COMPUTER FORMS (MALAYSIA) BERHAD

196101000393 (4423-H)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE SIXTY-THIRD ANNUAL GENERAL MEETING ("63rd AGM" OR "MEETING") OF COMPUTER FORMS (MALAYSIA) BERHAD HELD AT LEVEL 9, TOWER 11, AVENUE 5, BANGSAR SOUTH, NO. 8, JALAN KERINCHI, 59200 KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA ON WEDNESDAY, 12 AUGUST 2026 AT 10:00 A.M.

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

Operational & Financial Matters

Q1. The Group recorded a loss before tax of RM0.54 million in FPE2026. The result was supported by a RM3.51 million net gain from the reversal of expected credit losses on fixed deposits and a RM1.86 million gain on the disposal of assets. (page 5 of AR 2026)

(a) The Group's underlying operating performance remained weak. When does management expect the Group's core operating businesses to return to sustainable profitability?

The Group continues to operate in a challenging business environment, particularly within the traditional printing industry, which is undergoing structural changes driven by increasing digitalisation and evolving customer preferences. Demand for certain printing products also remains influenced by the level of economic activity and transaction volumes in the financial services sector.

Given these external factors and the prevailing market uncertainties, it is not practicable for the Group to provide a definitive timeline for a return to sustainable profitability.

Nevertheless, Management remains focused on strengthening the Group's core businesses through prudent cost management, operational efficiency improvements, customer retention initiatives and the pursuit of new business opportunities where appropriate. The Group will continue to adapt to changing market conditions while maintaining a disciplined approach to managing its operations and financial resources, with the objective of delivering sustainable long-term value to shareholders.

(b) What are the key earnings drivers over the next two financial years? Which business segments are expected to contribute most to the recovery?

The Group's earnings performance over the next two financial years is expected to be influenced by several key factors, including market demand, customer transaction activities, operational efficiency and the Group's ability to adapt to the evolving business environment.

The Business Forms and Data Print Services segment is expected to remain the Group's principal revenue contributor, supported by demand for specialised printing solutions, security printing products and data print services. While the segment continues to face structural challenges arising from the increasing adoption of digital alternatives, demand for certain physical documentation remains influenced by economic activities, transaction volumes and customer requirements.

The Group will continue to focus on strengthening its core operations, improving cost efficiency, enhancing productivity and maintaining close engagement with existing customers while exploring opportunities to broaden its revenue base.

The Group expects any improvement in earnings performance to be supported by a combination of recovery in market conditions, improved operational efficiencies and contributions from business opportunities identified by Management. However, the timing and extent of recovery remain dependent on external market conditions and customer demand.

Q2. Other receivables jumped significantly to RM101.55 million in FPE2026 from RM25.66 million in FY2024, mainly due to refundable deposits paid for the acquisition of new industrial properties, namely a detached factory and a double-storey factory with a warehouse. (page 7 and 106 of AR 2026)

(a) What is the rationale for acquiring these industrial properties? How do they support the Group's long-term business strategy?

The acquisition of the industrial properties is part of the Group's long-term strategy to strengthen its operational foundation and enhance financial sustainability.

Currently, the Group operates from leased premises, whereby rental expenses represent a significant operating cost. With rental rates expected to increase over time upon renewal of tenancy arrangements, owning industrial properties would provide the Group with greater control over its occupancy costs and reduce its exposure to future rental uncertainties.

In addition, ownership of the industrial properties will provide the Group with greater flexibility in managing its manufacturing and operational requirements, while supporting business continuity and long-term planning. The properties are expected to serve as strategic assets that align with the Group's objective of improving operational efficiency and preserving shareholder value over the longer term.

The Group will continue to assess the utilisation and development of these properties in line with its business needs and prevailing market conditions.

(b) **What are the purchase prices and land and built-up areas of each property? What is the expected timeline for completing these acquisitions?**

The consideration is about RM70 million. The land and built-up areas for the detached factory is about 210,445 sq. feet, and the double-storey factory with a warehouse is about 274,428 sq. feet.

The completion timeline for the acquisitions remains subject to the fulfilment of various conditions precedent, including the completion of the ongoing due diligence process and other necessary procedures relating to the proposed acquisitions.

The Group is currently progressing with the required assessments and reviews to ensure that all relevant aspects of the proposed acquisitions are properly evaluated before completion. As the timing is dependent on the satisfactory fulfilment of these requirements and relevant approvals, the Group is currently unable to provide a definitive completion timeline.

The Group will make the necessary announcements to Bursa Malaysia Securities Berhad in accordance with the applicable requirements upon the occurrence of any material developments relating to the proposed acquisitions.

(c) **Who are the vendors of these properties? Are any of the acquisitions related party transactions or do they involve directors, major shareholders or persons connected to them?**

The vendor of the properties is BSL Corporation Bhd.

The proposed acquisitions are not related party transactions and do not involve any directors, major shareholders or persons connected with them. The transactions are undertaken on an arm's length basis, and the Group has carried out the necessary evaluations and due diligence procedures in assessing the proposed acquisitions.

The Board will continue to ensure that the acquisitions are conducted in the best interests of the Group and its shareholders, with due consideration given to the applicable regulatory and governance requirements.

<u>**Corporate Governance Matters**</u>

Q3. In July 2026, Bursa Malaysia Securities publicly reprimanded CFM and eight directors, imposing total fines of RM2.0 million on the directors for multiple breaches of the Main Market Listing Requirements relating to the company's EV joint venture with EA Mobility Holdings Co. Ltd.

(a) Bursa found that the Board had failed to exercise adequate oversight before approving multiple announcements. What improvements have been made to the Board's review and approval process to ensure future announcements are timely, accurate and fully disclose all material information and contractual risks?

The Board notes the question. For completeness of the record, shareholders should be aware that the findings referred to are not accepted by the directors concerned.

The affected directors exercised their right of appeal, and having received the outcome, have taken legal advice on the further avenues open to them, including an application for judicial review.

As the affected directors are pursuing further legal avenues, the Board is not in a position to comment on the merits of the findings at this point in time.

The Board records that the affected directors maintain that they acted in good faith on the information made available to them at the material time and in what they believed to be the best interests of the Company.

Notwithstanding the above, the Board takes cognisance of the findings by Bursa Securities and remains committed to upholding high standards of corporate governance, transparency and compliance with the Main Market Listing Requirements (“MMLR”).

Following the matter, the Board has strengthened its internal review and approval processes in respect of material announcements. This includes enhanced coordination among the Board, Management, Company Secretary and relevant professional advisers to ensure that material information, key contractual terms and associated risks are appropriately identified, assessed and disclosed prior to the release of announcements.

The Board has also placed greater emphasis on the verification and completeness of information presented for its consideration, including ensuring that sufficient supporting information and documentation are made available to facilitate informed deliberation and decision-making.

Where appropriate, the Company will seek advice from its external professional advisers on matters involving complex transactions or regulatory requirements to ensure compliance with the applicable provisions of the MMLR.

The Board will continue to review and enhance the Company’s internal processes and controls to ensure that announcements are made in a timely, accurate and comprehensive manner and that shareholders are provided with sufficient material information to make informed investment decisions.

Sustainability Matters

Q4. The Group reported significantly lower annualised Scope 1 and Scope 2 emissions, mainly due to reduced operational activity rather than structural efficiency improvements.

(a) To what extent were the reductions is greenhouse gas (GHG) emissions attributable to lower production volumes versus improvements in energy efficiency and operational practices?

Extent of GHG Emission Reductions: Production Volumes vs. Efficiency

The reduction in the Group’s greenhouse gas emissions was primarily driven by the structural adjustments and reduced operational activity experienced during the reporting period. However, these reductions were also supported by the Group's conscious efforts to improve energy efficiency and operational practices.

- Scope 1 (Mobile Combustion): While the decrease in diesel consumption was mainly due to lower operational activity, the Group actively mitigated emissions by optimising route planning, reducing unnecessary vehicle idling, and maintaining regular vehicle servicing to improve handling efficiency.

- Scope 2 (Energy Management): Similarly, although production downtime led to lower overall electricity usage, the Group complemented this by implementing practical energy-saving measures. These included process optimisations, the use of energy-efficient equipment, and promoting a culture of energy conservation among employees.

In short, while lower production volumes were the primary catalyst for the reduced emissions, the Group's ongoing commitment to operational efficiency played a vital supporting role in managing its environmental footprint.

(b) Does the Board intend to establish measurable medium-term Scope 1 and Scope 2 GHG emissions reduction targets? If so, what is the expected timeline for announcing these targets?

Establishment of Medium-Term Targets and Timeline

At present, the Group has focused on establishing a solid baseline for monitoring its emissions and has not yet formalised specific, measurable medium-term targets for Scope 1 and Scope 2 reductions.

Strategic Approach: Rather than locking into a rigid timeline immediately, the Board's current strategy is focused on continuous operational improvement and responsible resource management during a period of significant structural transition for the business.

Future Outlook: Moving forward, the Group is committed to continuously reviewing its sustainability practices in alignment with its shifting business priorities and evolving regulatory developments. The Board intends to progressively elevate its ESG performance and will look toward formalising firmer targets as it aligns with stakeholder expectations and industry best practices.

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QUESTIONS RAISED BY THE SHAREHOLDERS

Q1. What was the reason for the change in the Company's financial year end, resulting in a 17-month financial period?

The change in financial year end was due to the resignation of the Company's previous auditors in or around June 2025, which was close to the Company's then financial year end in September. The financial year end was therefore extended to allow sufficient time for the Company to identify and appoint new auditors. The reason for the change had been disclosed in the Company's announcement to Bursa Securities and was available on the Company's website.

Q2. Why did the Group's revenue decrease significantly from approximately RM27 million in the previous financial year to approximately RM18 million for the current financial period?

The decrease in revenue was mainly attributable to a fire incident at the Group's flexible packaging factory in July 2024, which resulted in the cessation of production as the machinery was damaged. An insurance claim was subsequently made and the incident was announced to Bursa Securities. As the flexible packaging business had also been loss-making for the past few years, the Group subsequently decided to discontinue the business.

Q3. Did the flexible packaging segment previously account for approximately half of the Group's revenue, and what was its contribution to the overall decline in revenue?

Referred to the segmental information set out on page 124 of the Company's Annual Report. It was explained that the revenue from the flexible packaging segment decreased by approximately RM15.06 million. However, this decline was partially offset by improved revenue contributions from the Group's other two business segments, namely business forms and data printing services, and commercial printing.

Accordingly, after taking into account the performance of the other business segments, the Group recorded an overall decrease in revenue of approximately RM9.4 million, from RM27.5 million to RM18.0 million.

Q4. Whether the Group expects to recover the approximately RM15 million in revenue previously generated from the flexible packaging segment in the coming years.

No, as the Group intends to cease the flexible packaging business and will instead focus on its Business Forms and Data Print Services and Commercial Printing segments.

Q5. With reference to other receivables on page 106 of the Annual Report, deposits increased from approximately RM1.3 million to RM75.6 million, of which RM50.0 million comprised refundable deposits. What did the remaining approximately RM24.2 million relate to, and was the capital commitment of RM20.0 million disclosed on page 8 related to these deposits?

The remaining deposits mainly comprised refundable deposits relating to renovation and commercial expenses, as well as the purchase of plant and equipment. It was further confirmed that the RM20.0 million capital commitment was related to these deposits.

Q6. With reference to the administrative expenses on page 73 of the Annual Report, why did the administrative expenses increase significantly from approximately RM4.1 million to RM8.6 million? A breakdown of the administrative expenses for both financial periods was also requested.

Referred to Note 9 on pages 92 to 93 of the Annual Report, which sets out the significant components of the administrative expenses. The increase was mainly attributable to, among others, staff costs, impairment loss on other receivables of approximately RM3.35 million, expenses relating to short-term leases and low-value assets of approximately RM1.56 million, as well as other administrative expenses.

Q7. With regard to the reprimand by Bursa Securities and the Company's intention to pursue further action, what measures had the Board implemented to strengthen compliance and prevent a recurrence of similar issues?

The Company had appealed against the reprimand by Bursa Securities and was considering pursuing a judicial review. In the meantime, the Company had strengthened its internal processes and communication between the Board and the relevant professional advisers. In particular, for future material contracts, transactions or resolutions, the Company would ensure that the relevant professional advisers were involved at an appropriate stage to advise on and ensure compliance with the applicable Listing Requirements, including any announcement obligations.

Q8. What was the current status of the joint venture ("JV"), and whether there were any outstanding legal or financial matters arising therefrom?

The JV had been terminated, and there were no outstanding legal or financial matters arising therefrom.

Q9. In view of the Company's decision to cease the flexible packaging business, what were the Company's business plans and key areas of focus moving forward?

The Company would continue to focus on its core business of providing printing-related products and services to its banking customers, with whom the Company continued to maintain existing contracts. In addition, the Company intended to expand its e-solution services for banking customers, including the electronic delivery of notifications and notices of credit. The Company would focus on growing these business segments to support its future revenue growth.

Q10. In view of the several changes in the Company's external auditors within a relatively short period, clarification was sought on:

(a) the reasons for the resignation of ChengCo PLT ("ChengCo") and SBY Partners PLT's ("SBY Partners") decision not to seek re-appointment, and whether their departures involved any disagreement with Management on accounting treatment, audit evidence, internal controls, management representations, audit scope or access to information;

(b) **whether potential replacement auditors had been shortlisted and the criteria to be considered in selecting the new external auditors; and**

(c) **whether the latest change in external auditors would result in any further extension of the Company's financial year and when the new external auditors were expected to be appointed.**

ChengCo's resignation as the Company's Auditors was due to matters concerning ChengCo and the Audit Oversight Board ("AOB") and was not attributable to any matter relating to the Company. As ChengCo had given the Company approximately one month's notice of its resignation, the Company had extended its financial year end to allow sufficient time for the transition and appointment of a new external auditor.

With regard to SBY Partners, its decision not to seek re-appointment as the Company's Auditors was similarly unrelated to the Company and was understood to have arisen from an internal reorganisation within SBY Partners. It was also noted that the audit partner of SBY Partners was present at the Meeting.

The Company had commenced the process of identifying and evaluating suitable candidates for appointment as the new Auditors. However, no appointment had been made as at the date of the Meeting. In assessing the potential candidates, the Company would take into consideration, among others, the profile and audit quality of the firm, the experience and capabilities of the proposed engagement partner and audit team, as well as the proposed audit fees, with a view to ensuring that the appointed firm would be suitably qualified and adequately resourced to undertake the audit of the Company and the Group.

As regards the Company's financial reporting timeline, it was premature at this juncture to determine whether any further change in the financial year end would be necessary, as this would largely depend on the timing of the appointment of the new Auditors and the progress of the subsequent audit. Nevertheless, the Company presently had no intention of making a further change to its financial year end.

Subject to the timely appointment of the new external auditor and there being no unforeseen circumstances requiring otherwise, the Company expected to revert to its normal 12-month financial reporting period for the subsequent financial year. The Shareholders were informed that no definitive timeline for the appointment of the new external auditor was available as at the date of the Meeting, although the

Company would endeavour to complete the appointment process as soon as practicable.