



## **POS MALAYSIA BERHAD**

(Registration No. 199101019653 (229990-M))

(Incorporated in Malaysia)

Interim Financial Report for the Financial Period  
Ended 31 March 2024

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

The Board of Directors hereby announce the unaudited consolidated financial results of Pos Malaysia Group (“the Group”) for the financial quarter/financial period ended 31 March 2024.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Financial Quarter/Financial Period	
		3 Months Ended	
		31.03.2024	31.03.2023
		RM'000	RM'000
Revenue		491,967	482,272
Cost of sales and operating expenses		(499,682)	(498,718)
Other income		10,465	6,459
Other expenses		(5,654)	(3,129)
Loss from operations		(2,904)	(13,116)
Finance costs		(12,082)	(10,928)
Share of result of associated company (net of tax)		(30)	81
<b>LOSS BEFORE ZAKAT AND TAXATION</b>		<b>(15,016)</b>	<b>(23,963)</b>
Zakat		(366)	(346)
<b>LOSS BEFORE TAXATION</b>		<b>(15,382)</b>	<b>(24,309)</b>
Taxation	18	(4,563)	(3,355)
<b>LOSS FOR THE FINANCIAL QUARTER/PERIOD</b>		<b>(19,945)</b>	<b>(27,664)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
<u>Item that will be subsequently reclassified to profit or loss</u>			
Currency translation differences for foreign operations		2,369	(218)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL QUARTER/ PERIOD (NET OF TAX)</b>		<b>2,369</b>	<b>(218)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL QUARTER/PERIOD (NET OF TAX)</b>		<b>(17,576)</b>	<b>(27,882)</b>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)**

	Note	Financial Quarter/Financial Period 3 Months Ended	
		31.03.2024 RM'000	31.03.2023 RM'000
<b>Loss for the financial quarter/period attributable to:</b>			
Owners of the Company		(19,689)	(27,664)
Non-controlling interest		(256)	-
		<b>(19,945)</b>	<b>(27,664)</b>
<b>Total comprehensive loss for the financial quarter/ period attributable to:</b>			
Owners of the Company		(17,320)	(27,882)
Non-controlling interest		(256)	-
		<b>(17,576)</b>	<b>(27,882)</b>
Basic and diluted loss per share (sen):	23	<b>(2.52)</b>	<b>(3.53)</b>

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2023 and the explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	Unaudited as at 31.03.2024 RM'000	Audited as at 31.12.2023 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		517,967	673,357
Investment properties		40,450	40,450
Investments in associates		40,837	40,867
Right-of-use assets		298,677	289,682
Intangible assets		121,707	122,370
Deferred tax assets		494	385
Derivative financial asset		1,626	1,626
Other investments		6,723	6,723
		<b>1,028,481</b>	<b>1,175,460</b>
<b>CURRENT ASSETS</b>			
Inventories		7,353	6,850
Trade and other receivables		791,483	772,263
Other investments		7,539	8,475
Current tax assets		2,468	2,449
Deposits placed with licensed banks		29,486	38,408
Cash and bank balances		127,545	170,181
Assets classified as held for sale		171,664	-
		<b>1,137,538</b>	<b>998,626</b>
		<b>2,166,019</b>	<b>2,174,086</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
Share capital		1,071,392	1,071,392
Reserves		(593,505)	(576,185)
<b>Equity attributable to Owners of the Company</b>		<b>477,887</b>	<b>495,207</b>
Non-controlling interest		4,041	4,297
<b>TOTAL EQUITY</b>		<b>481,928</b>	<b>499,504</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	20	77,000	113,583
Lease liabilities		80,397	70,561
Post-employment benefit obligations		557	548
Deferred tax liabilities		25,126	26,576
		<b>183,080</b>	<b>211,268</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	1,031,816	1,022,376
Loans and borrowings		363,620	391,420
Lease liabilities		44,661	43,158
Current tax liabilities		7,708	6,360
Liabilities classified as held for sale		53,206	-
		<b>1,501,011</b>	<b>1,463,314</b>
		<b>1,684,091</b>	<b>1,674,582</b>
<b>TOTAL LIABILITIES</b>		<b>2,166,019</b>	<b>2,174,086</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,166,019</b>	<b>2,174,086</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY* (RM)</b>		<b>0.61</b>	<b>0.63</b>

\* Based on 782,776,836 ordinary shares in issue.

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2023 and the explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Issued and fully paid ordinary shares		Non-distributable						Total Equity RM'000
	Number of Shares '000	Amount RM'000	Revaluation Reserves RM'000	Post- employment Benefits Reserves RM'000	Foreign Currency Translation Reserves RM'000	Accumulated Losses RM'000	Total RM'000	Non- controlling Interest RM'000	
<b>At 1 January 2024</b>	<b>782,777</b>	<b>1,071,392</b>	<b>1,144</b>	<b>(443)</b>	<b>5,225</b>	<b>(582,111)</b>	<b>495,207</b>	<b>4,297</b>	<b>499,504</b>
Loss for the financial period	-	-	-	-	-	(19,689)	<b>(19,689)</b>	(256)	<b>(19,945)</b>
Other comprehensive income for the financial period	-	-	-	-	2,369	-	<b>2,369</b>	-	<b>2,369</b>
Total comprehensive income/(loss) for the financial period	-	-	-	-	2,369	(19,689)	<b>(17,320)</b>	(256)	<b>(17,576)</b>
<b>At 31 March 2024</b>	<b>782,777</b>	<b>1,071,392</b>	<b>1,144</b>	<b>(443)</b>	<b>7,594</b>	<b>(601,800)</b>	<b>477,887</b>	<b>4,041</b>	<b>481,928</b>

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

	Issued and fully paid ordinary shares		Non-distributable				Accumulated Losses	Total Equity
	Number of Shares '000	Amount RM'000	Revaluation Reserves RM'000	Post- employment Benefit Reserves RM'000	Foreign Currency Translation Reserves RM'000	RM'000		
<b>At 1 January 2023</b>	<b>782,777</b>	<b>1,071,392</b>	<b>1,144</b>	<b>(1,225)</b>	<b>4,497</b>	<b>(429,549)</b>	<b>646,259</b>	
Loss for the financial period	-	-	-	-	-	(27,664)	(27,664)	
Other comprehensive loss for the financial period	-	-	-	-	(218)	-	(218)	
Total comprehensive loss for the financial period	-	-	-	-	(218)	(27,664)	(27,882)	
<b>At 31 March 2023</b>	<b>782,777</b>	<b>1,071,392</b>	<b>1,144</b>	<b>(1,225)</b>	<b>4,279</b>	<b>(457,213)</b>	<b>618,377</b>	

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2023 and the explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>3 Months Ended 31.03.2024 RM'000</b>	<b>3 Months Ended 31.03.2023 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax for the financial period	(15,382)	(24,309)
Adjustments:		
- Depreciation of property, plant and equipment	24,892	27,370
- Depreciation of right-of-use assets	16,087	15,401
- Amortisation of intangible assets	663	663
- Amortisation of government grant	(230)	(237)
- Net fair value gain of other investments:		
Financial assets at fair value through profit or loss	(64)	(269)
- Finance costs	10,080	9,265
- Interest expense on lease liabilities	2,002	1,663
- Derecognition of right-of-use assets	-	100
- Finance income	(454)	(668)
- Unrealised foreign exchange differences	(2,604)	(2,121)
- Net (gain)/loss on impairment of receivables	(1,189)	1,181
- Loss on disposal of property, plant and equipment	233	-
- Property, plant and equipment written off	301	25
- Inventories written down/(back)	41	(7)
- Zakat	366	346
- Share of result of an equity-accounted associate, net of tax	30	(81)
- Others	9	17
Operating profit before changes in working capital	34,781	28,339
Changes in working capital:		
Change in current assets	(42,636)	(14,651)
Change in current liabilities	31,091	57,803
Cash generated from operations	23,236	71,491
Tax paid	(4,104)	(2,842)
Tax refund	36	-
Interest paid	(2,002)	(1,663)
Zakat paid	(852)	(628)
<b>Net cash from operating activities</b>	<b>16,314</b>	<b>66,358</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**

	<b>3 Months Ended 31.03.2024 RM'000</b>	<b>3 Months Ended 31.03.2023 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Finance income received	454	668
Acquisition of property, plant and equipment	(9,582)	(4,696)
Proceeds from disposal of property, plant and equipment	377	-
Net proceeds from redemption of other investments	1,000	1,000
Increase in deposit pledged	(3)	(10)
<b>Net cash used in investing activities</b>	<b>(7,754)</b>	<b>(3,038)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown on borrowings	21,946	25,051
Finance costs paid	(10,080)	(9,265)
Repayment of borrowings	(42,713)	(71,491)
Repayment of hire purchase liabilities	(275)	(261)
Repayment of lease liabilities	(13,822)	(13,267)
Movement in restricted cash	13,472	(43,075)
<b>Net cash used in financing activities</b>	<b>(31,472)</b>	<b>(112,308)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(22,912)</b>	<b>(48,988)</b>
Effects of foreign currency translation	150	(650)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>159,788</b>	<b>168,973</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>137,026</b>	<b>119,335</b>
Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:		
Cash and bank balances	127,545	122,821
Deposits placed with licensed banks	29,486	56,993
Cash attributable to assets classified as held for sale	7,893	977
Bank overdrafts	(880)	(929)
	164,044	179,862
Less: Collections on behalf of agency payables and money order payables**	(17,338)	(10,452)
Less: Deposits pledged	(551)	(548)
Less: Restricted cash	(9,129)	(49,527)
	<b>137,026</b>	<b>119,335</b>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2023 and the explanatory notes attached to the interim financial report.

\*\* The amount of cash held on behalf of agency payables and money order payables are included under Trade and Other Payables in the Consolidated Statement of Financial Position.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**

(a) Reconciliation of liabilities arising from financing activities:

	<b>Lease Liabilities RM'000</b>	<b>Hire Purchase RM'000</b>	<b>Islamic Term Loans RM'000</b>	<b>Revolving Credits RM'000</b>	<b>Invoice Financing RM'000</b>	<b>Total RM'000</b>
<b>At beginning of the financial period</b>	<b>113,719</b>	<b>1,059</b>	<b>208,628</b>	<b>276,500</b>	<b>17,911</b>	<b>617,817</b>
Net changes from financing cash flows:						
Acquisition of new lease	21,035	-	-	-	-	<b>21,035</b>
Remeasurement of lease liabilities	4,126	-	-	-	-	<b>4,126</b>
Drawdown	-	-	-	-	21,946	<b>21,946</b>
Repayment	(13,822)	(275)	(23,834)	(2,433)	(16,446)	<b>(56,810)</b>
Reclassified to liabilities held for sale	-	-	(32,784)	-	(11,522)	<b>(44,306)</b>
Effects of foreign currency translation	-	-	990	-	-	<b>990</b>
<b>Total net changes from financing cash flows</b>	<b>11,339</b>	<b>(275)</b>	<b>(55,628)</b>	<b>(2,433)</b>	<b>(6,022)</b>	<b>(53,019)</b>
<b>At end of the financial period</b>	<b>125,058</b>	<b>784</b>	<b>153,000</b>	<b>274,067</b>	<b>11,889</b>	<b>564,798</b>

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## **EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**

### **1. BASIS OF PREPARATION**

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134, *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying notes attached to the unaudited condensed consolidated financial statements.

The interim financial statements have been prepared on a going concern basis despite the Group’s losses incurred during the financial period ended 31 March 2024 and as of that date, its net current liabilities position.

The Group has prepared and considered prospective financial information based on assumptions and events that may occur for the next 12 months from reporting date and the possible actions to be taken by the Group. Prospective financial information includes the Group’s cash flow forecasts for its operations. In preparing the cash flow forecasts, the Group has considered the availability of cash and fund investments, the ability to roll over the revolving credit facilities of the Group and financial support from its key stakeholders.

Accordingly, the Group believes that the preparation of the interim financial statements on a going concern basis is appropriate, based on the measures as disclosed above, to enable the Group to continue its operations and to meet its liabilities as they fall due for the next 12 months from the reporting date.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2023 except for the adoption of the following new amendments which are applicable to the Group with effect from 1 January 2024:

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

The initial application of the above amendments is not expected to have any material impact to the current period and prior period financial statements of the Group.

**3. SEASONALITY OR CYCLICALITY OF OPERATIONS**

The Group's operations are not subject to any significant seasonal factors except that mail volume fluctuates during the festive season and at the beginning of calendar year.

**4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE**

There was no material item of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2024.

**5. CHANGES IN ESTIMATES**

There was no material change in the estimate of amount reported in prior financial period that has a material effect on this interim financial report.

**6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES**

There was no issuance and repayment of debt and equity securities, shares held as treasury shares and resale of treasury shares for the financial period ended 31 March 2024.

**7. DIVIDENDS PAID**

There was no dividend paid for the current financial period ended 31 March 2024.

**8. SEGMENTAL INFORMATION**

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different business processes and attend to different customer needs. For each of the strategic business units, the Group Chief Executive Officer (the chief operating decision maker) and the Board of Directors review internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Postal	Includes the provision of basic mail services for corporate and individual customers, courier, parcel and logistic solutions by sea, air and land to both national and international destinations, direct entry and transshipment and customised solutions such as Mailroom Management and Direct Mail and over-the-counter services for payment of bills and certain financial products and services.
Aviation	Includes cargo and ground handling, in-flight catering, freight and forwarding and air cargo transport.
Logistics	Includes haulage services, freight and forwarding, shipping agency and chartering services, warehousing and distribution services.

## 8. SEGMENTAL INFORMATION (CONTINUED)

Other segment includes the hybrid mail which provides data and document processing services, business of internet security products, solutions and services, Ar-Rahnu business including storage and safekeeping fees, buying and selling of investment precious metals, namely gold bars and dinars and rental income from investment properties held by the Group. None of these segments meets any of the quantitative thresholds for determining reportable segments in the current reporting period.

Information regarding the operations of each reportable segment are shown below. Performance is measured based on segment results. Segment results are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within those industries. Inter-segment pricing is determined on a negotiated basis.

The information of each of the Group's business segments for the financial period ended 31 March 2024 are as follows:

Financial period ended 31 March 2024	Postal RM'000	Aviation RM'000	Logistics RM'000	Others RM'000	Elimination RM'000	Group RM'000
Total external revenue	291,973	91,721	64,838	43,435	-	491,967
Intersegment revenue	3,981	72	247	6,297	(10,597)	-
<b>Total revenue for reportable segments</b>	<b>295,954</b>	<b>91,793</b>	<b>65,085</b>	<b>49,732</b>	<b>(10,597)</b>	<b>491,967</b>
<b>Reportable segment results</b>	<b>(24,134)</b>	<b>4,210</b>	<b>(5,709)</b>	<b>10,944</b>	<b>-</b>	<b>(14,689)</b>
Share of results of associated company	-	-	-	(30)	-	(30)
Amortisation of intangible assets	-	(663)	-	-	-	(663)
<b>Reportable segment results before taxation</b>	<b>(24,134)</b>	<b>3,547</b>	<b>(5,709)</b>	<b>10,914</b>	<b>-</b>	<b>(15,382)</b>
Taxation	(362)	(1,258)	(20)	(2,923)	-	(4,563)
<b>Reportable segment results after taxation</b>	<b>(24,496)</b>	<b>2,289</b>	<b>(5,729)</b>	<b>7,991</b>	<b>-</b>	<b>(19,945)</b>
<b>Attributable to:</b>						
Owners of the Company						(19,689)
Non-controlling interest						(256)
						<b>(19,945)</b>

## 9. PROPERTY, PLANT AND EQUIPMENT

There is no revaluation of property, plant and equipment from the previous annual audited financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

**10. SUBSEQUENT EVENT**

On 21 May 2024, Pos Logistics Berhad. (“PLB”), an indirect wholly owned subsidiary of Pos Malaysia Berhad, entered into a Share Sale and Purchase Agreement (“SPA”), in relation to the disposal of 100% equity interest in PNSL Berhad (“PNSL”) to SWA Shipping Sdn. Bhd. (“SWA”), for an indicative total consideration of RM123.2 million (“Proposed Disposal of PNSL”).

Efforts to dispose the subsidiary has commenced before the end of the reporting period and the proposed disposal of PNSL is expected to be completed within four months from the signing date of the SPA.

Save for the above, there has not arisen in the interval between the end of this reporting period and the date of this announcement, any item, transaction or event of a material and unusual nature that would likely affect substantially the results of the operations of the Group.

**11. CHANGES IN THE COMPOSITION OF THE GROUP**

There is no change in the composition of the Group during the financial period ended 31 March 2024.

**12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets at the end of the reporting period other than what was reported in the last annual audited financial statements.

**13. LOSS BEFORE TAXATION**

Loss before taxation is arrived at after charging/(crediting) the following:

	3 Months Ended	
	31.03.2024 RM'000	31.03.2023 RM'000
Amortisation of intangible assets	663	663
Amortisation of government grant	(230)	(237)
Depreciation of property, plant and equipment	24,892	27,370
Depreciation of right-of-use assets	16,087	15,401
Net fair value gain of other investments:		
Financial assets at fair value through profit or loss	(64)	(269)
Net (gain)/loss on impairment of receivables	(1,189)	1,181
Finance costs	10,080	9,265
Interest on lease liabilities	2,002	1,663
Property, plant and equipment written off	301	25

**13. LOSS BEFORE TAXATION (CONTINUED)**

Loss before taxation is arrived at after charging/(crediting) the following (continued):

	3 Months Ended	
	31.03.2024 RM'000	31.03.2023 RM'000
Loss on disposal of property, plant and equipment	233	-
Derecognition of right-of-use assets	-	100
Inventories written down/(back)	41	(7)
Finance income of financial assets calculated using the effective interest method that are at amortised cost	(454)	(668)
Net foreign exchange differences	156	(975)

**14. REVIEW OF GROUP PERFORMANCE**

**Group performance for the financial quarter/period ended 31 March 2024**

The Group recorded a revenue of RM492.0 million and loss before tax of RM15.4 million for the financial quarter/period ended 31 March 2024.

Group revenue and (loss)/profit before tax by segment are as follows:

	Revenue 3 Months Ended		(Loss)/Profit Before Tax 3 Months Ended	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Postal	291,973	279,614	(24,134)	(35,807)
Aviation	91,721	68,346	3,547	(489)
Logistics	64,838	89,511	(5,709)	287
Others	43,435	44,801	10,914	11,700
<b>Total</b>	<b>491,967</b>	<b>482,272</b>	<b>(15,382)</b>	<b>(24,309)</b>

**(i) Postal**

Postal segment achieved higher revenue by 4% primarily contributed by mail business from a project with a government agency. The loss before tax has also shown an improvement by 33% due to the increased revenue while registering minimal increase in cost.

**(ii) Aviation**

Aviation segment recorded higher revenue of RM91.7 million and turnaround from loss before tax of RM0.5 million in Q1 FY2023 to a profit before tax of RM3.5 million in the current quarter. This is mainly attributable to the in-flight catering business with higher number of meals uplifted.

**14. REVIEW OF GROUP PERFORMANCE (CONTINUED)**

**Group performance for the financial quarter/period ended 31 March 2024 (continued)**

**(iii) Logistics**

Logistics segment registered lower revenue at RM64.8 million compared to RM89.5 million in Q1 FY2023. The decrease is mainly arising from the decrease in revenue from automotive and freight management businesses due to lower volume handled and mandatory dry docking of a vessel.

Loss before tax was mainly due to lower revenue while the costs remain fixed.

**(iv) Others**

Other segment registered lower revenue and profit before tax mainly attributable to printing and insertion business.

**15. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

The Group recorded a 77% reduction in loss before tax of RM15.4 million in the current quarter ended 31 March 2024 compared to RM66.5 million loss in the preceding quarter ended 31 December 2023. This was mainly due to the higher revenue by RM30.4 million coupled with lower cost of sales and operating expenses by RM23.5 million.

**16. FUTURE PROSPECTS**

For the first quarter of 2024, the Pos Malaysia Group increased its sales by 2% to RM492 million compared with the same quarter in 2023, and as a result further reduced its losses before taxation by 37% compared with the same quarter in 2023, to RM15.4 million from RM24.3 million.

Our improved earnings are mainly explained by improved results across our mail and parcel business, with both delivering increased volumes in Q1 2024 versus Q1 2023. That said, the postal and parcel market is still an incredibly challenging environment, and we will continue to focus on our transformation, our margin led new businesses and capacity management to ensure we have a foundation for continued progress throughout 2024.

In our other sectors, Pos Aviation anticipates continued growth due to increased demand for in-flight catering and cargo services. Pos Logistics continues with its transformation, placing more emphasis on the automotive sector, third-party logistics, and warehousing.

We remain cautiously optimistic that the Group will deliver improved results in 2024.

**17. PROFIT FORECAST OR PROFIT GUARANTEE**

The Group has not issued any profit forecast or profit guarantee for the current financial period in a public document.

## 18. TAXATION

Taxation comprises the following:

	3 Months Ended	
	31.03.2024 RM'000	31.03.2023 RM'000
Current taxation	5,290	3,542
Deferred taxation	(727)	(187)
<b>Total</b>	<b>4,563</b>	<b>3,355</b>

For the financial period ended 31 March 2024, despite the Group recording losses, the current taxation charge arose from certain profit-making subsidiaries.

## 19. STATUS OF CORPORATE PROPOSALS

Save as disclosed in Note 10, there are no other corporate proposals as at the date of this report.

## 20. GROUP BORROWINGS

Total Group borrowings are as follows:

	Unaudited As At 31.03.2024 RM'000
<b>Long-Term Borrowings</b>	
<u>Secured:</u>	
Islamic term loans	77,000
<b>Total</b>	<b>77,000</b>
<b>Short-Term Borrowings</b>	
<u>Secured:</u>	
Bank overdrafts	880
Revolving credits	274,067
Islamic term loans	76,000
Hire purchase liabilities	784
Invoice financing	11,889
<b>Total</b>	<b>363,620</b>
<b>Grand Total</b>	<b>440,620</b>

The above borrowings are denominated in Ringgit Malaysia ("RM"). Included in liabilities classified as held for sale are the following RM equivalent of foreign currency borrowings.

Secured	Foreign Currency	Foreign '000	RM '000
Long-term Islamic term loans	USD	2,766	13,055
Short-term Islamic term loans	USD	4,180	19,729
Invoice financing	USD	1,066	5,031
<b>Total</b>		<b>8,012</b>	<b>37,815</b>



**21. MATERIAL LITIGATIONS**

Save as disclosed in the last annual audited financial statements, there is no other material litigation as at the date of this report.

**22. DIVIDEND**

No interim dividend has been declared for the financial period ended 31 March 2024.

**23. LOSS PER SHARE**

The calculation of basic and diluted loss per share was based on the attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the financial period.

	3 Months Ended	
	31.03.2024	31.03.2023
Net loss attributable to ordinary shareholders (RM'000)	(19,689)	(27,664)
Number of ordinary shares in issue ('000)	782,777	782,777
Basic and diluted loss per share (sen)	<b>(2.52)</b>	<b>(3.53)</b>

**24. FINANCIAL INSTRUMENTS AT FAIR VALUE MEASUREMENTS**

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

The Group measured the financial instruments based on:

Level 1:	Derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.
Level 2:	Estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.
Level 3:	Estimated using unobservable inputs for the financial assets and liabilities.

**24. FINANCIAL INSTRUMENTS AT FAIR VALUE MEASUREMENTS (CONTINUED)**

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>Financial assets</b>										
Other investments	7,539	-	6,723	14,262	-	-	-	-	14,262	14,262
Derivative asset	-	-	1,626	1,626	-	-	-	-	1,626	1,626
<b>Financial liabilities</b>										
Islamic term loans*	-	-	-	-	-	-	180,322	180,322	180,322	185,784
Hire purchase liabilities	-	-	-	-	-	-	791	791	791	784

\*including borrowings reclassified as liabilities held for sale with carrying amount of RM32,784,000

The carrying amounts of cash and cash equivalents, other investments, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

**25. COMMITMENTS**

	As At 31.03.2024 RM'000	As At 31.03.2023 RM'000
<b>Property, plant and equipment</b>		
Contracted but not provided for	9,298	2,060

**26. RELATED PARTIES TRANSACTIONS**

	3 Months Ended	
	31.03.2024 RM'000	31.03.2023 RM'000
<b>Related companies:</b>		
Sales of services	30,474	45,702
Rental income	2	-
Purchase of services	(4,473)	(1,773)
Payment of lease liabilities	(2,439)	(3,873)
<b>Associates:</b>		
Sales of services	1,370	1,121
Transportation cost	(22,199)	(22,210)
<b>Companies subject to common significant influence:</b>		
Sales of services	8,694	11,141
Purchase of services	(1,891)	(4,371)
Rental expense	(25)	(168)

**POS MALAYSIA BERHAD**  
(Registration No. 199101019653 (229990-M))  
(Incorporated in Malaysia)

**27. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report of the Group's preceding annual audited financial statements was not subject to any qualification.

BY ORDER OF THE BOARD

SABARINA LAILA BINTI MOHD HASHIM (LS 0004324) SSM PC No. 201908001661  
NGIAN YOKE FUNG (MAICSA 7049093) SSM PC No. 201908002393  
COMPANY SECRETARIES

Kuala Lumpur  
21 May 2024