



**PETRON MALAYSIA REFINING & MARKETING BHD**

(Registration No: 196001000260 (3927-V))

The Board of Directors of Petron Malaysia Refining & Marketing Bhd hereby announces the financial results of the Company for the quarter ended 30 September 2022 and for the nine months ended 30 September 2022.

This interim report is prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (BMSB).



**PETRON MALAYSIA REFINING & MARKETING BHD**  
(Registration No: 196001000260 (3927-V))

**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**(Amounts in Thousand Ringgit Malaysia)**

		<i>As at</i> <i>30 Sep 2022</i>	<i>As at</i> <i>31 Dec 2021</i>
	Note	<i>Unaudited</i>	<i>Audited</i>
<b>ASSETS</b>			
Cash and cash equivalents		138,135	254,076
Derivative financial assets	12	46,077	11,287
Trade and other receivables		1,282,183	895,687
Inventories		1,298,807	893,508
Other current assets		12,064	7,000
Tax recoverable		-	374
<b>Total current assets</b>		<b>2,777,266</b>	<b>2,061,932</b>
Property, plant and equipment		1,503,772	1,522,249
Investment property		638,700	655,026
Right-of-use assets		34,418	34,891
Long-term assets		20,896	20,079
Intangible assets - software		979	1,160
<b>Total non-current assets</b>		<b>2,198,765</b>	<b>2,233,405</b>
<b>TOTAL ASSETS</b>		<b>4,976,031</b>	<b>4,295,337</b>
<b>LIABILITIES</b>			
Loans and borrowings	17	843,680	1,026,916
Trade and other payables		1,605,779	1,053,000
Retirement benefit obligations		3,260	3,260
Lease liabilities		6,216	4,906
Asset retirement obligations		1,338	1,229
Derivative financial liabilities	12	38,489	28,511
Tax payable		118,517	-
<b>Total current liabilities</b>		<b>2,617,279</b>	<b>2,117,822</b>

The condensed statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



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**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**(Amounts in Thousand Ringgit Malaysia)**  
**(Continued)**

	Note	As at	As at
		30 Sep 2022	31 Dec 2021
		Unaudited	Audited
<b>LIABILITIES (continued)</b>			
Retirement benefit obligations		19,265	18,598
Deferred tax liabilities		46,064	135,655
Lease liabilities		47,629	48,158
Asset retirement obligations		9,298	6,504
Other non-current liabilities		20	78
<b>Total non-current liabilities</b>		<b>122,276</b>	<b>208,993</b>
<b>TOTAL LIABILITIES</b>		<b>2,739,555</b>	<b>2,326,815</b>
<b>EQUITY</b>			
Share capital		143,000	143,000
Retained earnings		2,093,476	1,825,522
<b>TOTAL EQUITY</b>		<b>2,236,476</b>	<b>1,968,522</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,976,031</b>	<b>4,295,337</b>

Certified by:

**MARK TRISTAN D. CAPARAS**  
Chief Finance Officer

The condensed statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



**PETRON MALAYSIA REFINING & MARKETING BHD**  
(Registration No: 196001000260 (3927-V))

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**(Amounts in Thousand Ringgit Malaysia, Except Per Share Data)**

	Note	July to September		January to September	
		2022	2021	2022	2021
		<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
Revenue		4,684,996	2,193,094	14,081,393	6,222,220
Cost of sales		(4,821,552)	(2,076,021)	(13,563,460)	(5,808,611)
Gross profit		(136,556)	117,073	517,933	413,609
Other operating income		14,724	12,454	43,744	37,423
Other operating expenses		(63,754)	(54,418)	(192,005)	(164,875)
Administrative expenses		(1,624)	(3,445)	(5,288)	(10,748)
Results from operating activities		(187,210)	71,664	364,384	275,409
Finance income		2,010	768	4,779	1,664
Finance costs		(11,356)	(6,864)	(33,413)	(8,189)
Other income/(expenses)		167,419	(29,202)	19,537	(31,109)
(Loss)/Profit before tax	18	(29,137)	36,366	355,287	237,775
Tax benefit/(expense)	19	61,235	(3,440)	(33,333)	(59,835)
<b>Profit for the period</b>		<b>32,098</b>	<b>32,926</b>	<b>321,954</b>	<b>177,940</b>
<b>Total comprehensive income for the period</b>		<b>32,098</b>	<b>32,926</b>	<b>321,954</b>	<b>177,940</b>
<b>Basic earnings per ordinary share (sen)</b>	23	<b>11.9</b>	<b>12.2</b>	<b>119.2</b>	<b>65.9</b>

Certified by:

  
**MARK TRISTAN D. CAPARAS**  
Chief Finance Officer

The condensed statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



**PETRON MALAYSIA REFINING & MARKETING BHD**  
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**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
(Amounts in Thousand Ringgit Malaysia)

	<i>Note</i>	<i>Non-distributable Share capital</i>	<i>Distributable Retained earnings</i>	<i>Total equity</i>
<i>Unaudited</i>				
<b>At 1 January 2021</b>		<b>143,000</b>	<b>1,598,597</b>	<b>1,741,597</b>
Total comprehensive income for the period		-	177,940	177,940
Dividends paid		-	(13,500)	(13,500)
<b>At 30 September 2021</b>		<b>143,000</b>	<b>1,763,037</b>	<b>1,906,037</b>
<i>Unaudited</i>				
<b>At 1 January 2022</b>		<b>143,000</b>	<b>1,825,522</b>	<b>1,968,522</b>
Total comprehensive income for the period		-	321,954	321,954
Dividends paid	7	-	(54,000)	(54,000)
<b>At 30 September 2022</b>		<b>143,000</b>	<b>2,093,476</b>	<b>2,236,476</b>

Certified by:

  
**MARK TRISTAN D. CAPARAS**  
Chief Finance Officer

The condensed statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



**PETRON MALAYSIA REFINING & MARKETING BHD**

(Registration No: 196001000260 (3927-V))

**CONDENSED STATEMENT OF CASH FLOWS**  
**(Amounts in Thousand Ringgit Malaysia)**

	<i>January to September</i>	
	<i>2022</i>	<i>2021</i>
	<i>Unaudited</i>	<i>Unaudited</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	355,287	237,775
Adjustments for:		
Amortisation of intangible assets	181	181
Amortisation of long-term assets	1,956	2,124
Depreciation of investment property	26,873	26,022
Depreciation of property, plant and equipment	60,504	39,869
Depreciation of right-of-use assets	474	420
Finance costs	33,413	8,189
Finance income	(4,779)	(1,664)
Gain on disposal of property, plant and equipment	-	(604)
Impairment loss on trade and other receivables	117	1,350
Retirement benefit costs	1,917	4,463
Reversal of impairment loss on trade and other receivables	(345)	(3)
Unrealised foreign exchange loss	9,543	331
Unrealised (gain)/loss on derivatives	(7,588)	34,703
Write-off of long-term assets	-	10
Write-off of investment property	9	21
Write-off of property, plant and equipment	14	-
<b>Operating profit before changes in working capital</b>	<b>477,576</b>	<b>353,187</b>
Change in inventories	(405,299)	(257,343)
Change in long-term assets	994	(965)
Change in trade and other payables and other financial liabilities	510,990	176,003
Change in trade and other receivables and other financial assets	(378,269)	(258,434)
<b>Cash from operations</b>	<b>205,992</b>	<b>12,448</b>
Interest paid	(25,509)	(13,962)
Interest received	4,779	1,657
Tax paid	(5,331)	-
Tax refund	1,298	2,683
Retirement benefits paid	(1,250)	(2,944)
<b>Net cash from/(used in) operating activities</b>	<b>179,979</b>	<b>(118)</b>

The condensed statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



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**CONDENSED STATEMENT OF CASH FLOWS**  
**(Amounts in Thousand Ringgit Malaysia)**  
*(Continued)*

	<i>January to September</i>	
	<i>2022</i>	<i>2021</i>
	<i>Unaudited</i>	<i>Unaudited</i>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investment property	(5,133)	(5,962)
Acquisition of property, plant and equipment	(45,334)	(118,016)
Payment for long-term assets	(4,931)	(5,055)
Proceeds from disposal of property, plant and equipment	-	1,184
<b>Net cash used in investing activities</b>	<b>(55,398)</b>	<b>(127,849)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(54,000)	(13,500)
Net (repayment of)/proceeds from borrowings	(184,826)	239,680
Payment of lease liabilities	(1,816)	(3,343)
<b>Net cash (used in)/ from financing activities</b>	<b>(240,642)</b>	<b>222,837</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(116,061)</b>	<b>94,870</b>
<b>EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD</b>	<b>120</b>	<b>379</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>254,076</b>	<b>139,059</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>138,135</b>	<b>234,308</b>

Certified by:

  
**MARK TRISTAN D. CAPARAS**  
Chief Finance Officer

The condensed statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



**PETRON MALAYSIA REFINING & MARKETING BHD**

(Registration No: 196001000260 (3927-V))

**Part A – Explanatory Notes Pursuant to MFRS 134 Interim Financial Reporting**

**1. Basis of Preparation**

The interim financial statements are unaudited and prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (BMSB). These interim financial statements also comply with IAS 134 *Interim Financial Reporting* issued by the International Accounting Standards Board.

This report should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2021. The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and the performance of the Company since the financial year ended 31 December 2021.

**2. Significant Accounting Policies**

**a) Changes in accounting policies**

The audited financial statements of the Company for the year ended 31 December 2021 were prepared in accordance with MFRS. The accounting policies and methods of computation adopted in these interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2021.

On 1 January 2022, the Company adopted the following accounting standards, amendments, and interpretations of MFRSs effective for annual periods beginning on or after 1 January 2022:

- Amendments to MFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts–Cost of Fulfilling a Contract*



## **2. Significant Accounting Policies (continued)**

### **b) MFRSs, amendments and interpretations which are applicable to the Company but not yet effective**

The new standards, amendments and interpretations applicable to the Company that will be effective but have not been adopted yet by the Company, are as follows:

MFRSs, amendments and interpretations effective 1 January 2023:

- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes, Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRS, amendments and interpretations effective 1 January 2024:

- Amendments to MFRS 16, *Lease Liability in a Sale and Leaseback*

The Company will apply the above standards, amendments and interpretations on their effective dates.

### **3. Comments about Seasonal or Cyclical Factors**

The operations of the business are not seasonal or cyclical in nature.

### **4. Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income and cash flows of the Company during the quarter.

### **5. Changes in Estimates**

There were no changes in estimates that have had any material effect in the current quarter.

### **6. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the quarter.

## 7. Dividends paid

The amount of dividends paid since 31 December 2021 is as follows:

In respect of the year ended 31 December 2021:

	<i>In RM'000</i>
Final dividend per ordinary share, paid on 8 July 2022	
- 20 sen per ordinary share	<u>54,000</u>

## 8. Segmental Information

The Company is organised as one integrated business segment which operates to manufacture and sell petroleum products. These integrated activities are known across the petroleum industry as the Downstream segment. As such, the assets and liabilities are disclosed within the financial statements as one segment.

Revenues are mainly derived from the sale of petroleum products to domestic customers including its affiliates and competitors. A breakdown of the revenues by geographical location is as follows:

<i>In RM'000</i>	<i>3 months ended</i>		<i>Period ended</i>	
	<i>30.09.2022</i>	<i>30.09.2021</i>	<i>30.09.2022</i>	<i>30.09.2021</i>
Malaysia	4,268,387	1,916,525	12,693,679	5,319,030
Singapore	416,609	276,569	1,387,714	903,190
	<b>4,684,996</b>	<b>2,193,094</b>	<b>14,081,393</b>	<b>6,222,220</b>

For the period ended 30 September 2022 approximately RM3,315,690 thousand (2021: RM1,321,725 thousand) of the revenues are derived from one major customer who is a related party to the Company.

All non-current assets of the Company are located in Malaysia.

## 9. Changes in Composition of the Company

There were no changes in the composition of the Company during the quarter.

## 10. Changes in Contingent Assets and Contingent Liabilities

There were no significant changes in contingent assets or contingent liabilities since the last annual statement of financial position as at 31 December 2021.

## 11. Capital Commitments

Capital commitments not provided for in the interim financial statements as at 30 September 2022 are as follows:

<i>In RM'000</i>	<i>As at</i>	
	<i>30.09.2022</i>	<i>30.09.2021</i>
Contracted but not provided for		
Plant and equipment	20,752	46,231
Investment property	30,439	30,079
	<b>51,191</b>	<b>76,310</b>

## 12. Derivative Financial Instruments

The Company measures fair value using the following fair value hierarchy that reflects the significance of the input used in making the measurements:

### Level 1 fair value

Level 1 fair value is 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 fair value

Level 2 fair value is 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 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

There has been no transfer between Level 1 and Level 2 fair values during the period.

As at 30 September 2022, the Company has the following outstanding derivative financial instruments:

<i>In RM'000</i>	<i>Fair value</i>	<i>Contract/</i>	<i>Fair value</i>	
<i>Type of derivatives</i>	<i>hierarchy</i>	<i>Nominal value</i>	<i>Assets</i>	<i>Liabilities</i>
Derivatives held for trading at fair value through profit or loss				
- Forward exchange contracts	Level 2	449,049	10,608	-
- Commodity swaps	Level 2	339,223	35,469	(38,489)
		<b>788,272</b>	<b>46,077</b>	<b>(38,489)</b>

All forward exchange and commodity derivative contracts have maturities of one year or less after the end of the reporting period.

Forward exchange and commodity derivative contracts are transacted with accredited banks and traded on over-the-counter (OTC) markets. The related accounting policies, cash requirements of the derivatives, risks associated with the derivatives and policies to mitigate those risks are unchanged since the last financial year.

## 12. Derivative Financial Instruments (continued)

Derivatives are financial instruments classified at fair value through profit or loss. Derivative instruments are initially recognised at fair value on the date in which the derivative transactions are entered into and are subsequently re-measured at fair values. Gains and losses from changes in fair values of these derivatives are recognised directly in profit or loss.

## 13. Fair Value Changes of Financial Liabilities

The gains and losses arising from fair value changes of financial liabilities measured at fair value through profit or loss are as follows:

<i>In RM'000</i>	<i>Fair Value Gains/(Losses)</i>		<i>Basis for fair value measurement</i>
	<i>3 months ended</i>	<i>Period ended</i>	
	<i>30.09.2022</i>	<i>30.09.2022</i>	
<b>Forward exchange contracts</b>	560	2,186	Level 2 (OTC price)
<b>Commodity swaps</b>	152,839	(12,164)	Level 2 (OTC price)
	<b>153,399</b>	<b>(9,978)</b>	

The fair value gains and losses on derivative financial liabilities are due to changes in price of underlying commodities and foreign exchange.

Except for the derivative financial liabilities, all other financial liabilities are measured at the amortised cost using effective interest method. Hence, no gain or loss is recognised for changes in the fair values of these liabilities.

## **Part B – Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

### **14. Review of Performance - Current financial period ended 30 September 2022**

The Company recorded sales volume of 8.6 million barrels in the third quarter of 2022, 41% higher than the 6.1 million barrels sold in the same period last year as the domestic economy continued to rebound post-pandemic. Retail volume grew by 68% compared to the same quarter in 2021 exceeding pre-pandemic volume by 14%.

The benchmark Dated Brent averaged US\$101 per barrel in the third quarter of 2022, 36% higher than US\$74 per barrel average in the same period last year. The improvement was mainly driven by the recovering global oil demand post-pandemic amid supply risk concerns from geopolitical conflict and underproduction of major oil producing countries. Similarly, regional product cracks remained elevated during the period.

With higher sales volume and prices, the Company's revenue rose to RM4,684,996 thousand, more than double last year's RM2,193,094 thousand.

The Company was affected by the price correction of Dated Brent which dropped by 11% to US\$101 per barrel in the third quarter from the \$114 per barrel average in the second quarter this year. Fears of recession from global inflationary pressures and constrained demand in China due to COVID-19 measures weighed down international prices. Meanwhile, crude premiums continued to be expensive countering the improvement in regional product cracks resulting in gross loss. However, this was offset by non-operating income largely traced to mark-to-market commodity hedging gain, income tax benefit from reduced tax provision due to the financial impact of oil market correction during the quarter and tax incentive from diesel hydrotreater project. The Company recorded a net profit of RM32,098 thousand for the quarter, almost at par with the RM32,926 thousand posted last year.

The Company incurred loss before tax of RM29,137 thousand in the third quarter due to oil market price correction, as compared to the preceding quarter's profit of RM240,671 thousand when oil prices reached all-time high.

For the first nine months of 2022, the Company delivered sustained business growth with sales volume growing by 30% to 25 million barrels as compared to 19.2 million barrels sold in the same period last year. Combined with elevated prices, the Company generated revenue of RM14,081,393 thousand, more than twice of last year's RM6,222,220 thousand. The resulting net profit of RM321,954 thousand is 81% higher compared to RM177,940 thousand last year.

## 15. Commentary on Prospects

Global oil demand is projected to sustain recovery post-pandemic, but growth may be challenged by the rising inflationary pressure and potential global recession. Meanwhile, supply risks persist with the ongoing geopolitical tensions in Europe and production issues. These headwinds and potential shift in US monetary policy can sustain oil market volatility.

On the domestic front, Malaysia's strong growth in the first half of 2022 from the increased consumption and business activities post-pandemic is expected to be sustained in the second half of the year, albeit at a slower pace. However, the country's economy remains susceptible to external risks such as widespread recession, foreign currency volatility, geopolitical and trade tensions.

To withstand these risks, the Company will continue to optimize its resources, further enhance its operational efficiencies, and forge synergies with business partners and industry peers to mitigate the challenging business environment. It remains committed to its strategic programs of retail and logistical expansion, while embarking on various initiatives for a sustainable environment and economy.

## 16. Profit Forecast or Profit Guarantee

As a matter of policy, the Company does not make profit forecasts or profit guarantees.

## 17. Loans and Borrowings

The Company's loans and borrowings are as follows:

<i>In RM'000</i>	<i>As at</i>	
	<i>30.09.2022</i>	<i>31.12.2021</i>
<b>Current</b>		
Revolving credit – unsecured		
- Denominated in RM	797,250	935,000
- Denominated in U.S. Dollar (USD)	46,430	91,916
	<b>843,680</b>	<b>1,026,916</b>

## 18. Profit/(Loss) before Tax

Profit/(loss) before tax is arrived at after charging/(crediting) the following items:

<i>In RM'000</i>	<i>3 months ended</i>		<i>Period ended</i>	
	<i>30.09.2022</i>	<i>30.09.2021</i>	<i>30.09.2022</i>	<i>30.09.2021</i>
Amortisation of intangible assets	60	60	181	181
Depreciation of right-of-use assets	157	142	474	420
Derivatives				
- Realised (gain)/loss	(139,957)	(983)	464,715	51,411
- Unrealised (gain)/loss	(7,588)	34,703	(7,588)	34,703
Finance costs	11,356	6,864	33,413	8,189
Finance income	(2,010)	(768)	(4,779)	(1,664)
Foreign exchange				
- Realised loss	18,442	888	38,685	5,517
- Unrealised loss/(gain)	9,543	331	9,543	331
Investment property				
- Depreciation	8,778	8,653	26,873	26,022
- Write-off	-	21	9	21
Long-term assets				
- Amortisation	709	700	1,956	2,124
- Write-off	-	10	-	10
Property, plant, and equipment				
- Depreciation	19,426	16,165	60,504	39,869
- Gain on disposal	-	(116)	-	(604)
- Write-off	-	-	14	-
Trade and other receivables				
- Impairment loss	-	1,350	117	1,350
- Reversal of impairment loss	(307)	(2)	(345)	(3)

The realised derivative (gain)/loss was a result from (losses)/gains realised in the underlying transactions, while the unrealised derivative (gain)/loss was a non-cash provision based on market price outlook as at reporting date.

There are no exceptional items, write-off of crude and product inventories and gain or loss on disposal of quoted or unquoted investments.

## 19. Tax (Benefit)/Expense

<i>In RM'000</i>	<i>3 months ended</i>		<i>Period ended</i>	
	<i>30.09.2022</i>	<i>30.09.2021</i>	<i>30.09.2022</i>	<i>30.09.2021</i>
<b>Current tax expense/(benefit)</b>				
- Current year	2,760	(10,249)	122,925	9,670
<b>Deferred tax (benefit)/expense</b>				
- (Reversal)/Origination of temporary difference	(63,995)	13,689	(89,592)	50,165
<b>Total income tax (benefit)/expense</b>	<b>(61,235)</b>	<b>3,440</b>	<b>33,333</b>	<b>59,835</b>

The effective tax rate is different than the statutory tax rate primarily reflecting the varying relationship of the non-deductible expenses (which are relatively fixed over time) to changing levels of profit or loss from period to period. In 2022, the tax benefits were mainly attributed to the adjusted year-to-date tax provision arising from the financial impact of oil market correction during the third quarter, and tax incentive from diesel hydrotreater project.

## 20. Corporate Proposals

There were no corporate proposals.

## 21. Changes in Material Litigation

On 20 May 2022, Petron Malaysia Refining & Marketing Berhad (PMRMB) was served with a Notice of Arbitration by MTC Engineering Sdn. Bhd. (MESB) in relation to MESB claim for alleged outstanding additional costs arising from execution of a project known as Pipeline End Manifold (PLEM) Fabrication and Marine Equipment Installation for Marine Import Facilities 2 Project at Petron Port Dickson Refinery. The sum claimed is RM50,497,251, interest, costs, and other reliefs.

On 29 June 2022, MESB registered the claim with the Asian International Arbitration Centre (AIAC). PMRMB's solicitors had written to AIAC to put on record that the preconditions to arbitration have not been fulfilled and PMRMB reserves the right to challenge jurisdiction.

On 30 September 2022, the AIAC has appointed an Arbitrator for this matter. The first procedural hearing was fixed on 19 October 2022, with further procedural hearing scheduled on 23 May 2023. PMRMB will defend the claim as it is of the opinion the claim is without basis or merit.

## 22. Dividends

The Company did not declare any dividend for the quarter ended 30 September 2022.



**23. Earnings per Ordinary Share**

	<i>3 months ended</i>		<i>Period ended</i>	
	<i>30.09.2022</i>	<i>30.09.2021</i>	<i>30.09.2022</i>	<i>30.09.2021</i>
Net profit attributable to shareholders (RM'000)	32,098	32,926	321,954	177,940
Number of ordinary share units in issue ('000)	270,000	270,000	270,000	270,000
Basic earnings per share (sen)	11.9	12.2	119.2	65.9

**24. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the Company's financial statements for the year ended 31 December 2021 was not qualified.