COMPUTER FORMS (MALAYSIA) BERHAD

196101000393 (4423-H)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE SIXTY-SECOND ANNUAL GENERAL MEETING ("62nd AGM") OF COMPUTER FORMS (MALAYSIA) BERHAD ("CFM" OR "THE COMPANY") HELD VIRTUALLY VIA REMOTE PARTICIPATION AND ELECTRONIC VOTING THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT LOT 9-11, MENARA SENTRAL VISTA, NO. 150, JALAN SULTAN ABDUL SAMAD, BRICKFIELDS, 50470 KUALA LUMPUR, WILAYAH PERSEKUTUAN ON THURSDAY, 27 FEBRUARY 2025 AT 10:00 A.M.

QUESTIONS RECEIVED FROM THE MINORITY SHAREHOLDERS WATCH GROUP ("MSWG") PRIOR TO THE MEETING

<u>Operational & Financial Matters</u>

Q1. The Group's revenue for FY2024 decreased by 1% on an annualised basis. The slight decrease was mainly due to lower demand for business forms and data print services as well as flexible packaging. (page 5 of AR 2024)

(a) What strategies are being implemented to reverse the decline in these segments?

We aim to evolve with the digital era by integrating digital technology into its traditional services. The strategic plan focuses on expanding digital services, increasing market share in secure printing, and developing hybrid digital and print solutions. However, we will also continue to expand our existing core businesses by stretching out to target on industries that we have yet to explore.

(b) What is the demand outlook for business forms and data print services, and flexible packaging segments over the next few years?

Based on our frequent communication with existing customers, despite there being a lesser demand for business forms and data print services in the past years, the basic demand will still be required in the next few years. As for flexible packaging segments, such as packaging for foods and commodities, these are still highly in demand.

Q2. CFM has a net cash position of RM86.3 million (as of 30 September 2024), which is significantly higher than its market cap of RM31 million as of 19 February 2025.

(a) How does the Group plan to address the wide discrepancy between its cash reserves and market cap?

(b) Does the Group have any plans to unlock value for shareholders by returning some of its cash through dividends or share buybacks?

The Company will consider the industry growth prospects and shareholder expectations to adapt strategies dynamically to maximize shareholder value. Operational enhancements such as debt reduction, spin-offs and growth initiatives are always on the map of the Company as long as it is not in detriment to the shareholder value. The Company will cautiously evaluate the cash position to leverage the needs of its operating activities, geographical market expansion, strategic reinvestment and any potential approaches that will yield remarkable returns to improve shareholders value.

Corporate Governance Matters

Q3. Practice 13.6 of MCCG stipulates that minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

Company's response: Departure. The minutes of the 61st AGM were not circulated to the shareholders. However, the Summary of Key Matters discussed at the 61st AGM was published on the Company's corporate website at www.cfm.com.my.

MSWG's comments: As of February 18, no minutes or even Summary of Key Matters discussed at the previous 61st AGM was published on the Company's website. Please upload the said document on your website as soon as possible.

The Board acknowledges that Practice 13.6 of the MCCG stipulates that the minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

The omission of the Summary of Key Matters discussed at the 61st AGM was unintentional, due to the Company's transition to the new website. We have now updated the website to include this information. Moving forward, the Company will be more vigilant in overseeing investor relations to ensure timely and effective communication.

Q4. The Group’s Executive Director (ED), Mr. Kua Khai Loon, is also an ED of PNE PCB Berhad. (page 12 of AR 2024)

Please explain how Mr. Kua manages his time commitment at the Company vis-à-vis his position as an ED of PNE PCB, given that these two are highly demanding positions that require full-time commitment.

MSWG’s comments: As of February 18, no minutes or even Summary of Key Matters discussed at the previous 61st AGM was published on the Company’s website. Please upload the said document on your website as soon as possible.

Mr. Kua effectively manages his time and commitments by prioritising tasks and adhering to a structured schedule. He ensures that his responsibilities at the Company, as well as his role as Executive Director of PNE PCB, are met through careful planning, delegation, and efficient time management. Furthermore, he relies on a strong support team at both organisations, enabling him to fulfill his duties effectively while maintaining the quality of his work in each role. Mr. Kua is fully committed to upholding a high standard of performance and managing both positions with complete dedication.

<u>**Sustainability Matters**</u>

Q5. CFM has 149 employees but only 17 were trained on health and safety standards. (page 26 of AR 2024)

(a) Why were only 17 employees trained out of 149?

(b) Given that only a limited number of employees received the training, how is the Company ensuring that health and safety standards are followed across the entire workforce?

These 17 employees are given the first batch training as they are chosen as the committee members of the Company’s Health & Safety Committee. The remaining employees will be given appropriate training on the Safety & Health Standards before March 2025.

Q6. CFM has provided data for energy consumption, water consumption, waste generated and Scope 1 emissions for FY2024 only (pages 27-29 of AR 2024). To provide a more comprehensive view of progress over time, it is recommended that data for at least the last three financial years be disclosed in the upcoming Sustainability Statement.

Yes, data for three (3) financial years will be provided from FY 2026 onwards as we have only began the collection of data starting from FY 2024.

QUESTIONS RAISED BY THE SHAREHOLDERS

Q1. Could the Board disclose the total cost incurred for this virtual AGM, including the cost of the online meeting and any meal-related expenses? Would the Board consider providing a Touch 'n Go e-wallet reload PIN as a token of appreciation for attendees? Additionally, could the Company arrange for the dispatch of the printed hard copy of the Annual Report to shareholders?

The Company has incurred a total cost of no more than RM15,000 for this virtual AGM.

Regarding the token of appreciation for attendees, the Board has taken note of this request and will deliberate on it upon the conclusion of this Meeting, considering its feasibility for future meetings.

For shareholders requesting a hard copy of the Annual Report, the Management will coordinate with them directly after the Meeting and arrange for dispatch as soon as practicable.

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Q2. The Management did not specifically address the following questions by MSWG: "How does the Group plan to address the wide discrepancy between its cash reserves and market cap?" Can you please elaborate more on your plans to address this discrepancy?

The Management has addressed the question by laying out the methodologies that the Management will consider or implement to enhance its shareholders' value. Please note that the Company's cash position does not directly correlate with the market performance. While the Management is not in a position to influence the market performance, it has a fiduciary duty to create value for the Company and its shareholders. The Management is responsible for utilising its cash reserves prudently, taking into account market expansion, working capital requirements, capital expenditures, and investment opportunities. Therefore, its primary focus remains on value creation for stakeholders, which may, in turn, contribute to a positive market perception of the Company.