



**34TH ANNUAL GENERAL
MEETING 2026**
Questions & Answers

22 May 2026, Friday

Strategy/Operations

No.	Questions	Answers from Board of Directors & Management
1	<p>Global logistics operators are rapidly adopting AI, robotics, automated sorting systems and predictive logistics technologies. Can Management elaborate:</p> <ol style="list-style-type: none"> 1. What proportion of Pos Malaysia’s network has been automated today? 2. What productivity improvements are targeted by 2030? 3. How much capital expenditure is required to modernise the nationwide network? 4. What is the expected ROI from these digital transformation initiatives? 	<p>Answer (part 1 of 2):</p> <p><i>1. Pos Malaysia does not report a single network-wide automation percentage, as automation is deployed across multiple layers of the operating model, including sorting, fleet, last-mile delivery and customer touchpoints.</i></p> <ol style="list-style-type: none"> a) <i>At the sorting layer, automated sorting and scanning are deployed at our Integrated Parcel Centres. At the fleet layer, approximately 2,200 vehicles are equipped with telematics for route optimisation, while 1,531 EVs are in active operation, representing the largest EV logistics fleet in Malaysia.</i> b) <i>At the last-mile layer, our delivery workforce of approximately 8,000 Pos Wiras across Mail and Courier operates on the AXIS digital operations platform, supported by handheld scanning for real-time tracking and delivery visibility.</i>

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2	<p>The Group continues to face structural declines in traditional mail volumes while parcel competition remains extremely intense and margin dilutive. Can the Board explain clearly what Pos Malaysia’s sustainable long-term business model will look like by 2030? Specifically:</p> <ol style="list-style-type: none"> 1. What percentage of future earnings is expected to come from parcels, aviation, logistics and digital services respectively? 2. Can the postal segment realistically become profitable again? 3. What are the Board’s measurable turnaround KPIs over the next 3 to 5 years? 	<p>Answer (part 1 of 2):</p> <ol style="list-style-type: none"> 1. <i>Pos Malaysia’s 2030 business model will be parcel-led at its core, supported by an unmatched last-mile network reaching more than 11 million addresses in Malaysia. Pos Aviation is expected to be larger, profitable, and growing, Pos Logistics will focus on higher-margin niche sectors such as automotive, industrial, and specialised segments, while digital services including Pos Hijau, Pos DigiCert, and AI platforms are expected to become standalone earnings contributors.</i> 2. <i>Specific segment earnings-mix percentages are not disclosed as forward-looking guidance. Directionally, parcels and aviation are expected to contribute a larger share, mail will be stabilised through regulatory reform, and digital services will become more material.</i>

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Financial

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3	<p>Given the Group’s prolonged turnaround challenges:</p> <p>1.How does the Audit Committee challenge management assumptions relating to impairment, going concern and future profitability?</p> <p>2.Were there any significant disagreements between Management and External Auditors during FY2025?</p> <p>3.What were the most difficult judgement areas debated during the audit process?</p>	<p>Answer (part 1 of 2):</p> <p><i>1. Board Audit Committee (BAC) challenge process: BAC met multiple times in FY2025. Its three-level oversight comprised: (i) independent review of all significant management assumptions; (ii) private sessions with KPMG without Management present; and (iii) engagement of independent experts where specialist knowledge was required.</i></p> <p><i>2. Key judgement areas actively debated in FY2025: Going concern, asset impairment, deferred tax asset recognition, and parcel revenue cut-off — all of which required significant forward-looking judgement in the current operating environment.</i></p>

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Thank You

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