



**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 2023 and for the year ended 31 December 2023.

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>As at</i>
		<i>31 Dec 2023</i>	<i>31 Dec 2022</i>
	Note	<i>Unaudited</i>	<i>Audited</i>
<b>ASSETS</b>			
Cash and cash equivalents		116,168	200,876
Derivative financial assets	12	48,126	22,737
Trade and other receivables		1,333,584	1,270,626
Inventories		1,049,135	1,090,472
Other current assets		9,233	5,972
Tax recoverable		5,731	1,930
<b>Total current assets</b>		<b>2,561,977</b>	<b>2,592,613</b>
Property, plant and equipment		1,442,893	1,481,409
Investment properties		635,887	634,185
Right-of-use assets		33,589	34,261
Long-term assets		21,761	20,872
Intangible assets - software		1,287	918
<b>Total non-current assets</b>		<b>2,135,417</b>	<b>2,171,645</b>
<b>TOTAL ASSETS</b>		<b>4,697,394</b>	<b>4,764,258</b>
<b>LIABILITIES</b>			
Loans and borrowings	17	950,000	1,100,000
Trade and other payables		1,004,363	1,218,057
Retirement benefit obligations		1,936	1,936
Lease liabilities		17,167	6,614
Asset retirement obligations		2,782	2,127
Derivative financial liabilities	12	15,509	24,545
Deferred income		10,171	-
<b>Total current liabilities</b>		<b>2,001,928</b>	<b>2,353,279</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 31 Dec 2023 <i>Unaudited</i>	As at 31 Dec 2022 <i>Audited</i>
<b>LIABILITIES (continued)</b>			
Retirement benefit obligations		19,856	19,218
Deferred tax liabilities		192,923	119,775
Lease liabilities		53,010	46,710
Asset retirement obligations		8,427	8,637
<b>Total non-current liabilities</b>		<b>274,216</b>	<b>194,340</b>
<b>TOTAL LIABILITIES</b>		<b>2,276,144</b>	<b>2,547,619</b>
<b>EQUITY</b>			
Share capital		143,000	143,000
Retained earnings		2,278,250	2,073,639
<b>TOTAL EQUITY</b>		<b>2,421,250</b>	<b>2,216,639</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,697,394</b>	<b>4,764,258</b>

Certified by:

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

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**PETRON MALAYSIA REFINING & MARKETING BHD**  
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**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
(Amounts in Thousand Ringgit Malaysia, Except Per Share Data)

	Note	October to December		January to December	
		2023	2022	2023	2022
		Unaudited	Unaudited	Unaudited	Audited
Revenue		4,492,903	4,268,680	17,216,282	18,350,073
Cost of sales		(4,460,870)	(4,253,914)	(16,652,375)	(17,817,374)
Gross profit		32,033	14,766	563,907	532,699
Other operating income		17,935	17,363	72,787	61,107
Other operating expenses		(77,775)	(74,592)	(280,521)	(266,597)
Administrative expenses		(2,165)	(4,088)	(6,890)	(9,376)
Results from operating activities		(29,972)	(46,551)	349,283	317,833
Finance income		1,684	1,737	6,501	6,516
Other income		85,971	1,491	49,774	21,028
Finance costs		(10,907)	(11,085)	(37,905)	(44,498)
Profit/(Loss) before tax	18	46,776	(54,408)	367,653	300,879
Tax (expense)/benefit	19	(5,353)	33,043	(95,592)	(290)
<b>Profit/(Loss) for the period</b>		<b>41,423</b>	<b>(21,365)</b>	<b>272,061</b>	<b>300,589</b>
Other comprehensive income, net of tax		50	1,528	50	1,528
<b>Total comprehensive income/(loss) for the period</b>		<b>41,473</b>	<b>(19,837)</b>	<b>272,111</b>	<b>302,117</b>
Profit/(Loss) attributable to equity holders of the Company		41,423	(21,365)	272,061	300,589
Total comprehensive income/(loss) for the period		41,473	(19,837)	272,111	302,117
<b>Basic earnings/(loss) per ordinary share (sen)</b>	23	<b>15.3</b>	<b>(7.9)</b>	<b>100.8</b>	<b>111.3</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>Non-distributable Share capital</i>	<i>Distributable Retained earnings</i>	<i>Total equity</i>
<i>Audited</i>			
<b>At 1 January 2022</b>	<b>143,000</b>	<b>1,825,522</b>	<b>1,968,522</b>
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	-	(54,000)	(54,000)
<b>At 31 December 2022</b>	<b>143,000</b>	<b>2,073,639</b>	<b>2,216,639</b>
<i>Unaudited</i>			
<b>At 1 January 2023</b>	<b>143,000</b>	<b>2,073,639</b>	<b>2,216,639</b>
Remeasurement of defined benefit liability	-	50	50
Profit for the year	-	272,061	272,061
Total comprehensive income for the year	-	272,111	272,111
Dividends paid	-	(67,500)	(67,500)
<b>At 31 December 2023</b>	<b>143,000</b>	<b>2,278,250</b>	<b>2,421,250</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 December</i>	
	<i>2023</i>	<i>2022</i>
	<i>Unaudited</i>	<i>Audited</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	367,653	300,879
Adjustments for:		
Amortisation of intangible assets	1,667	242
Amortisation of long-term assets	5,224	2,305
Depreciation of investment properties	33,875	35,299
Depreciation of property, plant and equipment	87,276	87,106
Depreciation of right-of-use assets	611	631
Finance costs	37,905	44,498
Finance income	(6,501)	(6,516)
Net loss on disposal of property, plant and equipment	143	-
Impairment loss on investment property	850	1,133
Impairment loss on property, plant and equipment	3,855	-
Impairment loss on slow moving materials and supplies	10	23
Impairment loss on trade and other receivables	42	117
Retirement benefit costs	2,574	2,556
Reversal of impairment loss on investment property	(494)	-
Reversal of impairment loss on slow moving materials and supplies	(23)	(409)
Reversal of impairment loss on trade and other receivables	(137)	(514)
Reversal of write-down of inventories to net realisable value	(18,750)	-
Unrealised foreign exchange gain	(2,093)	(45)
Unrealised (gain)/loss on derivatives	(32,617)	1,808
Write-down of inventories to net realisable value	21,715	18,750
Write-off of investment property	-	9
Write-off of property, plant and equipment	730	62
<b>Operating profit before changes in working capital</b>	<b>503,515</b>	<b>487,934</b>
Change in inventories	38,384	(215,328)
Change in trade and other payables and other financial liabilities	(247,299)	134,993
Change in trade and other receivables and other financial assets	(24,367)	(361,651)
<b>Cash from operations</b>	<b>270,233</b>	<b>45,948</b>
Interest paid	(34,637)	(35,155)
Interest received	6,501	6,516
Tax paid	(26,246)	(19,506)
Tax refund	-	1,298
Retirement benefits paid	(1,886)	(1,250)
<b>Net cash from/(used in) operating activities</b>	<b>213,965</b>	<b>(2,149)</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 December</i>	
	<i>2023</i>	<i>2022</i>
	<i>Unaudited</i>	<i>Audited</i>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investment properties	(13,107)	(10,194)
Acquisition of property, plant and equipment	(47,956)	(52,835)
Payment for long-term assets	(13,089)	(5,248)
Proceeds from disposal of property, plant and equipment	14	87
<b>Net cash used in investing activities</b>	<b>(74,138)</b>	<b>(68,190)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(67,500)	(54,000)
Net (repayment of)/proceeds from borrowings	(150,000)	73,084
Payment of lease liabilities	(6,379)	(1,736)
<b>Net cash (used in)/from financing activities</b>	<b>(223,879)</b>	<b>17,348</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(84,052)</b>	<b>(52,991)</b>
<b>EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS</b>	<b>(656)</b>	<b>(209)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>200,876</b>	<b>254,076</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>116,168</b>	<b>200,876</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.



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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 2022. 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 2022.

**2. Significant Accounting Policies**

**a) Changes in accounting policies**

The audited financial statements of the Company for the year ended 31 December 2022 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 2022.

On 1 January 2023, the Company adopted the following accounting standards, amendments and interpretations of MFRSs effective for annual periods beginning on or after 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 – Disclosure of Accounting Policies
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction



## 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 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*

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. Dividend paid

The amount of dividends paid since 31 December 2022 is as follows:

In respect of the year ended 31 December 2022:

	<i>In RM'000</i>
Final dividend per ordinary share, paid on 30 June 2023 and 4 July 2023	
- 25 sen per ordinary share	<u>67,500</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>31.12.2023</i>	<i>31.12.2022</i>	<i>31.12.2023</i>	<i>31.12.2022</i>
Malaysia	3,881,941	3,815,023	15,174,786	16,508,702
Singapore	610,962	453,657	2,041,496	1,841,371
	<b>4,492,903</b>	<b>4,268,680</b>	<b>17,216,282</b>	<b>18,350,073</b>

For the year ended 31 December 2023, RM4,101,761 thousand (2022: RM4,258,804 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 2022.

## 11. Capital Commitments

Capital commitments not provided for in the interim financial statements as at 31 December 2023 are as follows:

<i>In RM'000</i>	<i>As at</i>	
	<i>31.12.2023</i>	<i>31.12.2022</i>
Contracted but not provided for		
Plant and equipment	58,961	29,810
Investment properties	14,048	25,433
	<b>73,009</b>	<b>55,243</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 31 December 2023, 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	140,065	-	(2,215)
- Commodity swaps	Level 2	404,743	48,126	(13,294)
		<b>544,808</b>	<b>48,126</b>	<b>(15,509)</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 counterparties 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.

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>31.12.2023</i>	<i>31.12.2023</i>	
<b>Forward exchange contracts</b>	(2,215)	(2,153)	Level 2 (OTC price)
<b>Commodity swaps</b>	111,233	11,189	Level 2 (OTC price)
	109,018	9,036	

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 2023**

PMRMB's total sales volume in the fourth quarter of 2023 improved by 8% to 9.5 million barrels from 8.8 million barrels sold in the same period of prior year as domestic demand continued to grow, supported by 10% improvement in refinery production.

Revenue for the quarter of RM4,492,903 thousand was up 5% compared to RM4,268,680 thousand in 2022, mainly driven by the sales volume growth amid lower prices as the benchmark Dated Brent average crude price declined to US\$84 per barrel during the quarter from US\$89 per barrel average in prior year.

With softening regional refining cracks coupled with oil prices on a declining trend in the last quarter of the year, gross profit was constrained to RM32,033 thousand, although still more than doubled compared with prior year's RM14,766 thousand. Despite net operating expenses kept flat amid higher sales volume, fourth quarter resulted in operating loss of RM29,972 thousand, although it's a 36% improvement compared with RM46,551 thousand operating loss incurred in prior year.

The Company benefited from marked-to-market commodity gains totaling RM87,115 thousand as a result of effective risk management, reversing the fourth quarter's operating loss into RM41,423 thousand net profit, as compared from prior year's net loss of RM21,365 thousand.

The Company recorded profit before tax of RM46,776 thousand in the fourth quarter, lower than the profit before tax of RM119,319 thousand in the third quarter when both prices and regional refining margins were higher.

For financial year 2023, PMRMB's sales volume grew by 10% to 37.2 million barrels from 33.8 million barrels sold in 2022 at the back of sustained domestic demand growth supported by 10% more production from the refinery. Revenue reached RM17,216,282 thousand, 6% lower as the increased in volume was offset by lower prices prevailing during the year against 2022. The Company's gross profit and operating income improved by 6% and 10% to RM563,907 thousand and RM349,283 thousand, respectively, at the back of effective risk management, optimized refining operation and prudent operating expenditure. Net profit for the year of RM272,061 thousand came in below from 2022's RM300,589 thousand due to the tax incentive availed in 2022.

## 15. Commentary on Prospects

The Company expects to navigate 2024 with cautious optimism as oil price volatility may likely persist. Oil demand can be weighed down by the fragile global economic growth as major economies like the US, China and the Eurozone continued to face high prevailing interest rates, without definite signs of easing down, tempering business confidence and consumer sentiments. On the other hand, despite OPEC+ extending voluntary production cut in 2024, supply risk concerns can potentially escalate from the ongoing geopolitical tensions in Eastern Europe and the Middle East which are developing into a larger regional conflict.

On the domestic front, Malaysia's economy is projected to grow between 4% to 5% in 2024, citing better employment and income prospects, realisation and continued progress of multi-year infrastructure projects, and continued growth in tourism-related sectors. Meanwhile, the Ringgit will remain likely affected by the US monetary policy direction and oil price volatility.

Notwithstanding the business risks and challenges, Petron will continue to pursue growth opportunities through investments in retail network expansion, supply chain optimization and sustainability initiatives. With strong business fundamentals, sound financial position and effective risk management, the Company remains steadfast in undertaking a pro-active stance to operate sustainably for the benefit of its stakeholders and to reduce its carbon footprint.

## 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>31.12.2023</i>	<i>31.12.2022</i>
<b>Current</b>		
Revolving credit – unsecured	950,000	1,100,000

## 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>Year ended</i>	
	<i>31.12.2023</i>	<i>31.12.2022</i>	<i>31.12.2023</i>	<i>31.12.2022</i>
Amortisation of intangible assets	121	61	1,667	242
Amortisation of long-term assets	4,199	349	5,224	2,305
Depreciation of right-of-use assets	158	157	611	631
Finance costs	10,907	11,085	37,905	44,498
Finance income	(1,684)	(1,737)	(6,501)	(6,516)
Foreign exchange				
- Realised loss/(gain)	3,051	(40,383)	26,101	7,845
- Unrealised gain	(3,505)	(45)	(2,093)	(45)
Impairment loss on slow moving materials and supplies	10	23	10	23
Reversal of impairment loss on slow moving materials and supplies	(23)	(409)	(23)	(409)
(Gain)/Loss on derivatives	(149,531)	63,070	(31,093)	520,197
Inventories				
- Reversal of write-down	(18,750)	-	(18,750)	-
- Write-down to net realisable value	21,715	18,750	21,715	18,750
Investment property				
- Depreciation	8,215	8,426	33,875	35,299
- Write-off	-	-	-	9
- Impairment loss	850	1,133	850	1,133
- Reversal of impairment loss	(494)	-	(494)	-
Property, plant and equipment				
- Depreciation	23,070	26,602	87,276	87,106
- Impairment loss	3,855	-	3,855	-
- Write-off	730	48	730	62
Trade and other receivables				
- Impairment loss	42	-	42	117
- Reversal of impairment loss	(46)	(169)	(137)	(514)

The (gain)/loss on derivatives, comprised of both realised and marked-to-market, have corresponding (gains)/losses 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 Expense

<i>In RM'000</i>	<i>3 months ended</i>		<i>Year ended</i>	
	<i>31.12.2023</i>	<i>31.12.2022</i>	<i>31.12.2023</i>	<i>31.12.2022</i>
<b>Current tax (benefit)/expense</b>				
- Current year	(12,306)	(105,580)	21,449	17,344
- Prior year	995	(692)	995	(692)
<b>Deferred tax expense/(benefit)</b>				
- Origination/(Reversal) of temporary difference	15,980	73,466	72,464	(16,125)
- Prior year	684	(237)	684	(237)
<b>Total income tax expense/(benefit)</b>	<b>5,353</b>	<b>(33,043)</b>	<b>95,592</b>	<b>290</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.

## 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. Arbitration is currently ongoing with the court hearing fixed from 10 to 14 June 2024. 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 23.0 sen per ordinary share, amounting to RM62,100 thousand be paid in respect of the financial year ended 31 December 2023, 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>	
	<u>31.12.2023</u>	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2022</u>
Net profit/(loss) attributable to shareholders (RM'000)	41,423	(21,365)	272,061	300,589
Number of ordinary share units in issue ('000)	270,000	270,000	270,000	270,000
Basic earnings/(loss) per share (sen)	15.3	(7.9)	100.8	111.3

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

The auditors' report on the Company's financial statements for the year ended 31 December 2022 was not qualified.