



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 31 December 2022 and for the year ended 31 December 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>31 Dec 2022</i>	<i>As at</i> <i>31 Dec 2021</i>
	Note	<i>Unaudited</i>	<i>Audited</i>
ASSETS			
Cash and cash equivalents		200,876	254,076
Derivative financial assets	12	22,737	11,287
Trade and other receivables		1,270,626	895,687
Inventories		1,090,472	893,508
Tax recoverable		1,930	374
Other current assets		5,972	7,000
Total current assets		2,592,613	2,061,932
Property, plant and equipment		1,481,409	1,522,249
Investment property		634,185	655,026
Right-of-use assets		34,261	34,891
Long-term assets		20,872	20,079
Intangible assets - software		918	1,160
Total non-current assets		2,171,645	2,233,405
TOTAL ASSETS		4,764,258	4,295,337
LIABILITIES			
Loans and borrowings	17	1,100,000	1,026,916
Trade and other payables		1,218,057	1,053,000
Retirement benefit obligations		1,936	3,260
Lease liabilities		6,614	4,906
Asset retirement obligations		2,127	1,229
Derivative financial liabilities	12	24,545	28,511
Total current liabilities		2,353,279	2,117,822

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 FINANCIAL POSITION
(Amounts in Thousand Ringgit Malaysia)
(Continued)

	Note	As at	As at
		31 Dec 2022	31 Dec 2021
		Unaudited	Audited
LIABILITIES (continued)			
Retirement benefit obligations		19,218	18,598
Deferred tax liabilities		119,775	135,655
Lease liabilities		46,710	48,158
Asset retirement obligations		8,637	6,504
Other non-current liabilities		-	78
Total non-current liabilities		194,340	208,993
TOTAL LIABILITIES		2,547,619	2,326,815
EQUITY			
Share capital		143,000	143,000
Retained earnings		2,073,639	1,825,522
TOTAL EQUITY		2,216,639	1,968,522
TOTAL EQUITY AND LIABILITIES		4,764,258	4,295,337

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	October to December		January to December	
		2022	2021	2022	2021
		Unaudited	Unaudited	Unaudited	Audited
Revenue		4,268,680	2,960,293	18,350,073	9,182,513
Cost of sales		(4,253,914)	(2,835,478)	(17,817,374)	(8,644,089)
Gross profit		14,766	124,815	532,699	538,424
Other operating income		17,363	14,100	61,107	51,523
Other operating expenses		(74,592)	(73,005)	(266,597)	(237,880)
Administrative expenses		(4,088)	(2,879)	(9,376)	(13,627)
Results from operating activities		(46,551)	63,031	317,833	338,440
Finance income		1,737	758	6,516	2,422
Finance costs		(11,085)	(10,175)	(44,498)	(18,364)
Other income/(expenses)		1,491	16,614	21,028	(14,495)
(Loss)/Profit before tax	18	(54,408)	70,228	300,879	308,003
Tax benefit/(expense)	19	33,043	(9,697)	(290)	(69,532)
(Loss)/Profit for the period		(21,365)	60,531	300,589	238,471
Other comprehensive income, net of tax		1,528	1,954	1,528	1,954
Total comprehensive (loss)/income for the period		(19,837)	62,485	302,117	240,425
(Loss)/Profit attributable to equity holders of the Company		(21,365)	60,531	300,589	238,471
Total comprehensive (loss)/income for the period		(19,837)	62,485	302,117	240,425
Basic (loss)/earnings per ordinary share (sen)	23	(7.9)	22.4	111.3	88.3

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
(Registration No: 196001000260 (3927-V))

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>Audited</i>				
At 1 January 2021		143,000	1,598,597	1,741,597
Remeasurement of defined benefit liability		-	1,954	1,954
Profit for the year		-	238,471	238,471
Total comprehensive income for the year		-	240,425	240,425
Dividends paid	7	-	(13,500)	(13,500)
At 31 December 2021		143,000	1,825,522	1,968,522
<i>Unaudited</i>				
At 1 January 2022		143,000	1,825,522	1,968,522
Remeasurement of defined benefit liability		-	1,528	1,528
Profit for the year		-	300,589	300,589
Total comprehensive income for the year		-	302,117	302,117
Dividends paid	7	-	(54,000)	(54,000)
At 31 December 2022		143,000	2,073,639	2,216,639

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****PETRON MALAYSIA REFINING & MARKETING BHD**

(Registration No: 196001000260 (3927-V))

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

	<i>January to December</i>	
	<i>2022</i>	<i>2021</i>
	<i>Unaudited</i>	<i>Audited</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	300,879	308,003
Adjustments for:		
Amortisation of intangible assets	242	241
Amortisation of long-term assets	2,305	2,740
Depreciation of investment property	35,299	36,918
Depreciation of property, plant and equipment	87,106	58,569
Depreciation of right-of-use assets	631	630
Finance costs	44,498	18,364
Finance income	(6,516)	(2,422)
Gain on disposal of property, plant and equipment	-	(65)
Gain on disposal of right-of-use assets	-	(130)
Impairment loss on investment property	1,133	-
Impairment loss on slow moving materials and supplies	23	409
Impairment loss on trade and other receivables	117	1,859
Retirement benefit costs	2,556	5,501
Reversal of impairment loss on slow moving materials and supplies	(409)	-
Reversal of impairment loss on trade and other receivables	(514)	(34)
Unrealised foreign exchange gain	(45)	(2,531)
Unrealised loss on derivatives	1,808	17,224
Write-down of inventories to net realisable value	18,750	2,906
Write-off of investment property	9	111
Write-off of property, plant and equipment	62	456
Operating profit before changes in working capital	487,934	448,749
Change in inventories	(215,328)	(476,989)
Change in long-term assets	986	272
Change in trade and other payables and other financial liabilities	134,993	402,420
Change in trade and other receivables and other financial assets	(362,637)	(667,366)
Cash from/(used in) operations	45,948	(292,914)
Interest paid	(35,155)	(20,097)
Interest received	6,516	2,403
Tax paid	(19,506)	-
Tax refund	1,298	2,683
Retirement benefits paid	(1,250)	(5,734)
Net cash used in operating activities	(2,149)	(313,659)

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))

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

	<i>January to December</i>	
	<i>2022</i>	<i>2021</i>
	<i>Unaudited</i>	<i>Audited</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment property	(10,194)	(7,047)
Acquisition of property, plant and equipment	(52,835)	(147,706)
Payment for long-term assets	(5,248)	(4,812)
Proceeds from disposal of property, plant and equipment	87	835
Proceeds from disposal of right-of-use assets	-	140
Net cash used in investing activities	(68,190)	(158,590)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(54,000)	(13,500)
Net proceeds from borrowings	73,084	606,706
Payment of lease liabilities	(1,736)	(5,954)
Net cash from financing activities	17,348	587,252
NET CHANGE IN CASH AND CASH EQUIVALENTS	(52,991)	115,003
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	(209)	14
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	254,076	139,059
CASH AND CASH EQUIVALENTS AT END OF YEAR	200,876	254,076

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
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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*

MFRS, amendments and interpretations effective beginning on or after a date yet to be confirmed:

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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>Year ended</i>	
	<i>31.12.2022</i>	<i>31.12.2021</i>	<i>31.12.2022</i>	<i>31.12.2021</i>
Malaysia	3,815,023	2,756,663	16,508,702	8,105,490
Singapore	453,657	203,630	1,841,371	1,077,023
	4,268,680	2,960,293	18,350,073	9,182,513

For the year ended 31 December 2022 approximately RM4,258,804 thousand (2021: RM1,985,525 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 31 December 2022 are as follows:

<i>In RM'000</i>	<i>As at</i>	
	<i>31.12.2022</i>	<i>31.12.2021</i>
Contracted but not provided for		
Plant and equipment	29,810	25,666
Investment property	25,433	26,124
	55,243	51,790

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 31 December 2022, the Company has the following outstanding derivative financial instruments:

<i>In RM'000</i> <i>Type of derivatives</i>	<i>Fair value hierarchy</i>	<i>Contract/ Nominal value</i>	<i>Fair value</i>	
			<i>Assets</i>	<i>Liabilities</i>
Derivatives held for trading at fair value through profit or loss				
- Forward exchange contracts	Level 2	418,440	1,047	(62)
- Commodity swaps	Level 2	198,286	21,690	(24,483)
		616,726	22,737	(24,545)

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>Year ended</i>	
	<i>31.12.2022</i>	<i>31.12.2022</i>	
Forward exchange contracts	(62)	2,124	Level 2 (OTC price)
Commodity swaps	14,006	1,842	Level 2 (OTC price)
	13,944	3,966	

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 31 December 2022

PMRMB generated revenues of RM4,268,680 thousand in the fourth quarter of 2022, 44% higher than the RM2,960,293 thousand reported in the same quarter of 2021. The increase was driven mainly by the elevated oil prices and higher sales volume. The Company's total volumes during the quarter jumped by 22% to 8.8 million barrels as domestic travel and business activities continued to recover during the endemic phase.

The benchmark Dated Brent crude price averaged US\$89 per barrel in fourth quarter of 2022, 11% higher compared to US\$80 per barrel average in same period of prior year. However, the fourth quarter this year saw a sustained drop in prices from as high as US\$114 and \$101 per barrel in the second and third quarters, respectively. Prices were weighed down by global recession threats arising from high inflation despite continued interest rate hikes and restricted demand in China due to COVID-19 related lockdowns. Further, the ongoing geopolitical conflict among major oil producers continued to put pressure on regional oil supply resulting in more expensive premium and freight on crude and finished product purchases. The falling prices amid expensive importation costs reduced gross profit, translating to a net loss of RM21,365 thousand for the fourth quarter.

The Company incurred loss before tax of RM54,408 thousand in the fourth quarter compared to the preceding quarter's pre-tax loss of RM29,137 thousand.

For the year 2022, the Company's sales volume grew by 28% to 33.8 million barrels from 26.4 million barrels in 2021. With growth in volume and elevated oil prices, the Company generated revenue of RM18,350,073 thousand, doubling prior year's RM9,182,513 thousand. Despite increased sales volume and higher refinery utilization capturing the improvement in regional refining cracks, the highly volatile oil market condition during the year caused prices to plunge in the second half of 2022 bringing the Company's operating income for the year at RM317,833 thousand. With income tax incentives being utilized from its diesel hydrotreater investment, the resulting full year net profit of RM300,589 thousand was 26% better than prior year's RM238,471 thousand.

15. Commentary on Prospects

Global oil demand has plateaued in 2022 largely due to inflationary concerns and reduced demand in China as a result of its strict COVID-19 policy. Looking forward, the anticipated demand growth in 2023 is anchored mainly on China's recovery post lifting of its COVID-19 restrictions which may be tempered by the lingering concerns on potential global recession. With oil demand-supply balance being threatened by sanctions on Russian oil, the Company expects oil price volatility to persist in 2023, although may be at moderated range compared to 2022.

On the domestic front, sustained demand may provide support to the economy given the expected increase in consumer spending, improvement in tourism-related activities and expected resumption of infrastructure projects. However, Malaysia's economy may not be spared from the impact of a potential global economic slowdown.

Petron remains focused in mitigating the challenges in the oil industry while it continues to pursue growth through investments like retail network expansion. With steady volume recovery and strong financial performance, the Company will also continue to undertake a pro-active stance to operate in a sustainable manner taking into consideration its impact to the environment and society.

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>31.12.2022</i>	<i>31.12.2021</i>
Current		
Revolving credit – unsecured		
- Denominated in RM	1,100,000	935,000
- Denominated in U.S. Dollar (USD)	-	91,916
	1,100,000	1,026,916

18. (Loss)/Profit before Tax

(Loss)/profit before tax is arrived at after charging/(crediting) the following items:

<i>In RM'000</i>	<i>3 months ended</i>		<i>Year ended</i>	
	<i>31.12.2022</i>	<i>31.12.2021</i>	<i>31.12.2022</i>	<i>31.12.2021</i>
Amortisation of intangible assets	61	60	242	241
Amortisation of long-term assets	349	616	2,305	2,740
Finance costs	11,085	10,175	44,498	18,364
Finance income	(1,737)	(758)	(6,516)	(2,422)
Foreign exchange				
- Realised (gain)/loss	(40,383)	3,952	7,845	9,800
- Unrealised gain	(45)	(2,531)	(45)	(2,531)
Impairment loss on slow moving materials and supplies	23	409	23	409
Reversal of impairment loss on slow moving materials and supplies	(409)	-	(409)	-
Investment property				
- Depreciation	8,426	10,896	35,299	36,918
- Write-off	-	90	9	111
- Impairment loss	1,133	-	1,133	-
Loss on derivatives	63,070	25,528	520,197	111,642
Property, plant, and equipment				
- Depreciation	26,602	18,700	87,106	58,569
- Gain on disposal	-	539	-	(65)
- Write-off	48	456	62	456
Right-of-use assets				
- Depreciation	157	210	631	630
- Gain on disposal	-	(130)	-	(130)
Trade and other receivables				
- Impairment loss	-	509	117	1,859
- Reversal of impairment loss	(169)	(31)	(514)	(34)
Write-down of inventories to net realisable value	18,750	2,906	18,750	2,906

The loss on derivatives, comprised of both realized and marked-to-market, have corresponding gains from the underlying transactions.

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>Year ended</i>	
	<i>31.12.2022</i>	<i>31.12.2021</i>	<i>31.12.2022</i>	<i>31.12.2021</i>
Current tax (benefit)/expense				
- Current year	(105,580)	(3,068)	17,344	6,602
- Prior year	(692)	1,310	(692)	1,310
Deferred tax expense/(benefit)				
- Origination/(Reversal) of temporary difference	73,466	11,100	(16,125)	61,265
- Prior year	(237)	355	(237)	355
Total income tax (benefit)/expense	(33,043)	9,697	290	69,532

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. The tax benefit in the fourth quarter of 2022 was mainly attributed to the loss incurred during the quarter arising from the sustained drop in oil prices. Meanwhile the statutory tax for financial year 2022 was almost offset by the tax incentives realized from the Company's diesel hydrotreater project which qualified for reinvestment tax allowance.

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 including 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, thus, Management believes that no contingent liability provision is necessary.

22. Dividends Proposed

The Directors recommended that a final single tier dividend of 25.0 sen per ordinary share, amounting to RM67,500 thousand be paid in respect of the financial year ended 31 December 2022, subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

23. Earnings per Ordinary Share

	<i>3 months ended</i>		<i>Year ended</i>	
	<i>31.12.2022</i>	<i>31.12.2021</i>	<i>31.12.2022</i>	<i>31.12.2021</i>
Net (loss)/profit attributable to shareholders (RM'000)	(21,365)	60,531	300,589	238,471
Number of ordinary share units in issue ('000)	270,000	270,000	270,000	270,000
Basic (loss)/earnings per share (sen)	(7.9)	22.4	111.3	88.3

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.