



**WE DELIVER.
WE CONNECT.
WE IMPROVE LIVES.**

ANNUAL REPORT **2023**



ABOUT THIS REPORT



WELCOME TO POS MALAYSIA BERHAD'S ANNUAL REPORT FOR THE FINANCIAL YEAR 2023.

For more information, please scan the QR code and/or link to website <https://www.pos.com.my/investor-relations/annual-reports> to view Pos Malaysia Berhad's Annual Report 2023.



WE DELIVER. WE CONNECT. WE IMPROVE LIVES.

The cover for our Annual Report 2023 reflects Pos Malaysia Berhad's ("Pos Malaysia") customer promise: We deliver. We connect. We improve lives. This statement is in line with our purpose, whereby we are passionate about building trust to connect lives and businesses for a better tomorrow.

The arrow symbolises a company that's always moving forward, driving innovation to continuously deliver service excellence for our customers, striving to be better in a rapidly changing landscape.

Pos Malaysia Berhad ("Pos Malaysia" or "the Company") is pleased to present Pos Malaysia and its subsidiaries ("the Group") Annual Report as the primary source and a complete illustration of the Group's financial and non-financial performance for the Financial Year ended 31 December 2023 ("FY2023").

This report also describes the operating conditions that have shaped our performance and will impact our strategies and tactics moving forward.

Pos Malaysia's Annual Report has been produced with the primary objective of providing our stakeholders with a comprehensive overview of our financial and non-financial performance. Reading the report, our stakeholders are informed of our strategy, performance, our approach to governance and risks as well as our business outlook. The report demonstrates our accountability and aims to strengthen the trust of our stakeholders.

SCOPE AND BOUNDARIES

The report covers the primary activities of the Group. It presents information relevant for long-term investments as well as provide insights on how we create value. The Financial Year ended 31 December 2023 will be referred to as "FY2023" throughout this report.

MAJOR REGULATIONS COMPLIED

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Companies Act 2016
- Malaysian Financial Reporting Standards
- International Financial Reporting Standards

The credibility of this report is supported by strong governance practices. Assurance for this report is provided by our Board of Directors ("Board"), supported by external verification by KPMG PLT, our auditors for selected information such as financial statements and Statement on Risk Management and Internal Control.

MATERIALITY AND MATERIAL MATTERS

We apply the principle of materiality in assessing which information is to be included in our Annual Report. For a balanced and coherent report, we focus particularly on issues, opportunities and challenges that materially impact Pos Malaysia and its ability to be a sustainable business that consistently delivers value to our key stakeholders.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements relating to future performance. These statements and forecasts are based on current assumptions and circumstances, which could change, hence necessarily involve uncertainty. Various factors could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

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OUR JOURNEY

With a proud and unparalleled history of more than 200 years, Pos Malaysia has and continues to be passionate about building trust to connect lives and businesses for a better tomorrow. Engage with our story and the milestones that have shaped who we are today and create the foundation for who we will be tomorrow.

WHO WE ARE

Pos Malaysia is Malaysia's national post and parcel service provider with the sole mandate to provide services, under the universal service obligation, for Malaysia. With a proud history of over 200 years, the group has diversified beyond the traditional provision of mail and parcel services to offer end to end logistics solutions, and diversified products through our Aviation, Retail, Logistics, and Digital services. From the first letter that was sent from Penang, Pos Malaysia has pivoted from a mail company that also delivers parcels, to a parcel delivery company that also delivers mail.

Pos Malaysia has an unparalleled last-mile reach, delivering to more than **11 million** addresses across the nation and with a network of **more than 3,500** touchpoints. Pos Malaysia connects the Rakyat within Malaysia and globally.



MARKET CAPITALISATION

RM0.39
BILLION



REVENUE

RM1.87
BILLION

OUR PURPOSE

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

OUR CUSTOMER PROMISE



WE DELIVER



WE CONNECT



WE IMPROVE LIVES

OUR HISTORY



Service
Provider

1800s

Basic postal services established in the Straits Settlements



Government
Agency

1957

Jabatan Perkhidmatan
Pos Tanah Melayu



Corporatised

1992

Rebranded as
Pos Malaysia



Public Listing
Government Linked
Company (GLC)

2001

Listed via Philleo
Allied Berhad

OUR VALUES



Own It

OWN IT

We take ownership to achieve a great outcome.



Build Trust

BUILD TRUST

We win mutual trust with fairness and integrity, always.



One Team

ONE TEAM

We work together with others to achieve great results.



Drive Innovation

DRIVE INNOVATION

We challenge the way we do things to create better solutions.



Move Fast

MOVE FAST

We learn, simplify, adapt, and act quickly.



Delight Customers

DELIGHT CUSTOMERS

We make our customers happy.



**Restructured
GLC**

2007

Internally restructured and transferred listing status to Pos Malaysia Berhad



**Privatised to
Non-GLC**

2011

DRB-HICOM Berhad acquired Khazanah Nasional Berhad's 32% equity stake in Pos Malaysia Berhad



**Ventured into
Logistics & Aviation**

2016

Acquired DRB-HICOM Berhad's 100% equity stake in KL Airport Services Group of Companies by issuance of 100% new shares. Raised DRB-HICOM Berhad's stake in Pos Malaysia Berhad to 53.5%



Transformation

2021

In 2021, Pos Malaysia embarked on a transformation journey, aiming to deepen connections and foster trust. Embracing technology and sustainability, we've seen a significant shift, highlighted by a 96% delivery success rate amidst challenges. Our journey is ongoing, with a steadfast commitment to the community and a greener future.

OUR BUSINESSES



POSTAL

RM1,086.11

MILLION

58.1%

- Domestic mail and parcel delivery
- International mail and parcel
- Retail services, including bill payment, license renewal, and insurance



AVIATION

RM303.50

MILLION

16.2%

- Ground handling
 - Cargo handling
 - In-flight catering
 - Aircraft maintenance and engineering
- Meet and Greet services



LOGISTICS

RM312.31

MILLION

16.7%

- Project logistics
- E-commerce logistics
 - Supply Chain Management and Logistics
 - Vehicle Shipping Services
 - Haulage Services
 - Warehouse and Distribution Services
 - Air Freight Services
 - Sea Freight Services



OTHERS

RM168.83

MILLION

9.0%

















- **Pos Ar-Rahnu** - Gold centre and Islamic microfinancing
- **Pos DigiCert** - Licensed digital certificate authority that offers creation of digital identities using digital certificates
- **Datapos** - Mailing solutions unit that offers a dynamic range of services including data processing, enveloping, bulk mail services, and delivery



OUR PRESENCE



PENINSULAR MALAYSIA

| | |
|---|--|
|  532 Post Offices |  2 Integrated Parcel Centres |
|  181 Pos Mini |  17 Ezi-Drive Thru |
|  30 Pos Laju Branches |  31 EziDrop |
|  23 Pos Laju Kiosks |  64 Pos Ar-Rahnu |
|  14 Pos Laju Service Centres |  95 Pos Automated Machines |
|  84 EziBox |  6 Mall Processing Centres |
|  5 International Airports |  10 Logistics Service Centres |
|  9 Pos Shops |  2 Pos Fulfill |

SABAH AND SARAWAK

| | |
|---|---|
|  95 Post Offices |  2 Mall Processing Centres |
|  49 Pos Mini |  4 International Airports |
|  3 Pos Laju Branches |  2 Logistics Service Centres |
|  4 EziBox |  2 Pos Fulfill |
|  8 Pos Ar-Rahnu | |
|  9 Pos on Wheels (POW) | |

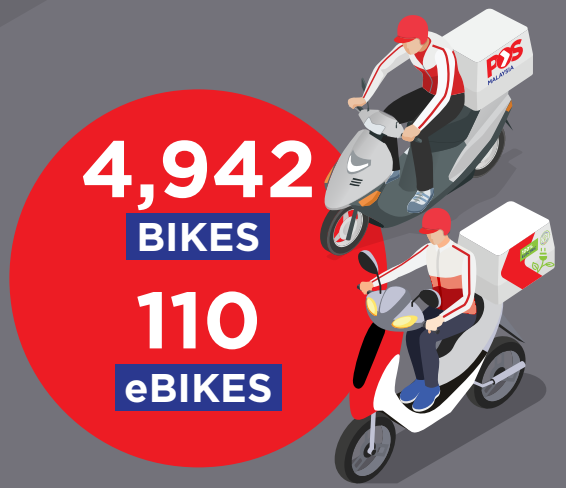
OUR ASSETS



4
FREIGHTER AIRCRAFT



171
PRIME MOVERS



4,942
BIKES
110
eBIKES

Our Logistics Assets

2
BULK CARRIER VESSELS



307
LORRIES



1,499
VANS

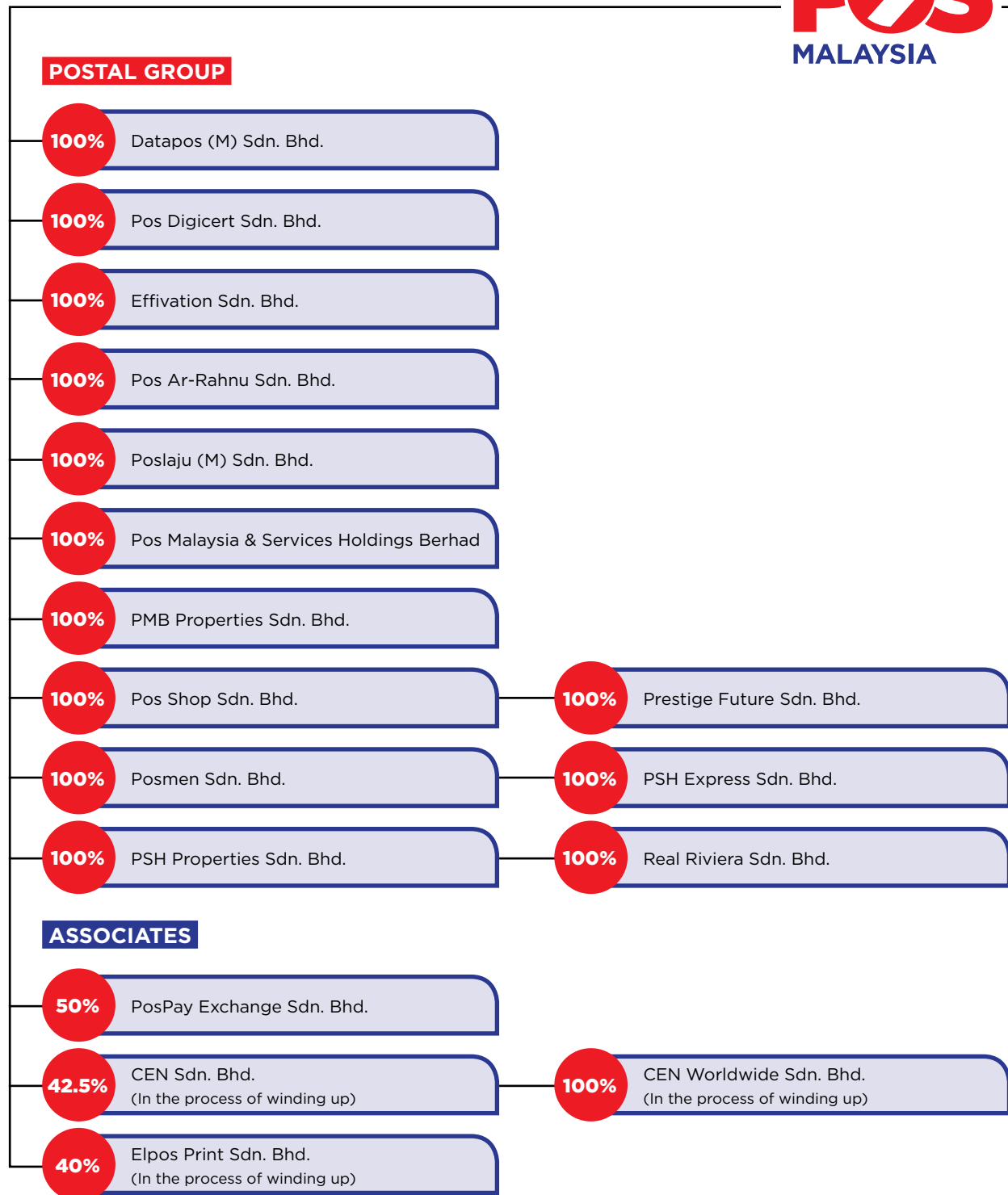


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eVANS



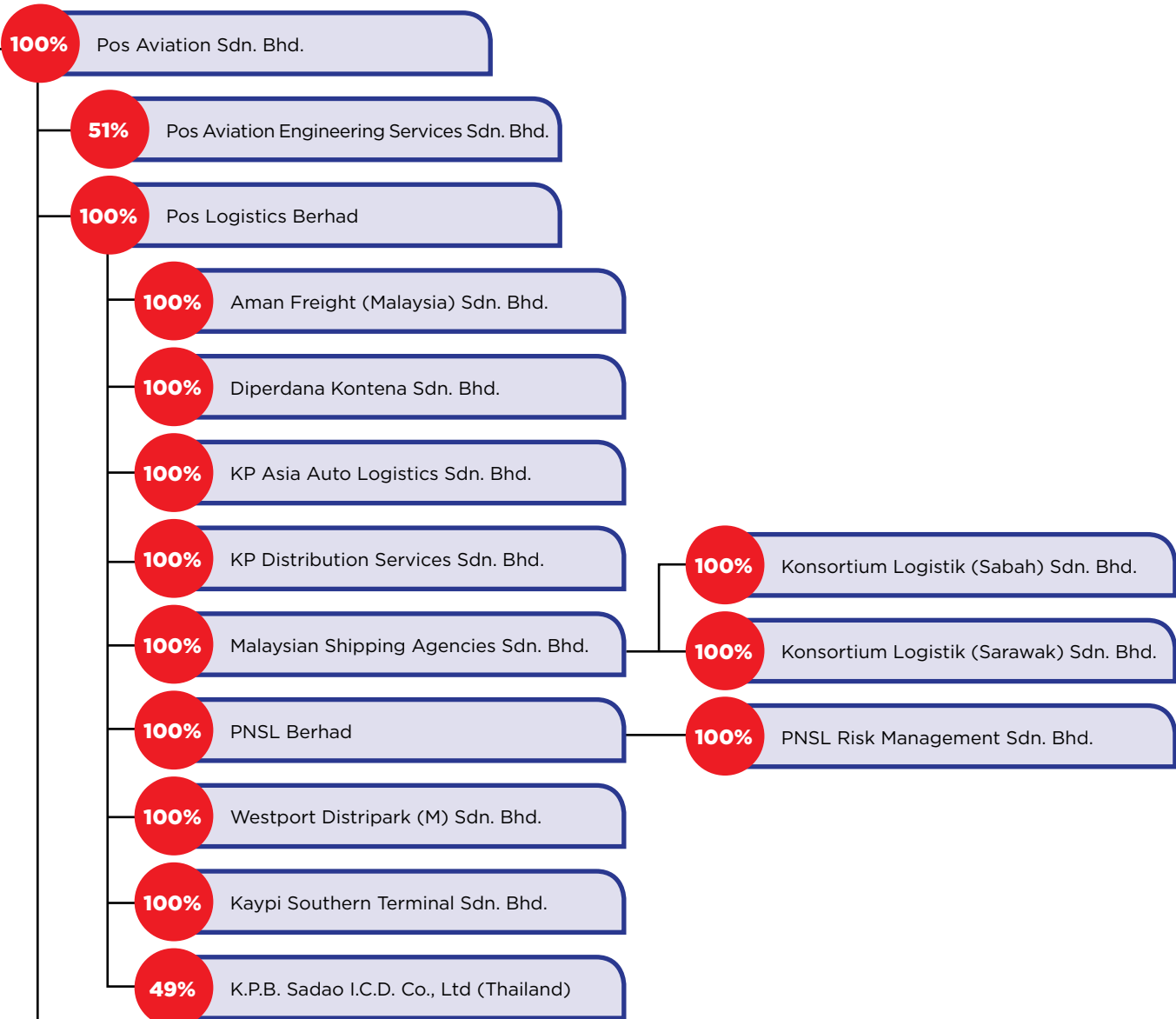
HOW WE ARE STRUCTURED

(as at 31 December 2023)

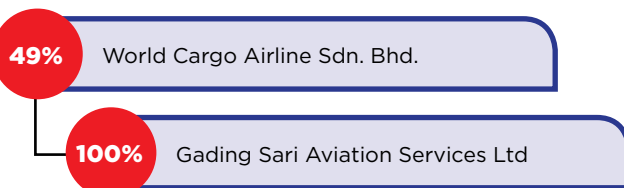


How We Are Structured

AVIATION & LOGISTICS GROUP



ASSOCIATES



2023

KEY HIGHLIGHTS

NON-FINANCIAL HIGHLIGHTS

> 324
MILLION

Mail Items Delivered

> 26
MILLION

Parcels Delivered

Pos Aviation:

3,680,478

In-flight Catering Meals Served

Pos Logistics:

156,270

TEUs Container Throughput
(TEUs: Twenty Foot Equivalent Units)

Delivers to

> 11
MILLION
Addresses

529

Community Postmen
(including Peninsular, Sabah, and Sarawak)

215

Community Postal Agents

FINANCIAL HIGHLIGHTS

Revenue

RM1.87
BILLION

Revenue Per Employee

RM108,802

Net Tangible Assets Per Share

RM0.52

Revenue by Segment

RM1,086.11
MILLION

58.1%
Postal

RM312.31
MILLION

16.7%
Logistics

Total Shareholders Equity

RM495.21
MILLION

Total Assets

RM2.17
BILLION

RM303.50
MILLION

16.2%
Aviation

RM168.83
MILLION

9.0%
Other Segments

Gearing Ratio

1.24*
TIMES

*(Total borrowings + Total lease liabilities)/Total Equity

AWARDS AND ACHIEVEMENTS

At Pos Malaysia, we are driven by our customer promise of **“We deliver. We connect. We improve lives”**. We believe in striving to be better in everything we do, as we aim to consistently deliver great service and delight our customers. The awards and recognitions we garnered in 2023 show our commitment to “delivering the smile in the last mile”.

41ST MALAYSIAN SOCIETY FOR OCCUPATIONAL SAFETY AND HEALTH (“MSOSH”) AWARDS

- Silver Award for Good OSH Performance in 2022 – Pusat Pos Laju Petaling Jaya

FORWARD FASTER SUSTAINABILITY AWARDS 2023

- Climate Action Fellow ▼



MALAYSIA MANAGEMENT EXCELLENCE AWARDS 2023

- Employee Engagement of the Year – Logistics
- Executive of the Year – Logistics ▼



MARKETING EXCELLENCE AWARDS 2023

- Excellence in Sponsorship Activation (Bronze) ▼



HRD AWARDS 2023

- Excellence in Sustainable Development Goal (SDG) ▼



Awards and Achievements

SUSTAINABILITY & CSR MALAYSIA AWARDS 2023

- Company of the Year (Transportation & Logistics) – Best in Community & Public Health Support Award ▼



LIFE AT WORK 2023 AWARDS

- CEO Champion, Malaysian Organisation

HR EXCELLENCE AWARDS 2023

- Most People Focused CEO (Silver) ▼



EMPLOYEE EXPERIENCE AWARD 2023

- Best In-House Certification Programmes ▼



READER'S DIGEST TRUSTED BRAND AWARD 2023

- Airfreight Courier Services ▼



GRADUATES' CHOICE AWARD - 2023 MOST PREFERRED GRADUATE EMPLOYERS TO WORK FOR

- #1 Courier Service ▼



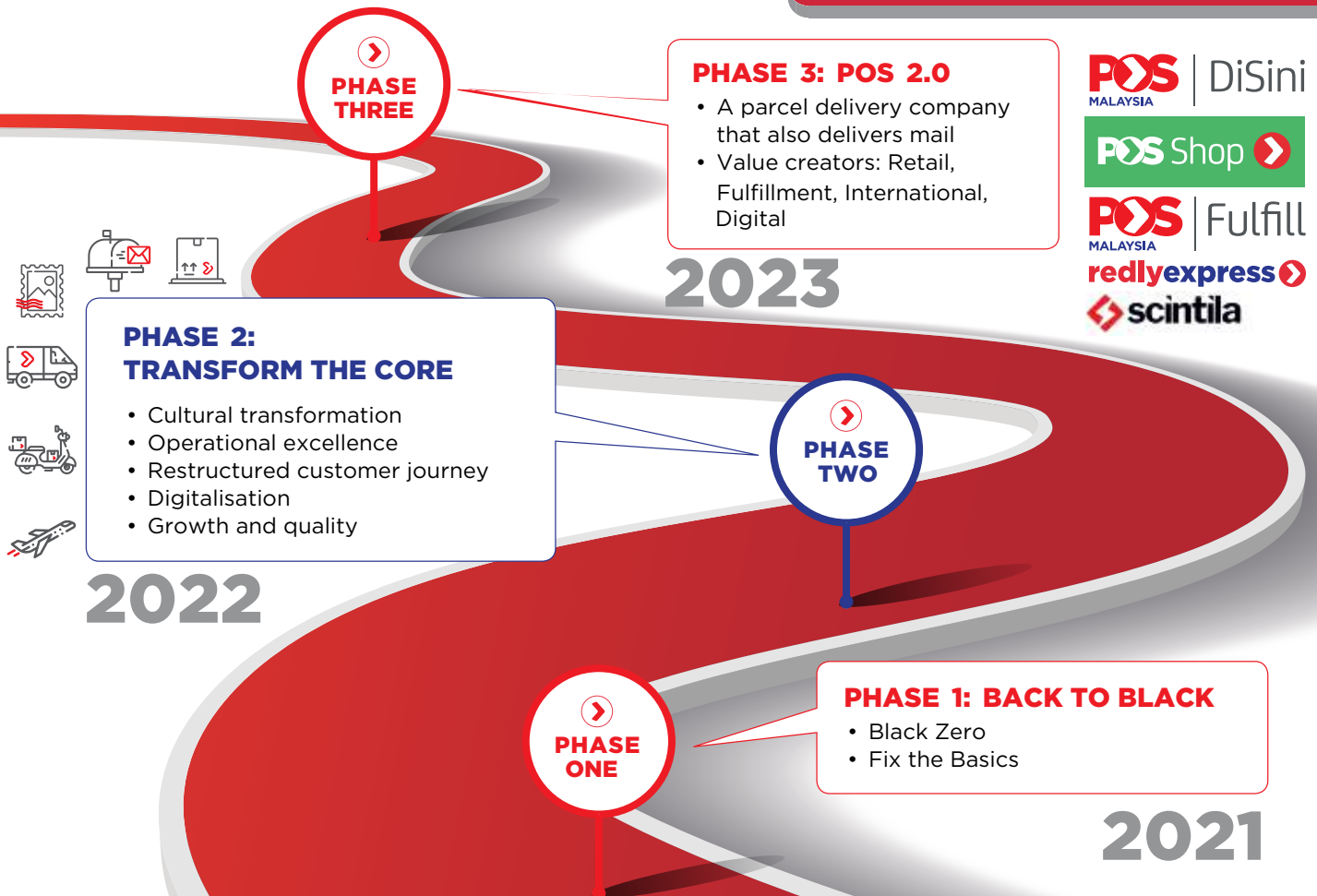
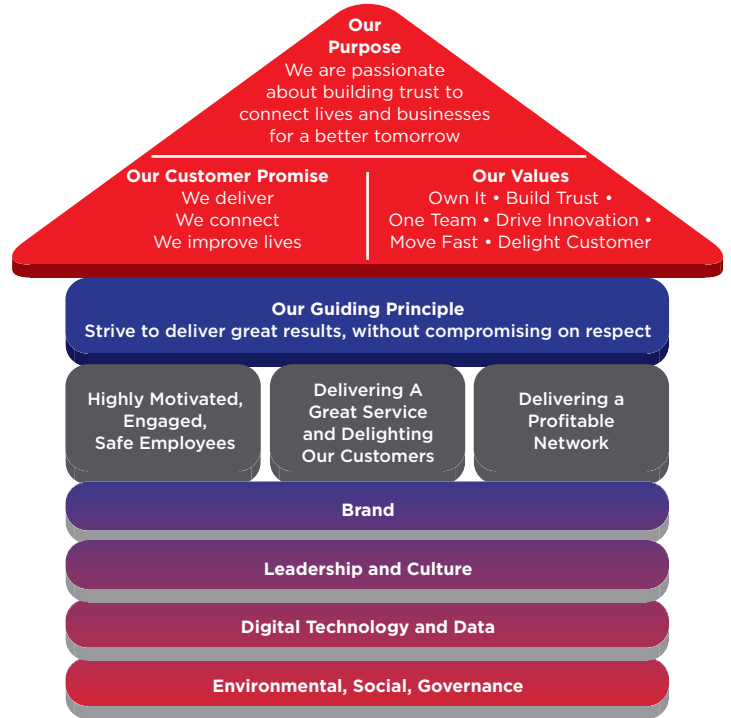
- #3 Warehousing ▼



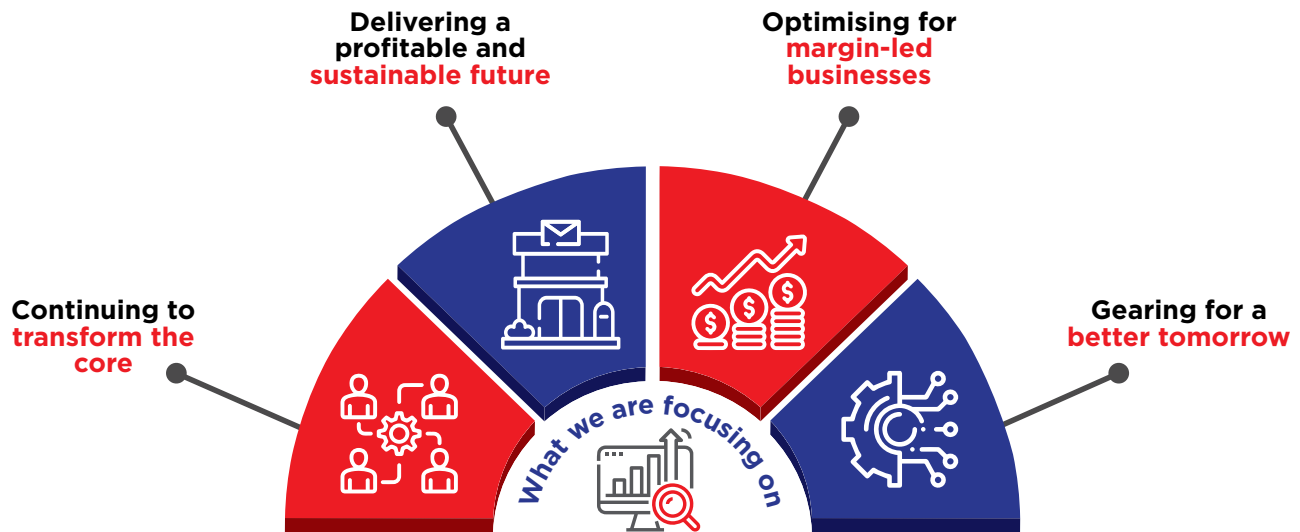


STRATEGY AND TRANSFORMATION

In August 2021 we embarked on an ambitious turnaround and transformation plan



WHAT WE ARE FOCUSING ON

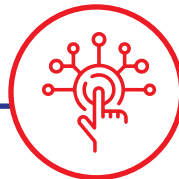


OUR COMPETITIVE STRENGTHS



Our People

We are passionate about building trust to connect lives and businesses for a better tomorrow. Our employees embark on a transformative cultural journey, exemplified by our innovative Certified Wira Programme, as we endeavour to cultivate an environment that fosters highly motivated, engaged, and safe employees.



Our Network

We have an unparalleled last-mile reach, delivering more than **324 million** letters and more than **26 million** parcels, reaching more than **11 million** addresses across the nation, a network of more than **3,500** touchpoints, and over **700** post offices and Pos Laju branches nationwide.



Our Service

Our service level for parcel next-day on-time delivery rose from **46%** to **94%**, mail on-time delivery from **55%** to **96%**, and retail net promoter score exceeded **86.1** in 2023, solidifying our reputation as industry leaders in service excellence and customer-centricity.