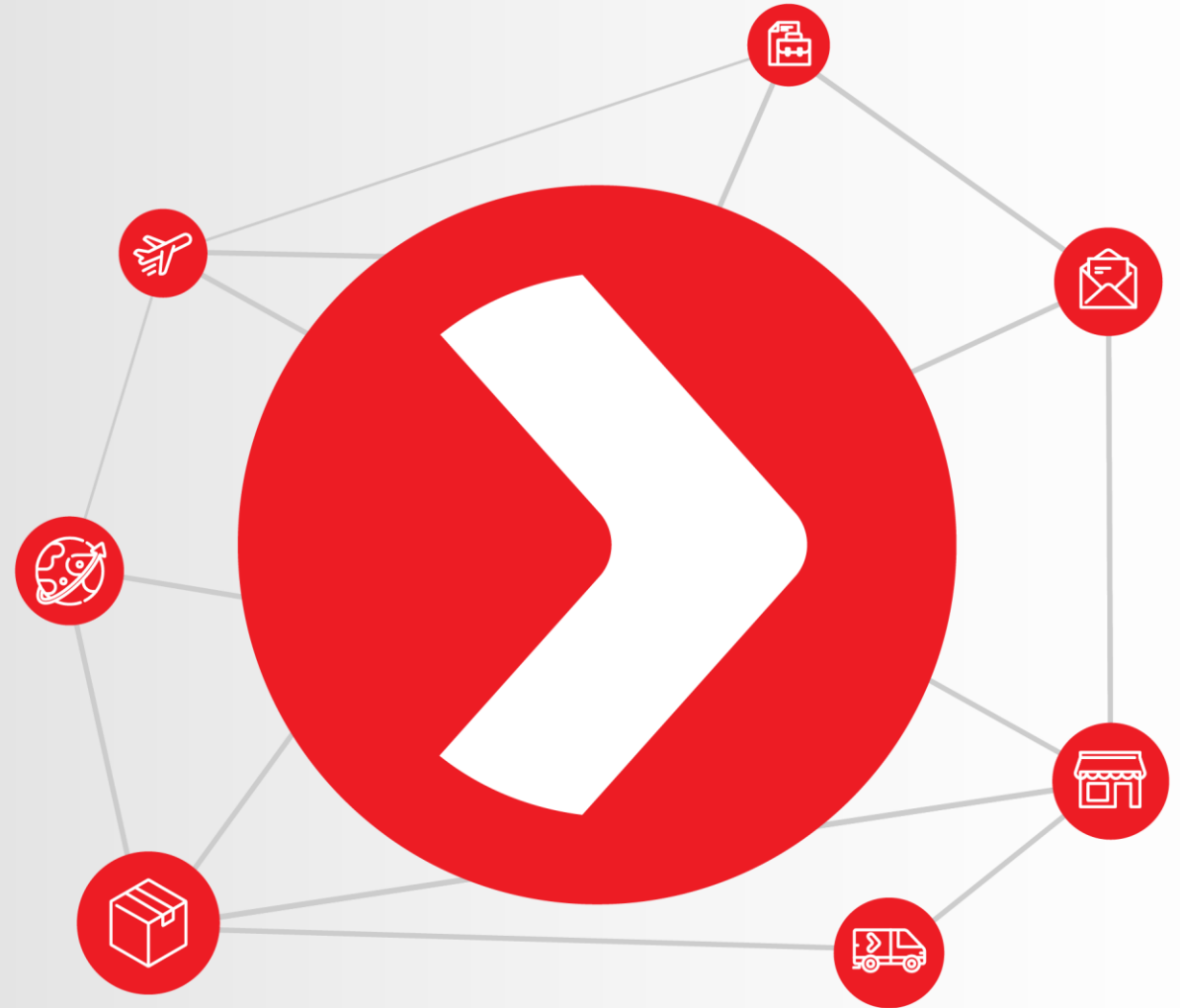




31st Annual General Meeting

Consolidated Questions and Answers



**Building Trust To Connect Lives
And Businesses For A Better Tomorrow**

POS MALAYSIA BERHAD (“Pos Malaysia” or “POS”)
31ST ANNUAL GENERAL MEETING (“AGM”) HELD ON 24TH MAY 2023
QUESTIONS AND ANSWERS (“Q&A”)



A. FINANCIAL

No.	Questions	Answers from the Directors / Management
1	How much does the company spend on this virtual AGM?	Pos Malaysia has allocated approximately RM40,000 for the virtual AGM.
2	How about Pos Malaysia cash flow level? How about borrowing level?	The cash flow and borrowing levels, as disclosed on page 150 of the balance sheet in the annual report and pages 153-154 of the cash flow statement, are both at manageable levels.
3	<p>Why are Pos Malaysia's responses to MSWG's questions vague, brief, general, and lacking in detail, which may be seen as unconvincing?</p> <p>Considering your all-time low share price, how does Pos Malaysia plan to improve the quality and depth of its answers to instill confidence in shareholders and investors?</p>	Pos Malaysia, as a publicly listed company is not able to provide forward statements or financials not already in the public domain. As such, and while we understand the need for detailed answers, there are instances where providing specific information may not be appropriate or legal due to confidentiality concerns. The company's communication approach aims to respect regulations while safeguarding the best interests of all stakeholders.

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B. OPERATIONAL – Transformation Plan

No.	Questions	Answers from the Directors / Management
4	Is the turnaround plan progressing well and meeting the expectation of senior management?	Pos Malaysia remains focused on executing the initiatives established under the transformation plan, driven by our three-pillar strategy, namely 1) highly motivated, engaged, safe employees, 2) delivering a great service and delighting our customers and 3) delivering a profitable network. As presented during the business update session at the AGM, we've made significant progress, but we acknowledge that there is still much work ahead of us to improve further. We will not be satisfied with our current achievements to-date until we consistently achieve better financial performance.

B. OPERATIONAL – Transformation Initiatives

No.	Questions	Answers from the Directors / Management
5	Any additional capex requirement / fund is to be raise on for Pos Shop convenience operation? When is the expected turnaround for this segment?	Pos Shop is one of a number of programs we are trialing, all with the objective of creating future and sustainable value, and de-risking the reliance on mail and parcel. In the current challenging situation, Pos Malaysia is extremely cautious with strategic investments, specifically for Pos Shop where we have outlined a strategy that leverages our existing 3.2 million square feet of retail space, thereby requiring minimal capital expenditure for this initiative.
6	Why has Pos Shop chosen not to sell tobacco or alcohol products, despite the fact that these items are widely recognized as significant revenue generators for most convenience stores? Selling these products typically attracts customers who tend to make additional purchases during their visit.	For controlled products like tobacco and alcoholic beverages, we need to consider the necessary licenses and approvals, and most importantly how these products may align with Pos Malaysia's purpose statement and brand strategy. We will continue to try different approaches that meet the program goals and the needs of Malaysians.

B. OPERATIONAL – Transformation Initiatives

No.	Questions	Answers from the Directors / Management
7	<p>We are aware of the latest market in KL. There are many Pos Malaysia properties in secondary towns around Malaysia. Why not turn them into fulfillment centers due to the exponential growth in the online parcel business? We can carve out a portion of land in high rental areas of logistic properties and establish fulfillment centers. Pos Malaysia has a 222-year-strong brand waiting to be capitalized upon.</p>	<p>We started the Pos Shop in KL and plan to test out another four in Johor (1), Ipoh (2), and East Malaysia (1). In simple terms, we are still in the testing phase and will not roll it out on a large scale until we are sure that Malaysian customers truly want it and it can truly add value to Pos Malaysia. We firmly believe it is a winning concept, but we need to test it further before we expand significantly.</p> <p>From a fulfilment perspective, we have one main location in Shah Alam which spans about 70k square feet, and we operate 6 regional fulfilment centres. We are leveraging existing space with minimal cost, thus adding substantial value to the customer.</p>

B. OPERATIONAL – Business Outlook / Performance

No.	Questions	Answers from the Directors / Management
8	May I know what is the company's future outlook?	<p>Right now, our main focus is on transforming the core of our business to ensure they are fit for purposes. We strive to become an excellent company for parcel and mail services, offering excellent customer service and providing a remarkable retail experience at every touchpoint. Overall, our core business is making good progress as highlighted in the business updates presented during the Annual General Meeting (AGM). However, there is still much work ahead of us as we continue to move forward.</p> <p>Looking ahead, we have several value-creating initiatives in the pipeline. Firstly, we are exploring the utilization of available retail spaces through a program called "Pos Disini". This initiative allows us to leverage our existing footprint and offer additional services such as F&B, Pos Shop convenience store, Storefront, EV Charge, Healthcare, etc. Secondly, we have started to offer fulfillment services by utilizing our existing footprint. These initiatives require minimal capital expenditure and build upon our existing infrastructure. Thirdly, we are actively exploring opportunities to leverage our international network to provide end to end logistics services. This will enable us to expand our reach and offer comprehensive solutions to our customers.</p> <p>We have many more initiatives in the pipeline and remain committed to staying on course with our transformation roadmap.</p>

B. OPERATIONAL – Business Outlook / Performance

No.	Questions	Answers from the Directors / Management
9	Why has business and delivery trip increased but net profit not as good?	<p>It's important to highlight that we have made substantial progress in reducing our losses. We made a profit in Q2 of last year, and our losses in 2022 were more than 50% less than those in 2021. We saw further improvement in Q1 2023, and we're optimistic that our full-year results for 2023 will continue this upward trend.</p> <p>Historically, we have faced challenges in maintaining trust with our customers. However, we are dedicated to reversing this trend and have been making conscious efforts to regain that trust. Our service levels for parcel and mail deliveries are among the best in the market, as confirmed by the positive responses we have received from our customers.</p> <p>That being said, we are operating in a challenging environment. Major e-commerce platforms control about 60% of the parcel market volume through masking, thus limiting consumers' choice of delivery providers. Therefore, only 40% of the market is available to courier players like us. The market landscape has been further complicated by increasing competition, with international players leveraging private equity and venture capital funds to rapidly increase their market share. This situation creates a systemic imbalance that we are actively addressing by seeking regulatory intervention to promote a fair market environment.</p> <p>Rest assured of our continued commitment to regaining customer trust, which is evident from the acquisition of more than 2,700 new customers. We are confident that we are on the right track to regain our market share.</p>

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B. OPERATIONAL – Business Outlook / Performance

No.	Questions	Answers from the Directors / Management
10	a) Will 2023 be a better year compared to 2022 or worse? b) Will Pos Malaysia turnaround in 2023 and make a profit?	We are optimistic that 2023 will be better than 2022. Moreover, during the first quarter of this year, we successfully achieved a further 20% reduction in our losses before tax. It is important to acknowledge that our performance is not solely dependent on our execution but also influenced by external factors such as macroeconomics, regulatory environment, and stiff competition from major players in the industry. We are fully committed to working hard to ensure that 2023 surpasses the accomplishments of 2022.
11	Kindly provide the outlook for the postal services industry, Pos Malaysia's market share, sales trend predictions for various sectors, the main challenges facing Pos Malaysia currently, and any action plans to address these issues.	From a macroeconomic perspective, we anticipate improvement later this year, while in terms of competition, short-term changes are unlikely without stronger intervention from the regulator and Malaysia Competition Commission.

B. OPERATIONAL – Customer Service

No.	Questions	Answers from the Directors / Management
12	<p>a) Postal service to my house has been very poor, could you please improve the service urgently.</p> <p>b) Considering the significant disruptions to mail service since the pandemic, including infrequent deliveries and, is this a localized issue in the Jln Klang Lama Pos Office area or it is happening everywhere.</p> <p>c) Can we improve the postal service to residential address with the post code of 43300 Seri Kembangan ?</p>	<p>As mentioned during the AGM, our Mail SLA is now at 97% on time, that said we can always be better, and we sincerely apologize for your negative experience with Pos Malaysia. We will follow up on the two locations noted and of course please do feel free to contact us directly on 1-300-300-300 or chat with at https://www.pos.com.my/#askpos</p>

B. OPERATIONAL –Customer Service

No.	Questions	Answers from the Directors / Management
13	How to improve Pos Malaysia outlet staff professionalism and customer service? Management should take note for some staff professionalism is very low.	As noted during the AGM we use independent net promotor score to capture customer feedback and for retail it is 75% positive, that said we can always be better.
14	Pos Malaysia's Ubat Melalui Pos (UMP) is a great initiative. It is win-win for Kementerian Kesihatan Malaysia (KKM) and patients. It helps to reduce traffic congestion, carbon footprint, etc. Why not temporarily station your staff at Kementerian Kesihatan Malaysia facilities to get more patients sign up for it. Is Pos Malaysia gaining financially from this initiative?	<p>Pos Malaysia's Ubat Melalui Pos (UMP) is a service that delivers patient's recurring medicine supply straight to the location of their choice, with a minimal delivery fee.</p> <p>We have 60 to 70k prescription deliveries per month and the upside opportunity from it is significantly great. We have been placing Pos Malaysia employees in hospitals and to convince patients queuing that we can perform deliveries for them. We add value to the people and government, and Pos Malaysia benefits from it financially.</p>

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B. OPERATIONAL - Employee Compensation

No.	Questions	Answers from the Directors / Management
15	How about overall bonuses payout to the staffs as comparable to precedent year?	Bonuses are determined based on our company's financial performance, considering both quantitative and qualitative measures. No bonuses have been paid to many of the Pos Malaysia staff in the past four years. However, it is important to note that subsidiaries operate under their own financial targets, and if achieved, bonuses are paid at the subsidiary level.

C. CORPORATE GOVERNANCE

No.	Questions	Answers from the Directors / Management
16	May I know is there any increase on directors' fees and remuneration perks as compared with a year ago?	The Directors' Fees and benefits have not been revised since 2012.
17	Does the Nomination and Remuneration Committee assess external candidates prior decided to retain existing board members? Does it go through any interview process?	The Board Nomination and Remuneration Committee (BNRC) will evaluate and consider all suitable candidates for appointment as board members. For the retention of directors, the BNRC will conduct annual an annual Board assessment, evaluate the suitability of directors for continuity of office, and assess fit and propriety of directors in accordance with the Fit & Proper Policy of the Company.

C. CORPORATE GOVERNANCE

No.	Questions	Answers from the Directors / Management
18	What is the board expectation to the retained Independent Non-Executive Directors & executive directors’ contribution to the company?	<p>The Board of Directors is responsible for the stewardship of the Company and is entrusted with leading and overseeing the business of the Group, conduct and affairs to create sustainable value for the benefit of its shareholders.</p> <p>Whilst, for retention of Independent Non-Executive Directors and Executive Directors, they are expected to have professional aptitude and experience, be able to bring diverse set of experience and expertise to the Board. In addition, they are expected to exercise their judgement during deliberations and making unbiased decisions at Board and Board Committee Meetings.</p> <p>The BNRC will conduct annual an annual Board assessment, evaluate the suitability of directors for continuity of office, and assess fit and propriety of directors in accordance with the Fit & Proper Policy of the Company.</p>
19	May I know when the company going back to physical AGM ?	<p>Pos Malaysia is reviewing its process, to ensure the Company’s AGMs would continue to be conducted in an effective and efficient manner, meeting the objective of a general meeting. In this review, all relevant factors and areas would be considered including resuming in-person AGM. Nevertheless, regardless of the mode or platform of the AGM, whether fully virtual, hybrid or physical, Pos Malaysia will always ensure that a general meeting supports meaningful engagement between the Board/ Senior Management and shareholders of the Company. In addition, the Company would continue to leverage technology to facilitate greater shareholder’s participation and enhance the proceedings of general meetings, with the necessary safeguards in place.</p>

C. CORPORATE GOVERNANCE

No.	Questions	Answers from the Directors / Management
20	Any door gifts or vouchers for Shareholders?	Pos Malaysia, is not planning to distribute door gifts or e-vouchers at the virtual 31st AGM.
21	How is Pos Malaysia spending on its CSR activities as the company is not providing any dividends or issuing any door gifts?	<p>Pos Malaysia views our CSR activities as an investment for a better tomorrow. Our initiatives in societal well-being and environmental sustainability are aimed at having a positive impact on communities, supporting valuable programs, and forging strong relationships. We are committed to being more than just a postal service provider by making significant contributions to society and the environment. Detailed review of our CSR efforts can be found in our Annual Report (pages 142-143).</p> <p>We understand and regret any disappointment caused by the absence of door gifts and dividends this year. This has been a tough but necessary decision due to our current financial situation, and not a direct result of our CSR initiatives. We assure you that we remain dedicated to enhancing stakeholder engagement, and we greatly appreciate your understanding and continued support.</p>

Thank you
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