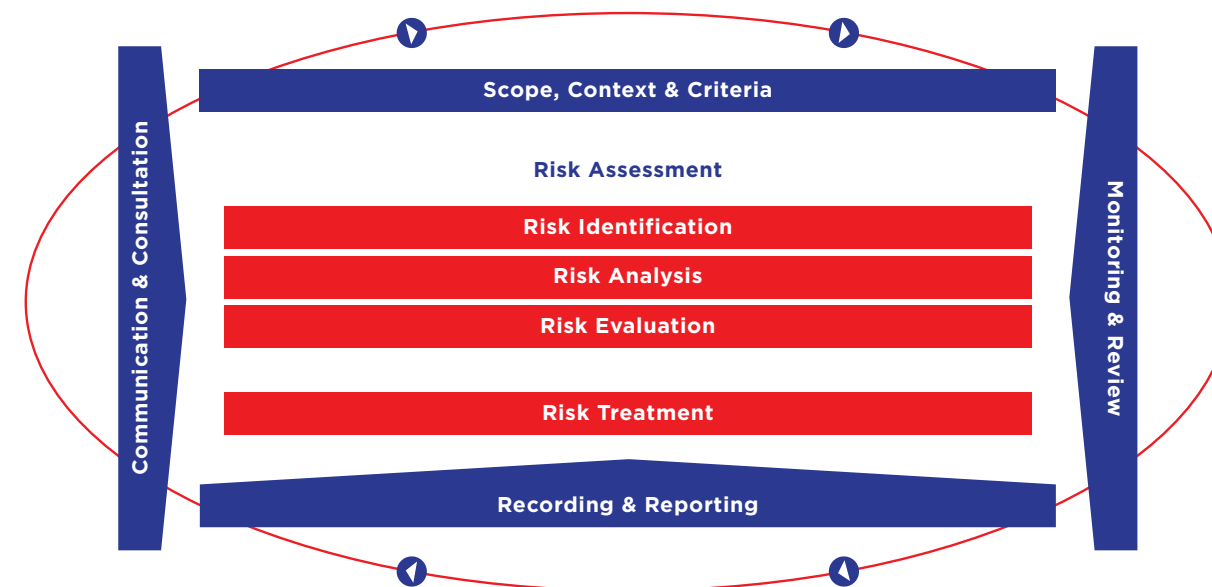
The Board has a stewardship role to understand these risks, communicate policy requirements and guide the Group in addressing them. The Board’s policies are to:

- (i) Manage risks proactively, in an integrated and transparent manner consistent with good governance practices; and
- (ii) Ensure an effective, formalised Enterprise Risk Management (“ERM”) Policy/Framework is established and maintained.

The Group adopts ISO 31000 Risk Management Standards as the primary foundation for its ERM framework. The framework is consistently applied across the Group to identify, evaluate and manage risks, enabling Management to make sound business decisions and to embed a more proactive, inclusive approach that mitigates threats and capitalises on opportunities.

Statement On Risk Management And Internal Control

The key features of the ERM framework are depicted in the diagram below, with details of each activity described below:



Source: ISO 31000 Risk Management Standards

i. Scope, Context & Criteria:

- a. **Scope** - Defines the level of risk management activities (strategic, operational and project).
- b. **Context** - Considers the internal and external environment in which the Group’s objectives are pursued.
- c. **Criteria** - Specifies the nature and level of risk the Group may or may not take, relative to objective criticality and the Group’s capabilities and obligations.

ii. Risk Identification:

To identify and define the specific risks and sources of risks that will impact on the Group’s business performance including the realisation of opportunities. Risks that have been identified will be categorised into one of the following categories:

- a. **Strategic Risk** - Exposure arising from long or short-term policy decisions linked to the Group’s strategy.
- b. **Market and Business Risk** - Exposure due to competition and/or fiscal policy changes external to the Group and beyond its control.

- c. **Operational** - Exposure arising from day-to-day business activities, processes and technology.
- d. **Reputational Risk** - Exposure relating to brand, image or goodwill of the Group.
- e. **Information/System Risk** - Exposure from cyber threats, data loss or inaccuracy, and non-functioning or malfunctioning IT systems or reported information.
- f. **Financial Risk** - Exposure to loss of revenue resources or incurrence of unacceptable liabilities.
- g. **Organisational Risk** - Exposure associated with structure, management and employees (skills, competencies, etc.).
- h. **Compliance Risk** - Exposure arising from inadequate compliance with mandatory regulations and policies.
- i. **Sustainability Risk** - Exposure related to environmental, economic and social impacts on operations.
- j. **Fraud Risk** - Exposure from dishonest acts intended to unlawfully benefit certain parties.
- k. **Corruption Risk** - Exposure related to bribery and corruption, including giving/offering, receiving/soliciting bribes, abuse of power/position and false claims.

Statement On Risk Management And Internal Control

iii. Risk Analysis:

Risks are analysed to understand their nature, root causes and potential consequences, considering both positive and negative impacts on objectives.

iv. Risk Evaluation:

Risks are evaluated from the perspectives of likelihood and impact in both inherent and residual states to assess the extent to which they may affect the achievement of the Group's objectives. Following the risk analysis, decisions on risk prioritisation and appropriate actions are made after considering the effectiveness of existing internal controls and cost-benefit analysis, to determine whether risks should be managed or mitigated and the priority to be assigned.

v. Risk Treatment:

Responsive or pre-emptive actions are initiated to manage risks within the Group's risk appetite. Treatment options include:

a. Terminate (Avoid):

Not pursuing activities likely to generate unacceptable risks.

b. Treat (Mitigate):

Introducing controls or action plans to manage the risks.

c. Transfer (Spread):

Transferring or sharing risks with third parties (e.g., insurance, hedging, joint ventures, outsourcing, partnerships).

d. Take (Accept):

Leveraging Group strengths and capabilities to accept certain risks to build competitive advantage.

vi. Risk Communication and Consultation/Escalation Process:

Communication occurs at every stage of the risk management process to incorporate stakeholder, Management and Board perspectives. Information flows vertically (top-down and bottom-up) and

horizontally (across departments). Key risks are formally communicated through periodic risk reports to the Risk, Sustainability and Compliance Committee ("RSCC") and the BRSCC. Constraints or limitations in managing risks are highlighted for decision or approval.

vii. Risk Monitoring and Reviewing:

Risk events, action plans and outcomes are reviewed, and lessons learned are captured. Given the dynamic nature of risks, ongoing monitoring ensures new measures are introduced where needed to manage evolving exposures.

BRSCC

The Board has established the BRSCC to assist in the oversight of risk management and internal control. The BRSCC's composition and their terms of reference are as follows:

Chairman:

Dato' Mohamed Sharil Bin Mohamed Tarmizi

Members:

- i. Dato' Jezilee Bin Mohamad Ramli
- ii. Dato' Dr. Mohd Ali Bin Mohamad Nor

Terms of reference:

The BRSCC's principal roles and responsibilities include:

- i. Provide oversight, guidance and direction to the Group's risk management functions or processes which include, but not limited to, the ERM (including Business Continuity and Crisis Management), Cybersecurity, Privacy, Ethics & Integrity Compliance, and Regulatory Compliance, Anti-Bribery and Anti-Corruption;
- ii. Formulate the risk appetite at the Group level and establish strategic content in ensuring risk management strategies are complete and sustainability efforts are aligned with long-term business strategies taking into account the environment in which the Group operates and the requirement of all stakeholders and the Board;
- iii. Ensure that Management integrates the necessary risk management processes into all business processes of the Group;

- iv. Evaluate the effectiveness of the ERM framework, management processes and support systems to identify, assess, monitor and manage the Group's key risks;
- v. Review the risk identification and process developed by Management to confirm that it is consistent with the Group's strategy and business plan;
- vi. Review Management's assessment of risk on a quarterly basis and provide quarterly updates to the Board;
- vii. Enquire Management and the independent auditor about the exposure to such risks in relation to significant business, political, financial and control risks;
- viii. Assess the steps/actions that Management has implemented or wish to implement to manage and mitigate identifiable risks, including the use of hedging and insurance;
- ix. Deliberate on compliance-related matters of the Group and review the effectiveness of systems in place for monitoring compliance with laws and regulations;
- x. Review findings, material issues or non-compliances highlighted by regulatory authorities in relation to the regulated businesses of the Group;
- xi. Deliberate, review and evaluate the existing compliance framework and recommend measures for improvement by adopting the best practices;
- xii. Review and ensure that the sustainability efforts are aligned to the Group's long-term business and strategy;
- xiii. Ensure effective management of significant and material sustainability matters (i.e. economic, environmental, social impact) impacting the principal businesses of the Group;
- xiv. Ensure that sustainability is integrated within key business strategies towards the collective achievement of sustainability goals across the Group;
- xv. Ensure that the Statement(s) on the Risk Management and Sustainability of the Group for every financial year is disclosed in the Company's Annual Report. Alternatively, for sustainability statement, the BRSCC is to provide a consolidated sustainability reporting and assurance to the Board to support the relevant statement(s) for disclosure in the Company's Annual Report; and
- xvi. Perform any other roles and responsibilities as may be required by the Board from time to time and/or which are related to the objectives of the Committee subject to the Limits of Authority of the Company.

Statement On Risk Management And Internal Control

The BRSCC had its quarterly meetings to deliberate on key risks and mitigation plans to ensure risks are properly managed and mitigated as well as to safeguard the shareholders' interest.

RSCC

The composition and roles of the RSCC are as follows:

Chairman:

Group Chief Executive Officer

Members:

- i. Group Chief Financial Officer
- ii. Group Chief People Officer
- iii. Group Chief Marketing, Communications & Sustainability Officer
- iv. General Counsel & Corporate Affairs
- v. Head Regulatory Compliance
- vi. Head Risk Management

Roles and responsibilities of RSCC:

- i. Formulate the ERM, sustainability and compliance framework which include policies, processes, structures and programs; and monitor its implementation;
- ii. Formulate risk appetite and the required action plans to mitigate identified risks;
- iii. Review and deliberate existing key risks and potential emerging risks that may derail the achievement of business objectives and goals;
- iv. Evaluate the adequacy of existing controls and required action plans to enhance these existing controls to manage, mitigate and/or eliminate any risk exposure;
- v. Recommend direction that aligns the sustainability targets with the overall goals of the Group including prioritising key sustainability matters;
- vi. Deliberate findings, material issues or instances of non-compliances highlighted by RCD to Senior Management;
- vii. Deliberate the risk associated with compliance matters, the root cause of incidents and subsequently formulate the appropriate controls to be put in place; and
- viii. Ensure risk, sustainability and compliance reports are submitted in a timely manner to the BRSCC and Board of Directors.

Statement On Risk Management And Internal Control

The RSCC is supported by the RMD and RCD respectively. RMD's roles are to monitor, analyse and report the risks that have been identified enterprise-wide as well as facilitate in the risk assessment process. RMD also evaluates the risk policies and procedures, and recommends improvements from trends and developments in risk management that can significantly improve risk management for the Group.

Risk owners will ensure that the risk registers and risk profiles are updated on a quarterly basis, and the consolidated reports are tabled to the RSCC, BRSCC and the Board.

SYSTEM OF INTERNAL CONTROL

The key elements of the Group's internal control systems are described below:

- i. The Board has established several Board Committees, namely the BAC, BRSCC, Board Nomination and Remuneration Committee, Board Tender Committee, and Board Digital-First Committee ("BDC"), to support the Board in fulfilling its responsibilities and overseeing the effectiveness of the Group's operations;
- ii. The BAC, comprising two Independent Non-Executive Directors and one Non-Independent Non-Executive Director, provides oversight of the internal and external audit functions. Together with the Internal Audit Department ("IAD"), the BAC assesses the adequacy, efficiency, and effectiveness of the Group's internal control system based on the approved audit plan. The IAD adopts a risk and strategy-based approach in formulating the annual audit plan, aligning its activities with the key risks identified across the Group, and recommends improvements where necessary;
- iii. The BAC reviews the adequacy and accuracy of the Group's annual and quarterly financial reporting, with particular focus on changes in accounting policies, significant audit adjustments, going concern assumptions, and compliance with the Malaysian Financial Reporting Standards, the Companies Act 2016, and other applicable regulatory requirements;
- iv. The BAC reviews the appointment and engagement of the external auditors, including their audit scope, methodology, and approach in assessing the Group's financial statements. The BAC also meets with the external auditors at least once annually without the presence of Management to discuss any significant matters arising from the audit. Further details of

the Committee's activities are provided in the Audit Committee Report;

- v. The BAC reviews the Related Party Transactions ("RPT") and Recurrent Related Party Transactions ("RRPT") undertaken by the Group to ensure that the necessary disclosures are made in accordance with the Companies Act' 2016 and the Main Market Listing Requirements of Bursa Securities. The BAC also ensures that such transactions are conducted on an arm's length basis and are not detrimental to the interests of minority shareholders;
- vi. The roles and responsibilities of the Board, BRSCC, RSCC, Business Units, Operations, and support functions in relation to risk management are clearly defined and formalised within the ERM Policy;
- vii. The Group has established a Whistleblowing Policy ("WB Policy") that provides a secure and confidential channel for employees and members of the public to report any actual or suspected breaches of laws, regulations, business ethics, or the Group's policies, procedures, and guidelines. The WB Policy and its disclosure procedures are publicly accessible on the Company's website;
- viii. The Group has established the Integrity and Governance Unit ("IGU") in line with the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act' 2009 (Amendment 2018). IGU serves to safeguard the Group from bribery and corruption risks while promoting and strengthening good governance practices across the organisation;
- ix. The Management Committee for Corporate Integrity was established to provide strategic oversight and direction for the Group's IGU. The Committee ensures that all corporate integrity and governance-related policies, procedures, and processes are in place, effectively operationalised, and functioning as intended. It also provides periodic updates and reports to Management and the Board;
- x. The Anti-Bribery and Anti-Corruption ("ABAC") Policy, endorsed by the Board, serves as the Group's principal policy document governing the establishment, implementation, maintenance, review, and continuous improvement of its anti-bribery and anti-corruption systems and processes. The Policy forms a key component of the measures undertaken by Management and the Board to mitigate, detect, and prevent corrupt practices across the Group;
- xi. The Group's operating policies and procedures, which incorporate both regulatory obligations and internal

Statement On Risk Management And Internal Control

MONITORING AND REVIEW OF THE ADEQUACY AND INTEGRITY OF THE SYSTEM OF INTERNAL CONTROL

The processes adopted to monitor and review the adequacy and integrity of the system of internal control include the following:

- xii. The Group has formalised defined levels of authority and clear lines of responsibility across business units, departments, Management, and up to the Board level to ensure proper accountability in executing risk management and internal control activities;
- xiii. Training and development programmes are implemented to ensure that employees remain equipped with the requisite competencies and skills to effectively perform their roles and support the achievement of the Group's strategic objectives;
- xiv. In support of the Group's digital transformation agenda, the BDC was established to review, deliberate, and subsequently either approve or recommend for the Board's approval the proposals submitted by Management relating to the Group's flagship Digital-First initiatives, in accordance with the Group's Limits of Authority; and
- xv. The Board convenes at least quarterly to review the Group's operational and financial performance against approved budgets, approve the quarterly reports to Bursa Securities, and deliberate on matters requiring the Board's decision. The Board is also kept informed of developments in the business environment that may impact performance, including mitigation measures, initiatives to enhance operational efficiency, and strategic plans to support business growth.

The monitoring, review, and reporting mechanisms in place provide reasonable assurance that the Group's control structure and its operations are functioning effectively and that risks are maintained at an acceptable level across the organisation. Nevertheless, the Board recognises that these controls cannot fully eliminate the risk of human error or the intentional override of established procedures.

The Board recognizes that the development of an effective system of internal control is a continuous process. Throughout the year, the Board has undertaken various measures to strengthen the internal control framework and remains committed to further enhancing these controls on an ongoing basis.

- i. The financial statements and the Group's performance are reviewed quarterly by the BAC, who subsequently recommends them to the Board for their consideration and approval;
- ii. The IAD conducts examinations of business processes and evaluates the state of internal controls across the Group. In developing the annual audit plan, the IAD adopts a risk-based and strategy-driven approach, ensuring alignment with the key risks identified throughout the Group. The proposed audit plan is reviewed and subsequently approved by the BAC;
- iii. Reports arising from the reviews are submitted and presented to the BAC on a quarterly basis to facilitate informed deliberation, oversight, and follow-up action;
- iv. Management action plans for audit issues raised are monitored by the IAD on a weekly basis. Effective tracking and oversight mechanisms are in place, including deliberations during BAC meetings, to ensure timely resolution of issues and effective implementation of recommendations. Status of management action plans is discussed at Senior Management Team meetings and reported to the BAC on a quarterly basis. Follow-up reviews are also carried out by the IAD to assess the adequacy and effectiveness of the implemented action plans;
- v. Investigations are undertaken by the Special Audit Unit, an independent unit under the IAD, upon requests from Management or the Board. Reports relating to special reviews, including fraud investigations and major control breakdowns, are presented to the BAC on a quarterly basis.

The monitoring, review, and reporting arrangements in place provide reasonable assurance that the Group's control structure and its operations function effectively and remain aligned with the Group's business activities. These processes help ensure that key risks are maintained at an acceptable level across the Group's operations.

Statement On Risk Management And Internal Control

ASSURANCE TO THE BOARD

This Statement on Risk Management and Internal Control has been prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance (“MCCG”) 2021, and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies issued in 2025.

The Board has received assurance from the Group Chief Executive Officer, Group Chief Financial Officer and General Counsel & Corporate Affairs that risk management and internal control systems are operating adequately and effectively in all material aspects based on the risk management and internal control systems of the Group.

For the financial year under review and up to the date of approval of this Statement, the Board is of the opinion that the Group’s risk management and internal control systems are reasonably adequate and effective in protecting the Group’s assets, as well as ensuring the reliability of financial and operational reporting, compliance with applicable laws and regulations, and in addressing key risks that may impact the Group’s business operations.

REVIEW OF THIS STATEMENT

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide (“AAPG”) 3, Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (“MIA”) for inclusion in the Annual Report of the Group for the financial year ended 31 December 2025, and reported to the Board that nothing has come to their attention that cause them to believe that this Statement intended to be included in the Annual Report of the Group, in all material respects:

- (i) has not been prepared in accordance with the disclosures required by section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies, or
- (ii) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors’ Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

This Statement on Risk Management and Internal Control has been approved by the Board of Directors on 25 March 2026.

Board Audit Committee Report

The Board of Pos Malaysia Berhad is pleased to present the Board Audit Committee (“BAC”) Report for the financial year ended 31 December 2025.

COMPOSITION AND ATTENDANCE AT MEETINGS

Composition

During the financial year ended 31 December 2025, ten (10) BAC meetings held involving three (3) members of the BAC. The composition of the BAC members as well as their attendance at the meetings is set out below:

Director	Status of Directorship	Attendance at Meetings
Puan Roshidah binti Abdullah	Chairman of the BAC Independent Non-Executive Director	10/10
Dato’ Jezilee bin Mohamad Ramli	Member of the BAC Non-Independent Non-Executive Director	10/10
Dato’ Dr. Mohd Ali bin Mohamad Nor	Member of the BAC Independent Non-Executive Director	10/10

Roshidah Abdullah is a member of the Malaysian Institute of Accountants. In this respect, the BAC is in compliance with Paragraph 15.09(1)(c), of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

ATTENDANCE

Attendance at all the meetings met the requisite quorum whereby the majority of members present were Independent Directors as stipulated in the BAC’s Terms of Reference. The Management of the Company was invited to brief the BAC on the Group’s financial performance and relevant corporate matters and to address any queries raised by the BAC.

The Head of Internal Audit Department (“IAD”) attended all the BAC meetings and presented the results of internal audits to the BAC. Other than the results of internal audits, IAD also presented the progress of audit activities, status of audit issues and action plans, internal audit plan as well as audit staff strength. The external auditor was also invited to attend the BAC meetings to present their audit scope and plan, and the auditor’s report on the audited annual financial statements. Private session between the BAC and the external auditor without the presence of the Management is held at least once every year.

All issues discussed and deliberated during the BAC meetings were minuted by the Company Secretary who is also the secretary to the BAC. Any matters of significant concern raised by the internal and external auditors were duly conveyed by the BAC to the Board.

Board Audit Committee Report

TERMS OF REFERENCE OF BAC

The Terms of Reference of the BAC are aligned with the Listing Requirements of Bursa Securities, recommendations of the Malaysian Code on Corporate Governance (“MCCG”) and relevant best practices.

The Terms of Reference establishes the authorities, duties and responsibilities of the BAC and is accessible on the Company’s official website at www.pos.com.my/corporate-governance/terms-of-reference.

SUMMARY OF WORK

The BAC’s work during the financial year ended 31 December 2025 comprised the following:

Financial Reporting

In overseeing the Group’s financial reporting, the BAC reviewed the unaudited quarterly and audited annual financial results. The details of the reviews conducted are as follows:

- a The unaudited quarterly financial results for the periods ended 31 March 2025, 30 June 2025 and 30 September 2025 were reviewed at the BAC meetings held on 14 May 2025, 14 August 2025 and 11 November 2025 respectively, and
- b The annual audited financial statements of the Group and of the Company for the financial year ended 31 December 2025 together with the Statement of Directors’ Responsibility were reviewed by BAC, including taking note of the report from the external auditors, Messrs. KPMG PLT at its meeting held on 13 March 2026.

The reviews were carried out to ensure that the financial reporting and disclosures are in compliance with:

- a Provisions of the Companies Act, 2016;
- b Listing Requirements of Bursa Securities;
- c Applicable approved accounting standards in Malaysia; and
- d Other legal and regulatory requirements.

In the review of the annual audited financial statements, the BAC discussed with the Management and the external auditor, the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements.

Risks And Controls

The BAC evaluated the overall adequacy and effectiveness of the system of internal controls through a review of results of work performed by internal and external auditors and discussions with the Management. The BAC also reviewed the Statement on Risk Management and Internal Control prior to inclusion in the Company’s Annual Report.

Internal Audit

- a Reviewed the 2026 Risk-Based Annual Audit Plan to ensure adequacy of the scope and coverage of major risk areas of the Group;
- b Reviewed the Key Performance Indicators of the IAD and appraised the department’s performance and competency level;
- c Reviewed the effectiveness of the audit process and resource requirements for the year;
- d Reviewed the internal audit reports presented by IAD which were tabled during the year, the audit recommendations made and Management’s responses to the recommendations. Where appropriate, the BAC has directed the Management to rectify and improve internal controls and Standard Operating Procedures based on the internal auditor’s recommendations for improvement;
- e Monitored the corrective actions on the outstanding audit issues to ensure that all key risks and control lapses had been addressed; and
- f Monitored internal audit activities, the staffing requirements, skills and the core competency of the internal auditors, as well as ensuring IAD has the necessary authority to carry out its work.

Board Audit Committee Report

External Audit

- a Reviewed the annual financial statements of Pos Malaysia for financial year ended 31 December 2025 on 13 March 2026.
- b Reviewed:
 - i. External auditor’s audit plan, audit strategy and scope of work for the year; and
 - ii. The results of the annual audit, external auditor’s audit reports and management letter together with Management’s responses to the findings of the external auditor.
- c Briefed by the external auditor on Key Audit Matters, which provides a level platform for Management, BAC and external auditor to focus on.
- d Reviewed and recommended for the Board’s approval, the quarterly reviews on 14 May 2025, 14 August 2025 and 11 November 2025 respectively.
- e Reviewed the overall performance through online evaluation questionnaires of the external auditors, Messrs. KPMG PLT, which has been Pos Malaysia’s external auditor since 2004. The financial year ended 31 December 2025 marked its 22 years of engagement.
- f Reviewed the independent status of the external auditor and fees payable in respect of the scope of work to be performed and recommended to the Board that the auditor be re-appointed for the ensuing year. It is to be noted that the Company conforms to the requirements of the Malaysian Institute of Accountants in ensuring that the Lead Engagement Partner and Engagement Quality Control Reviewer of the external auditor are subjected to a period of seven (7) cumulative years acting in the role of Engagement Partner, Engagement Quality Control Reviewer or any other Key Audit Partner.
- g Every year, the BAC has obtained written assurance from the external auditor confirming their independence throughout their term of engagement for the financial year.

Integrity and Governance

In strengthening the Group’s governing and oversight of integrity-related matters, the BAC has also been receiving reports on activities and initiatives carried out during the year by the Integrity & Governance Unit (“IGU”), which has a direct reporting line to the BAC.

Among the activities reported to the BAC during the financial year 2025 were activities planned for the year, activities carried out during the year, and reviews performed during the year, including reviews of documented policies and standard operating procedures relating to handling of integrity and anti-bribery and anti-corruption (“ABAC”) related matters.

Related Party Transactions

The BAC reviewed the recurrent related party transactions and related party transactions of the Group to ensure compliance with the Listing Requirements of Bursa Securities and that the transactions were undertaken on an arm’s length basis, fair, reasonable and on normal commercial terms, not more favourable to the related party than those generally available to the public, not detrimental to the minority shareholders, and carried out in the best interest of the Group.

STATEMENT ON INTERNAL AUDIT FUNCTION

Roles and Responsibilities

IAD is a fundamental part of the assurance structure of the Group. Its main responsibility is to provide an independent and reasonable assurance on the adequacy, integrity and effectiveness of the Group’s overall system of internal controls, risk management and governance process.

The Head of IAD reports directly to the BAC on a functional basis and administratively to the Group Chief Executive Officer. The Head of IAD periodically reports on the activities performed as well as key control issues noted by the internal auditors to the BAC. The purpose, authority and responsibility of IAD are reflected in the Internal Audit Charter, which was endorsed by the BAC and approved by the Board.

Board Audit Committee Report

Annually, the IAD prepares a Risk-Based Audit Plan and presents the Plan to the BAC for approval. The Audit Plan gives priority and focuses on the Company's top risks identified by internal auditor and the Management.

The audit scope includes performing audit reviews at the business, enabler and support divisions as well as subsidiary companies. The audit covers the reviews on the:

- a** Adequacy of internal controls;
- b** Effectiveness and efficiency of operations;
- c** Accuracy of financial and operational information;
- d** Compliance with internal policies, procedures, regulatory and statutory requirements;
- e** Adequacy and effectiveness of IT systems in supporting operations;
- f** Effectiveness of risk management processes and the implementation of controls by Management to mitigate company's major risks;
- g** Effectiveness of ongoing key project implementation and deliverables; and
- h** Levels of compliance with the MCGG 2021 and the Listing Requirements of Bursa Securities.

In order to maintain its independence and objectivity, IAD has no operational responsibility and authority over the activities IAD audits. In determining the adequacy of audit scope and coverage, IAD applies a comprehensive audit planning of the Group's auditable entities and functions by performing risk analysis and ensuring adequate resources in performing the audit.

Audit Resources

As at 31 December 2025, IAD had a total of 15 internal auditors, comprising staff from various educational and professional backgrounds. IAD invested in various training programmes to enhance the knowledge and competency level of the staff. The training programme, comprising in-house and externally sourced training, focus on functional and developmental needs of the internal auditors. The total amount spent for the internal audit function at Pos Malaysia in respect of financial year ended 31 December 2025 was RM1.77 million (a decrease of 0.6% from previous year's amount of RM1.78 million) covering mainly salaries and incidental costs such as travelling and training. The BAC

approves the IAD's annual audit plan, financial budget and manpower requirements to ensure the function is adequately resourced with competent and proficient internal auditors.

Audit Work

IAD adopts a risk and strategy-based approach as part of its audit planning and execution focusing on significant identified risks and effectiveness of the controls to mitigate the risks. Activities of the IAD include review of the adequacy and effectiveness of internal controls and risk management, compliance with applicable laws and regulations, reliability and integrity of information and adequacy on safeguarding of assets.

During the financial year ended 31 December 2025, IAD executed a total of 45 audits which comprised scheduled audits, follow-up audits and ad-hoc engagements. All findings from the internal audit reviews were reported to the BAC, Senior Management and the relevant Management of the operating units. None of the components of the internal audit function were outsourced to external service providers.

The IAD continues to assist the Management in supporting the Whistleblowing Policy and the Integrity Pact established in 2008 to ensure transparency and integrity throughout the tender process. Whistleblowing programme was administered by the IAD whereby concerns received were directed to the Special Audit Unit for necessary actions.

In ensuring effective communication of audit issues to all operational areas and prompt closing of audit issues, meetings were held with the Management on a regular basis. Management is responsible for ensuring that corrective actions on reported weaknesses and suggested improvements as recommended are taken within the required time frame.

Additional Compliance Information

1. Utilisation of Proceeds

Save as disclosed below, there was no new corporate funding proposal undertaken by the Group and the Company during the financial year ended 31 December 2025.

Subsequent to the financial year end, on 26 February 2026, the Company announced the establishment of a subordinated perpetual Islamic notes programme with a nominal value of RM1,000,000,000 under the Shariah principle of Wakalah Bi Al-Istithmar. The programme is intended to finance the capital expenditure, investment activities, working capital requirements, and other general corporate purposes. The issuance of the first tranche amounting to RM300,000,000 was successfully completed on 17 March 2026.

2. Material Contracts Involving Directors'/Chief Executives'/Major Shareholders' Interests

There were no material contracts entered into by Pos Malaysia nor its subsidiaries involving the interest of Directors, Chief Executive who is not a director or Major Shareholders, either still subsisting as at 31 December 2025 or entered into since the end of the previous financial year.

3. Audit and Non-Audit Fees

The particulars in relation to the audit and non-audit services rendered by the Company's Auditors to the Company or its subsidiaries for the financial year 2025 are as follows:

Name	Company (RM)	Group (RM)
Audit Fees	421,000	1,263,000
Other Audit Fees	300,000	300,000
Non-Audit Fees	307,000	516,750
TOTAL	1,028,000	2,079,750

The nature of the services rendered for the other audit fees incurred are Review of Directors' Statement on Risk Management and Internal Control, Review of Quarterly Status Updates and Agreed Upon Procedures for Money Order/Postal Order. The non-audit fees are the services for compliance tax fees, tax vetting and assurance on sustainability statements.

Additional Compliance Information

4. Recurrent Related Party Transaction of a Revenue or Trading Nature

Pursuant to Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), the details of the recurrent related party transactions (“RRPTs”) of a revenue or trading nature entered into during the financial year 2025 pursuant to the shareholders’ mandate obtained at the Company’s Extraordinary General Meeting held on 11 July 2025 are as follows:

- (i) RRPTs on the provision of services by Pos Malaysia Group to related parties pursuant to Malaysian Postal Services Act 2012 and other relevant legislations

No.	Pos Malaysia and/ or its subsidiaries	Transacting related party	Nature of transaction	Related parties and their relationship with Pos Malaysia Group	Actual value transacted from 1 January 2025 to 31 December 2025 (RM’000)
REVENUE/INCOME					
1.	Pos Malaysia Group	Alam Flora Sdn. Bhd. (“Alam Flora”)	Provision of Corporate Postal Services by Pos Malaysia Group	TSSM# - Alam Flora is a 97.37%-owned subsidiary of Tunas Pancar Sdn. Bhd. (“Tunas Pancar”), effectively a wholly-owned subsidiary of Malakoff Corporation Berhad (“Malakoff”)	84.00
		Bank Muamalat Malaysia Berhad (“BMMB”)		1) DRB-HICOM* - BMMB is a 70%-owned subsidiary of DRB-HICOM* 2) TSSM#	156.00
		DRB-HICOM Group		1) DRB-HICOM* 2) TSSM#	261.00
2.	Pos Malaysia Group	DRB-HICOM Group	Provision of Courier Services by Pos Malaysia Group	1) DRB-HICOM* 2) TSSM#	6,599.00
		Alam Flora		TSSM# - Alam Flora is a 97.37%-owned subsidiary of Tunas Pancar, effectively a wholly-owned subsidiary of Malakoff	12.00
		Percetakan Nasional Malaysia Berhad (“Percetakan Nasional”)		TSSM# - Percetakan Nasional is a 100%-owned subsidiary of Sutera Bakti Sdn. Bhd. (“Sutera Bakti”), a company in which TSSM is an indirect Major Shareholder	710.00

Additional Compliance Information

No.	Pos Malaysia and/ or its subsidiaries	Transacting related party	Nature of transaction	Related parties and their relationship with Pos Malaysia Group	Actual value transacted from 1 January 2025 to 31 December 2025 (RM’000)
REVENUE/INCOME					
	Pos Malaysia Group	Albukhary International University (“AIU”)	Provision of Courier Services by Pos Malaysia Group	TSSM#	0.30
		Avon Cosmetics (Malaysia) Sendirian Berhad (“Avon Cosmetics”)		TSSM# - Avon Cosmetics is a 30%-owned associate company of Tradewinds Corporation Berhad (“Tradewinds”)	1.00
		Tradewinds Group (M) Sdn. Bhd. (“TGM”)		TSSM#	2.00
		Era Bayam Kota Sdn. Bhd. (“Era Bayam Kota”)		TSSM# - Era Bayam Kota is a 100%-owned subsidiary of Jasmine Food Corporation Sdn. Bhd. (“Jasmine Food”), which in turn is a 100%-owned subsidiary of Tradewinds (M) Berhad (“TWM”), a company in which TSSM is an indirect Major Shareholder	2.00
		WOWSHOP Sdn. Bhd. (“WOWSHOP”)		TSSM# - WOWSHOP is a 100%-owned subsidiary of Media Prima Berhad, a company in which TSSM is an indirect Major Shareholder	0.10
		MPH Bookstores Sdn. Bhd. (“MPH Bookstores”)		TSSM# - MPH Bookstores is a 100%-owned subsidiary of MPH Group (M) Sdn. Bhd., a company in which TSSM is an indirect Major Shareholder	61.00
		BMMB		1) DRB-HICOM* - BMMB is a 70%-owned subsidiary of DRB-HICOM* 2) TSSM#	671.00

Additional Compliance Information

No.	Pos Malaysia and/ or its subsidiaries	Transacting related party	Nature of transaction	Related parties and their relationship with Pos Malaysia Group	Actual value transacted from 1 January 2025 to 31 December 2025 (RM'000)
REVENUE/INCOME					
3.	Pos Digicert	DRB-HICOM Group	Provision and implementation of managed Public Key Infrastructure services by Pos Digicert	1) DRB-HICOM* 2) TSSM# - Big Dataworks is a company ultimately owned by Puncak Semangat Sdn. Bhd. ("Puncak Semangat"), a company in which 70%-owned by a Person Connected to TSSM	21.00 467.00
		Honda Malaysia Sdn. Bhd. ("Honda Malaysia")		1) DRB-HICOM* - Honda Malaysia is an associate company of DRB-HICOM	2.00
		ISUZU Malaysia Sdn. Bhd. ("ISUZU Malaysia")		2) TSSM# 1) DRB-HICOM* - ISUZU Malaysia is a jointly controlled entity of DRB-HICOM	7.00
4.	Pos Digicert	Commerce Dot Com Sdn. Bhd. ("Commerce Dot Com")	Provision and implementation of managed Public Key Infrastructure services and Log Radar for Nextgen E-Perolehan	TSSM# - Commerce Dot Com is a 81%-owned subsidiary of Puncak Semangat, a company in which 70%-owned by a Person Connected to TSSM	693.00
5.	Pos Digicert	HICOM University College Sdn. Bhd. ("HUC")	Provision and implementation of "eScroll" Solution ("eScroll" is a digital scroll embedded with Public Key Infrastructure technology to prevent and detect forgery)	1) DRB-HICOM* - HUC is a 100%-owned subsidiary of DRB-HICOM 2) TSSM#	24.00
6.	Pos Digicert	BMMB	Provision and implementation of Managed Electronic Know Your Customer (eKYC) services by Pos Digicert	1) DRB-HICOM* - BMMB is a 70%-owned subsidiary of DRB-HICOM* 2) TSSM#	129.00
Total Revenue/Income					9,902.40

Additional Compliance Information

- (ii) RRPTs on the receipt of services by Pos Malaysia Group from related parties under its respective industry regulations/acts

No.	Pos Malaysia and/ or its subsidiaries	Transacting related party	Nature of transaction	Related parties and their relationship with Pos Malaysia Group	Actual value transacted from 1 January 2025 to 31 December 2025 (RM'000)
EXPENSES					
1.	Pos Malaysia Group	Alam Flora Environmental Solutions Sdn. Bhd. ("AFES")	Provision of integrated facilities management and maintenance services by AFES	TSSM# - AFES is a 100%-owned subsidiary of Alam Flora, effectively is a 97.37%-owned subsidiary of Malakoff	2,977.00
2.	Pos Aviation Group	Gas Malaysia Berhad ("GMB")	Supply of gas for inflight catering to Pos Aviation Group	TSSM# - GMB is a 30.9% associate company of MMC Corporation Berhad ("MMC")	111.00
3.	Pos Aviation Group	AFES	Provision of garbage collection services	TSSM# - AFES is a 100%-owned subsidiary of Alam Flora, effectively is a 97.37%-owned subsidiary of Malakoff	838.00
Total Expenses					3,926.00

Additional Compliance Information

(iii) RRPTs on the provision/receipt of other services between Pos Malaysia Group and related parties

No.	Pos Malaysia and/ or its subsidiaries	Transacting related party	Nature of transaction	Related parties and their relationship with Pos Malaysia Group	Actual value transacted from 1 January 2025 to 31 December 2025 (RM'000)
REVENUE/INCOME					
1.	Pos Malaysia Group	DRB-HICOM Group	Provision of MyDistribution Services by Pos Malaysia Group	1) DRB-HICOM* 2) TSSM#	142.00
		Percetakan Nasional		TSSM# - Percetakan Nasional is a 100%-owned subsidiary of Sutera Bakti, a company in which TSSM is an indirect Major Shareholder	100.00
		Padiberas Nasional Berhad ("BERNAS")		TSSM# - BERNAS is a 100%-owned subsidiary of TGM, a company in which TSSM is an indirect Major Shareholder	72.00
2.	Pos Malaysia Group	BMMB	Renting of retail/advertisement space at Pos Malaysia's post offices/outlets, land, vehicles, equipment, merchandise, delivery of workforce, websites and portals	1) DRB-HICOM* - BMMB is a 70%-owned subsidiary of DRB-HICOM* 2) TSSM#	7.00
3.	Pos Malaysia Group	GMB	Commission from bills payment collected at Pos Malaysia's outlets/ channels	TSSM# - GMB is a 30.9% associate company of MMC Corporation Berhad ("MMC")	7.00
4.	Pos Malaysia Group	DRB-HICOM Group	Provision of training facilities and programmes by Pos Malaysia Group	1) DRB-HICOM* 2) TSSM#	4.00
5.	Pos Malaysia Group	DRB-HICOM Group	Software development and maintenance services	1) DRB-HICOM* 2) TSSM#	851.92
6.	Datapos	DRB-HICOM Group	Provision of printing, poly-wrapping, enveloping, insertion of pamphlets, annual reports and bank statements, supply of paper and plastic, return mail management services, other incidental services, and provision of bulk mail services by Datapos	1) DRB-HICOM* 2) TSSM#	2,065.05

Additional Compliance Information

No.	Pos Malaysia and/ or its subsidiaries	Transacting related party	Nature of transaction	Related parties and their relationship with Pos Malaysia Group	Actual value transacted from 1 January 2025 to 31 December 2025 (RM'000)
REVENUE/INCOME					
7.	Pos Logistics Group	DRB-HICOM Group	Provision of logistics services by Pos	1) DRB-HICOM* 2) TSSM#	89,556.99
		MMC Group	Logistics Group	TSSM# - MMC is a 100%-owned subsidiary of Seaport Terminal (Johore) Sdn. Bhd. ("Seaport Terminal"), which in turn is wholly-owned by Indra Cita Sdn. Bhd. ("Indra Cita"), a company in which TSSM is an indirect Major Shareholder	219.00
		BERNAS Group		TSSM# - BERNAS is a 100%-owned subsidiary of TGM, a company in which TSSM is an indirect Major Shareholder	30,711.00
Total Revenue/Income					123,735.96
EXPENSES					
8.	Pos Malaysia Group	DRB-HICOM Leasing Sdn Bhd ("DRB-HICOM Leasing")	i. Purchase/leasing of motor vehicles ii. Supply of related spare parts iii. Provision of maintenance and other services related to motor vehicles	1) DRB-HICOM* - DRB-HICOM Leasing is a 100%-owned subsidiary of DRB-HICOM EZ-Drive Sdn. Bhd. ("DHZD"), effectively a wholly-owned subsidiary of DRB-HICOM 2) TSSM#	10,157.00
		DHZD		1) DRB-HICOM* - DHZD is a 100%-owned subsidiary of Edaran Otomobil Nasional Berhad ("EON"), effectively a wholly-owned subsidiary of DRB-HICOM 2) TSSM#	7,992.00
9.	Pos Malaysia Group	HICOM Holdings Berhad ("HICOM Holdings")	Provision of management services	1) DRB-HICOM* - HICOM Holdings is a 100%-owned subsidiary of DRB-HICOM 2) TSSM#	840.00
10.	Pos Malaysia Group	Malakoff Group	Provision of energy-saving services at selected premises by Malakoff Group	TSSM# - Malakoff is a 38.45%-owned associate company of MMC	702.00

Additional Compliance Information

No.	Pos Malaysia and/ or its subsidiaries	Transacting related party	Nature of transaction	Related parties and their relationship with Pos Malaysia Group	Actual value transacted from 1 January 2025 to 31 December 2025 (RM'000)
EXPENSES					
11.	Pos Malaysia Group	Souq Realty Sdn. Bhd. ("Souq Realty")	Rental of premise by Pos Malaysia Group	TSSM# - Souq Realty is a company in which TSSM is an indirect Major Shareholder	72.00
12.	Pos Malaysia Group	Bangi Heights Development Sdn. Bhd. ("Bangi Heights")	Rental of premise by Pos Malaysia Group	TSSM# - Bangi Heights is deemed interested by virtue of TSSM's interest in Seleksi Juang Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016	37.00
13.	Pos Malaysia Group	DRB-HICOM Group	Provision of training facilities and programmes to Pos Malaysia Group	1) DRB-HICOM* 2) TSSM#	16.00
		TGM Group		TSSM# - TGM is a company in which TSSM is an indirect Major Shareholder	47.00
14.	Pos Aviation Group	Jasmine Food	Supply of foodstuff for inflight catering to Pos Aviation Group	TSSM# - Jasmine Food is a 100%-owned subsidiary of TWM, which in turn is a 100%-owned subsidiary of TGM, a company in which TSSM is an indirect Major Shareholder	369.00
15.	Pos Aviation Group	DHZD	Renting/leasing of motor vehicles to Pos Aviation Group	1) DRB-HICOM* - DHZD is a 100%-owned subsidiary of EON, effectively a wholly-owned subsidiary of DRB-HICOM 2) TSSM#	711.00

Additional Compliance Information

No.	Pos Malaysia and/ or its subsidiaries	Transacting related party	Nature of transaction	Related parties and their relationship with Pos Malaysia Group	Actual value transacted from 1 January 2025 to 31 December 2025 (RM'000)
EXPENSES					
16.	Pos Logistics Group	DRB-HICOM Group	Purchase of Services by Pos Logistics Group	1) DRB-HICOM* 2) TSSM#	57.00
		MMC Group		TSSM# - MMC is a 100%-owned subsidiary of Seaport Terminal, which in turn is wholly-owned by Indra Cita, a company in which TSSM is an indirect Major Shareholder	8,090.00
		Tradewinds Group		TSSM# - Tradewinds is a 100%-owned subsidiary of TGM, a company in which TSSM is an indirect Major Shareholder	436.00
17.	Pos Ar-Rahnu	BMMB	Appointment of Security Agent for Compliance Certificate Reporting	1) DRB-HICOM* - BMMB is a 70%-owned subsidiary of DRB-HICOM* 2) TSSM#	21.60
Total Expenses					29,547.60
Total Revenue/Income & Expenses					153,283.56

* DRB-HICOM Berhad ("DRB-HICOM") is the holding company of Pos Malaysia.

Tan Sri Dato' Seri Syed Mokhtar Shah bin Syed Nor ("TSSM") is the indirect Major Shareholder of Pos Malaysia and DRB-HICOM.

Additional Compliance Information

5. Disclosure Of Financial Data For Shariah Screening

Pursuant to Paragraph 9.25A of the MMLR of Bursa Malaysia, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	Group	
	2025 (RM'000)	2024 (RM'000)
Total Income		
Revenue	1,839,201	1,852,991
Other income	30,334	44,490
Interest/Finance income	1,234	1,343
Share of profit of associates	(6)	85
Total	1,870,763	1,898,909
Total Assets	1,947,937	2,004,132

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Insurance income	Income derived from conventional insurance arrangements (non-takaful).	58,461	57,308
Interest income	Interest income derived from placements with conventional financial institutions.	119	179
Total		58,580	57,487

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Group	
	2025 (RM'000)	2024 (RM'000)
Cash at bank (exclude cash in hand)	41,072	58,520
Deposits with licensed bank	52,303	10,386
Money market instruments	29,385	5,698
Total Cash	122,760	74,604

Additional Compliance Information

Conventional Account/Instruments	Group	
	2025 (RM'000)	2024 (RM'000)
Cash at bank (exclude cash in hand)	22,017	27,946
Deposits with licensed bank	717	699
Other cash equivalents (Cash in Hand)	23,630	34,920
Total Cash	46,364	63,565

(ii) Debt Component

Islamic Financing	Group	
	2025 (RM'000)	2024 (RM'000)
Current		
Bank borrowings	151,000	19,148
Revolving credit and financing	238,000	238,000
Non-Current		
Bank borrowings	-	151,000
Total	389,000	408,148

Conventional Borrowing	Group	
	2025 (RM'000)	2024 (RM'000)
Current		
Revolving credit and loans	5,275	26,755
Bank overdrafts	911	930
Invoice financing	38,032	36,061
Total	44,218	63,746

Directors' Responsibility Statement

The Directors are required by the Companies Act 2016 ("CA 2016") to ensure that the financial statements prepared for each financial year give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of the financial performance and cash flows of the Group and the Company for the year then ended. As required by the CA 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the CA 2016 in Malaysia.

In preparing the financial statements of the Group and the Company for the financial year ended 31 December 2025, the Directors are satisfied that the Group and the Company have:-

- adopted appropriate accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudents; and
- prepared the financial statements on a going concern basis.

The Directors have ensured that the accounting records kept by the Group and the Company have been properly kept in accordance with the provisions of the CA 2016, which disclose with reasonable accuracy the financial position of the Group and the Company. In addition, the Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company and to detect and prevent fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 25 March 2026.



Financial Performance

Transparency in Performance and Accountability

Pos Malaysia remains committed to transparent financial reporting and responsible financial management, providing stakeholders with a clear view of the Group's financial position and performance.



DIRECTORS' REPORT

for the financial year ended 31 December 2025

The Directors of Pos Malaysia Berhad (the "Company") hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

Principal activities

The principal activities of the Company during the financial year are to provide postal and its related services which include receiving and dispatching of postal articles, postal financial services, dealing in philatelic products and sale of postage stamps. The principal activities of the subsidiaries are stated in Note 15 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

Holding companies

The Directors regard DRB-HICOM Berhad and Etika Strategi Sdn. Bhd., companies incorporated in Malaysia as its immediate and ultimate holding companies respectively. DRB-HICOM Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 15 to the financial statements.

Financial results

	Group RM'000	Company RM'000
Loss for the financial year	207,915	104,604
Attributable to:		
Owners of the Company	209,262	104,604
Non-controlling interest	(1,347)	-
	207,915	104,604

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIRECTORS' REPORT

for the financial year ended 31 December 2025

Dividends

No dividend was paid or declared during the year end. The Directors do not recommend any dividend to be paid for the financial year ended 31 December 2025.

Directors of the Company and its subsidiaries

Directors who served during the financial year until the date of this report are:

Pos Malaysia Berhad

Tan Sri Syed Faisal Albar bin Syed A.R Albar	(Chairman)
Dato' Dr. Mohd Ali bin Mohamad Nor	
Dato' Jezilee bin Mohamad Ramli	
Dato' Mohamed Sharil bin Mohamed Tarmizi	
Sabarina Laila binti Mohd Hashim	
Roshidah binti Abdullah	
Mohd Fariszan bin Ahmad	
Datuk Idris bin Abdullah @ Das Murthy	(Retired on 26 May 2025)
Dato' Seri Mohamad Fauzi bin Md Isa	(Appointed on 14 February 2025, resigned on 24 Nov 2025)
Mano A/L Verabathran (Alternate Director to Dato' Seri Mohamad Fauzi bin Md Isa)	(Appointed on 14 February 2025, cessation of office due to the resignation of principal director, Dato' Seri Mohamad Fauzi bin Md Isa)

Subsidiaries

Dato' Jezilee bin Mohamad Ramli	
Charles Robertson Brewer	
PeerMohamed bin Ibramsha	
Roslina binti Ismail	
Zaini bin Yahman	
Saravanan A/L Ramasamy	
Quek Cher Heong, Philip	
Uthayan s/o Sritaran	(Appointed on 1 June 2025)
Norazmi bin Abdul Latif	
Lee Yen Peng @ Li Yanping (Alternate Director for Quek Cher Heong, Philip and Uthayan S/O Sritaran)	(Appointed on 1 June 2025)
Jessimah binti Sulaiman	(Appointed on 14 October 2025)
Wong Yue Jeen	(Resigned on 1 June 2025)
Khairul Nizan bin Che Nik	(Appointed on 6 March 2026)

Directors' interests in shares

None of the Directors holding office at 31 December 2025 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT

for the financial year ended 31 December 2025

Directors' benefits

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2025 are as follows:

	Group 2025 RM'000	Company 2025 RM'000
Directors		
- Fees	801	801
- Remuneration	202	202
	1,003	1,003

Issue of shares

There were no changes in the issued and paid-up capital of the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

The Directors' and Officers' liability insurance is in place to protect the Directors and Officers of the Group and the Company for any liability incurred in the discharge of their duties provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. During the financial year, the amount of insurance premium effected for the Directors and Officers was RM35,600 limited to a coverage of RM30,000,000. There is no indemnity and insurance purchased for the auditors of the Group and the Company.

DIRECTORS' REPORT

for the financial year ended 31 December 2025

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent,
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading,
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group or of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Subsequent events

The subsequent events are disclosed in Note 35 to the financial statements.

DIRECTORS' REPORT

for the financial year ended 31 December 2025

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM1,563,000 and RM721,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tan Sri Syed Faisal Albar bin Syed A.R Albar
Director

.....
Roshidah binti Abdullah
Director

Kuala Lumpur

Date: 25 March 2026

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	3	1,839,201	1,852,991	1,055,031	1,049,875
Cost of sales		(1,648,926)	(1,642,559)	(980,339)	(966,512)
Gross profit		190,275	210,432	74,692	83,363
Other income		30,334	44,490	90,261	74,899
Selling and distribution expenses		(32,778)	(33,817)	(10,421)	(12,928)
Administrative expenses		(290,258)	(336,222)	(194,523)	(244,307)
Other expenses		(24,974)	(22,790)	(33,810)	(13,770)
Net gain/(loss) on impairment of financial instruments and contract assets	4	(2,561)	6,482	(1,195)	5,745
Results from operating activities		(129,962)	(131,425)	(74,996)	(106,998)
Finance income	4	1,234	1,343	13,894	8,604
Finance costs	4	(56,821)	(48,484)	(43,502)	(35,089)
Net finance costs		(55,587)	(47,141)	(29,608)	(26,485)
Share of profit of an equity-accounted associate, net of tax		(6)	85	-	-
Zakat		(1,020)	(1,675)	-	-
Loss before taxation	4	(186,575)	(180,156)	(104,604)	(133,483)
Taxation	6	(21,340)	(21,396)	-	-
Loss for the financial year		(207,915)	(201,552)	(104,604)	(133,483)

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other comprehensive loss (net of tax):					
Item that will be subsequently reclassified to profit or loss					
Currency translation differences for foreign operations	7	(483)	(308)	-	-
Other comprehensive loss for the financial year (net of tax)		(483)	(308)	-	-
Total comprehensive loss for the financial year (net of tax)		(208,398)	(201,860)	(104,604)	(133,483)
Loss/(Profit) for the financial year attributable to:					
Owners of the Company		(209,262)	(202,661)	(104,604)	(133,483)
Non-controlling interest		1,347	1,109	-	-
		(207,915)	(201,552)	(104,604)	(133,483)
Total comprehensive (loss)/profit for the financial year attributable to:					
Owners of the Company		(209,745)	(202,969)	(104,604)	(133,483)
Non-controlling interest		1,347	1,109	-	-
		(208,398)	(201,860)	(104,604)	(133,483)
Basic and diluted loss per share (sen)	8	(26.7)	(25.9)		

STATEMENTS OF FINANCIAL POSITION

for the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Property, plant and equipment	10	567,988	620,852	196,535	206,545
Investment properties	11	42,080	40,460	-	-
Right-of-use assets	12	260,040	268,064	116,398	132,598
Intangible assets	13	117,066	119,718	-	-
Deferred tax assets	14	1,063	580	36	36
Investments in subsidiaries	15	-	-	473,680	505,780
Investments in associates	16	40,946	40,952	-	-
Other investments	17	6,723	6,723	-	-
Derivative financial asset	18	1,626	1,626	-	-
Total non-current assets		1,037,532	1,098,975	786,649	844,959
Contract assets	19	1,002	347	-	-
Trade and other receivables	20	708,679	724,630	594,552	527,823
Other investments	17	29,385	5,698	3,078	625
Inventories	21	9,858	10,523	463	721
Prepayment	22	18,133	28,446	11,043	13,473
Current tax assets		3,608	3,041	199	144
Cash and bank balances	23	139,740	132,472	75,087	62,033
Total current assets		910,405	905,157	684,422	604,819
Total assets		1,947,937	2,004,132	1,471,071	1,449,778
Equity					
Share capital	24	1,071,392	1,071,392	1,071,392	1,071,392
Reserves	24	(988,899)	(779,154)	(1,100,459)	(995,855)
Equity attributable to Owners of the Company		82,493	292,238	(29,067)	75,537
Non-controlling interest		6,753	5,406	-	-
Total equity		89,246	297,644	(29,067)	75,537

The notes on pages 226 to 313 are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

for the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Liabilities					
Loans and borrowings	25	-	151,000	-	151,000
Lease liabilities		62,687	66,585	32,290	46,481
Post-employment benefit obligations	26	563	510	-	-
Deferred tax liabilities	14	36,655	30,249	-	-
Total non-current liabilities		99,905	248,344	32,290	197,481
Loans and borrowings	25	433,218	320,894	151,000	2,000
Lease liabilities		30,543	32,330	21,633	23,332
Current tax liabilities		4,401	5,197	-	-
Trade and other payables	27	1,290,624	1,099,723	1,295,215	1,151,428
Total current liabilities		1,758,786	1,458,144	1,467,848	1,176,760
Total liabilities		1,858,691	1,706,488	1,500,138	1,374,241
Total equity and liabilities		1,947,937	2,004,132	1,471,071	1,449,778

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2025

Group	Note	Attributable to owners of the Company					Total RM'000	Non- controlling interest RM'000	Total equity RM'000
		Share capital* (Note 24) RM'000	Revaluation reserve RM'000	Post- employment benefits reserve RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000			
At 1 January 2024		1,071,392	1,144	(443)	5,225	(582,111)	495,207	4,297	499,504
Loss for the financial year		-	-	-	-	(202,661)	(202,661)	1,109	(201,552)
Other comprehensive loss for the financial year	7	-	-	-	(308)	-	(308)	-	(308)
Total comprehensive (loss)/income for the financial year		-	-	-	(308)	(202,661)	(202,969)	1,109	(201,860)
At 31 December 2024		1,071,392	1,144	(443)	4,917	(784,772)	292,238	5,406	297,644

* Share capital includes the Special Rights Redeemable Preference Share ("SRRPS") of RM1.00. Refer to Note 24(a) of the financial statements for details of the terms and rights attached to the SRRPS.

The notes on pages 226 to 313 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2025

Group	Note	Attributable to owners of the Company					Total RM'000	Non- controlling interest RM'000	Total equity RM'000
		Non-distributable				Accumulated losses RM'000			
		Share capital* (Note 24) RM'000	Revaluation reserve RM'000	Post- employment benefits reserve RM'000	Foreign currency translation reserve RM'000				
At 1 January 2025		1,071,392	1,144	(443)	4,917	(784,772)	292,238	5,406	297,644
Loss for the financial year		-	-	-	-	(209,262)	(209,262)	1,347	(207,915)
Other comprehensive loss for the financial year	7	-	-	-	(483)	-	(483)	-	(483)
Total comprehensive (loss)/income for the financial year		-	-	-	(483)	(209,262)	(209,745)	1,347	(208,398)
At 31 December 2025		1,071,392	1,144	(443)	4,434	(994,034)	82,493	6,753	89,246

* Share capital includes the SRRPS of RM1.00. Refer to Note 24(a) of the financial statements for details of the terms and rights attached to the SRRPS.

The notes on pages 226 to 313 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2025

Company	Attributable to owners of the Company		Total RM'000
	Non-distributable	Accumulated losses RM'000	
	Share capital* (Note 24) RM'000		
At 1 January 2024	1,071,392	(862,372)	209,020
Total comprehensive loss for the financial year	-	(133,483)	(133,483)
At 31 December 2024/1 January 2025	1,071,392	(995,855)	75,537
Total comprehensive loss for the financial year	-	(104,604)	(104,604)
At 31 December 2025	1,071,392	(1,100,459)	(29,067)

* Share capital includes the SRRPS of RM1.00. Refer to Note 24(a) of the financial statements for details of the terms and rights attached to the SRRPS.

The notes on pages 226 to 313 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Loss before tax		(186,575)	(180,156)	(104,604)	(133,483)
Adjustments for:					
Amortisation of:					
- Government grant	27(f)	(886)	(918)	(886)	(918)
- Intangible assets	13	2,652	2,652	-	-
Defined benefit obligations	26	131	33	-	-
Depreciation of property, plant and equipment	10	85,838	101,436	24,120	34,866
Depreciation of right-of-use assets	12	39,647	57,831	25,892	38,826
Net loss/(gain) on impairment of financial instruments:					
- Financial assets at amortised cost	4	2,561	(6,482)	1,195	(5,745)
Net fair value gain on other investments:					
- Financial assets at fair value through profit or loss	4	(137)	(223)	(45)	(6)
Finance costs	4	56,821	48,484	43,502	35,089
Finance income	4	(1,234)	(1,343)	(13,894)	(8,604)
Net gain on disposal of property, plant and equipment		(2,261)	(1,150)	(1,373)	(131)
Change in fair value of investment properties	11	(1,620)	(10)	-	-
Net inventories written down/(back)	21	3,432	(102)	-	(59)
Impairment loss of:					
- Property, plant and equipment	10	3,015	5,498	-	5,318
- Investments in subsidiary	15.1	-	-	27,600	-
Reversal of impairment loss of property, plant and equipment	10	-	(11,075)	-	-
Property, plant and equipment written off	4	102	672	72	616
Gain from derecognition of right-of-use assets	4	(424)	(494)	(380)	(502)
Gain on remeasurement of lease liabilities		(22)	-	-	-
Gain on redemption of Redeemable Preference Share	15	-	-	(40,500)	-
Zakat		1,020	1,675	-	-
		2,060	16,328	(39,301)	(34,733)

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities (continued)					
Net unrealised foreign exchange gain	4	(5,657)	(9,789)	(11,910)	(12,844)
Share of loss/(profit) of an equity-accounted associate, net of tax		6	(85)	-	-
Operating (loss)/profit before changes in working capital		(3,591)	6,454	(51,211)	(47,577)
Change in inventories		(2,767)	(3,571)	258	330
Change in trade and other receivables and prepayment		21,736	24,761	(65,494)	(43,545)
Change in trade and other payables		(36,318)	(1,635)	(9,472)	35,355
Change in contract assets/liabilities		(655)	567	-	-
Cash (used in)/generated from operations		(21,595)	26,576	(125,919)	(55,437)
Defined benefits paid	26	(78)	(71)	-	-
Tax paid		(16,830)	(19,768)	(55)	-
Tax refund		74	13	-	-
Interest paid		(5,340)	(6,602)	(3,207)	(4,471)
Zakat paid		(943)	(1,583)	-	-
Net cash used in operating activities		(44,712)	(1,435)	(129,181)	(59,908)
Cash flows from investing activities					
Finance income of financial assets calculated using the effective interest method that are at amortised cost		1,234	1,343	13,894	8,604
Proceeds from disposal of property, plant and equipment		4,275	5,575	1,685	257
Acquisition of property, plant and equipment	10	(49,890)	(52,472)	(14,494)	(13,432)
Net increase in deposits pledged		(16)	(17)	-	-
(Placements)/Withdrawals of fund investments		(23,550)	3,000	(2,408)	(8)
Net cash used in investing activities		(67,947)	(42,571)	(1,323)	(4,579)

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from financing activities					
Loans from holding company		39,000	106,200	-	106,200
Loans from related company		212,400	-	212,400	-
Drawdown on Islamic term loans		-	153,000	-	153,000
Drawdown on invoice financing		119,690	105,576	-	-
Interest paid		(51,481)	(41,882)	(40,295)	(30,618)
Repayment of hire purchase liabilities		-	(1,059)	-	-
Repayment of Islamic term loans		(18,993)	(190,608)	(2,000)	(172,000)
Repayment of revolving credits		(21,480)	(11,745)	-	-
Repayment of invoice financing		(117,719)	(87,426)	-	-
Repayment of lease liabilities		(36,782)	(50,703)	(25,122)	(36,179)
Movement in restricted cash		(245)	17,220	(56)	17,127
Net cash from/(used in) financing activities		124,390	(1,427)	144,927	37,530
Net increase/(decrease) in cash and cash equivalents		11,731	(45,433)	14,423	(26,957)
Effects of foreign currency translation		(3,310)	(189)	-	-
Cash and cash equivalents at beginning of year		114,166	159,788	46,534	73,491
Cash and cash equivalents at end of year	23	122,587	114,166	60,957	46,534

Cash outflows for leases as a lessee

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Included in net cash from operating activities:					
Payment relating to short-term leases	4	41,326	27,073	31,739	16,888
Payment relating to low-value assets	4	10,426	14,113	7,162	10,700
Interest paid in relation to lease liabilities	4.2	5,340	6,602	3,207	4,471
Included in net cash from financing activities:					
Repayment of lease liabilities		36,782	50,703	25,122	36,179
Total cash outflows for leases		93,874	98,491	67,230	68,238

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2025

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statements of cash flows as cash flows from financing activities.

Reconciliation of liabilities arising from financing activities

Group	Lease liabilities RM'000	Hire purchase RM'000	Islamic term loans RM'000	Revolving credits RM'000	Loan from holding company RM'000	Invoice financing RM'000	Total RM'000
At 1 January 2024	113,719	1,059	208,628	276,500	214,250	17,911	832,067
Net changes from financing cash flows:							
Acquisition of new leases	29,647	-	-	-	-	-	29,647
Remeasurement of lease liabilities	11,411	-	-	-	-	-	11,411
Termination of leases	(5,159)	-	-	-	-	-	(5,159)
Drawdown	-	-	153,000	-	106,200	105,576	364,776
Repayment	(50,703)	(1,059)	(190,608)	(11,745)	-	(87,426)	(341,541)
Total net changes from financing cash flows	(14,804)	(1,059)	(37,608)	(11,745)	106,200	18,150	59,134
Effects of foreign currency translation	-	-	(872)	-	-	-	(872)
At 31 December 2024	98,915	-	170,148	264,755	320,450	36,061	890,329

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2025

Reconciliation of liabilities arising from financing activities (continued)

Group	Lease liabilities RM'000	Islamic term loans RM'000	Revolving credits RM'000	Loan from holding company RM'000	Loan from related company RM'000	Invoice financing RM'000	Total RM'000
At 1 January 2025	98,915	170,148	264,755	320,450	-	36,061	890,329
Net changes from financing cash flows:							
Acquisition of new leases	27,845	-	-	-	-	-	27,845
Remeasurement of lease liabilities	6,409	-	-	-	-	-	6,409
Termination of leases	(3,157)	-	-	-	-	-	(3,157)
Drawdown	-	-	-	39,000	212,400	119,690	371,090
Repayment	(36,782)	(18,993)	(21,480)	-	-	(117,719)	(194,974)
Total net changes from financing cash flows	(5,685)	(18,993)	(21,480)	39,000	212,400	1,971	207,213
Effects of foreign currency translation	-	(155)	-	-	-	-	(155)
At 31 December 2025	93,230	151,000	243,275	359,450	212,400	38,032	1,097,387

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2025

Reconciliation of liabilities arising from financing activities (continued)

Company	Lease liabilities RM'000	Islamic term loan RM'000	Interest bearing debt from a subsidiary RM'000	Loan from holding company RM'000	Loan from related company RM'000	Total RM'000
At 1 January 2024	80,700	172,000	107,000	214,250	-	573,950
Net changes from financing cash flows:						
Acquisition of new leases	21,053	-	-	-	-	21,053
Remeasurement of lease liabilities	9,498	-	-	-	-	9,498
Termination of leases	(5,259)	-	-	-	-	(5,259)
Drawdown	-	153,000	-	106,200	-	259,200
Repayment	(36,179)	(172,000)	-	-	-	(208,179)
Total net changes from financing cash flows	(10,887)	(19,000)	-	106,200	-	76,313
At 31 December 2024/1 January 2025	69,813	153,000	107,000	320,450	-	650,263
Net changes from financing cash flows:						
Acquisition of new leases	5,448	-	-	-	-	5,448
Remeasurement of lease liabilities	6,526	-	-	-	-	6,526
Termination of leases	(2,742)	-	-	-	-	(2,742)
Drawdown	-	-	-	-	212,400	212,400
Repayment	(25,122)	(2,000)	-	-	-	(27,122)
Total net changes from financing cash flows	(15,890)	(2,000)	-	-	212,400	194,510
At 31 December 2025	53,923	151,000	107,000	320,450	212,400	844,773

The notes on pages 226 to 313 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Pos Malaysia Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

Tingkat 2, Ibu Pejabat Pos
Kompleks Dayabumi
50670 Kuala Lumpur

Registered office

Tingkat 8, Ibu Pejabat Pos
Kompleks Dayabumi
50670 Kuala Lumpur

The consolidated financial statements of the Group as at and for the financial year ended 31 December 2025 comprise of the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interest in associates. The financial statements of the Company as at and for the financial year ended 31 December 2025 do not include other entities.

The principal activities of the Company during the financial year are to provide postal and its related services which include receiving and dispatching of postal articles, postal financial services, dealing in philatelic products and sale of postage stamps.

The principal activities of the subsidiaries are stated in Note 15.

The Company regarded DRB-HICOM Berhad and Etika Strategi Sdn. Bhd. as its immediate and ultimate holding companies, respectively.

DRB-HICOM Berhad and Etika Strategi Sdn. Bhd. were incorporated in Malaysia. DRB-HICOM Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad.

These financial statements were authorised for issue by the Board of Directors on 25 March 2026.

1. Basis of preparation
(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations, and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)
(a) Statement of compliance (continued)
MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards and amendments, where applicable:

- from the annual period beginning on 1 January 2026 for those amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for those accounting standards and amendments that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the abovementioned accounting standards or amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)

(b) Basis of measurement

The financial statements of the Group and the Company have been prepared on the historical cost basis, except as disclosed in the notes to the financial statements, and on the assumption that the Group and the Company will continue on a going concern basis despite the Group's and the Company's net losses of RM207,915,000 and RM104,604,000 respectively incurred during the financial year ended 31 December 2025 and as of that date, recorded net current liabilities of RM848,381,000 and RM783,426,000 respectively. In addition, the Company recorded a deficit in shareholders' fund of RM29,067,000 for the year ended 31 December 2025.

The Directors have prepared cash flows projections for the next 12 months from the date of the financial statements in assessing whether it is appropriate to prepare the financial statements of the Group and the Company for the year ended 31 December 2025 on a going concern basis, taking into consideration the following:

- i. the Group's and the Company's ability to generate operating cash flows from their operations;
- ii. available credit facilities to the Group and the Company; and
- iii. financial support from a key stakeholder to manage the cash flows requirements of the Group and of the Company.

Accordingly, the Directors believe that the preparation of the financial statements on a going concern basis is appropriate to enable the Group and the Company to meet their liabilities as they fall due for the next 12 months from the date of financial statements.

(c) Functional and presentation currencies

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying the Group's accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(i) Impairment of goodwill on consolidation

The Group tests goodwill for impairment at least annually in accordance with its accounting policy.

For the purposes of assessing impairment, goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose.

Significant judgement is required in the estimation of the present value of future cash flows generated by the cash-generating units, which involves uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's tests for impairment of goodwill.

(ii) Impairment of investments in subsidiaries

The Company reviews the material investments in subsidiaries for impairment when there is an indication of impairment.

The recoverable amounts of the investments in subsidiaries are assessed by reference to the greater of value-in-use or fair value less costs of disposal of the respective subsidiary.

The recoverable amount is the net present value of the projected future cash flows derived from the business operations of the respective subsidiary discounted at an appropriate discount rate. The discounted cash flows method involves the use of estimated future results and a set of assumptions to reflect their income and cash flows. Judgement has been used to determine the discount rate for the cash flows and the future growth of the businesses of the subsidiaries.

(iii) Impairment of property, plant and equipment, right-of-use assets and intangible assets

The Group and the Company review property, plant and equipment, right-of-use assets and intangible assets for impairment when there is an indication of impairment. The recoverable amounts were determined based on the greater of value-in-use or fair value less costs of disposal, where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(iii) Impairment of property, plant and equipment, right-of-use assets and intangible assets (continued)

The Group's and the Company's recoverable amounts for the impairment review on relevant property, plant and equipment, right-of-use assets and intangible assets are respectively derived based on fair value less costs of disposal or net present value of the projected future cash flows derived from the economic useful life of the relevant property, plant and equipment, right-of-use assets and intangible assets discounted at an appropriate discount rate. The discounted cash flows method involves the use of estimated future results and a set of assumptions to reflect their income and cash flows. Judgement has been used to determine the discount rate for the cash flows and the future growth of the operations to which the assets are expected to be utilised.

(iv) Measurement of expected credit loss ("ECL")

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses. The expected credit losses are estimated using a provision matrix with reference to historical credit loss experience.

(v) Provisions for liabilities and claims

Provision for liabilities and claims relates to provision made for losses, damages, expenses, costs and liabilities which the Group receives claims against it in the normal course of business. Management has made judgements as to the likelihood of any claim succeeding in making provisions. The time of concluding the claims is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depends on the due process. Any revision in assumptions and estimates that causes a material effect to the estimation would be adjusted prospectively in the financial statements.

(vi) Fair value of derivative financial assets and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(vii) Determining the lease term of contracts with renewal and termination options

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group and the Company include the renewal period as part of the lease term for leases of land and buildings and motor vehicles with shorter non-cancellable period. The Group and the Company typically exercise its option to renew for the leases because there will be a significant negative effect on the business if a replacement location and asset is not readily available.

(viii) Determining the incremental borrowing rate of leases

The Group and the Company apply judgement and assumptions in determining the incremental borrowing rate of its respective leases. The Group and the Company first determine the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

(ix) Valuation of investment properties

The Group estimates the fair values of its investment properties using investment and market comparison methods. The fair value of investment properties is determined by external independent professional valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent professional valuers provide the fair value of the Group's investment properties portfolio annually. The principal assumptions underlying these valuations are further explained in Note 11.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(x) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised based on the likely timing and level of future taxable profits together with future tax planning strategies. Details of deferred tax assets are disclosed in Note 14.

(xi) Residual value of vessels

The Group reviews the residual value and the useful life of the vessels at least at the end of the reporting period and adjusted as appropriate. A change in the vessel's residual value affects its depreciation expense. The residual value of the vessels was estimated with reference to the latest market information and value estimated by its independent valuer, taking into consideration the age of the vessel upon the expiry date of the vessel contract. A change in the economic condition and expected level of usage of the vessels could impact its economic useful lives and the residual values, therefore, future depreciation charges could be revised.

2. Vesting of business

On 1 January 1992, all property, rights and liabilities, other than land and buildings and certain assets, to which Jabatan Perkhidmatan Pos Malaysia ("JPPM") was entitled or subject to immediately before that vesting date, became the property, rights and liabilities of the Company by virtue of Section 3 of the Postal Services (Successor Company) Act 1991. The value of assets and the amount of liabilities of JPPM transferred to and vested in the Company were those stated in the financial statements of JPPM as at 31 December 1991. In accordance with Section 7(4) of the said Act, for the purposes of any statutory financial statements of the Group and of the Company, the amount to be included in respect of any item shall be determined as if anything done by JPPM whether by way of acquiring, revaluing or disposing of any assets or incurring, revaluing or discharging any liability, or by carrying any amount to any provision of reserve, or otherwise, had been done by the Company.

3. Revenue

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contracts with customers	1,765,231	1,779,353	1,055,031	1,049,875
Other revenue				
Ar-Rahnu financing	60,816	60,409	-	-
Rental income	13,154	13,229	-	-
	1,839,201	1,852,991	1,055,031	1,049,875

NOTES TO THE FINANCIAL STATEMENTS

3. Revenue (continued)

3.1 Disaggregation of revenue

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue by service:				
Postal	1,041,478	1,032,680	1,055,031	1,049,875
Aviation	371,672	361,526	-	-
Logistics	216,516	255,815	-	-
Other services	135,565	129,332	-	-
	1,765,231	1,779,353	1,055,031	1,049,875
Revenue by major products:				
Mail, courier and international products	905,841	898,673	919,394	915,868
Retail business	135,637	134,007	135,637	134,007
Digital products and services	51,404	37,442	-	-
Ar-Rahnu business	59,493	68,931	-	-
Printing, insertion and office solutions	24,668	22,959	-	-
Automotive and project logistics	183,544	223,945	-	-
Haulage and freight forwarding	27,699	25,483	-	-
Agent for port customs clearance	5,273	6,387	-	-
In-flight catering and cargo handling	243,782	224,189	-	-
Airport services	127,890	137,337	-	-
	1,765,231	1,779,353	1,055,031	1,049,875
Timing of recognition				
At a point in time	1,519,549	1,510,607	1,055,031	1,049,875
Over time	245,682	268,746	-	-
	1,765,231	1,779,353	1,055,031	1,049,875

NOTES TO THE FINANCIAL STATEMENTS

3. Revenue (continued)

3.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms
Mail, courier and international products	Revenue is recognised at a point in time when the services are rendered and goods are delivered to customers.	Payment for the products sold and services rendered should be made by cash or within the stipulated credit term of 30 to 60 days.
Digital products		
Printing, insertion and office solutions		
In-flight catering and cargo handling and airport services		
Agent for port customs clearance		
Retail business	Revenue is recognised at a point in time when the services are rendered and goods are delivered to customers.	Payment for the products sold and services rendered should be made by cash.
Ar-Rahnu business	Revenue is recognised at a point in time at predetermined rates upon sale of gold items to customers.	
Digital services	Revenue is recognised over time when services are rendered to customers.	Payment for the services rendered should be made by cash or within the stipulated credit term of 30 to 60 days.
Automotive and project logistics	Revenue is recognised over time as and when the logistics services, storage and inventory solutions services are rendered over the performance of the service.	
Haulage and freight forwarding	Revenue is recognised over time as and when the transportation services are rendered using the cost incurred method.	

The revenue derived for the sales of goods and services are predominantly from the operations in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

4. Loss before taxation

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Loss before taxation is arrived at after charging/(crediting):					
Auditors' remuneration					
- Statutory audit fees		1,239	1,162	421	392
- KPMG Malaysia		24	24	-	-
- KPMG Overseas					
- Other audit fees		300	250	300	250
- KPMG Malaysia					
- Non-audit fees		517	397	307	103
- KPMG Malaysia					
Material expenses/(income)					
Depreciation of property, plant and equipment	10	85,838	101,436	24,120	34,866
Depreciation of right-of-use assets	12	39,647	57,831	25,892	38,826
Amortisation of intangible assets	13	2,652	2,652	-	-
Defined benefits obligation	26	131	33	-	-
Finance costs	4.2	56,821	48,484	43,502	35,089
Impairment loss of:					
- Property, plant and equipment	10	3,015	5,498	-	5,318
- Investments in subsidiary	15.1	-	-	27,600	-
Reversal of impairment loss of property, plant and equipment	10	-	(11,075)	-	-
Net inventories written down/(back)	21	3,432	(102)	-	(59)
Net realised foreign exchange (gain)/loss		(215)	6,568	(1,138)	4,923
Operating licence fee		5,313	5,337	5,277	5,255
Property, plant and equipment written off		102	672	72	616
Staff costs (excluding key management personnel):					
- Salaries, bonuses and allowances		896,297	884,308	622,577	626,479
- Contributions to Employees' Provident Fund		99,205	96,169	74,303	73,491
Net unrealised foreign exchange gain		(5,657)	(9,789)	(11,910)	(12,844)
Amortisation of government grants:					
- Related to assets	27(f)	(886)	(918)	(886)	(918)
Change in fair value of investment properties	11	(1,620)	(10)	-	-

NOTES TO THE FINANCIAL STATEMENTS

4. Loss before taxation (continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Loss before taxation is arrived at after charging/(crediting) (continued):					
Material expenses/(income) (continued)					
Gain from derecognition of right-of-use assets		(424)	(494)	(380)	(502)
Finance income of financial assets calculated using the effective interest method that are at amortised cost		(1,234)	(1,343)	(13,894)	(8,604)
Net fair value gain of other investments:					
- Financial assets at fair value through profit or loss		(137)	(223)	(46)	(6)
Net gain on disposal of property, plant and equipment		(2,261)	(1,150)	(1,373)	(131)
Rental income:					
- Investment properties	11	(1,018)	(1,032)	-	-
Operating lease other than those relating to investment properties	10.3	(13,529)	(12,265)	(562)	(57)
Share of loss/(profit) of an equity-accounted associate, net of tax	16	6	(85)	-	-
Gain on redemption of Redeemable Preference Share		-	-	(40,500)	-
Expenses arising from leases					
Expenses relating to short-term leases	4.3	41,326	27,073	31,739	16,888
Expenses relating to low-value assets	4.3	10,426	14,113	7,162	10,700
Net (gain)/loss on impairment of financial instruments and contract assets:					
- Trade receivables and contract assets		2,646	(6,346)	1,280	(5,609)
- Other receivables		(85)	(136)	(85)	(136)
		2,561	(6,482)	1,195	(5,745)

NOTES TO THE FINANCIAL STATEMENTS

4. Loss before taxation (continued)

4.1 Included in loss for the year is zakat assessment as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Zakat assessment based on net current assets	1,020	1,675	-	-

4.2 Included in loss for the year is finance costs as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Finance costs of financial liabilities that are measured at amortised cost	51,481	41,882	40,295	30,618
Interest expense on lease liabilities	5,340	6,602	3,207	4,471
	56,821	48,484	43,502	35,089

4.3 Expenses arising from leases

The Group and the Company lease machineries and office equipment with contract terms of less than 1 year. These leases are short term in nature and the Group and the Company have elected not to recognise right-of-use assets and lease liabilities for these leases.

The Group and the Company lease computer and office equipment with contract terms of 1 to 3 years. These leases are low-value items in nature and the Group and the Company have elected not to recognise right-of-use assets and lease liabilities for these leases.

5. Key management personnel compensation

The key management personnel compensations are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors				
- Fees	801	764	801	764
- Remuneration	202	175	202	175
	1,003	939	1,003	939
Other key management personnel				
- Remuneration	9,747	9,319	7,803	7,559

NOTES TO THE FINANCIAL STATEMENTS

5. Key management personnel compensation (continued)

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing, and controlling the activities of the entity either directly or indirectly. These persons are the Group Chief Executive Officer, Group Chief Financial Officer, Group Chief Transformation and Digital Officer, Group Chief Technology Officer, Group Chief Marketing Officer, Group Chief Sales Officer, Chief Operations Officer and Chief Retail Officer, Group Chief People Officer and Chief Executive Officers of subsidiaries.

6. Taxation

Recognised in profit or loss

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income taxation				
Malaysian - current year	14,502	17,729	-	-
- prior years	908	167	-	-
Total income tax recognised in profit or loss	15,410	17,896	-	-
Deferred taxation				
Origination of temporary differences	3,998	3,932	-	-
Under/(Over) provision in prior years	1,932	(432)	-	-
Total deferred tax recognised in profit or loss	5,930	3,500	-	-
Total taxation	21,340	21,396	-	-
Reconciliation of taxation				
Loss before taxation	(186,575)	(180,156)	(104,604)	(133,483)
Income tax calculated using Malaysian tax rate of 24%	(44,778)	(43,237)	(25,105)	(32,036)
Non-deductible expenses	25,230	30,060	9,821	6,412
Non-taxable income	(6,252)	(2,438)	(14,035)	(10,856)
Net effect of unrecognised deferred tax assets	44,300	37,276	29,319	36,480
	18,500	21,661	-	-
Under/(Over) provision in prior years	2,840	(265)	-	-
	21,340	21,396	-	-

NOTES TO THE FINANCIAL STATEMENTS

7. Other comprehensive income

Group	Before Tax RM'000	Tax expense RM'000	Net of tax RM'000
2025			
Item that will be subsequently reclassified to profit or loss			
Currency translation differences for foreign operations	(483)	-	(483)
	(483)	-	(483)
2024			
Item that will be subsequently reclassified to profit or loss			
Currency translation differences for foreign operations	(308)	-	(308)
	(308)	-	(308)

8. Loss per ordinary share

Basic and diluted loss per ordinary share

The calculation of basic and diluted loss per ordinary share was based on the loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the financial year, calculated as follows:

	Group	
	2025	2024
Loss for the year attributable to ordinary shareholders (RM'000)	(209,262)	(202,661)
Weighted average number of ordinary shares at year end ('000)	782,777	782,777
Basic and diluted loss per ordinary share (sen)	(26.7)	(25.9)

9. Dividends

No dividend was paid or declared in the current and previous financial year. The Directors do not recommend any dividend to be paid for the financial year ended 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

10. Property, plant and equipment

Group	Freehold land RM'000	Buildings RM'000	Building improvements and renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and fittings, office and computer equipment RM'000	Vessels RM'000	Capital work-in-progress RM'000	Total RM'000
Cost									
At 1 January 2024	135,443	265,828	624,365	301,921	380,104	633,257	194,794	6,321	2,542,033
Additions	-	-	20,812	8,311	-	11,965	5,026	6,358	52,472
Disposals	-	-	(147)	(3,746)	(43,014)	(4,318)	-	-	(51,225)
Write off	-	-	(9,081)	(3,278)	(30,199)	(12,521)	-	(239)	(55,318)
Reclassification	-	9	(8,011)	(4)	11,157	1,974	-	(5,129)	(4)
Effect of movements in exchange rates	(412)	(540)	(4)	-	(5)	(11)	(5,212)	-	(6,184)
At 31 December 2024/ 1 January 2025	135,031	265,297	627,934	303,204	318,043	630,346	194,608	7,311	2,481,774
Additions	-	-	9,012	11,935	892	8,190	11,612	8,249	49,890
Disposals	-	-	(313)	(2,120)	(30,317)	(21,440)	-	-	(54,190)
Write off	-	-	(2,577)	(1,557)	(595)	(44,589)	-	-	(49,318)
Reclassification	-	-	2,517	345	-	321	-	(3,183)	-
Effect of movements in exchange rates	(277)	(375)	(14)	-	(3)	(13)	(18,126)	-	(18,808)
At 31 December 2025	134,754	264,922	636,559	311,807	288,020	572,815	188,094	12,377	2,409,348

NOTES TO THE FINANCIAL STATEMENTS

10. Property, plant and equipment (continued)

Group	Freehold land RM'000	Buildings RM'000	Building improvements and renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and fittings, office and computer equipment RM'000	Vessels RM'000	Capital work-in-progress RM'000	Total RM'000
Depreciation and impairment loss									
At 1 January 2024									
Accumulated depreciation	-	128,434	515,892	190,574	341,447	551,953	52,890	-	1,781,190
Accumulated impairment loss	34,133	12,916	3,444	17,555	6,694	11,726	780	238	87,486
	34,133	141,350	519,336	208,129	348,141	563,679	53,670	238	1,868,676
Depreciation for the year	-	7,582	30,270	20,407	3,922	27,923	11,332	-	101,436
Disposals	-	-	(147)	(3,573)	(38,718)	(4,199)	-	-	(46,637)
Write off	-	-	(8,812)	(3,218)	(30,199)	(12,417)	-	-	(54,646)
Reclassification	-	(7)	(8,317)	117	8,242	(42)	3	-	(4)
Net reversal of impairment loss	-	(9,224)	345	(1,851)	180	4,973	-	-	(5,577)
Disposal of impairment loss	-	-	-	(163)	-	-	-	-	(163)
Effect of movements in exchange rates:									
Accumulated depreciation	-	(538)	(2)	-	(5)	(11)	(1,586)	-	(2,142)
Accumulated impairment loss	-	-	-	-	-	-	(21)	-	(21)
At 31 December 2024/ 1 January 2025									
Accumulated depreciation	-	135,471	528,884	204,307	284,689	563,207	62,639	-	1,779,197
Accumulated impairment loss	34,133	3,692	3,789	15,541	6,874	16,699	759	238	81,725
	34,133	139,163	532,673	219,848	291,563	579,906	63,398	238	1,860,922

NOTES TO THE FINANCIAL STATEMENTS

10. Property, plant and equipment (continued)

Group	Freehold land RM'000	Buildings RM'000	Building improvements and renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and fittings, office and computer equipment RM'000	Vessels RM'000	Capital work-in-progress RM'000	Total RM'000
Depreciation and impairment loss (continued)									
Depreciation for the year	-	5,230	27,070	19,369	1,868	21,285	11,016	-	85,838
Disposals	-	-	(304)	(2,120)	(28,623)	(21,129)	-	-	(52,176)
Write off	-	-	(2,537)	(1,546)	(598)	(44,535)	-	-	(49,216)
Impairment loss	-	-	-	-	-	-	3,015	-	3,015
Effect of movements in exchange rates:									
Accumulated depreciation	-	(371)	(8)	-	(3)	(12)	(6,403)	-	(6,797)
Accumulated impairment loss	-	-	-	-	-	-	(226)	-	(226)
At 31 December 2025									
Accumulated depreciation	-	140,330	553,105	220,010	257,333	518,816	67,252	-	1,756,846
Accumulated impairment loss	34,133	3,692	3,789	15,541	6,874	16,699	3,548	238	84,514
	34,133	144,022	556,894	235,551	264,207	535,515	70,800	238	1,841,360
Carrying amounts									
At 1 January 2024	101,310	124,478	105,029	93,792	31,963	69,578	141,124	6,083	673,357
At 31 December 2024/ 1 January 2025	100,898	126,134	95,261	83,356	26,480	50,440	131,210	7,073	620,852
At 31 December 2025	100,621	120,900	79,665	76,256	23,813	37,300	117,294	12,139	567,988

NOTES TO THE FINANCIAL STATEMENTS

10. Property, plant and equipment (continued)

Company	Freehold land RM'000	Buildings RM'000	Building improvements and renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and fittings, office and computer equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Cost								
At 1 January 2024	72,528	67,017	550,633	156,718	214,885	528,659	2,405	1,592,845
Additions	-	-	9,155	-	-	2,048	2,229	13,432
Disposals	-	-	-	(148)	(1,111)	(3,630)	-	(4,889)
Write off	-	-	(9,069)	(96)	(27,169)	(12,430)	(239)	(49,003)
Transfers	-	-	1,081	-	-	2,096	(3,177)	-
At 31 December 2024/ 1 January 2025	72,528	67,017	551,800	156,474	186,605	516,743	1,218	1,552,385
Additions	-	-	6,285	904	-	4,530	2,775	14,494
Disposals	-	-	(4)	-	(17,288)	(21,269)	-	(38,561)
Write off	-	-	(2,307)	(64)	(294)	(43,970)	-	(46,635)
Transfers	-	-	2,516	345	-	321	(3,182)	-
At 31 December 2025	72,528	67,017	558,290	157,659	169,023	456,355	811	1,481,683

NOTES TO THE FINANCIAL STATEMENTS

10. Property, plant and equipment (continued)

Company	Freehold land RM'000	Buildings RM'000	Building improvements and renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and fittings, office and computer equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Depreciation and impairment loss								
At 1 January 2024								
Accumulated depreciation	-	17,540	435,670	70,311	214,287	446,868	-	1,184,676
Accumulated impairment loss	-	3,692	58,690	54,845	-	56,665	238	174,130
	-	21,232	494,360	125,156	214,287	503,533	238	1,358,806
Depreciation for the year	-	1,239	13,786	6,534	751	12,556	-	34,866
Disposals	-	-	-	(138)	(1,264)	(3,361)	-	(4,763)
Write off	-	-	(8,800)	(92)	(27,169)	(12,326)	-	(48,387)
Impairment loss	-	-	345	-	-	4,973	-	5,318
At 31 December 2024/ 1 January 2025								
Accumulated depreciation	-	18,779	440,656	76,615	186,605	443,737	-	1,166,392
Accumulated impairment loss	-	3,692	59,035	54,845	-	61,638	238	179,448
	-	22,471	499,691	131,460	186,605	505,375	238	1,345,840

NOTES TO THE FINANCIAL STATEMENTS

10. Property, plant and equipment (continued)

Company	Freehold land RM'000	Buildings RM'000	Building improvements and renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and fittings, office and computer equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Depreciation and impairment loss (continued)								
Depreciation for the year								
Depreciation for the year	-	1,239	12,263	5,769	2	4,847	-	24,120
Disposals	-	-	(3)	-	(17,288)	(20,958)	-	(38,249)
Transfer	-	-	(11)	-	-	11	-	-
Write off	-	-	(2,266)	(62)	(296)	(43,939)	-	(46,563)
At 31 December 2025								
Accumulated depreciation	-	20,018	450,639	82,322	169,023	383,698	-	1,105,700
Accumulated impairment loss	-	3,692	59,035	54,845	-	61,638	238	179,448
	-	23,710	509,674	137,167	169,023	445,336	238	1,285,148
Carrying amounts								
At 1 January 2024								
	72,528	45,785	56,273	31,562	598	25,126	2,167	234,039
At 31 December 2024/ 1 January 2025								
	72,528	44,546	52,109	25,014	-	11,368	980	206,545
At 31 December 2025								
	72,528	43,307	48,616	20,492	-	11,019	573	196,535

NOTES TO THE FINANCIAL STATEMENTS

10. Property, plant and equipment (continued)

Depreciation for the financial year has been allocated as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Depreciation of property, plant and equipment	84,952	100,518	23,234	33,948
Other income*	886	918	886	918
	85,838	101,436	24,120	34,866

* Depreciation has been netted off against other income as the assets purchased were financed by government grant received by the Group and the Company.

10.1 Hire purchase and loan arrangements

The net carrying amounts of plant and equipment under hire purchase and loan arrangements are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Vessels	-	115,971	-	-

10.2 Pledged as banking facilities

The net carrying amounts of property, plant and equipment of the Group pledged as security for banking facilities granted to the Group (as disclosed in Note 25 (a) and (b)) are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Land and buildings	96,346	96,947	96,346	96,947
Vessels	-	115,971	-	-

10.3 Property, plant and equipment subject to operating lease

The Group and the Company lease some of its property, plant and equipment to third parties. Lease contracts are typically made for fixed years of 1 to 3 years, but may have extension options. Subsequent renewals are negotiated with the lessee.

The following are recognised in profit or loss:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Lease income	13,529	12,265	562	57

NOTES TO THE FINANCIAL STATEMENTS

10. Property, plant and equipment (continued)

10.3 Property, plant and equipment subject to operating lease (continued)

The operating lease payments to be received are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Less than one year	11,845	11,086	7	15
One to two years	11,557	10,827	14	7
Two to three years	4,736	4,488	-	-
Total undiscounted lease payments	28,138	26,401	21	22

The net book value of the asset subject to operating lease are as follows:

	Buildings RM'000	Motor vehicles RM'000	Total RM'000
Group			
2025			
1 January 2025	21,615	-	21,615
Depreciation	(942)	-	(942)
At 31 December 2025	20,673	-	20,673
Costs	46,309	741	47,050
Accumulated depreciation	(25,636)	(741)	(26,377)
Net book value	20,673	-	20,673
2024			
1 January 2024	22,535	-	22,535
Depreciation	21,615	-	21,615
At 31 December 2024	21,615	-	21,615
Costs	46,309	894	47,203
Accumulated depreciation	(24,694)	(894)	(25,588)
Net book value	21,615	-	21,615
Company			
2025			
Costs	-	741	741
Accumulated depreciation	-	(741)	(741)
Net book value	-	-	-
2024			
Costs	-	894	894
Accumulated depreciation	-	(894)	(894)
Net book value	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

10. Property, plant and equipment (continued)

10.4 Impairment of property, plant and equipment

As at 31 December 2025, the property, plant and equipment of postal and logistics are tested for impairment due to impairment indicators noted, where losses were recorded for the current financial year.

The recoverable amounts of the postal and logistics property, plant and equipment were based on the higher of value-in-use or fair value less costs of disposal.

- Postal Segment: The recoverable amounts of both of the Group and Company cash generating unit (“CGU”) are based on fair value less costs of disposal method.
- Logistics Segment: The recoverable amount of the segment is based on fair value less costs of disposal method.

Postal and Logistics segments

Fair value information

Fair value of properties and motor vehicles are categorised as a Level 3 fair value based on inputs in the valuation techniques used.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the properties and motor vehicles.

The following table shows the valuation technique used in the determination of fair values within Level 3 as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The Group estimates the fair value of all properties and motor vehicles based on the following key assumptions: <ul style="list-style-type: none"> Comparison of the Group’s properties with similar properties that were listed for sale within the same locality or other comparable localities; 	<ul style="list-style-type: none"> Market price of property in vicinity compared; Market value of comparable vessels which includes the manufacturing year and specification; and 	<ul style="list-style-type: none"> The estimated fair value would increase/(decrease) if market price of property was higher/(lower); or The estimated fair value would increase/(decrease) if market value of vessels was higher/(lower).

NOTES TO THE FINANCIAL STATEMENTS

10. Property, plant and equipment (continued)

10.4 Impairment of property, plant and equipment (continued)

Postal and Logistics Segment (continued)

Fair value information (continued)

Level 3 fair value (continued)

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The Group estimates the fair value of all properties and motor vehicles based on the following key assumptions: <ul style="list-style-type: none"> Comparison of the Group’s motor vehicles with market value of similar model, manufacturing year and specification; and Enquiries from relevant property valuers and real estate agents on market conditions and changing market trends. 	<ul style="list-style-type: none"> Market value of comparable motor vehicles which includes the model, manufacturing year and specification. 	<ul style="list-style-type: none"> The estimated fair value would increase/(decrease) if market value of motor vehicles was higher/(lower).

Valuation processes applied by the Group for Level 3 fair value

The fair value of properties and vessels are determined by external independent valuers, having appropriate recognised professional qualifications and recent experience. The valuation companies provide the fair value of the Group’s properties portfolio and vessels annually. Changes in Level 3 fair values are analysed by the management every year after obtaining valuation report from the valuation company.

The fair value of motor vehicles are based on market value of comparable motor vehicles obtained from various sources, which includes market value from Automotive Business Intelligence database and various trading platforms. Certain market value obtained from trading platforms have been adjusted for differences in key attributes such as model, manufacturing year and specification.

The recoverable amounts of the property, plant and equipment were higher than their carrying amounts.

Other impairment losses

During the financial year, management had carried out a review on the conditions of property, plant and equipment, and specific impairment loss had been made on property, plant and equipment, as follows:

NOTES TO THE FINANCIAL STATEMENTS

10. Property, plant and equipment (continued)

10.4 Impairment of property, plant and equipment (continued)

Other impairment losses (continued)

(i) Postal Segment

Management had carried out a review on the conditions of property, plant and equipment, and specific impairment loss of Nil (2024: RM5,318,000) was recognised.

(ii) Logistics Segment

Management had carried out a review on the conditions of property, plant and equipment, and specific impairment loss of RM3,015,000 (2024: RM180,000) was recognised.

The impairment loss of property, plant and equipment were recognised in other expense.

10.5 Land and buildings

The title deeds for certain landed properties with net carrying amounts of RM1,100,407 (2024: RM1,124,371) have yet to be issued in the name of the Company as at 31 December 2025 by the relevant authorities.

10.6 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Building improvements and renovations	2 - 50 years
Plant and machinery, including ground handling equipment	10 - 20 years
Motor vehicles	5 - 10 years
Furniture and fittings, office and computer equipment	3 - 10 years
Vessels	9 years

NOTES TO THE FINANCIAL STATEMENTS

11. Investment properties

	Group	
	2025 RM'000	2024 RM'000
At beginning of year	40,460	40,450
Change in fair value recognised in profit or loss	1,620	10
At end of year	42,080	40,460
Included in the above are:		
At fair value		
Freehold land and buildings	17,380	16,100
Leasehold land and buildings with unexpired lease period of more than 50 years	24,700	24,360
	42,080	40,460

Investment properties comprise a number of commercial properties that are leased to third parties and several pieces of vacant land. The Group does not charge variable lease payments that do not depend on an index or rate.

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2025 RM'000	2024 RM'000
Lease income	1,018	1,032
Direct operating expenses:		
- income generating investment properties	(338)	(305)

11.1 Operating lease payments receivable

The operating lease payments to be received are as follows:

	Group	
	2025 RM'000	2024 RM'000
Less than one year	725	324
One to two years	396	163
Two to three years	62	76
Total undiscounted lease payments	1,183	563

11.2 Fair value information

Fair value of investment properties are categorised as a Level 3 fair value based on inputs in the valuation techniques used.

NOTES TO THE FINANCIAL STATEMENTS

11. Investment properties (continued)

11.2 Fair value information (continued)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

The following table shows the valuation technique used in the determination of fair values within Level 3 as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<p>The Group estimates the fair value of all investment properties based on the following key assumptions:</p> <ul style="list-style-type: none"> Comparison of the Group's investment properties with similar properties that were listed for sale within the same locality or other comparable localities; and Enquiries from relevant property valuers and real estate agents on market conditions and changing market trends. 	<ul style="list-style-type: none"> Market price of property in vicinity compared. 	<ul style="list-style-type: none"> The estimated fair value would increase/(decrease) if market prices of property was higher/(lower).

Valuation processes applied by the Group for Level 3 fair value

The fair value of investment properties is determined by external independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation company provides the fair value of the Group's investment properties portfolio annually. Changes in Level 3 fair values are analysed by the management every year after obtaining valuation report from the valuation company.

11.3 Material accounting policy information

Investment properties are measured subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

12. Right-of-use assets

The Group has leases for land, buildings, office equipment, plant and machinery and motor vehicles. The Group holds the land titles of the leasehold lands with certain buildings with lease term of ranging from 27 to 99 years (2024: 27 to 99 years). The other lease contracts are typically made for fixed years of 1 to 50 years (2024: 1 to 50 years), but may have extension options.

With the exception of short-term leases and leases of low-value underlying assets, leases are reflected on the statements of financial position as right-of-use assets and lease liabilities.

Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term.

The carrying amounts of right-of-use assets are recognised and the movement during the year are shown as follows:

	Land and Buildings RM'000	Office equipment RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Total RM'000
Group					
1 January 2025	247,142	-	6,451	14,471	268,064
Additions	16,096	73	11,676	-	27,845
Remeasurement of lease liabilities	6,322	-	(30)	139	6,431
Depreciation	(31,698)	(37)	(4,004)	(3,908)	(39,647)
Derecognition*	(2,363)	-	(290)	-	(2,653)
At 31 December 2025	235,499	36	13,803	10,702	260,040
Cost	678,339	2,665	41,202	118,489	840,695
Accumulated depreciation	(441,089)	(2,629)	(27,399)	(107,787)	(578,904)
Accumulated impairment loss	(1,751)	-	-	-	(1,751)
Net book value	235,499	36	13,803	10,702	260,040

* Derecognition includes RM80,000 (2024: RM180,000) reversal of provision of decommission which is included in other payables.

NOTES TO THE FINANCIAL STATEMENTS

12. Right-of-use assets (continued)

	Land and Buildings RM'000	Office equipment RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Total RM'000
Group					
1 January 2024	270,572	643	5,549	12,918	289,682
Additions	5,573	-	5,473	18,601	29,647
Remeasurement of lease liabilities	11,411	-	-	-	11,411
Depreciation	(39,423)	(643)	(4,571)	(13,194)	(57,831)
Derecognition*	(4,845)	-	-	-	(4,845)
Reclassification	3,854	-	-	(3,854)	-
At 31 December 2024	247,142	-	6,451	14,471	268,064
Cost	535,524	38	25,433	21,602	582,597
Accumulated depreciation	(286,631)	(38)	(18,982)	(7,131)	(312,782)
Accumulated impairment loss	(1,751)	-	-	-	(1,751)
Net book value	247,142	-	6,451	14,471	268,064
Company					
1 January 2025	117,964	-	164	14,470	132,598
Additions	5,448	-	-	-	5,448
Remeasurement of lease liabilities	6,526	-	-	-	6,526
Depreciation	(21,885)	-	(164)	(3,843)	(25,892)
Derecognition*	(2,282)	-	-	-	(2,282)
At 31 December 2025	105,771	-	-	10,627	116,398
Cost	309,167	2,592	3,109	115,803	430,671
Accumulated depreciation	(201,645)	(2,592)	(3,109)	(105,176)	(312,522)
Accumulated impairment loss	(1,751)	-	-	-	(1,751)
Net book value	105,771	-	-	10,627	116,398

* Derecognition includes RM80,000 (2024: RM180,000) reversal of provision of decommission which is included in other payables.

NOTES TO THE FINANCIAL STATEMENTS

12. Right-of-use assets (continued)

	Land and Buildings RM'000	Office equipment RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Total RM'000
Company					
1 January 2024	135,441	643	664	9,062	145,810
Additions	2,452	-	-	18,601	21,053
Remeasurement of lease liabilities	9,498	-	-	-	9,498
Depreciation	(24,490)	(643)	(500)	(13,193)	(38,826)
Derecognition*	(4,937)	-	-	-	(4,937)
At 31 December 2024	117,964	-	164	14,470	132,598
Cost	297,193	2,592	3,109	115,803	418,697
Accumulated depreciation	(177,478)	(2,592)	(2,945)	(101,333)	(284,348)
Accumulated impairment loss	(1,751)	-	-	-	(1,751)
Net book value	117,964	-	164	14,470	132,598

* Derecognition includes RM80,000 (2024: RM180,000) reversal of provision of decommission which is included in other payables.

12.1 Land and buildings

- (i) The Government leasehold land and buildings of the Group and of the Company are for a lease period of sixty (60) years commencing from 1 January 1992, with the vesting date as stated in Note 2 to the financial statements.
- (ii) Commencing 1 January 2022, both the Government and the Company have agreed the rates of the Government leasehold land and buildings of the Company for the next thirty (30) years. The rates of the Government leasehold land is variable and subject to the performance of individual post offices located on the Government leasehold land.

12.2 Extension options

Some lease contracts contain extension options exercisable only by the Group or the Company before the end of the non-cancellable contract period. Where practicable, the Group and the Company seek to include extension options in new leases to provide operational flexibility. The Group and the Company assess at lease commencement whether it is reasonably certain to exercise the extension options. The Group and the Company reassess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

NOTES TO THE FINANCIAL STATEMENTS

12. Right-of-use assets (continued)

12.3 Significant judgements and assumptions in relation to lease

The Group and the Company assess at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group and the Company consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group and the Company also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group and the Company first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

12.4 Impairment of right-of-use assets

As at financial year end, the right-of-use assets of postal and Logistics Segment are tested for impairment together with property, plant and equipment due to impairment indicators noted, where losses were recorded during the financial year. Refer to Note 10.4 for further details of impairment loss.

12.5 Material accounting policy information

(a) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(b) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

13. Intangible assets

Group	Goodwill RM'000	Contracts RM'000	Total RM'000
Cost			
At 1 January 2024/31 December 2024/ 1 January 2025/31 December 2025	314,509	120,227	434,736
Amortisation and impairment loss			
At 1 January 2024			
Accumulated amortisation	-	(44,082)	(44,082)
Accumulated impairment loss	(256,731)	(11,553)	(268,284)
	(256,731)	(55,635)	(312,366)
Amortisation charge for the financial year	-	(2,652)	(2,652)
At 31 December 2024/1 January 2025			
Accumulated amortisation	-	(46,734)	(46,734)
Accumulated impairment loss	(256,731)	(11,553)	(268,284)
	(256,731)	(58,287)	(315,018)
Amortisation charge for the financial year	-	(2,652)	(2,652)
At 31 December 2025			
Accumulated amortisation	-	(49,386)	(49,386)
Accumulated impairment loss	(256,731)	(11,553)	(268,284)
	(256,731)	(60,939)	(317,670)
Carrying amount			
At 1 January 2024	57,778	64,592	122,370
At 31 December 2024/1 January 2025	57,778	61,940	119,718
At 31 December 2025	57,778	59,288	117,066

Impairment testing for goodwill is performed annually. The carrying amounts were allocated to the Group's cash-generating units ("CGUs"), for impairment testing as follows:

	Group			
	Goodwill		Contracts	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Licensed digital certificate authority	4,630	4,630	-	-
Aviation	53,148	53,148	59,288	61,940
	57,778	57,778	59,288	61,940

NOTES TO THE FINANCIAL STATEMENTS

13. Intangible assets (continued)

Impairment testing for goodwill and intangible assets

Management has carried out impairment test review for goodwill and intangible assets based on the recoverable amount of each CGU. The recoverable amounts have been determined based on its value-in-use. Cash flow projections were prepared based on financial budgets which cover a period of 5 years (2024: 5 years) and applying a terminal value multiple using a terminal growth rate, except for Aviation Segment that applies a terminal value based on its remaining concession period.

Aviation Segment

Key assumptions used in value-in-use calculations

The calculation of value-in-use for the goodwill and intangible assets of Aviation Segment is most sensitive to the following assumptions:

- (i) Revenue growth – the bases used to determine the future earnings potential are historical sales and expected growth rates of the relevant industry.
- (ii) Projected gross margins – projected gross margin reflects the average historical gross margin adjusted for projected market and economic conditions and internal resource efficiency.
- (iii) Discount rate (approximately 10.5%) (2024: approximately 10.5%) – discount rate reflects management's estimate of the risks specific to these segments. In determining the appropriate discount rate, consideration has been given to the applicable weighted average rate of return of the CGU's property, plant and equipment.
- (iv) Growth rates (approximately 2%) (2024: approximately 2%) – the forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

Based on the impairment testing, the recoverable amount of the Aviation Segment is higher than the carrying amounts of the goodwill and intangible assets.

Sensitivity to changes in assumptions

- (i) An increase of 1 percentage point in the discount rate used would have decreased the value-in-use by RM24,115,000; or
- (ii) A decrease of 1 percentage point in the terminal growth rate used would have decreased the value-in-use by RM14,623,000.

NOTES TO THE FINANCIAL STATEMENTS

13. Intangible assets (continued)

13.1 Material accounting policy information

(a) Recognition and measurement

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(b) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful live for the current and comparative periods is as follows:

Aviation 28 years

14. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group						
Property, plant and equipment	-	-	(84,101)	(89,965)	(84,101)	(89,965)
Investment properties	-	-	(1,296)	(1,131)	(1,296)	(1,131)
Right-of-use assets	2,084	7,403	(5,906)	(41)	(3,822)	7,362
Intangible assets	-	-	(14,228)	(14,865)	(14,228)	(14,865)
Provisions	10,178	3,877	-	-	10,178	3,877
Tax loss carry-forwards	3,499	3,563	-	-	3,499	3,563
Unabsorbed capital allowances	57,978	58,242	-	-	57,978	58,242
Other temporary differences	21	3,248	(3,821)	-	(3,800)	3,248
Deferred tax assets/(liabilities)	73,760	76,333	(109,352)	(106,002)	(35,592)	(29,669)
Set-off	(72,697)	(75,753)	72,697	75,753	-	-
Net deferred tax assets/(liabilities)	1,063	580	(36,655)	(30,249)	(35,592)	(29,669)

NOTES TO THE FINANCIAL STATEMENTS

14. Deferred tax assets and liabilities (continued)

	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Company						
Property, plant and equipment	-	-	(38,551)	(38,551)	(38,551)	(38,551)
Right-of-use assets	1,407	1,407	-	-	1,407	1,407
Unabsorbed capital allowances	34,026	34,026	-	-	34,026	34,026
Other temporary differences	3,154	3,154	-	-	3,154	3,154
Tax assets/(liabilities)	38,587	38,587	(38,551)	(38,551)	36	36
Set-off	(38,551)	(38,551)	38,551	38,551	-	-
Net tax assets/(liabilities)	36	36	-	-	36	36

Deferred tax assets and liabilities are offset above when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to the same taxation authority.

Global minimum top-up tax

The Group has adopted the amendments to MFRS 112, *Income Taxes - International Tax Reform - Pillar Two Model Rules* upon their release on 2 June 2023. The amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax which is applied retrospectively. During the year, there is no top-up tax charge as the effective tax rate for each tax jurisdiction is above 15%.

Unrecognised deferred tax assets

Deferred tax assets of the Group have not been recognised in respect of the following items because it is not probable that they may be used to offset taxable profits of other subsidiaries of the Group:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Property, plant and equipment	(141,957)	(146,399)	-	-
Right-of-use assets	(962)	(917)	-	-
Provisions	84,434	80,114	52,216	49,488
Tax loss carry-forwards	797,074	633,642	596,303	479,434
Unabsorbed capital allowances	627,869	615,433	436,292	433,727
	1,366,458	1,181,873	1,084,811	962,649

NOTES TO THE FINANCIAL STATEMENTS

14. Deferred tax assets and liabilities (continued)

Unrecognised deferred tax assets (continued)

Pursuant to Section 44(5F) of the Income Tax Act, 1967 the ability to carry forward unutilised tax losses is extended to a maximum period of ten consecutive Year of Assessment ("YA"), effective YA 2019.

The deferred tax assets arising from property, plant and equipment, right-of-use assets, provision, tax loss carry-forwards, unabsorbed capital allowances and other temporary differences of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority, as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Expiry of utilisation period				
Indefinite	569,384	548,231	488,508	483,215
YA2028	48,803	48,803	-	-
YA2029	6,018	6,018	1,708	1,708
YA2030	21,335	23,349	2,823	2,823
YA2031	154,749	154,749	131,084	131,084
YA2032	111,239	111,239	103,837	103,837
YA2033	116,199	116,199	92,278	92,278
YA2034	173,285	173,285	147,706	147,704
YA2035	165,446	-	116,867	-
	1,366,458	1,181,873	1,084,811	962,649

NOTES TO THE FINANCIAL STATEMENTS

14. Deferred tax assets and liabilities (continued)

Movement in temporary differences during the year

	At 1.1.2024 RM'000	Effect of movements in exchange rates RM'000	Recognised in profit or loss (Note 6) RM'000	At 31.12.2024/ 1.1.2025 RM'000	Effect of movements in exchange rates RM'000	Recognised in profit or loss (Note 6) RM'000	At 31.12.2025 RM'000
Group							
Property, plant and equipment	(86,970)	22	(3,017)	(89,965)	7	5,857	(84,101)
Investment properties	(1,133)	-	2	(1,131)	-	(165)	(1,296)
Right-of-use assets	7,307	-	55	7,362	-	(11,184)	(3,822)
Intangible assets	(15,499)	-	634	(14,865)	-	637	(14,228)
Provisions	3,071	-	806	3,877	-	6,301	10,178
Tax loss carry-forwards	3,499	-	64	3,563	-	(64)	3,499
Unabsorbed capital allowances	58,997	-	(755)	58,242	-	(264)	57,978
Other temporary differences	4,537	-	(1,289)	3,248	-	(7,048)	(3,800)
	(26,191)	22	(3,500)	(29,669)	7	(5,930)	(35,592)
Company							
Property, plant and equipment	(38,551)	-	-	(38,551)	-	-	(38,551)
Right-of-use assets	1,407	-	-	1,407	-	-	1,407
Unabsorbed capital allowances	34,026	-	-	34,026	-	-	34,026
Other temporary differences	3,154	-	-	3,154	-	-	3,154
	36	-	-	36	-	-	36

NOTES TO THE FINANCIAL STATEMENTS

14. Deferred tax assets and liabilities (continued)

14.1 Material accounting policy information

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

15. Investments in subsidiaries

	Note	Company	
		2025 RM'000	2024 RM'000
Ordinary shares			
Unquoted shares, at cost		758,690	758,690
Add: Transfer of shares	c	5,000	-
Less: Accumulated impairment losses		(480,984)	(453,384)
		282,706	305,306
Redeemable preference shares, at cost	a	155,674	165,174
Redeemable convertible preference shares, at cost	b	35,300	35,300
		473,680	505,780

(a) The Redeemable Preference Shares ("RPS") held in the subsidiaries are redeemable at the discretion of the Directors of the subsidiaries and any dividend payments are discretionary. The RPS does not carry any voting rights save for rights to vary the rights attached to the RPS or winding up of the subsidiaries.

On 30 December 2025, the Company redeemed RPS in Posmen Sdn. Bhd. amounting to RM50,000,000 which the cost of the investment was RM9,500,000. The redemption was settled by way of contra against the amount due from the subsidiary to the Company. The redemption resulted in a gain of RM40,500,000, which was recognised in other income during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

15. Investments in subsidiaries (continued)

(b) The details of the Redeemable Convertible Preference Shares (“RCPS”) of a subsidiary are as follows:

- (i) Redeemable at a date that shall be at the option of the Directors of the subsidiary;
 - (ii) The subsidiary may convert all or any part of the preference shares which have been fully paid up into ordinary shares. Such shares shall rank *pari passu* in all respects with the existing ordinary shares of the subsidiary;
 - (iii) The preference shares carry the right to be repaid in priority to any payment to the holders of any class of shares; and
 - (iv) The preference shares shall confer upon the holder the rights to receive notices of meetings, but not vote at such meetings of the subsidiary, except for the general meeting of the subsidiary held for holders of the preference shares.
- (c) On 30 December 2025, the Company acquired the entire interest in PSH Express Sdn. Bhd. (“PSHE”), from its direct wholly-owned subsidiary, Posmen Sdn. Bhd. (“Posmen”) for a total cash consideration of RM5,000,000. Consequently, PSHE became a direct wholly-owned subsidiary of the Group.

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
Datapos (M) Sdn. Bhd.	Malaysia	Printing and insertion of documents for mailing	100	100
Pos Digicert Sdn. Bhd.	Malaysia	Licensed digital certification authority	100	100
Effivation Sdn. Bhd.	Malaysia	Property investment	100	100
Pos Ar-Rahnu Sdn. Bhd.	Malaysia	Ar-Rahnu (Islamic pawn broking)	100	100
Poslaju (M) Sdn. Bhd.	Malaysia	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS

15. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows (continued):

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
Pos Malaysia & Services Holdings Berhad	Malaysia	Investment holding	100	100
Pos Shop Sdn. Bhd.	Malaysia	Retail business	100	100
Posmen Sdn. Bhd.	Malaysia	Investment holding	100	100
PMB Properties Sdn. Bhd.	Malaysia	Property investment	100	100
PSH Express Sdn. Bhd. ⁽¹⁾	Malaysia	Air courier services and fulfilment business	100	-
PSH Properties Sdn. Bhd.	Malaysia	Property investment	100	100
Pos Aviation Sdn. Bhd.	Malaysia	Provision of airport related ground handling, in-flight catering, cargo handling, warehousing space and supply chain management including custom forwarding agent services	100	100
Subsidiary of Pos Malaysia & Services Holdings Berhad:				
Prima Pegun Sdn. Bhd.	Malaysia	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS

15. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows (continued):

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
Subsidiary of Pos Shop Sdn. Bhd.:				
Prestige Future Sdn. Bhd.	Malaysia	Consultant and agent marketing services	100	100
Subsidiary of PSH Properties Sdn. Bhd.:				
Real Riviera Sdn. Bhd.	Malaysia	Property investment	100	100
Subsidiary of Posmen Sdn. Bhd.:				
PSH Express Sdn. Bhd. ⁽¹⁾	Malaysia	Air courier services and fulfilment business	-	100
Subsidiaries of Pos Aviation Sdn. Bhd.:				
Pos Aviation Engineering Services Sdn. Bhd.	Malaysia	Provision of aircraft maintenance and engineering services	51	51
Pos Logistics Berhad	Malaysia	Provision of total logistics services and inventory solution	100	100

NOTES TO THE FINANCIAL STATEMENTS

15. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows (continued):

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
Subsidiaries of Pos Logistics Berhad:				
Aman Freight (Malaysia) Sdn. Bhd.	Malaysia	Dormant	100	100
Diperdana Kontena Sdn. Bhd.	Malaysia	Property investment	100	100
KP Asia Auto Logistics Sdn. Bhd.	Malaysia	Warehousing, inventory solutions, forwarding, shipping and transport agent	100	100
KP Distribution Services Sdn. Bhd.	Malaysia	Dormant	100	100
Malaysian Shipping Agencies Sdn. Bhd.	Malaysia	Shipping agency services, freight forwarding and other related services	100	100
PNSL Berhad	Malaysia	Shipping agency and chartering services	100	100
Westport Distripark (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Kaypi Southern Terminal Sdn. Bhd.	Malaysia	Property investment	100	100
K.P.B. Sadao I.C.D Company Limited ⁽²⁾⁽³⁾	Thailand	Dormant	49	49
PNSL Risk Management Sdn. Bhd.	Malaysia	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS

15. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows (continued):

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
Subsidiaries of Malaysian Shipping Agencies Sdn. Bhd.:				
Konsortium Logistik (Sabah) Sdn. Bhd.	Malaysia	Dormant	100	100
Konsortium Logistik (Sarawak) Sdn. Bhd.	Malaysia	Dormant	100	100

⁽¹⁾ On 30 December 2025, the Company acquired the entire interest in PSH Express Sdn. Bhd. ("PSHE"), from its direct wholly-owned subsidiary, Posmen Sdn. Bhd. ("Posmen") for a total cash consideration of RM5,000,000.

⁽²⁾ Audited by member firms of KPMG International.

⁽³⁾ Although the Company has less than 50% of the ownership in the equity interest of K.P.B. Sadao I.C.D Company Limited ("K.P.B. Sadao"), the remaining 51% equity interest is held in trust by third party in accordance to a trust deed dated 16 March 2012. Consequently, the K.P.B. Sadao is regarded as a subsidiary of the Company.

15.1 Impairment testing for investments in subsidiaries

At 31 December 2025, the Company's investments in certain subsidiaries were tested for impairment due to impairment indicators noted where the carrying amounts of investments are higher as compared to net assets of the related subsidiaries.

For the purpose of impairment testing, the recoverable amounts of certain subsidiaries were determined based on the greater of value-in-use or fair value less costs of disposal. The recoverable amounts were prepared based on financial budgets which cover a period of 5 years (2024: 5 years) and applying a terminal value multiple using a terminal growth rate, except for Aviation Segment that applies a terminal value based on its remaining concession period. The discount rate applied to the cash flow projections is approximately 10% - 11% (2024: 10% - 11%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

15. Investments in subsidiaries (continued)

15.1 Impairment testing for investments in subsidiaries (continued)

Key assumptions used in value-in-use

The calculation of value-in-use for investments in subsidiaries are most sensitive to the following assumptions:

- (i) Revenue growth - the bases used to determine the future earnings potential are historical sales and expected growth rates of the relevant industry.
- (ii) Projected gross margins - projected gross margin reflects the average historical gross margin adjusted for projected market and economic conditions and internal resource efficiency.
- (iii) Discount rates (approximately 10% - 11%) (2024: approximately 10% - 11%) - discount rates reflect management's estimate of the risks specific to these entities. In determining the appropriate discount rate for each unit, consideration has been given to the applicable weighted average cost of capital for each unit.
- (iv) Growth rates (approximately 2%) (2024: approximately 2%) - the forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to each unit.
- (v) Other consideration - residual value of vessels of the Logistics Segment has been incorporated in the recoverable amount.

Based on the impairment testing, an impairment loss on the cost of investments in subsidiaries amounting to RM 27,600,000 (2024: Nil) was recorded.

Sensitivity to changes in assumptions

- (i) An increase of 1 percentage point in the discount rate used would have decreased the value-in-use by RM32,839,000; or
- (ii) A decrease of 1 percentage point in the terminal growth rate used would have decreased the value-in-use by RM18,041,000.

15.2 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

16. Investments in associates

	Group	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost	38,400	45,650
Less: Accumulated impairment losses	(400)	(7,650)
	38,000	38,000
Share of post-acquisition reserves	2,946	2,952
	40,946	40,952

	Company	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost	400	7,650
Less: Accumulated impairment losses	(400)	(7,650)
	-	-

Name of entity	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
World Cargo Airline Sdn. Bhd. ("WCA")	Malaysia	Provision of air cargo transport	49.0	49.0
Elpos Print Sdn. Bhd.	Malaysia	Dormant	40.0	40.0
CEN Sdn. Bhd. ⁽¹⁾	Malaysia	Investment holding	-	42.5
Subsidiary of WCA:				
Gading Sari Aviation Services Ltd. ("Gading Sari")	Malaysia	Provision of aircraft leasing services	49.0	49.0
Subsidiary of CEN Sdn. Bhd.:				
CEN Worldwide Sdn. Bhd. ⁽¹⁾	Malaysia	Dormant	-	42.5

⁽¹⁾ On 2 April 2025, CEN Sdn. Bhd. ("CEN"), an indirect 42.5% owned dormant associate of the Group, was dissolved, and as a result, CEN ceased to be an associate of the Group.

NOTES TO THE FINANCIAL STATEMENTS

16. Investments in associates (continued)

The following summarises the information of the results of the Group's financial information in its material associate, WCA and its subsidiary.

	2025 RM'000	2024 RM'000
Non-current assets	321	732
Current assets	59,866	57,783
Non-current liabilities	-	(169)
Current liabilities	(52,329)	(50,475)
Net assets	7,858	7,871
(Loss)/Profit and total comprehensive (loss)/income	(13)	174

Included in the total comprehensive (loss)/income is:

Revenue	85,551	87,766
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Reconciliation of net assets to carrying amount as at 31 December

Group's share of net assets	2,946	2,952
Fair value of consideration	38,000	38,000
Carrying amount in the financial statements	40,946	40,952

Group's share of results

Group's share of (loss)/profit	(6)	85
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16.1 Elpos Print Sdn. Bhd. ("Elpos")

On 30 June 2020, Elpos an inactive associate of Pos Malaysia Berhad with 40% shareholding, was under winding up. Upon completion of the winding up exercise, Elpos will cease to be an associate of the Group.

NOTES TO THE FINANCIAL STATEMENTS

16. Investments in associates (continued)

16.2 Unrecognised share of losses

The Group discontinued equity accounting for Elpos as the losses exceeded the carrying amount of its investments. The Group has not recognised losses of RM1,830,000 (2024: RM1,830,000) cumulatively, since the Group has no obligation in respect of these losses.

16.3 Material accounting policy information

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses.

17. Other investments

Group	Fund investments RM'000	Membership in clubs, unquoted RM'000	Other financial asset RM'000	Shares, unquoted in Malaysia RM'000	Total RM'000
2025					
Non-current					
Fair value through profit or loss	-	344	6,379	-	6,723
Current					
Fair value through profit or loss	29,385	-	-	-	29,385
	29,385	344	6,379	-	36,108
2024					
Non-current					
Fair value through profit or loss	-	344	6,379	-	6,723
Current					
Fair value through profit or loss	5,698	-	-	-	5,698
	5,698	344	6,379	-	12,421
Company	Fund investments RM'000	Total RM'000			
2025					
Current					
Fair value through profit or loss	3,078	3,078			
2024					
Current					
Fair value through profit or loss	625	625			

NOTES TO THE FINANCIAL STATEMENTS

17. Other investments (continued)

Fund investments

Investment in money market instruments meet the requirement of financial assets measured at fair value through profit or loss ("FVTPL") as the holder of the funds does not seek to collect merely contractual cash flows and relevant interests but also to hold for appreciation in the value of the funds.

Membership in clubs, unquoted

Investments made in club memberships meet the requirement of financial assets measured at FVTPL as the holder of the memberships does not seek to collect merely contractual cash flows and relevant interests but also to hold for appreciation in the value of the memberships.

Other financial asset

Other financial asset relates to capital contribution provided to an associate. The instrument meets the requirement of FVTPL as the holder of the capital contribution does not seek to collect contractual cash flow and relevant interest.

Shares, unquoted in Malaysia

There is an investment in unquoted shares in Malaysia with cost amounting to RM270,000 (2024: RM270,000) carried at nil value at the end of the financial year.

17.1 Material accounting policy information

(a) Equity investments not held for trading

At initial recognition, the Group irrevocably elect to present subsequent changes in the fair value of the investments in profit or loss. This election is made on an investment-by-investment basis.

(b) Deposits with licensed banks

The Group classifies deposits with licensed banks not held for working capital purposes that has a maturity of more than three months as other investments.

18. Derivative financial assets

Derivative financial asset refers to the fair value for an irrevocable and unconditional put option at any time in an associate of the Group.

19. Contract assets

The contract assets primarily relate to the Group's rights to consideration for work completed on chartering services but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 30 days.

NOTES TO THE FINANCIAL STATEMENTS

20. Trade and other receivables

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade					
Trade receivables	a	139,586	153,138	78,494	102,326
Ar-Rahnu financing	b	463,017	441,964	-	-
Amount due from an associate	c	4,670	7,549	-	-
Amounts due from subsidiaries	d	-	-	68,203	60,520
Amounts due from related companies	e	19,668	21,646	810	566
		626,941	624,297	147,507	163,412
Accrued receivables	f	40,220	58,286	19,478	33,511
		667,161	682,583	166,985	196,923
Non-trade					
Other receivables		5,543	5,526	31	893
Amounts due from associates	c	3,064	3,014	1,273	1,273
Amounts due from subsidiaries	d	-	-	405,449	306,671
Deposits	g	30,053	30,357	18,317	19,194
Staff advances		2,858	3,150	2,497	2,869
		41,518	42,047	427,567	330,900
		708,679	724,630	594,552	527,823

(a) Trade receivables

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers whereby sufficient allowance has been made for debts that are doubtful in collection. In addition, the Group has adopted a credit evaluation policy for all trade receivables. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

Included in trade receivables of the Group and the Company are amounts due from companies subject to common significant influence of RM7,256,000 (2024: RM5,692,000) and RM2,952,000 (2024: RM4,005,000) respectively. These amounts due from companies subject to common significant influence are unsecured, interest free and subject to normal trade terms.

NOTES TO THE FINANCIAL STATEMENTS

20. Trade and other receivables (continued)

(b) Ar-Rahnu financing

Included in Ar-Rahnu financing of the Group is RM14,618,000 (2024: RM14,011,000) and RM447,190,000 (2024: RM427,162,000) in relation to storage fee receivables and collateral value receivables from customers respectively.

(c) Amounts due from associates

Trade

The trade amount due from an associate is unsecured, interest free and subject to normal trade terms.

Non-trade

The non-trade amounts due from associates are unsecured, interest free and repayable on demand.

(d) Amounts due from subsidiaries

Trade

The trade amounts due from subsidiaries are unsecured, interest free and subject to normal trade terms.

Non-trade

Included in non-trade amounts due from subsidiaries are RM173,002,000 (2024: RM167,437,000) which are unsecured, bears interest at range of 6.29% to 6.36% (2024: 5.05% to 6.44%) per annum and repayable on demand.

The remaining non-trade amounts due from subsidiaries of RM232,447,000 (2024: RM139,234,000) are unsecured, interest free and repayable on demand.

(e) Amounts due from related companies

Trade

The trade amounts due from related companies are unsecured, interest free and subject to normal trade terms.

NOTES TO THE FINANCIAL STATEMENTS

20. Trade and other receivables (continued)

(f) Accrued receivables

Accrued receivables represent revenue recognised for services rendered, but yet to be billed. Billing will be issued in accordance with respective terms and conditions agreed with customers.

(g) Deposits

Included in the Group and the Company's deposits are deposits receivable from an associate for transportation services provided by the associate amounting to RM5,550,000 (2024: RM5,550,000).

21. Inventories

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Postal uniforms and consumables	9,252	9,909	463	721
Insertion and mailing materials	371	244	-	-
Digital certificates and smart cards	235	370	-	-
	9,858	10,523	463	721
Recognised in profit or loss:				
Inventories recognised as cost of sales	119,834	127,326	11,013	11,552
Net inventories written down/(back)	3,432	(102)	-	(59)

21.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

22. Prepayment

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Advance payment					
- terminal dues	a	11,043	13,473	11,043	13,473
Others		7,090	14,973	-	-
		18,133	28,446	11,043	13,473

(a) Advance payment - terminal dues

Advance payment represents advances paid to counterparties as required by Universal Postal Union Guidelines. Advance payments are unsecured, interest free and expected to be utilised against billings issued on an annual basis.

NOTES TO THE FINANCIAL STATEMENTS

23. Cash and cash equivalents

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits placed with licensed banks	a	53,020	11,086	31,979	3,269
Cash and bank balances	b	86,720	121,386	43,108	58,764
Total cash and bank balances		139,740	132,472	75,087	62,033
Bank overdrafts	25(c)	(911)	(930)	-	-
Collections on behalf of agency payables and money order payables		(10,035)	(11,430)	(9,959)	(11,384)
Restricted cash		(5,626)	(5,381)	(4,171)	(4,115)
Deposits pledged		(581)	(565)	-	-
Cash and cash equivalents in the statements of cash flows		122,587	114,166	60,957	46,534

(a) Deposits placed with licensed banks

Included in the deposits placed with licensed banks of the Group and the Company is Nil (2024: RM2,046,000) required to be maintained in a Shariah-compliant Finance Service Reserve Account with Maybank Islamic Bank in respect to the Commodity Murabahah Term Financing-I Facility (Refer to Note 25(a)), RM2,000,000 (2024: RM2,000,000) required to be maintained with Bank Simpanan Nasional for the use of banking facility, RM1,524,000 and RM69,000 (2024: RM1,335,000 and RM69,000) required to be maintained in a Shariah-compliant account with HSBC Amanah Malaysia Berhad to facilitate the trade finance facilities requirements of the Group and Company respectively.

Deposits amounting to Nil (2024: RM2,046,000) was charged as security to a banking facility granted to the Group (as disclosed in Note 25(a)(ii)).

The weighted average effective annual interest rates of short-term deposits at the end of the financial year are as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Deposits placed with licensed banks	2.2	2.3	2.4	2.0

NOTES TO THE FINANCIAL STATEMENTS

23. Cash and cash equivalents (continued)

(b) Cash and bank balances

Included in the cash and bank balances of the Group and the Company is RM2,101,500 (2024: Nil) required to be maintained in a Shariah-compliant Finance Service Reserve Account with Maybank Islamic Bank in respect to the Commodity Murabahah Term Financing-i Facility (Refer to Note 25(a)).

Cash and bank balances amounting to RM2,101,500 (2024: Nil) is charged as security to a banking facility granted to the Group (as disclosed in Note 25(a)(ii)).

24. Share capital and reserves

	Note	Group and Company			
		Amount 2025 RM'000	Number of shares 2025 '000	Amount 2024 RM'000	Number of shares 2024 '000
Issued and fully paid:					
Ordinary shares		1,071,392	782,777	1,071,392	782,777
SRRPS	a	*	*	*	*
		1,071,392	782,777	1,071,392	782,777

* Share capital includes the SRRPS of RM1.00.

(a) The SRRPS confers the following rights:

- The SRRPS issued to the Government of Malaysia would enable the Government of Malaysia through the Minister of Finance (Incorporated), or its successors or any Minister, representative or any person acting on behalf, to ensure that certain major decisions affecting the operation of the Company are consistent with the Government's policy. The SRRPS shareholder is entitled to receive notices of meetings but does not carry any right to vote at such meetings of the Company. The shareholder also has the right to require the Company to redeem the SRRPS at par at any time;
- Certain matters, in particular, the alteration of the Articles of Association of the Company relating to the rights of the SRRPS shareholder, the dissolution of the Company, any substantial acquisitions and disposal of assets, amalgamation, merger and takeover, appointment of foreign directors, creation or issue of any shares which when aggregated with all other existing issued shares, carry ten percent of total voting rights, require prior consent of the SRRPS shareholder; and
- In a distribution of capital or a winding-up of the Company, the SRRPS shareholder is entitled to the repayment of the capital paid-up on the SRRPS in priority to any repayment of capital to any other member. The SRRPS does not confer any right to participate in the capital or profits of the Company.

NOTES TO THE FINANCIAL STATEMENTS

24. Share capital and reserves (continued)

(b) Revaluation reserve

The revaluation reserve relates to the revaluation of property immediately prior to its reclassification as investment property.

(c) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(d) Post-employment benefits reserve

Post-employment benefits reserve represents actuarial gains and losses arising from experience adjustments and changes in actuarial assumption.

25. Loans and borrowings

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Secured					
Islamic term loans	a	-	151,000	-	151,000
Current					
Secured					
Islamic term loans	a	151,000	19,148	151,000	2,000
Revolving credits	b	243,275	264,755	-	-
Bank overdraft	c	911	930	-	-
Invoice financing	d	38,032	36,061	-	-
		433,218	320,894	151,000	2,000
		433,218	471,894	151,000	153,000

(a) Islamic term loans

Secured

- During the financial year, the term loan 1 ("Term Loan 1") of the subsidiary is in respect of Islamic Term Loan Financing Facility of Term Financing-i granted by CIMB Islamic Bank Berhad ("CIMB") that was undertaken for the purchase of vessels in 2018 has been fully settled. The Term Loan 1 was secured by way of assignment over the contracts and all its charter proceeds executed or to be executed by the subsidiary and first party charge over the vessels.

The term loan carries a tenure of 8 years commencing from 5 December 2017 and is repayable on quarterly basis. The effective profit rate at the end of previous financial year was 4% per annum. In addition, the term loan of the subsidiary was supported by corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

25. Loans and borrowings (continued)

(a) Islamic term loans (continued)

Secured (continued)

(ii) The outstanding Commodity Murabahah Term Financing-i of RM151,000,000 (2024: RM153,000,000) was obtained by the Company for Shariah compliant general capital and operating expenditure requirements of the e-commerce and courier business. As at the reporting date, the effective profit rates ranged from 4.69% to 5.52% (2024: 5.27% to 5.52%) per annum. The following financial covenants apply at the end of each annual reporting period:

- A finance-to-equity ratio of not more than 1.75 times; and
- A finance service cover ratio of not less than 1.25 times.

The Company has complied with all covenants throughout the reporting period and there are no indications that it will encounter difficulties meeting the covenants when they are next tested.

(b) Revolving credits

Secured

(i) The secured revolving credits 1 ("RC 1") of the Group of RM238,000,000 (2024: RM238,000,000) bear interest at rates ranging from 4.08% to 5.05% (2024: 4.42% to 5.05%) per annum. The facilities are secured by a debenture, which includes fixed and floating charges over the assets of Pos Ar-Rahnu; and a corporate guarantee by the Company. Included in loans and borrowings of the Group is RM190,000,000 (2024: RM190,000,000) provided by a related company.

NOTES TO THE FINANCIAL STATEMENTS

25. Loans and borrowings (continued)

(b) Revolving credits (continued)

Secured (continued)

(ii) The secured revolving credits 2 ("RC 2") of the Group of RM5,275,000 (2024: RM26,755,000) bear interest at rates ranging from 5.76% to 6.52% (2024: 5.73% to 6.52%) per annum. They are secured by way of fixed charges over certain property, plant and equipment of the Group as disclosed in Note 10.2. In addition, RC 2 is secured by a corporate guarantee whereby Nil (2024: RM12,750,000) is secured against the Company and RM5,275,000 (2024: RM14,005,000) is secured against the subsidiaries of the Company.

(c) Bank overdraft

Secured

The secured bank overdraft of the Group in respect of overdraft facilities granted bear interest at 8.35% (2024: 8.35%) per annum and secured by a corporate guarantee by the Company.

(d) Invoice financing

Invoice financing in respect of facility for the purpose of financing invoices payable to domestic and foreign suppliers with average maturity of 99 days and 109 days (2024: 99 days and 111 days) with interest rates ranging from 5.22% to 6.15% (2024: 5.18% to 6.52%) per annum. In addition, invoice financing is secured by a corporate guarantee whereby RM6,933,000 (2024: RM17,224,000) is secured against the Company and RM31,099,000 (2024: RM18,837,000) is secured against a subsidiary of the Company.

26. Post-employment benefit obligations

A subsidiary of the Group operates an unfunded defined benefit plan for its unionised employees in Malaysia under the terms and conditions of a Collective Agreement. An actuarial valuation of the plan was carried out on 5 January 2024.

The amount recognised in the statement of financial position is determined as follows:

	Group	
	2025 RM'000	2024 RM'000
Present value of unfunded obligations	563	510

NOTES TO THE FINANCIAL STATEMENTS

26. Post-employment benefit obligations (continued)

The total expenses recognised in profit or loss are analysed as follows:

	Note	Group	
		2025 RM'000	2024 RM'000
Current service cost		131	33
Expenses recognised in profit or loss	4	131	33

The movement during the financial year in the amount recognised in the statement of financial position in respect of the defined benefit plans are as follows:

	Group	
	2025 RM'000	2024 RM'000
At beginning of year	510	548
Included in profit or loss		
Current service cost	111	18
Interest cost	20	15
	131	33
Other		
Benefits paid	(78)	(71)
At end of year	563	510

Actuarial assumptions

The principal actuarial assumptions used in respect of the subsidiary's defined benefit plans were as follows (expressed as weighted averages):

	2025 %	2024 %
Discount rate	3.8	3.8
Future salary growth	3.0	3.0

NOTES TO THE FINANCIAL STATEMENTS

26. Post-employment benefit obligations (continued)

Actuarial assumptions (continued)

The retirement benefit scheme is a final salary defined benefit plan in respect of the subsidiary with a guaranteed lump sum payment at retirement, which remains open to new entrants. The subsidiary follows the Malaysian Minimum Retirement Age Act 2012 whereby the benefits shall be paid at age of 60 for retirement scheme in Malaysia. There will be no benefits payable for service earned from age 55 to 60.

The Projected Unit Credit Method is used to determine the present value of the defined benefit obligation and the related current service cost. Under this method, a "projected accrued benefit" is calculated based upon service as of the date of valuation, and the benefit formula is based on future compensation and social security levels, using assumptions about the growth of those amounts projected to the age at which the employee is assumed to leave active service.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the unfunded defined benefit obligation by the amounts shown below:

Group	2025		2024	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
Unfunded defined benefit obligation				
Discount rate (1% movement)	(23)	23	(22)	22
Future salary growth (1% movement)	3	(3)	3	(3)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the benefit liability recognised within the statement of financial position.

The methods and types of assumptions used by the subsidiary in preparing the sensitivity analysis did not change compared to the previous financial period.

The expected contributions to defined benefit obligations are as follows:

	Group	
	2025 RM'000	2024 RM'000
Less than one year	2	2
Between 1 and 5 years	155	203
Between 5 and 10 years	229	159
	386	364

NOTES TO THE FINANCIAL STATEMENTS

27. Trade and other payables

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current					
Trade					
Trade payables	a	241,971	311,039	174,316	236,064
Non-trade					
Amount due to immediate holding company	b	406,638	346,620	366,566	346,602
Amounts due to related companies	c	270,938	44,955	256,499	32,571
Amount due to an associate	d	1,106	1,385	542	770
Amounts due to subsidiaries	e	-	-	245,551	238,136
Other payables and accruals:					
Unpresented money orders		5,568	6,717	5,569	6,717
Unpresented postal orders		176	176	176	176
Agency payables		9,421	10,798	9,345	10,752
Money order payables		615	632	615	632
Service payables		51,327	68,325	37,708	55,315
Other accruals	f	253,685	267,755	167,638	190,785
Provision for mutual separation scheme		-	318	-	-
Provision for liabilities and claims		232	75	-	-
Deposits received		48,947	40,928	30,690	32,908
		1,048,653	788,684	1,120,899	915,364
		1,290,624	1,099,723	1,295,215	1,151,428

(a) Trade payables

Included in trade payables of the Group and the Company are amounts due to companies subject to common significant influence of RM1,826,000 (2024: RM1,221,000) and RM416,000 (2024: RM438,000) respectively. The amounts due to companies subject to common significant influence are unsecured, interest free and subject to normal trade terms.

(b) Amount due to immediate holding company

Amount due to immediate holding company is unsecured, interest free and repayable on demand, except for advances to the Group and the Company amounting to RM359,450,000 (2024: RM320,450,000) and RM320,450,000 (2024: RM320,450,000) respectively, which bear interest at 6.23% (2024: 6.23%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

27. Trade and other payables (continued)

(c) Amounts due to related companies

The amounts due to related companies are unsecured, interest free and repayable on demand, except for amount due to a related company by the Group and the Company amounting to RM212,400,000 (2024: Nil), which bear interest at 6.23% (2024: Nil) per annum.

(d) Amount due to an associate

The amount due to an associate is unsecured, interest free and repayable on demand.

(e) Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest free and repayable on demand, except for advances amounting to RM107,000,000 (2024: RM107,000,000), which bear interest at 5.46% (2024: 5.05%) per annum.

(f) Other accruals

Included in other accruals of the Group and of the Company are deferred government grant received and deferred income in relation to prepaid mail amounting to RM9,000,000 (2024: RM9,768,000) and RM20,266,000 (2024: RM21,747,000) respectively.

The government grant related to assets is amortised over the useful lives of the assets. During the financial year, the Group and the Company had amortised government grant related to assets as other income in profit or loss amounting to RM886,000 (2024: RM918,000).

NOTES TO THE FINANCIAL STATEMENTS

28. Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different business processes and attend to different customer needs. For each of the strategic business units, the Group's Chief Executive Officer (the chief operating decision maker) and the Board of Directors review internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Postal	Includes the provision of basic mail services for corporate and individual customers, courier, parcel and logistic solutions by sea, air and land to both national and international destinations, direct entry and transshipment and customised solutions such as Mailroom Management and Direct Mail and over-the-counter services for payment of bills and certain financial products and services.
Aviation	Includes cargo and ground handling, in-flight catering, freight and forwarding and air cargo transport.
Logistics	Includes haulage services, freight and forwarding, shipping agency and chartering services, warehousing and distribution services.

Other Segments include the hybrid mail which provides data and document processing services, business of internet security products, solutions and services, Ar-Rahnu business including storage and safekeeping fees, buying and selling of investment precious metals, namely gold bars and dinars and rental income from investment properties held by the Group. None of these segments meets any of the quantitative thresholds for determining reportable segments in the current reporting period.

Information regarding the operations of each reportable segment are shown below. Performance is measured based on segment results. Segment results are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within those industries. Inter-segment pricing is determined on a negotiated basis.

NOTES TO THE FINANCIAL STATEMENTS

28. Operating segments (continued)

Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment total assets is used to measure the return of assets of each segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment total liabilities is used to measure the gearing of each segment.

Geographical segments

The Group are predominantly in Malaysia and the oversea segment, Thailand, does not contribute to more than 10% of the consolidated revenue and assets. Accordingly, information by geographical segment is not presented.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

Major customers

The Group has a diversified range of customers. There is no significant concentration of revenue from any customers.

NOTES TO THE FINANCIAL STATEMENTS

28. Operating segments (continued)

2025	Postal RM'000	Aviation RM'000	Logistics RM'000	Other operations RM'000	Elimination RM'000	Group RM'000
Revenue						
Total external revenue	1,041,478	383,808	216,515	197,400	-	1,839,201
Intersegment revenue	20,343	28,792	1,008	2,567	(52,710)	-
Total revenue for reportable segments	1,061,821	412,600	217,523	199,967	(52,710)	1,839,201
Reportable segment results	(158,659)	23,634	(60,977)	17,661	-	(178,341)
Share of results of an associated company	-	-	-	(6)	-	(6)
Amortisation of intangible assets	-	(2,652)	-	-	-	(2,652)
Net (loss)/gain on impairment of financial instruments and contract assets	(1,752)	(696)	(775)	662	-	(2,561)
Impairment loss of:						
- Property, plant and equipment	-	-	(3,015)	-	-	(3,015)
	(160,411)	20,286	(64,767)	18,317	-	(186,575)
Reportable segments assets	1,168,233	406,782	284,325	791,858	(703,261)	1,947,937
Reportable segments liabilities	1,580,324	127,695	304,094	549,839	(703,261)	1,858,691
Other information						
Capital expenditure of property, plant and equipment	14,528	18,857	13,070	3,435	-	49,890
Depreciation of property, plant and equipment	(54,017)	(14,780)	(13,818)	(3,223)	-	(85,838)
Depreciation of right-of-use assets	(26,444)	(6,837)	(6,012)	(354)	-	(39,647)
Amortisation of government grant	886	-	-	-	-	886
Net fair value gain of other investments	88	-	-	49	-	137
Finance income	778	227	12	217	-	1,234
Finance costs	(37,578)	(2,208)	(5,460)	(11,575)	-	(56,821)
Taxation	(5,170)	(7,441)	721	(9,450)	-	(21,340)

NOTES TO THE FINANCIAL STATEMENTS

28. Operating segments (continued)

2024	Postal RM'000	Aviation RM'000	Logistics RM'000	Other operations RM'000	Elimination RM'000	Group RM'000
Revenue						
Total external revenue	1,032,680	373,723	255,817	190,771	-	1,852,991
Intersegment revenue	22,613	21,148	1,402	2,530	(47,693)	-
Total revenue for reportable segments	1,055,293	394,871	257,219	193,301	(47,693)	1,852,991
Reportable segment results	(196,474)	11,854	(28,517)	23,489	-	(189,648)
Share of results of an associated company	-	-	-	85	-	85
Amortisation of intangible assets	-	(2,652)	-	-	-	(2,652)
Net gain/(loss) on impairment of financial instruments and contract assets	5,536	(52)	1,657	(659)	-	6,482
Impairment (loss)/reversal of:						
- Property, plant and equipment	(5,318)	11,075	(180)	-	-	5,577
	(196,256)	20,225	(27,040)	22,915	-	(180,156)
Reportable segments assets	1,137,464	379,227	322,134	792,660	(627,353)	2,004,132
Reportable segments liabilities	1,441,823	115,717	275,004	501,297	(627,353)	1,706,488
Other information						
Capital expenditure of property, plant and equipment	13,480	16,523	5,831	16,638	-	52,472
Depreciation of property, plant and equipment	(65,495)	(18,149)	(15,680)	(2,112)	-	(101,436)
Depreciation of right-of-use assets	(40,680)	(8,432)	(8,613)	(106)	-	(57,831)
Amortisation of government grants	918	-	-	-	-	918
Net fair value gain of other investment	33	-	-	190	-	223
Finance income	763	271	27	282	-	1,343
Finance costs	(29,047)	(2,135)	(5,526)	(11,776)	-	(48,484)
Taxation	(2,645)	(9,484)	(81)	(9,186)	-	(21,396)

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments

29.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Fair value through profit or loss ("FVTPL"); and
(b) Amortised cost ("AC").

2025	Carrying amount RM'000	AC RM'000	FVTPL RM'000
Financial assets			
Group			
Contract assets	1,002	1,002	-
Other investments	36,108	-	36,108
Derivative financial asset	1,626	-	1,626
Trade and other receivables	708,679	708,679	-
Cash and bank balances	139,740	139,740	-
	887,155	849,421	37,734
Company			
Other investments	3,078	-	3,078
Trade and other receivables	594,552	594,552	-
Cash and bank balances	75,087	75,087	-
	672,717	669,639	3,078
Financial liabilities			
Group			
Loans and borrowings	433,218	433,218	-
Trade and other payables	1,261,358	1,261,358	-
	1,694,576	1,694,576	-
Company			
Loans and borrowings	151,000	151,000	-
Trade and other payables	1,265,949	1,265,949	-
	1,416,949	1,416,949	-

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.1 Categories of financial instruments (continued)

2024	Carrying amount RM'000	AC RM'000	FVTPL RM'000
Financial assets			
Group			
Contract assets	347	347	-
Other investments	12,421	-	12,421
Derivative financial asset	1,626	-	1,626
Trade and other receivables	724,630	724,630	-
Cash and bank balances	132,472	132,472	-
	871,496	857,449	14,047
Company			
Other investments	625	-	625
Trade and other receivables	527,823	527,823	-
Cash and bank balances	62,033	62,033	-
	590,481	589,856	625
Financial liabilities			
Group			
Loans and borrowings	471,894	471,894	-
Trade and other payables	1,068,208	1,068,208	-
	1,540,102	1,540,102	-
Company			
Loans and borrowings	153,000	153,000	-
Trade and other payables	1,119,913	1,119,913	-
	1,272,913	1,272,913	-

29.2 Net gains and losses arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net (losses)/gains on:				
Financial assets at FVTPL	137	223	46	6
Financial assets at AC	11,801	(2,676)	25,747	4,153
Financial liabilities at AC	(58,737)	(28,159)	(40,295)	(12,501)
	(46,799)	(30,612)	(14,502)	(8,342)

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.3 Financial risk management

The Group's overall financial risk management objective is to ensure the continuous growth in profitability and enhance shareholders' value in a competitive and changing environment. At the same time, the Group is focused in performing its Universal Service Obligation as a provider of postal service throughout the country and to international destinations in an efficient and effective manner.

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

29.4 Credit risk

Credit risk is the risk of a financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, Ar-Rahnu financing and fund investments.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group and the Company seek to control credit risk by setting counterparty limits and ensuring that services are made to customers with an appropriate credit history. Any receivables having significant balances more than 120 days, which are deemed to have higher credit risk, are monitored individually.

In relation to Ar-Rahnu financing, financing is given up to 75% of the collateral value placed with the Group. Ar-Rahnu financing is monitored on an ongoing basis and action will be taken (such as auctioning of collateral held) for long outstanding financing. Any receivables having significant balances are monitored individually.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to debt recovery process.

There are no significant changes as compared to previous periods.

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.4 Credit risk (continued)

Receivables (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables and contract assets are represented by their carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables and contract assets that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group and the Company. The Group and the Company use ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually.

Concentration of credit risk with respect to receivables and contract assets are limited due to the Group's and the Company's large number of customers.

The disclosure of the credit risk with exposure for trade receivables and contract assets as at the reporting period by geographic region are not disclosed as the Group's and the Company's businesses are mainly operated in Malaysia.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 60 days. The Group's debt recovery process is as follows:

- Above 1 day past due after credit term, the Group will initiate a structured debt recovery process which is monitored by the sales management team; and
- Above 150 days past due, the Group will commence a debt recovery process against the debtors.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments, except for international mail post office customers and Ar-Rahnu financing receivables where the customers have lower risk of default.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency.

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.4 Credit risk (continued)

Receivables (continued)

Recognition and measurement of impairment losses (continued)

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historical data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

For international mail post office customers, the Group assesses the risk of loss individually based on the past trend of payments and terminal dues payable. All these customers have low risk of default as these international post office customers are regulated by the Universal Postal Union and have low credit risk.

For Ar-Rahnu financing, the debts have low credit risk as the customers place collaterals as part of the financing arrangements.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables, Ar-Rahnu financing, contract assets, amounts due from an associate and related companies and accrued receivables as at the end of the reporting period:

Group	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
2025			
Current (not past due)	541,780	(791)	540,989
1 - 30 days past due	50,805	(1,076)	49,729
31 - 120 days past due	22,142	(1,779)	20,363
121 - 150 days past due	1,868	(353)	1,515
More than 150 days past due	4,708	(3,237)	1,471
	621,303	(7,236)	614,067
Credit impaired			
Individually impaired	68,190	(14,094)	54,096
	689,493	(21,330)	668,163
Trade receivables	225,474	(21,330)	204,144
Contract assets	1,002	-	1,002
Ar-Rahnu financing	463,017	-	463,017
	689,493	(21,330)	668,163

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.4 Credit risk (continued)

Receivables (continued)

Recognition and measurement of impairment losses (continued)

Group	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
2024			
Current (not past due)	519,849	(703)	519,146
1 - 30 days past due	46,391	(648)	45,743
31 - 120 days past due	27,589	(1,597)	25,992
121 - 150 days past due	1,460	(120)	1,340
More than 150 days past due	14,995	(14,995)	-
	610,284	(18,063)	592,221
Credit impaired			
Individually impaired	104,697	(13,988)	90,709
	714,981	(32,051)	682,930
Trade receivables	272,670	(32,051)	240,619
Contract assets	347	-	347
Ar-Rahnu financing	441,964	-	441,964
	714,981	(32,051)	682,930

The following table provides information about the Company's exposure to credit risk and ECLs for trade receivables, amounts due from subsidiaries, related companies and accrued receivables as at the end of the reporting period:

Company	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
2025			
Current (not past due)	44,458	(101)	44,357
1 - 30 days past due	15,429	(48)	15,381
31 - 120 days past due	4,283	(844)	3,439
121 - 150 days past due	1,054	-	1,054
More than 150 days past due	48,909	(20)	48,889
	114,133	(1,013)	113,120
Credit impaired			
Individually impaired	55,536	(1,671)	53,865
	169,669	(2,684)	166,985

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.4 Credit risk (continued)

Receivables (continued)

Recognition and measurement of impairment losses (continued)

Company	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
2024			
Current (not past due)	38,905	(125)	38,780
1 - 30 days past due	14,549	(105)	14,444
31 - 120 days past due	6,575	(1,351)	5,224
121 - 150 days past due	146	-	146
More than 150 days past due	55,890	(62)	55,828
	116,065	(1,643)	114,422
Credit impaired			
Individually impaired	83,698	(1,197)	82,501
	199,763	(2,840)	196,923

The movements in the allowance for impairment losses in respect of trade receivables, accrued receivables, contract assets and amounts due from an associate and related companies during the financial year are shown below:

	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Group			
1 January 2024	15,204	28,228	43,432
Amounts written off	(5,017)	-	(5,017)
Net remeasurement of loss allowance	7,894	(14,240)	(6,346)
Currency translation differences	(18)	-	(18)
Balance at 31 December 2024/1 January 2025	18,063	13,988	32,051
Amounts written off	(13,355)	-	(13,355)
Net remeasurement of loss allowance	2,540	106	2,646
Currency translation differences	(12)	-	(12)
Balance at 31 December 2025	7,236	14,094	21,330
Company			
Balance at 1 January 2024	3,231	5,940	9,171
Amounts written off	(722)	-	(722)
Net remeasurement of loss allowance	(1,294)	(4,315)	(5,609)
Balance at 31 December 2024/1 January 2025	1,215	1,625	2,840
Amounts written off	(1,436)	-	(1,436)
Net remeasurement of loss allowance	1,234	46	1,280
Balance at 31 December 2025	1,013	1,671	2,684

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.4 Credit risk (continued)

Financial guarantees

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM245,844,000 (2024: RM286,052,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that these subsidiaries would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Cash and bank balances

Risk management objectives, policies and processes for managing the risk

The Group and the Company manage their balances and deposits with banks and financial institutions by monitoring their credit ratings on an ongoing basis.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.4 Credit risk (continued)

Fund investments

Risk management objectives, policies and processes for managing the risk

The Group and the Company are exposed to counterparty credit risk from financial institutions through fund investment activities which comprise primarily money market placement. These exposures are managed in accordance with existing policies and guidelines that define the parameters within which the investment activities shall be undertaken in order to achieve the Group's investment objective of preserving capital and generating optimal returns above appropriate benchmarks within allowable risk parameters.

Investments are only made with approved counterparties who met the appropriate rating and other relevant criteria and within approved credit limits.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

As at the end of the reporting period, the Group and the Company have only invested in short term domestic money market instrument. In view of the sound credit rating of counterparties, the Group and the Company do not expect any counterparties to fail to meet their obligation and hence, loss allowance is not provided for.

Other financial asset

Risk management objectives, policies and processes for managing the risk

Other financial asset relates to capital contributions provided to an associate which the Group does not seek to collect contractual cash flow and relevant interest.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by its carrying amount in the statement of financial position. In view that the associate has low credit risk, the Group does not expect that the other financial asset is not recoverable. Accordingly, no loss allowance is provided for.

Amounts due from an associate

Risk management objectives, policies and processes for managing the risk

The Group and the Company transact with its associates. The Group and the Company monitor the ability of their associates to repay its debts on an individual basis.

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.4 Credit risk (continued)

Amounts due from an associate (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

Generally, the Group and the Company consider debts from associates have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when an associate's financial position deteriorates significantly. The Group and the Company consider an associate's debt to be credit impaired when:

- The associate is unlikely to repay its debts to the Group or the Company in full;
- The associate's debt is overdue for more than 365 days; or
- The associate is continuously loss making and is having a deficit shareholders' fund.

The Group and the Company determine the probability of default for these debts individually using internal information available.

As at 31 December 2025, no impairment loss has been recognised in relation to the amounts due from an associate.

Other receivables and deposits

Risk management objectives, policies and processes for managing the risk

Credit risks on other receivables and deposits are mainly arising from deposits paid for office buildings, fixtures, motor vehicles and ground handling equipment rented. These deposits will be received at the end of each lease terms. The Group and the Company manage the credit risk together with the leasing arrangement.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

As at the end of the reporting period, the Group and the Company did not recognise any allowance for impairment losses, except as disclosed in Note 4 to the financial statements.

Amounts due from subsidiaries and related companies

Risk management objectives, policies and processes for managing the risk

The Group and the Company transact with subsidiaries and related companies and monitors their results regularly.

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.4 Credit risk (continued)

Amounts due from subsidiaries and related companies (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

Generally, the Group and the Company consider debts from subsidiaries and related companies have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when subsidiary's and related company's financial position deteriorates significantly. As the Group and the Company are able to determine the timing of payments of the subsidiaries' and related companies' debts when they are payable, the Group and the Company consider these debts to be in default when the subsidiaries and related companies are not able to pay when demanded. The Group and the Company consider subsidiary's and related company's debts to be credit impaired when:

- The subsidiary or related company is unlikely to repay its debts to the Company in full;
- The subsidiary's or related company's debt is overdue for more than 365 days; or
- The subsidiary or related company is continuously loss making and is having a deficit shareholders' fund.

The Group and the Company determine the probability of default for these debts individually using internal information available.

The following table provides information about the exposure to credit risk for subsidiaries' debts as at the end of the reporting period.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Gross carrying amount	-	-	451,283	352,505
Impairment loss allowances	-	-	(45,834)	(45,834)
Net balance	-	-	405,449	306,671

29.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, lease liabilities, loans and borrowings.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

Group	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 Year RM'000	1 - 5 years RM'000	More than 5 years RM'000
2025						
<i>Non-derivative financial liabilities</i>						
Islamic term loans	151,000	4.69% - 5.52%	151,000	151,000	-	-
Revolving credits	243,275	4.08% - 6.52%	243,275	243,275	-	-
Invoice financing	38,032	5.22% - 6.15%	38,032	38,032	-	-
Bank overdrafts	911	8.35%	911	911	-	-
Lease liabilities	93,230	3.49% - 7.65%	128,277	37,060	46,235	44,982
Trade and other payables						
- Interest bearing	571,850	6.23%	571,850	571,850	-	-
- Non-interest bearing	689,508	-	689,508	689,508	-	-
	1,787,806		1,822,853	1,731,636	46,235	44,982
2024						
<i>Non-derivative financial liabilities</i>						
Islamic term loans	170,148	4.00% - 5.52%	186,637	27,212	159,425	-
Revolving credits	264,755	4.42% - 6.52%	264,755	264,755	-	-
Invoice financing	36,061	5.18% - 6.52%	36,061	36,061	-	-
Bank overdrafts	930	8.35%	930	930	-	-
Lease liabilities	98,915	4.70% - 7.65%	133,965	37,233	48,580	48,152
Trade and other payables						
- Interest bearing	320,450	6.23%	320,450	320,450	-	-
- Non-interest bearing	747,758	-	747,758	747,758	-	-
	1,639,017		1,690,556	1,434,399	208,005	48,152

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.5 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 Year RM'000	1 - 5 years RM'000	More than 5 years RM'000
2025						
<i>Non-derivative financial liabilities</i>						
Islamic term loan	151,000	4.69% - 5.52%	151,000	151,000	-	-
Lease liabilities	53,923	5.42%	65,392	24,000	25,143	16,249
Trade and other payables						
- Interest bearing	639,850	5.46% - 6.23%	639,850	639,850	-	-
- Non-interest bearing	626,099	-	626,099	626,099	-	-
Financial guarantees	-	-	245,844	245,844	-	-
	1,470,872		1,728,185	1,686,793	25,143	16,249
2024						
<i>Non-derivative financial liabilities</i>						
Islamic term loan	153,000	5.26% - 5.52%	169,085	9,660	159,425	
Lease liabilities	69,813	5.43% - 5.89%	83,770	26,632	39,224	17,914
Trade and other payables						
- Interest bearing	427,450	5.05% - 6.23%	427,450	427,450	-	-
- Non-interest bearing	692,463	-	692,463	692,463	-	-
Financial guarantees	-	-	286,052	286,052	-	-
	1,342,726		1,658,820	1,442,257	198,649	17,914

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and the Company's financial position or cash flows.

29.6.1 Currency risk

The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

The Group and the Company do not use any forward contracts to hedge against its exposure to foreign currency. The Group and the Company ensure that the net exposure is kept to an acceptable level by monitoring the fluctuations of the foreign currency.

Exposure to foreign currency risk

The Group's and the Company's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

	Denominated in USD	
	2025 RM'000	2024 RM'000
Group		
Trade and other receivables	44,418	75,394
Cash and bank balances	2,856	9,208
Trade and other payables	(173,204)	(230,370)
Exposure in the statement of financial position	(125,930)	(145,768)
Company		
Trade and other receivables	57,163	88,380
Cash and bank balances	2,809	8,145
Trade and other payables	(173,073)	(230,404)
Exposure in the statement of financial position	(113,101)	(133,879)

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.6 Market risk (continued)

29.6.1 Currency risk (continued)

Currency risk sensitivity analysis (continued)

A 10% (2024: 10%) strengthening of RM against USD at the end of the reporting period would have increased equity and post-tax profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

USD	Profit or loss	
	2025 RM'000	2024 RM'000
Group	9,571	11,078
Company	8,596	10,175

A 10% (2024: 10%) weakening of RM against the USD at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

29.6.2 Interest rate risk

The Group's and the Company's primary interest rate risks relates to debt securities, deposits placed with licensed banks, lease liabilities and borrowings.

The Group's and the Company's investments in deposits placed with licensed banks and short term receivables and payables are not significantly exposed to interest rate risk.

The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Company provides advances to its subsidiaries at interest rates range from 6.29% to 6.36% (2024: 5.05% to 6.44%) per annum and are repayable on demand.

The Company obtains advances from a subsidiary at interest rate of 5.46% (2024: 5.05%) and is repayable on demand.

The Group and the Company obtain advances from immediate holding company and a related company at interest rate of 6.23% (2024: 6.23%) per annum and is repayable on demand.

Risk management objectives, policies and processes for managing the risk

The Group and the Company adopt a policy to manage interest cost using a mix of fixed and floating rate debts.

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.6 Market risk (continued)

29.6.2 Interest rate risk (continued)

Risk management objectives, policies and processes for managing the risk (continued)

The Group's and the Company's variable rate borrowings are exposed to a risk of change in interest rate.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rate instruments				
<u>Financial assets</u>				
Deposits placed with licensed banks	53,020	11,086	31,979	3,269
<u>Financial liabilities</u>				
Islamic term loans	-	(17,148)	-	-
Lease liabilities	(93,230)	(98,915)	(53,923)	(69,813)
	(40,210)	(104,977)	(21,944)	(66,544)
Floating rate instruments				
<u>Financial assets</u>				
Amounts due from subsidiaries	-	-	173,002	167,437
<u>Financial liabilities</u>				
Bank overdrafts	(911)	(930)	-	-
Invoice financing	(38,032)	(36,061)	-	-
Revolving credits	(243,275)	(264,755)	-	-
Islamic term loans	(151,000)	(153,000)	(151,000)	(153,000)
Amount due to a subsidiary	-	-	(107,000)	(107,000)
Amount due to a holding company	(359,450)	(320,450)	(320,450)	(320,450)
Amount due to a related company	(212,400)	-	(212,400)	-
	(1,005,068)	(775,196)	(617,848)	(413,013)

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.6 Market risk (continued)

29.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or loss	
	2025 RM'000	2024 RM'000
Group		
Floating rate instruments	7,639	5,891
Company		
Floating rate instruments	4,696	3,139

29.6.3 Other price risk

The Group's and the Company's primary other price risk relate to investments in short term money market instruments.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's short term money market instruments are mainly placed with reputable financial institutions.

Other price risk sensitivity analysis

The Directors are of the opinion that the other price risk is not significant and hence, sensitivity analysis is not presented.

29.7 Fair value information

The carrying amounts of cash and bank balances, other investments, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.7 Fair value information (continued)

It was not practicable to estimate the fair value of the Group's and the Company's investment in unquoted shares due to the lack of comparable quoted market prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2025										
Financial assets										
Other investments	29,385	-	6,723	36,108	-	-	-	-	36,108	36,108
Derivative financial asset	-	-	1,626	1,626	-	-	-	-	1,626	1,626
	29,385	-	8,349	37,734	-	-	-	-	37,734	37,734
2024										
Financial assets										
Other investments	5,698	-	6,723	12,421	-	-	-	-	12,421	12,421
Derivative financial asset	-	-	1,626	1,626	-	-	-	-	1,626	1,626
	5,698	-	8,349	14,047	-	-	-	-	14,047	14,047
Financial liabilities										
Islamic term loans	-	-	-	-	-	-	164,456	164,456	164,456	170,148
	-	-	-	-	-	-	164,456	164,456	164,456	170,148

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.7 Fair value information (continued)

Company	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2025										
Financial assets										
Other investments	3,078	-	-	3,078	-	-	-	-	3,078	3,078
2024										
Financial assets										
Other investments	625	-	-	625	-	-	-	-	625	625
Financial liabilities										
Islamic term loan	-	-	-	-	-	-	151,904	151,904	151,904	153,000

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.7 Fair value information (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2024: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

NOTES TO THE FINANCIAL STATEMENTS

29. Financial instruments (continued)

29.7 Fair value information (continued)

Financial instruments not carried at fair value

Type	Description of valuation technique and input used
Islamic term loans	Discounted cash flows using current market rate of borrowing
Unquoted shares	The value of unquoted shares is based on market comparison technique
Derivative financial asset	The value of derivative financial asset is based on a valuation model
Other financial asset	Discounted cash flows using discount rate reflecting current market assessments of the time value of money and the risks specific to the financial asset

29.8 Material accounting policy information

The Group or the Company applies settlement date accounting for regular way purchase or sale of financial assets.

30. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with regulatory requirements.

	Group	
	2025 RM'000	2024 RM'000
Total borrowings (Note 25)	433,218	471,894
Less: Cash and cash equivalents (net of pledged deposits, restricted cash and collections on behalf of agency payables and money order payables) (Note 23)	(123,498)	(115,096)
Less: Fund investments (Note 17)	(29,385)	(5,698)
Net debt	280,335	351,100
Total equity	89,246	297,644
Debt-to-equity ratio	3.14	1.18

NOTES TO THE FINANCIAL STATEMENTS

30. Capital management (continued)

There were no changes in the Group's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. As of 31 December 2025, the Company has complied with this requirement.

31. Commitments

Capital expenditure commitments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Property, plant and equipment				
Contracted but not provided for	49,948	18,146	19,789	5,155

32. Material litigation

The major litigation of the Group as of reporting period are as follows:-

- i) In the financial year 2022, the Group was defending an action brought by a shipping agency due to termination of contract without notice. If defence against the action was unsuccessful, the claim on business loss and legal costs could amount to approximately RM14,970,000. Based on court's judgement in March 2023, the Group has successfully defended the claim. However, the plaintiff filed for an appeal. The hearing for the appeal was fixed in August 2026; and
- ii) the Group is making a claim against a customer for outstanding debts, rental, maintenance costs and utilities, and loss of profits, totalling RM9,990,000. The customer does not agree with the claims and a counterclaim has been filed against the Group for alleged lost inventory, loss of sales opportunity, loss of profits and wasted marketing expenditure, totalling RM16,300,000.

During the financial year, both parties reached a settlement agreement, which was finalised in August 2025. Under the terms of the settlement, the Group will receive RM1,000,000 in full and final resolution of all claims and counterclaims. As of February 2026, RM1,000,000 has been received. As all legal matters have now been concluded, no further provision is required.

In the Directors' opinion, disclosure of any further information about the above matters would be prejudicial to the interests of the Group.

NOTES TO THE FINANCIAL STATEMENTS

33. Related parties

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms.

The significant related party transactions of the Group and the Company, other than key management personnel compensation (Refer to Note 5) are shown below. Significant related parties' balances related to the below transactions are disclosed in Notes 20 and 27 to the financial statements, other than lease liabilities balances as disclosed below:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Transactions				
A. Immediate holding company				
Sales of services	85	46	-	-
Finance costs	21,018	16,346	19,964	16,346
B. Subsidiaries				
Sales of services	-	-	20,309	23,228
Rental income	-	-	2,757	2,126
Purchase of services	-	-	(3,625)	(4,325)
Management fee income	-	-	6,990	6,856
Finance income	-	-	13,145	7,918
Finance cost	-	-	(5,927)	(5,463)
Rental expense*	-	-	(7,430)	(7,551)
Payment of lease liabilities	-	-	(120)	(144)
C. Related companies				
Sales of services	98,196	99,964	13,837	4,337
Rental income	11	7	11	7
Purchase of services	(20,134)	(16,353)	(18,206)	(12,058)
Management fee	(840)	(840)	(840)	(840)
Finance costs	16,036	9,637	16,036	-
Payment of lease liabilities	(1,416)	(11,845)	(136)	(9,316)
D. Associates				
Sales of services	5,296	6,373	-	-
Transportation cost	(85,653)	(87,970)	(85,653)	(87,962)

* relates to short-term leases and low-value assets

NOTES TO THE FINANCIAL STATEMENTS

33. Related parties (continued)

Significant related party transactions (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Transactions				
E. Companies subject to common significant				
Sales of services	49,053	56,388	18,402	15,148
Purchase of services	(11,157)	(20,123)	(3,660)	(3,159)
Rental expense*	(97)	(131)	(97)	(131)
Balances				
A. Subsidiaries				
Lease liabilities	-	-	-	83
B. Related companies				
Lease liabilities	170	1,379	93	220

* relates to short-term leases and low-value assets

34. Acquisition of a subsidiary

On 30 December 2025, the Company acquired the entire interest in PSH Express Sdn. Bhd. ("PSHE"), from its direct wholly-owned subsidiary, Posmen Sdn. Bhd. ("Posmen") for a total cash consideration of RM5,000,000. As the transaction was under common control, the group applied common control exemption and adopted book value method. There was no change in the Group's effective equity instrument and had no impact to the Group's financial statement.

35. Subsequent event

On 26 February 2026, the Company announced the establishment of a subordinated perpetual Islamic notes programme with a nominal value of RM1,000,000,000 under the Shariah principle of Wakalah Bi Al-Istithmar. The programme is intended to finance the capital expenditure, investment activities, working capital requirements, and other general corporate purposes. The issuance of the first tranche amounting to RM300,000,000 was successfully completed on 17 March 2026.

STATEMENT BY DIRECTORS

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 213 to 313 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tan Sri Syed Faisal Albar bin Syed A.R Albar

Director

.....
Roshidah binti Abdullah

Director

Kuala Lumpur

Date: 25 March 2026

STATUTORY DECLARATION

pursuant to Section 251(1)(b) of the Companies Act 2016

I, PeerMohamed bin Ibramsha, the officer primarily responsible for the financial management of Pos Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 213 to 313 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed PeerMohamed bin Ibramsha, NRIC: 651110-07-5679, MIA CA 7463, at Kuala Lumpur on 25 March 2026

.....
PeerMohamed bin Ibramsha

Before me:



INDEPENDENT AUDITORS' REPORT

To The Members Of Pos Malaysia Berhad
(Registration No. 199101019653 (229990-M)) (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pos Malaysia Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 213 to 313.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT

To The Members Of Pos Malaysia Berhad
(Registration No. 199101019653 (229990-M)) (Incorporated in Malaysia)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group level Valuation of goodwill and intangible assets Refer to Note 13 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Group has significant goodwill and intangible assets balances amounting to RM57,778,000 and RM59,288,000 respectively.</p> <p>The Group performs annual goodwill impairment assessment by comparing the aggregated carrying amount of the allocated goodwill of each cash-generating unit ("CGU") against the respective discounted cash flow projections to determine the amount of impairment loss which should be recognised, if any.</p> <p>We identified the potential impairment of goodwill and intangible assets as a key audit matter due to the following factors:</p> <ul style="list-style-type: none"> - significance of the assets to the Group's consolidated statement of financial position; - impairment assessments prepared by the Group are complex and contain assumptions, particularly profit margins, growth rates, discount rates and revenue growth that are inherently uncertain; and - key assumptions included in the impairment assessments are highly sensitive as disclosed in Note 13. 	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> • We assessed the significant and highly sensitive assumptions to determine if they are appropriate and supportable by comparing those assumptions with each of the CGUs' internally derived information and external market data; • We evaluated the estimation uncertainty and performed a sensitivity analysis on the key assumptions; • We assessed the appropriateness of projected profit margins, terminal growth rates, discount rate and revenue growth applied in the respective discounted cash flow projections; and • We considered the adequacy of the disclosures of the assumptions applied, which are particularly sensitive, uncertain or require significant judgment, in the assessment of goodwill and intangible assets impairment.

INDEPENDENT AUDITORS' REPORT

To The Members Of Pos Malaysia Berhad
(Registration No. 199101019653 (229990-M)) (Incorporated in Malaysia)

Key Audit Matters (continued)

Group and Company level Valuation of property, plant and equipment and right-of-use assets Refer to Note 10 and Note 12 to the financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>The Group and the Company have significant property, plant and equipment and right-of-use assets amounting to RM828,028,000 and RM312,933,000 respectively.</p> <p>The Group and the Company perform impairment assessment for Group entities that were reporting operating losses by comparing the carrying amount of the Group entities property, plant and equipment and right-of-use assets against the respective recoverable amount to determine the amount of impairment loss which should be recognised, if any.</p> <p>We identified the potential impairment of property, plant and equipment and right-of-use assets as a key audit matter due to the following factors:</p> <ul style="list-style-type: none"> - significance of the assets to the Group's and the Company's statements of financial position; - impairment assessments prepared by the Group and the Company are complex and contain assumptions, particularly profit margin, growth rates, discount rates and revenue growth that are inherently uncertain; - management has applied significant judgement in estimating the fair values based on valuation reports prepared by an independent professional valuer as well as available comparative market value of certain assets; and - key assumptions included in the impairment assessments are highly sensitive as disclosed in Note 10 and 12. 	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> • We challenged the Group's and the Company's assessments in identifying property, plant and equipment and right-of-use assets that have impairment indicators by evaluating whether internal and external indicators had been considered; • We challenged the impairment model and assessed the significant assumptions used by the Group and the Company such as market price of property in vicinity compared and market value of comparable motor vehicles (considering the model, year of manufacturing and specification) to derive the fair value less cost of disposal; • We evaluated the competency, independence and qualification of the professional valuers used in determining fair value of properties; • We assessed the significant and highly sensitive assumptions to determine if they are appropriate and supportable by comparing those assumptions with internally derived information and external market data; • We evaluated the estimation uncertainty and performed a sensitivity analysis on the key assumptions; • We assessed the appropriateness of discount rate and terminal growth rates applied in the respective discounted cash flow projections; and • We considered the adequacy of the disclosures of the assumptions applied, which are particularly sensitive, uncertain or require significant judgment, in the assessment of impairment of property, plant and equipment and right-of-use assets.

INDEPENDENT AUDITORS' REPORT

To The Members Of Pos Malaysia Berhad
(Registration No. 199101019653 (229990-M)) (Incorporated in Malaysia)

Key Audit Matters (continued)

Group and Company level Going concern basis of measurement Refer to Note 1(b) to the financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>The Group and the Company incurred net losses of RM207,915,000 and RM104,604,000 respectively during the financial year ended 31 December 2025, and as of that date, the current liabilities of the Group and of the Company exceeded their current assets by RM848,381,000 and RM783,426,000 respectively. In addition, the Company recorded a deficit in shareholders' fund of RM29,067,000 for the financial year ended 31 December 2025.</p> <p>Notwithstanding the above conditions, management has assessed that the use of the going concern assumption is appropriate as:</p> <ul style="list-style-type: none"> - the Group and the Company would be able to generate sufficient operating cash flows from their operations; - the Group and the Company have available credit facilities to meet the Group's and the Company's operational and financial needs; and - the Group and the Company have financial support from a key stakeholder to manage the cash flows requirements of the Group and the Company. <p>The assessment of the appropriateness of the Group's and the Company's going concern assumption requires significant management judgement and estimates, including the management's cash flow forecasts of the Group and the Company and the financial ability of key stakeholder that will be providing financial support to the Group and the Company.</p>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> • We evaluated the Group's and the Company's assessment of their ability to continue as going concern by performing an analysis of the cash flow forecasts for the next 12 months from the reporting date, and assessed the reasonableness of assumptions used in the projection of these forecasts; • We assessed the significant and highly sensitive assumptions to determine if they are appropriate and supportable by comparing those assumptions with management's internally derived information and external market data; • We assessed the financial ability of the key stakeholder to determine if the stakeholder is able to provide financial support to the Group and the Company; and • We considered the adequacy of the disclosures made in the financial statements in relation to the Group's and the Company's assessments of the appropriateness of the use of going concern assumption in their preparation of the Group's and the Company's financial statements.

INDEPENDENT AUDITORS' REPORT

To The Members Of Pos Malaysia Berhad
(Registration No. 199101019653 (229990-M)) (Incorporated in Malaysia)

Key Audit Matters (continued)

Company level Valuation of investments in subsidiaries Refer to Note 15 to the financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>The Company has significant investments in subsidiaries amounting to RM473,680,000.</p> <p>We identified the potential impairment of investments in subsidiaries as a key audit matter due to the following factors:</p> <ul style="list-style-type: none"> - significance of the assets to the Company's statement of financial position; - impairment assessments prepared by the Company are complex and contain assumptions, particularly profit margin, growth rate, discount rates and revenue growth that are inherently uncertain; and - key assumptions included in the impairment assessments are highly sensitive as disclosed in Note 15. 	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> • We challenged the Company's assessment in identifying investments that have impairment indicators by evaluating whether internal and external indicators had been considered; • We assessed the significant and highly sensitive assumptions to determine if they are appropriate and supportable by comparing those assumptions with internally derived information and external market data; • We evaluated the estimation uncertainty and performed a sensitivity analysis on the key assumptions; • We assessed appropriateness of discount rate and terminal growth rates applied in the respective discounted cash flow projections; and • We considered the adequacy of the disclosures of the assumptions applied, which are particularly sensitive, uncertain or require significant judgment, in the assessment of impairment of investments in subsidiaries.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and Statement on Risk Management and Internal Control, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT

To The Members Of Pos Malaysia Berhad
(Registration No. 199101019653 (229990-M)) (Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon (continued)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

To The Members Of Pos Malaysia Berhad
(Registration No. 199101019653 (229990-M)) (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT

To The Members Of Pos Malaysia Berhad
(Registration No. 199101019653 (229990-M)) (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that a subsidiary of which we have not acted as auditors is disclosed in Note 15 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 25 March 2026

Tai Yoon Foo
Approval Number 02948/05/2026 J
Chartered Accountant

Future Forward

Innovating for the Next Era of Logistics

Through digitalisation, automation and continuous innovation, Pos Malaysia is positioning itself to meet the evolving demands of the logistics ecosystem while creating long-term value for customers and stakeholders.



ANALYSIS OF SHAREHOLDINGS

As at 25 March 2026

Total number of issued shares : 782,776,836 ordinary shares and one (1) Special Rights Redeemable Preference Share

Voting Rights : One (1) vote for every ordinary share, on a poll voting
(The Special Rights Redeemable Preference Share does not carry any voting right except in circumstances set out in the Company's Constitution)

No. Shareholders : 22,701

SUBSTANTIAL SHAREHOLDERS (Based on the Register of Substantial Shareholders)

No.	Substantial Shareholders	Direct		Indirect	
		No. of shares	%	No. of shares	%
1.	HICOM Holdings Berhad	245,750,751	31.39	-	-
2.	DRB-HICOM Berhad	172,997,399	22.10	245,750,751*	31.39
3.	Tan Sri Dato' Seri Syed Mokhtar Shah bin Syed Nor	-	-	418,748,150 [#]	53.49
4.	Etika Strategi Sdn. Bhd.	-	-	418,748,150 [^]	53.49

Notes:
* Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of its interest in HICOM Holdings Berhad.
[#] Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of his interest in DRB-HICOM Berhad via Etika Strategi Sdn. Bhd.
[^] Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of its interest in DRB-HICOM Berhad.

ANALYSIS BY SIZE OF SHAREHOLDINGS

Holdings	No. of Holders	%	No. of shares	%
1 to 99	4,841	21.33	179,311	0.02
100 to 1,000	6,278	27.65	3,816,656	0.49
1,001 to 10,000	8,141	35.86	36,258,628	4.63
10,001 to 100,000	3,048	13.43	98,305,040	12.56
100,001 to 39,138,841 (Less than 5% of issued shares)	390	1.72	173,813,726	22.21
39,138,842 and above (5% and above of issued shares)	3	0.01	470,403,475	60.09
Total	22,701	100	782,776,836	100

30 LARGEST REGISTERED SHAREHOLDERS

No.	Name of Shareholders	No. of shares	%
1.	RHB NOMINEES (TEMPATAN) SDN. BHD. MALAYSIAN TRUSTEES BERHAD PLEDGED SECURITIES ACCOUNT FOR HICOM HOLDINGS BERHAD	245,750,751	31.39
2.	RHB NOMINEES (TEMPATAN) SDN. BHD. MALAYSIAN TRUSTEES BERHAD PLEDGED SECURITIES ACCOUNT FOR DRB HICOM BERHAD	172,997,399	22.10
3.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - DBS BANK LTD FOR DEVA DASSAN SOLOMON (SG0700068062)	39,234,000	5.01
4.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. CHENG MOOI SOONG	9,106,000	1.16
5.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. CHENG KEN SHIN	8,703,900	1.11

ANALYSIS OF SHAREHOLDINGS

As at 25 March 2026

No.	Name of Shareholders	No. of shares	%
6.	MAYBANK NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR KENSINGTON TRUST LABUAN (AMAT CLASS-H)	6,000,000	0.77
7.	LIM BOON LIAT	5,023,400	0.64
8.	ZHUO YUE	5,000,000	0.64
9.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOK CHIN SIANG	4,501,700	0.58
10.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HOW KOK HING (E-KTN)	4,000,000	0.51
11.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DEVA DASSAN SOLOMON (E-SS2)	3,749,800	0.48
12.	DEVA DASSAN SOLOMON	3,588,825	0.46
13.	HSBC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	3,553,900	0.45
14.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM TECK HUAT	3,346,600	0.43
15.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR INBAMANAY A/P M J ARUMANAYAGAM (E-SS2)	3,277,100	0.42
16.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DEVA DASSAN SOLOMON (MY1091)	3,059,600	0.39
17.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. TENG LUNG CHAI	2,590,800	0.33
18.	JAROD CHOO CHEE CHEONG	2,252,200	0.29
19.	LEE YOKE HEAN	2,032,700	0.26
20.	HLB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TOH HOOI HAK	1,900,000	0.24
21.	LEE JUN KIN	1,892,700	0.24
22.	UOB KAY HIAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	1,864,269	0.24
23.	PUBLIC INVEST NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DEVA DASSAN SOLOMON (M)	1,808,100	0.23
24.	LIM CHIN SEAN	1,800,000	0.23
25.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. LEE AI CHU	1,590,000	0.20
26.	CHAN HOE HOCK	1,500,000	0.19
27.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR ABDUL GHANI BIN ABDULLAH (PB)	1,456,600	0.19
28.	YUE FOOK CHEONG	1,345,000	0.17
29.	GAN CHEE BOON	1,228,000	0.16
30.	LEE TEONG GHEE	1,190,000	0.15
	Total	545,343,344	69.66

DIRECTORS' DIRECT AND INDIRECT INTERESTS IN SHARES IN THE COMPANY AND ITS RELATED CORPORATION (Based on the Register of Directors' Shareholdings)

As at 25 March 2026, none of the Directors in office held any interest in shares in the Company and its related companies.

Top 10 Properties

No	Location	Subject Property	Registered Owner	Land Area (square metre)	Gross Floor Area (square metre)	Net Book Value as at 31 December 2025 (RM)	Date of revaluation
1	International Airport	Southern Support Zone, KL International Airport, 64000 Sepang, Selangor	Pos Aviation Sdn. Bhd.	189,550	67,607	72,583,536	-
2	Section 28, Shah Alam	HS(D) 316566 PT 856 Section 28, Pekan Hicom, District of Petaling, State of Selangor	Pos Malaysia Berhad	40,093	Not applicable	71,065,687	1.11.2025
3	Section 21, Shah Alam	HS(D) 98478, PT 1, Section 21, Town of Shah Alam, District of Petaling, State of Selangor	PMB Properties Sdn. Bhd.	90,072	57,749	43,343,917	1.11.2025
4	Pelabuhan Klang	HS(D) 116399, PT225, Town of Sultan Sulaiman, District of Klang, State of Selangor	Pos Logistics Berhad	135,257	7,526	41,158,115	1.11.2025
5	Greentown, Ipoh	PN 153721, Lot No. 2351N, Town of Ipoh (N), District of Kinta, State of Perak	Effviation Sdn. Bhd.	1,500	Not applicable	22,320,000	1.11.2025
		PN 155068, Lot 2436N, Town of Ipoh (N), District of Kinta, State of Perak		1,310	Not applicable		1.11.2025
		PN 155069, Lot 2437N, Town of Ipoh (N), District of Kinta, State of Perak		1,424	Not applicable		1.11.2025
		PN 155073, Lot No. 2740N, Town of Ipoh (N), District of Kinta, State of Perak		1,507	Not applicable		1.11.2025
		PN 4738, Lot 31448, Town of Ipoh (S), District of Kinta, State of Perak		2,722	Not applicable		1.11.2025
		GRN 55283, Lot 31449, Town of Ipoh (N), District of Kinta, State of Perak		3,010	Not applicable		1.11.2025
		PN 153337, Lot 35120, Town of Ipoh (N), District of Kinta, State of Perak		2,228	Not applicable		1.11.2025
6	Taman Perindustrian Bukit Minyak, Pulau Pinang	PN 10881, Lot 20023, Mukim 13, District of Seberang Perai Tengah, State of Pulau Pinang	Pos Malaysia Berhad	12,348	7,772	16,739,133	1.11.2025
7	KLIA	HS (D) 7443, PT27, Town of Lapangan Terbang Antarabangsa Sepang, District of Sepang, State of Selangor	Pos Malaysia (Concessionaire)	36,950	18,729	12,553,147	-
8	Brickfields	PN 27419, Lot 361, Section 72, Town of Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Pos Malaysia & Services Holdings Berhad	10,922	3,914	9,608,523	1.11.2025
9	Cyberjaya	Parent Title GRN 339485, Lot No. 111284, Bandar Cyberjaya, District of Sepang, State of Selangor	Pos DigiCert Sdn. Bhd.	Not applicable	17,999	9,261,819	1.11.2025
10	Prai Industrial Estate	HS(D) 44443, PT 2789, Mukim 01, District of Seberang Perai Tengah, State of Pulau Pinang	Diperdana Kontena Sdn. Bhd.	40,485	5,356	7,329,915	1.11.2025

Notice Of 34th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 34th Annual General Meeting (“AGM”) of Pos Malaysia Berhad (“Pos Malaysia” or “the Company”) will be held at Pos Malaysia, Dewan Sri Pos, Level 3, Dayabumi Complex, 50670 Kuala Lumpur, Malaysia on Friday, 22 May 2026 at 10.00 a.m. for the purpose of transacting the following businesses:

Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2025, together with the Reports of the Directors and Auditors thereon.
(Please refer to Note A)
- To re-elect the following Directors, who retire by rotation in accordance with Article 116 of the Company’s Constitution and who being eligible, offer themselves for re-election:
 - Dato’ Dr. Mohd Ali bin Mohamad Nor (Resolution 1)
 - Dato’ Jezilee bin Mohamad Ramli (Resolution 2)**(Please refer to Note B)**
- To approve the payment of Directors’ fees to the Non-Executive Directors up to an amount of RM965,000.00 from 23 May 2026 until the next AGM of the Company.
(Please refer to Note C) (Resolution 3)
- To approve the payment of benefits payable (excluding Directors’ fees) to the Non-Executive Directors up to an amount of RM277,000.00 from 23 May 2026 until the next AGM of the Company.
(Please refer to Note D) (Resolution 4)
- To re-appoint KPMG PLT as Auditors of the Company for the ensuing year and authorise the Board of Directors to determine their remuneration.
(Please refer to Note E) (Resolution 5)

Special Business

To consider and, if thought fit, to pass the following Ordinary Resolution, with or without any modifications:

- Proposed Renewal of Shareholders’ Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders’ Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Shareholders’ Mandate”)** (Resolution 6)

Notice Of 34th Annual General Meeting

“THAT subject always to the provisions of the Companies Act 2016 (“CA 2016”), the Constitution of the Company and the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), approval be hereby given to the Company and its subsidiaries (collectively known as “Pos Malaysia Group”) to enter into any of the recurrent related party transactions of a revenue or trading nature as set out in Section 2.2.3 of the Circular to Shareholders dated 23 April 2026, which are necessary for the day-to-day operations of Pos Malaysia Group, PROVIDED THAT such transactions are entered into in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public, undertaken on an arm’s length basis, and are not detrimental to the minority shareholders of the Company.

AND THAT the Proposed Shareholders’ Mandate, shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the CA 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the CA 2016); or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever is the earlier;

AND THAT the Directors of the Company be hereby empowered and authorised to complete and do all such acts (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders’ Mandate.”

(Please refer to Note F)

- 7. To transact any other business of which due notice shall have been given in accordance with the CA 2016 and the Company’s Constitution.

BY ORDER OF THE BOARD

SABARINA LAILA BINTI MOHD HASHIM (LS No. 0004324) SSM PC No. 201908001661

LEE SIEW YOKE (MAICSA 7053733) SSM PC No. 202008003820

Company Secretaries

Kuala Lumpur
23 April 2026

Notice Of 34th Annual General Meeting

NOTES:

1. Proxy and/or Authorised Representative

- 1.1 Every member including Authorised Nominees as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”) is entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote instead of him. The proxy need not be a member of the Company.
- 1.2 Where a member of the Company is an exempt authorised nominee as defined under the SICDA, which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA, of which holds ordinary shares in the company for multiple beneficial owners in one (1) Securities Account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 1.3 Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
- 1.4 The instrument appointing a proxy shall be in writing under the hand of the member or his/her attorney duly appointed under a power of attorney or if such member is a corporation, either under its common seal or under the hand of two (2) authorised officers, one (1) of whom shall be a Director, or its attorney duly authorised in writing. Any alteration to the instrument appointing a proxy must be initialled.
- 1.5 The proxy forms and/or documents relating to the appointment of proxy for the 34th AGM shall be deposited or submitted in the following manner not less than 48 hours before the time for holding the 34th AGM or no later than Wednesday, 20 May 2026 at 10.00 a.m. in accordance with the Company’s Constitution:
 - a. In hard copy form
The Proxy Form, Corporate Representative, Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.
 - b. By Boardroom Smart Investor Portal (“BSIP”)
Online via the BSIP at <https://investor.boardroomlimited.com/>, which is free and available to all individual Depositors. Alternatively, the Proxy Form can be submitted via email at bsr.proxy@boardroomlimited.com. The detailed requirements and procedures for the submission of proxy forms are set out in the Administrative Guide for the 34th AGM – Lodgement of Proxy Form.

2. Voting by Poll

Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Malaysia, all resolutions set out in this notice will be put to vote by way of a poll.

3. Members entitled to attend AGM

For the purpose of determining a member who shall be entitled to attend the 34th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 15 May 2026. Only a depositor whose name appears therein shall be entitled to attend the 34th AGM or appoint a proxy(ies) to attend, participate and vote on his/her behalf.

Notice Of 34th Annual General Meeting

EXPLANATORY NOTES:

1. Explanatory Note A - Audited Financial Statements

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the CA 2016 does not require the Audited Financial Statements to be formally approved by the shareholders. Hence, this item will not be put for voting.

2. Explanatory Note B - Re-election of Directors (Resolutions 1 and 2)

The Directors, who are subject to re-election at the 34th AGM of the Company, are as follows:

- (a) Article 116 - Retirement by rotation
- (i) Dato' Dr. Mohd Ali bin Mohamad Nor
 - (ii) Dato' Jezilee bin Mohamad Ramli

Article 116 of the Company's Constitution provides that one-third (1/3) or the number nearest to one-third (1/3) of the Directors for the time being, shall retire from office in every subsequent AGM and shall then be eligible for re-election.

For the purpose of determining the eligibility of Directors standing for re-election at the 34th AGM, the Board, through the Board Nomination and Remuneration Committee ("BNRC"), has assessed the retiring Directors' performance, contribution and independence via the annual Board Effectiveness Assessment, taking into consideration among others, the Director's level of contribution to the Board's deliberations through their skills, experience and strength in qualities, the nature and extent of any conflict of interest or potential conflict of interest, demonstrated independence and objectivity in the Board's decision-making process, gave valuable feedback through sharing of knowledge and experience and acted in the best interests of the Company.

The Board also agreed with the BNRC's assessment that the retiring Directors' performance and contribution in the discharge of their duties during the assessment period had been satisfactory and met the criteria in the Fit and Proper Policy of the Company, amongst others, probity, personal and financial integrity, competence and time management.

Based on the above, the Board approved the BNRC's recommendation that the Directors who retire in accordance with Article 116 of the Company's Constitution, namely Dato' Dr. Mohd Ali bin Mohamad Nor and Dato' Jezilee bin Mohamad Ramli, are eligible to stand for re-election.

All Directors standing for re-election as Directors and being eligible, have offered themselves for re-election at the 34th AGM of the Company. The retiring Directors had abstained from the deliberation and decision on their respective eligibility to stand for re-election at the relevant Board and BNRC Meetings.

The profiles of the retiring Directors are set out in the Profile of the Board of Directors on pages 149 to 155 of the Annual Report 2025.

Notice Of 34th Annual General Meeting

3. Explanatory Note C and D - Directors' Fees and Benefits (Resolutions 3 and 4)

Section 230(1)(b) of the CA 2016 provides that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The Directors' fees and benefits payable to the Non-Executive Directors ("NEDs") are based on the Directors' Fee and Allowance Framework ("Framework"), which was first approved by the shareholders at the 20th AGM held on 9 August 2012.

Accordingly, the Company is seeking the shareholders' approval at the 34th AGM on the Directors' fees and benefits payable with effect from 23 May 2026 until the conclusion of the next AGM based on the same Framework, as follows:

(a) Directors' Fees

Board/Board Committees	Fee (per annum)	
	Chairman	Member
Board	RM120,000	RM80,000
Board Audit Committee	RM15,000	RM10,000
BNRC		
Board Risk, Sustainability and Compliance Committee	RM8,000	RM6,000
Board Tender Committee		
Board Digital-First Committee		

(b) Directors' Benefits - Meeting allowance

Type of Meeting	Meeting Allowance per Meeting (for Chairman and Members)
Board	
BNRC	
Board Risk, Sustainability and Compliance Committee	RM1,000
Board Tender Committee	
Board Digital-First Committee	
General Meeting	
Board Audit Committee	RM2,500

The total amount of Directors' fee and benefits payable to the NEDs is estimated to be up to RM965,000.00 and RM277,000.00 respectively from 23 May 2026 to the next AGM in 2027, subject to the shareholders' approval.

In determining the estimated total amount of Directors' fees and benefits for the NEDs, the Board has considered various factors, including the number of scheduled meetings for the Board, Board Committees and general meetings, based on the composition of NEDs, including a provisional sum as a contingency for future appointment of NED on the Board and increase in the number of Board and Committee meetings.

The proposed Resolutions 3 and 4, if passed, will give authority to the Company to pay the Directors' fees and benefits on a quarterly/monthly basis and/or as and when incurred, since the NEDs have discharged their responsibilities and rendered their services to the Company throughout the period.

Notice Of 34th Annual General Meeting

4. Explanatory Note E – Re-appointment of Auditors (Resolution 5)

The Board, through the Board Audit Committee, has conducted an annual assessment of the suitability and independence of the External Auditors, KPMG PLT and agreed that KPMG PLT has met the relevant criteria as prescribed under Paragraph 15.21 of the MMLR of Bursa Malaysia.

5. Explanatory Note F – Proposed Shareholders’ Mandate (Resolution 6)

The proposed Ordinary Resolution 6, if passed, will enable Pos Malaysia Group to enter into the recurrent related party transactions of a revenue or trading nature which are necessary for Pos Malaysia Group’s day to day operations as set out in Section 2.2.3 of the Circular to Shareholders dated 23 April 2026, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING (Pursuant to Paragraph 8.27(2) of the MMLR of Bursa Malaysia)

As at the date of this Notice, there are no individuals who are standing for election as Directors (excluding the Directors who are standing for re-election) at this coming 34th AGM of the Company.

PROXY FORM

34TH ANNUAL GENERAL MEETING



POS MALAYSIA BERHAD
Registration No: 199101019653 (229990-M)

CDS Account No.	
Total Number of Shares Held	

*I/*We, _____
(Full Name as per NRIC/Passport/Certificate of Incorporation in Capital Letters)

NRIC/Passport/Company No.: _____

Address: _____

Email and Tel. No: _____

being a member/members of Pos Malaysia Berhad (“Pos Malaysia” or “the Company”), hereby appoint the following:

Name of Proxy	NRIC/Passport No.	Tel No.	Email	Proportion of Shareholdings (%)
and/or failing him/her				

or failing him/her, the CHAIRMAN OF THE MEETING, as my/our proxy to attend and vote for me/us and on my/our behalf, at the 34th Annual General Meeting (“AGM”) of the Company, to be held at Pos Malaysia, Dewan Sri Pos, Level 3, Dayabumi Complex, 50670 Kuala Lumpur, Malaysia on Friday, 22 May 2026 at 10.00 a.m. and at any adjournment thereof, on the following resolutions as set out in the Notice of the 34th AGM. My/our proxy is to vote as indicated below:

No.	Ordinary Resolution	For	Against
1.	Re-election of Dato’ Dr. Mohd Ali bin Mohamad Nor as Director		
2.	Re-election of Dato’ Jezilee bin Mohamad Ramli as Director		
3.	Approval of Directors’ fees from 23 May 2026 until the next AGM		
4.	Approval of Directors’ benefits (excluding Directors’ fees) from 23 May 2026 until the next AGM		
5.	Re-appointment of KPMG PLT as Auditors		
6.	Proposed Renewal of Shareholders’ Mandate for Existing Recurrent Related Party Transactions (“RRPT”) of a Revenue or Trading Nature and Proposed New Shareholders’ Mandate for Additional RRPT of a Revenue or Trading Nature		

Please indicate with an X in the appropriate space as to how you wish your votes to be cast. If you do not do so, the Proxy may vote or abstain from voting at his/her discretion.

Signed this _____ day of _____ 2026
Signature(s)/Common Seal of Shareholder

NOTES:

- Every member including Authorised Nominees as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”) is entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote instead of him. The proxy need not be a member of the Company.
- Where a member of the Company is an exempt authorised nominee as defined under the SICDA, which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA, of which holds ordinary shares in the company for multiple beneficial owners in one (1) Securities Account (“omnibus account”) there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the member or his/her attorney duly appointed under a power of attorney or if such member is a corporation, either under its common seal or under the hand of two (2) authorised officers, one (1) of whom shall be a Director, or its attorney duly authorised in writing. Any alteration to the instrument appointing a proxy must be initialled.

- (e) The proxy forms and/or documents relating to the appointment of proxy for the 34th AGM shall be deposited or submitted in the following manner not less than 48 hours before the time for holding the 34th AGM or no later than Wednesday, 20 May 2026 at 10.00 a.m. in accordance with the Company's Constitution:
- (i) In hard copy form
The Proxy Form, Corporate Representative, Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.
 - (ii) By Boardroom Smart Investor Portal ("BSIP")
Online via the BSIP at <https://investor.boardroomlimited.com/>, which is free and available to all individual Depositors. Alternatively, the Proxy Form can be submitted via email at bsr.proxy@boardroomlimited.com. The detailed requirements and procedures for the submission of proxy forms are set out in the Administrative Guide for the 34th AGM – Lodgement of Proxy Form.
- (f) For the purpose of determining a member who shall be entitled to attend the 34th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 15 May 2026. Only a depositor whose name appears therein shall be entitled to attend the 34th AGM or appoint a proxy(ies) to attend, participate and vote on his/her behalf.

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**AFFIX
STAMP**

The Share Registrars

BOARDROOM SHARE REGISTRARS SDN. BHD.

Registration Number: 199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

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PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the 34th AGM and/or any adjournment thereof, a member of the Company:

- (a) consents to the processing of the member's personal data by the Company for:
 - processing and administration of proxies and representatives appointed for the 34th AGM;
 - preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereto); and
 - the Company's compliance with any applicable laws, listing rules, regulations, codes and/or guidelines (collectively, the "Purposes").
- (b) have the right to access, object to the processing, and request rectification or deletion of the personal data.
- (c) undertakes and warrants that he or she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes.
- (d) agrees to fully indemnify the Company for any penalties, liabilities, legal suits, claims, demands, losses and damages as a result of the member's failure to provide accurate and correct information of the personal data.

(Note: the term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act 2010)





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