



## **POS MALAYSIA BERHAD**

(Registration No. 199101019653 (229990-M))

(Incorporated in Malaysia)

Interim Financial Report for the Financial Period  
Ended 30 September 2024

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

The Board of Directors hereby announce the unaudited consolidated financial results of Pos Malaysia Group (“the Group”) for the financial quarter/period ended 30 September 2024.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Financial Quarter 3 Months Ended		Financial Period 9 Months Ended	
		30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Revenue		458,963	461,711	1,394,359	1,409,180
Cost of sales and operating expenses		(496,473)	(493,731)	(1,484,062)	(1,475,608)
Other income		20,945	14,212	37,751	32,821
Other expenses		(10,982)	1,093	(17,538)	(6,013)
Loss from operations		(27,547)	(16,715)	(69,490)	(39,620)
Finance costs		(12,080)	(11,458)	(36,034)	(33,292)
Share of result of an associated company (net of tax)		3	(732)	115	(411)
<b>LOSS BEFORE ZAKAT AND TAXATION</b>		<b>(39,624)</b>	<b>(28,905)</b>	<b>(105,409)</b>	<b>(73,323)</b>
Zakat		(745)	(217)	(1,501)	(921)
<b>LOSS BEFORE TAXATION</b>		<b>(40,369)</b>	<b>(29,122)</b>	<b>(106,910)</b>	<b>(74,244)</b>
Taxation	18	(8,939)	(4,501)	(17,941)	(14,051)
<b>LOSS FOR THE FINANCIAL QUARTER/PERIOD</b>		<b>(49,308)</b>	<b>(33,623)</b>	<b>(124,851)</b>	<b>(88,295)</b>
<b>OTHER COMPREHENSIVE (LOSS)/ INCOME</b>					
<u>Item that will be subsequently reclassified to profit or loss</u>					
Currency translation differences for foreign operations		(5,017)	1,141	(2,292)	3,414
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL QUARTER/ PERIOD (NET OF TAX)</b>		<b>(5,017)</b>	<b>1,141</b>	<b>(2,292)</b>	<b>3,414</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL QUARTER/ PERIOD (NET OF TAX)</b>		<b>(54,325)</b>	<b>(32,482)</b>	<b>(127,143)</b>	<b>(84,881)</b>

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

	Note	Financial Quarter 3 Months Ended		Financial Period 9 Months Ended	
		30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
<b>(Loss)/Profit for the financial quarter/period attributable to:</b>					
Owners of the Company		(49,892)	(33,339)	(125,503)	(88,011)
Non-controlling interest		584	(284)	652	(284)
		<b>(49,308)</b>	<b>(33,623)</b>	<b>(124,851)</b>	<b>(88,295)</b>
<b>Total comprehensive (loss)/income for the financial quarter/period attributable to:</b>					
Owners of the Company		(54,909)	(32,198)	(127,795)	(84,597)
Non-controlling interest		584	(284)	652	(284)
		<b>(54,325)</b>	<b>(32,482)</b>	<b>(127,143)</b>	<b>(84,881)</b>
Basic and diluted loss per share (sen)	23	<b>(6.37)</b>	<b>(4.26)</b>	<b>(16.03)</b>	<b>(11.24)</b>

The 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 30.09.2024 RM'000	Audited as at 31.12.2023 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		491,598	673,357
Investment properties		40,460	40,450
Right-of-use assets		271,422	289,682
Intangible assets		120,378	122,370
Deferred tax assets		395	385
Investments in associates		40,982	40,867
Other investments		6,723	6,723
Derivative financial asset		1,626	1,626
		<b>973,584</b>	<b>1,175,460</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables		744,521	772,263
Other investments		5,656	8,475
Inventories		8,910	6,850
Current tax assets		3,005	2,449
Deposits placed with licensed banks		11,531	38,408
Cash and bank balances		114,896	170,181
Assets classified as held for sale		150,934	-
		<b>1,039,453</b>	<b>998,626</b>
<b>TOTAL ASSETS</b>		<b>2,013,037</b>	<b>2,174,086</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		1,071,392	1,071,392
Reserves		(703,980)	(576,185)
<b>Equity attributable to Owners of the Company</b>		<b>367,412</b>	<b>495,207</b>
Non-controlling interest		4,949	4,297
<b>TOTAL EQUITY</b>		<b>372,361</b>	<b>499,504</b>
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	20	152,000	113,583
Lease liabilities		68,510	70,561
Post-employment benefit obligations		575	548
Deferred tax liabilities		29,978	26,576
		<b>251,063</b>	<b>211,268</b>
<b>CURRENT LIABILITIES</b>			
Loans and borrowings	20	292,524	391,420
Lease liabilities		32,413	43,158
Current tax liabilities		7,079	6,360
Trade and other payables		1,019,306	1,022,376
Liabilities classified as held for sale		38,291	-
		<b>1,389,613</b>	<b>1,463,314</b>
<b>TOTAL LIABILITIES</b>		<b>1,640,676</b>	<b>1,674,582</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,013,037</b>	<b>2,174,086</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY* (RM)</b>		<b>0.47</b>	<b>0.63</b>

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

The 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.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Issued and fully paid ordinary shares		Non-distributable						
	Number of Shares '000	Amount RM'000	Revaluation Reserve RM'000	Post-employment Benefits Reserve RM'000	Foreign Currency Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity 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)/Profit for the financial period	-	-	-	-	-	(125,503)	(125,503)	652	(124,851)
Other comprehensive income for the financial period	-	-	-	-	(2,292)	-	(2,292)	-	(2,292)
Total comprehensive (loss)/income for the financial period	-	-	-	-	(2,292)	(125,503)	(127,795)	652	(127,143)
<b>At 30 September 2024</b>	<b>782,777</b>	<b>1,071,392</b>	<b>1,144</b>	<b>(443)</b>	<b>2,933</b>	<b>(707,614)</b>	<b>367,412</b>	<b>4,949</b>	<b>372,361</b>

	Issued and fully paid ordinary shares		Non-distributable						
	Number of Shares '000	Amount RM'000	Revaluation Reserve RM'000	Post-employment Benefits Reserve RM'000	Foreign Currency Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity 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>	<b>-</b>	<b>646,259</b>
Loss for the financial period	-	-	-	-	-	(88,011)	(88,011)	(284)	(88,295)
Other comprehensive income for the financial period	-	-	-	-	3,414	-	3,414	-	3,414
Total comprehensive income/(loss) for the financial period	-	-	-	-	3,414	(88,011)	(84,597)	(284)	(84,881)
Transfer of a subsidiary company's reserve	-	-	-	(9)	-	9	-	-	-
Effect of changes in shareholdings in a subsidiary company	-	-	-	-	-	5,282	5,282	(1,282)	4,000
Share subscription in a subsidiary company by non-controlling interest shareholder	-	-	-	-	-	-	-	6,370	6,370
<b>At 30 September 2023</b>	<b>782,777</b>	<b>1,071,392</b>	<b>1,144</b>	<b>(1,234)</b>	<b>7,911</b>	<b>(512,269)</b>	<b>566,944</b>	<b>4,804</b>	<b>571,748</b>

The 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.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 Months Ended 30.09.2024 RM'000	9 Months Ended 30.09.2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax for the financial period	(106,910)	(74,244)
Adjustments:		
- Depreciation of property, plant and equipment	68,164	80,102
- Depreciation of right-of-use assets	43,483	47,134
- Amortisation of intangible assets	1,989	1,989
- Amortisation of government grant	(689)	(1,035)
- Change in fair value of investment properties	(10)	-
- Net fair value gain of other investments:		
Financial assets at fair value through profit or loss	(181)	(640)
- Finance costs	36,034	33,292
- Gain from derecognition of right-of-use assets	(485)	(434)
- Gain on remeasurement of lease liabilities	-	(946)
- Finance income	(1,087)	(2,248)
- Net unrealised foreign exchange differences	(12,451)	742
- Net gain on impairment of receivables	(4,468)	(8,714)
- Gain on disposal of property, plant and equipment	(572)	(1,788)
- Property, plant and equipment written off	505	96
- Net inventories written down	63	18
- Zakat	1,501	921
- Share of result of an associated company (net of tax)	(115)	411
- Others	28	54
Operating profit before changes in working capital	24,799	74,710
Changes in working capital:		
Change in trade and other receivables and prepayment	10,936	(683)
Change in trade and other payables	50,364	99,060
Cash generated from operations	86,099	173,087
Tax paid	(13,657)	(9,183)
Tax refund	36	254
Finance cost paid	(5,130)	(4,704)
Zakat paid	(1,389)	(628)
Defined benefits paid	-	(38)
<b>Net cash generated from operating activities</b>	<b>65,959</b>	<b>158,788</b>

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

	9 Months Ended 30.09.2024 RM'000	9 Months Ended 30.09.2023 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1,087	2,248
Acquisition of property, plant and equipment	(34,519)	(15,305)
Proceeds from disposal of property, plant and equipment	3,529	2,955
Net proceeds from redemption of other investments	3,000	31,000
Increase in deposit pledged	(17)	(10)
Proceeds from disposal of partial interest in a subsidiary company	-	4,000
Net cash (used in)/ generated from investing activities	<b>(26,920)</b>	<b>24,888</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown on borrowings	228,887	69,653
Finance cost paid	(30,904)	(28,588)
Repayment of borrowings	(255,004)	(209,637)
Repayment of hire purchase liabilities	(837)	(793)
Repayment of lease liabilities	(37,695)	(39,973)
Movement in restricted cash	17,296	(28,906)
Share subscription in a subsidiary company by non- controlling interest shareholder	-	6,370
Net cash used in financing activities	<b>(78,257)</b>	<b>(231,874)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(39,218)</b>	<b>(48,198)</b>
Effects of foreign currency translation	(745)	(2,647)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	159,788	168,973
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>119,825</b>	<b>118,128</b>
Cash and cash equivalents included in the statement of cash flows comprise the following:		
Cash and bank balances	114,896	126,397
Deposits placed with licensed banks	11,531	46,535
Cash attributable to assets classified as held for sale	6,494	-
Bank overdrafts	(912)	(830)
	132,009	172,102
Less: Collections on behalf of agency payables and money order payables**	(6,312)	(18,068)
Less: Deposits pledged	(565)	(548)
Less: Restricted cash	(5,307)	(35,358)
	<b>119,825</b>	<b>118,128</b>

The 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 leases	22,984	-	-	-	-	<b>22,984</b>
Remeasurement of lease liabilities	6,828	-	-	-	-	<b>6,828</b>
Termination of leases	(4,913)	-	-	-	-	<b>(4,913)</b>
Drawdown	-	-	153,000	-	75,887	<b>228,887</b>
Repayment	(37,695)	(837)	(186,190)	(8,296)	(60,518)	<b>(293,536)</b>
Reclassified to liabilities held for sale	-	-	(20,132)	-	(11,095)	<b>(31,227)</b>
Effects of foreign currency translation	-	-	(2,306)	-	-	<b>(2,306)</b>
<b>Total net changes from financing cash flows</b>	<b>(12,796)</b>	<b>(837)</b>	<b>(55,628)</b>	<b>(8,296)</b>	<b>4,274</b>	<b>(73,283)</b>
<b>At end of the financial period</b>	<b>100,923</b>	<b>222</b>	<b>153,000</b>	<b>268,204</b>	<b>22,185</b>	<b>544,534</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 30 September 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. MATERIAL 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 30 September 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 30 September 2024.

**7. DIVIDENDS PAID**

There was no dividend paid for the current financial period ended 30 September 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)

Others 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 30 September 2024 are as follows:

Financial period ended 30 September 2024	Postal RM'000	Aviation RM'000	Logistics RM'000	Others RM'000	Elimination RM'000	Group RM'000
Total external revenue	773,485	277,605	201,664	141,605	-	1,394,359
Intersegment revenue	16,821	297	1,054	2,247	(20,419)	-
<b>Total revenue for reportable segments</b>	<b>790,306</b>	<b>277,902</b>	<b>202,718</b>	<b>143,852</b>	<b>(20,419)</b>	<b>1,394,359</b>
<b>Reportable segment results</b>	<b>(120,902)</b>	<b>14,625</b>	<b>(18,631)</b>	<b>19,872</b>	<b>-</b>	<b>(105,036)</b>
Share of result of an associated company (net of tax)	-	-	-	115	-	115
Amortisation of intangible assets	-	(1,989)	-	-	-	(1,989)
<b>Reportable segment results before taxation</b>	<b>(120,902)</b>	<b>12,636</b>	<b>(18,631)</b>	<b>19,987</b>	<b>-</b>	<b>(106,910)</b>
Taxation	(2,320)	(8,092)	(61)	(7,468)	-	(17,941)
<b>Reportable segment results after taxation</b>	<b>(123,222)</b>	<b>4,544</b>	<b>(18,692)</b>	<b>12,519</b>	<b>-</b>	<b>(124,851)</b>
<b>Attributable to:</b>						
Owners of the Company						(125,503)
Non-controlling interest						652
						<b>(124,851)</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**

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**

- (a) On 26 February 2024, Pos Malaysia & Services Holdings Berhad, a wholly-owned subsidiary of the Group, completed the acquisition of 100% equity interest in Prima Pegun Sdn. Bhd. ("Prima Pegun") from CIMB Islamic Trustee Berhad for a cash consideration of RM2.00. As a result, Prima Pegun became an indirect wholly-owned subsidiary of the Group.
- (b) On 1 August 2024, Pos Logistics Berhad ("PLB"), an indirect wholly-owned subsidiary of the Group, completed the acquisition of 100% equity interest in PNSL Risk Management Sdn. Bhd. ("PNSL Risk Management") from PNSL Berhad, the wholly-owned subsidiary of PLB, for a cash consideration of RM500,000 via an internal re-organisation. As a result, PNSL Risk Management became a direct wholly-owned subsidiary of PLB.
- (c) On 1 August 2024, Pos Malaysia Berhad disposed its entire 50% equity interest in Pospay Exchange Sdn. Bhd. ("Pospay") to Fask Capital Sdn. Bhd. for a cash consideration of RM1.00. As a result, Pospay ceased to be a 50% owned associated company of the Group.

**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.

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**13. LOSS BEFORE TAXATION**

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

	Financial Quarter 3 Months Ended		Financial Period 9 Months Ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Amortisation of intangible assets	663	663	1,989	1,989
Amortisation of government grant	(230)	(573)	(689)	(1,035)
Depreciation of property, plant and equipment	21,699	27,532	68,164	80,102
Depreciation of right-of-use assets	13,266	15,869	43,483	47,134
Net fair value gain of investment securities: Financial assets at fair value through profit or loss	(63)	(165)	(181)	(640)
Gain on in fair value of investment properties	(10)	-	(10)	-
Net gain on impairment of receivables	(1,063)	(3,872)	(4,468)	(8,714)
Finance costs	12,080	11,458	36,034	33,292
Property, plant and equipment written off	169	41	505	96
Gain on disposal of property, plant and equipment	(386)	(608)	(572)	(1,788)
Gain on derecognition of right-of-use assets	(366)	(772)	(485)	(434)
Gain on remeasurement of lease liabilities	-	(946)	-	(946)
Net inventories written down	53	17	63	18
Finance income of financial assets at amortised cost	(304)	(945)	(1,087)	(2,248)
Net realised foreign exchange differences	1,719	1,745	5,184	4,116
Net unrealised foreign exchange differences	(10,407)	784	(12,451)	742
Defined benefits obligation	9	16	27	55

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## 14. REVIEW OF GROUP PERFORMANCE

### 14.1 Group performance for the quarter ended 30 September 2024

The Group recorded a revenue of RM459.0 million and loss before tax of RM40.4 million for the current quarter ended 30 September 2024.

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

	Revenue 3 Months Ended		(Loss)/Profit Before Tax 3 Months Ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Postal	240,155	274,352	(34,159)	(28,321)
Aviation	97,851	75,049	5,772	(630)
Logistics	69,617	75,011	(9,926)	(5,717)
Others	51,340	37,299	(2,056)	5,546
<b>Total</b>	<b>458,963</b>	<b>461,711</b>	<b>(40,369)</b>	<b>(29,122)</b>

#### (i) Postal

The decrease of revenue in postal segment by 13% due to by the drop in bulk mail volume handled and lower international volume during the quarter.

Loss before tax was higher mainly from the lower revenue recorded compared to Q3 FY2023.

#### (ii) Aviation

Aviation segment contributed higher revenue of RM97.9 million compared to RM75.0 million in Q3 FY2023. This is mainly attributable to the in-flight catering business with higher number of meals uplifted.

Profit before tax was higher due to increase in revenue contribution from in-flight catering business and higher volume handled in stations.

#### (iii) Logistics

Logistics segment registered lower revenue at RM69.6 million compared to RM75.0 million in Q3 FY2023. The decrease is mainly from automotive and freight management business due to the lower volume handled and change in pricing mechanisms.

Higher loss before tax was mainly due to lower revenue from major customer while the operating costs remains fixed and significant forex impact exposure.

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

**14.1 Group performance for the quarter ended 30 September 2024 (continued)**

(a) Group revenue and (loss)/profit before taxation by segment are as follows (continued):

**(iv) Others**

Other segment continues to grow healthily with an increase in revenue primarily contributed from increase in sales of digital certificates.

Loss before tax mainly due to higher operating costs related to retail business due to increase of outlets during the period.

**14.2 Group performance for the financial period ended 30 September 2024**

The Group recorded a revenue of RM1,394.4 million and loss before tax of RM106.9 million for the financial period ended 30 September 2024.

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

	Revenue 9 Months Ended		(Loss)/Profit Before Tax 9 Months Ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Postal	773,485	822,955	(120,902)	(103,538)
Aviation	277,605	216,458	12,636	2,248
Logistics	201,664	244,428	(18,631)	(3,469)
Others	141,605	125,339	19,987	30,515
<b>Total</b>	<b>1,394,359</b>	<b>1,409,180</b>	<b>(106,910)</b>	<b>(74,244)</b>

**(i) Postal**

Decrease of revenue in postal segment by 6% mainly driven by international business and bulk mail under mail business segment due to lower cross-border volume amidst industry-wide slowdown.

The loss before tax increased consequent to the drop in revenue from international business volume as well as mail business volume handled during the period.

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

### **14.2 Group performance for the financial period ended 30 September 2024 (continued)**

(a) Group revenue and (loss)/profit before taxation by segment are as follows  
(continued):

#### **(ii) Aviation**

Aviation segment contributed higher revenue to RM277.6 million mainly from higher in-flight catering and ground handling businesses. This is due to increased number of meals uplifted for commercial and umrah related flights. In addition, increased number of flights handled contributed positively to the ground handling revenue.

Profit before tax increased to RM12.6 million from higher revenue during the period.

#### **(iii) Logistics**

Logistics segment registered lower revenue at RM201.7 million compared to RM244.4 million in comparative period in 2023. The decrease is mainly arising from the drop 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 generated during the period while the operating costs remains fixed and significant forex impact exposure.

#### **(iv) Others**

Others segment recorded higher revenue generated from sales of digital certificates due to increase of certificates issuance to new users.

Profit before tax decreased to RM19.9 million due to lower revenue of printing and insertion business factored by drop in mail volume from major customers.

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

The Group recorded lower loss before tax of RM40.4 million in the current quarter ended 30 September 2024 compared to RM51.2 million in the preceding quarter ended 30 June 2024 due to higher revenue registered by RM15.5 million.



## 16. FUTURE PROSPECTS

The Pos Malaysia Group recorded revenue of RM459 million for Q3 2024, a 3.6% increase from Q2 2024, and a loss before tax of RM40.4 million, representing a 20.5% improvement versus Q2 2024. The quarter-on-quarter improvement was primarily driven by a stronger performance in the 'postal' and 'aviation' segments.

The 'postal' segment is seeing increasing parcel volumes on the back of market share gains and will continue to be fully focused on its transformation agenda, as well as revenue diversification.

Pos Aviation expects to deliver improved year-on-year results, driven by increased flights, rising demand for in-flight catering, cargo handling and an increase in its aviation engineering business.

Pos Logistics saw a weak Q3 performance primarily driven by unrealised foreign exchange losses and remains focused on expanding into new market segments, increasing its market share in the automotive sector and improving its freight forwarding services.

The Group's transformation plan is on track, despite continued challenging market conditions.

## 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:

	Financial Quarter 3 Months Ended		Financial Period 9 Months Ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Current taxation	3,587	3,440	13,693	13,234
Deferred taxation	5,352	1,061	4,248	817
<b>Total</b>	<b>8,939</b>	<b>4,501</b>	<b>17,941</b>	<b>14,051</b>

For the financial period ended 30 September 2024, despite the Group recording losses, the current taxation charge arose from certain profit-making subsidiaries.

## 19. STATUS OF CORPORATE PROPOSALS

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

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”).

On 19 August 2024, all the Conditions Precedent have been fulfilled and the SPA has become unconditional on even date (“Unconditional Date”). PLB and SWA had mutually agreed to amend the completion date from within 21 days from the Unconditional Date to within 111 days from the Unconditional Date for the parties to complete the proposed disposal.

## 20. GROUP LOANS AND BORROWINGS

Total Group loans and borrowings are as follows:

	<b>Unaudited As At 30.09.2024 RM'000</b>
<b>Long-Term Borrowings</b>	
<u>Secured:</u>	
Islamic term loan	152,000
<b>Total</b>	<b>152,000</b>
<b>Short-Term Borrowings</b>	
<u>Secured:</u>	
Bank overdrafts	912
Revolving credits	268,205
Islamic terms loan	1,000
Hire purchase liabilities	222
Invoice financing	22,185
<b>Total</b>	<b>292,524</b>
<b>Grand Total</b>	<b>444,524</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.

<b>Secured</b>	<b>Foreign Currency</b>	<b>Foreign '000</b>	<b>RM '000</b>
Long-term Islamic term loans	USD	615	2,538
Short-term Islamic term loans	USD	4,265	17,594
Invoice financing	USD	2,004	8,267
<b>Total</b>		<b>6,884</b>	<b>28,399</b>

**21. MATERIAL LITIGATIONS**

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

**22. DIVIDEND**

No interim dividend has been declared for the financial period ended 30 September 2024.

**23. LOSS PER SHARE**

The basic and diluted loss per share have been calculated based on the Group's net loss attributable to Owners of the Company and weighted average number of ordinary shares outstanding during the financial quarter/period.

	Financial Quarter 3 Months Ended		Financial Period 9 Months Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Net loss attributable to Owners of the Company (RM'000)	(49,892)	(33,339)	(125,503)	(88,011)
Number of ordinary shares in issue ('000)	782,777	782,777	782,777	782,777
Basic and diluted loss per share (sen)	<b>(6.37)</b>	<b>(4.26)</b>	<b>(16.03)</b>	<b>(11.24)</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 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
<b>Financial assets</b>										
Other investments	5,656	-	6,723	12,379	-	-	-	-	12,379	12,379
Derivative asset	-	-	1,626	1,626	-	-	-	-	1,626	1,626
<b>Financial liabilities</b>										
Islamic term loans*	-	-	-	-	-	-	167,845	167,845	167,845	173,132
Hire purchase liabilities	-	-	-	-	-	-	223	223	223	222

\*including borrowings reclassified as liabilities held for sale with carrying amount of RM20,132,000

The carrying amounts of cash and bank balances, 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 30.09.2024 RM'000	As At 30.09.2023 RM'000
<b>Property, plant and equipment</b>		
Contracted but not provided for	22,460	8,652

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**26. RELATED PARTIES TRANSACTIONS**

	<b>Financial Period 9 Months Ended</b>	
	<b>30.09.2024 RM'000</b>	<b>30.09.2023 RM'000</b>
<b>Immediate holding company:</b>		
Sales of services	46	209
<b>Related companies:</b>		
Sales of services	75,030	125,039
Rental income	5	10
Purchase of services	(11,709)	(6,709)
Payment of lease liabilities	(7,200)	(11,355)
<b>Associates:</b>		
Sales of services	4,656	4,031
Transportation cost	(65,995)	(66,417)
<b>Companies subject to common significant influence:</b>		
Sales of services	39,610	31,128
Purchase of services	(15,413)	(9,755)
Rental expense	(64)	(255)

**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  
YAP POOI CHOO (MAICSA 7065900) SSM PC No. 201908002451  
COMPANY SECRETARIES

Kuala Lumpur  
20 November 2024