



**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 June 2024 and for the six months ended 30 June 2024.

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>30 Jun 2024</i>	<i>31 Dec 2023</i>
	Note	<i>Unaudited</i>	<i>Audited</i>
<b>ASSETS</b>			
Cash and cash equivalents		223,279	116,168
Derivative financial assets	12	38,163	48,126
Trade and other receivables		1,051,523	1,333,584
Inventories		1,355,139	1,049,135
Other current assets		21,710	9,233
Tax recoverable		8,296	5,731
<b>Total current assets</b>		<b>2,698,110</b>	<b>2,561,977</b>
Property, plant and equipment		1,433,561	1,442,893
Investment properties		624,636	635,887
Right-of-use assets		33,665	33,589
Long-term assets		25,555	21,761
Intangible assets - software		1,045	1,287
<b>Total non-current assets</b>		<b>2,118,462</b>	<b>2,135,417</b>
<b>TOTAL ASSETS</b>		<b>4,816,572</b>	<b>4,697,394</b>
<b>LIABILITIES</b>			
Loans and borrowings	17	380,000	950,000
Trade and other payables		1,661,134	1,014,534
Retirement benefit obligations		1,936	1,936
Lease liabilities		8,738	17,167
Asset retirement obligations		2,782	2,782
Derivative financial liabilities	12	39,734	15,509
<b>Total current liabilities</b>		<b>2,094,324</b>	<b>2,001,928</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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(Registration No: 196001000260 (3927-V))

**CONDENSED STATEMENT OF FINANCIAL POSITION**

(Amounts in Thousand Ringgit Malaysia)

(Continued)

	Note	As at	As at
		30 Jun 2024	31 Dec 2023
		Unaudited	Audited
<b>LIABILITIES (continued)</b>			
Retirement benefit obligations		21,060	19,856
Deferred tax liabilities		198,705	192,923
Lease liabilities		51,714	53,010
Asset retirement obligations		8,666	8,427
<b>Total non-current liabilities</b>		<b>280,145</b>	<b>274,216</b>
<b>TOTAL LIABILITIES</b>		<b>2,374,469</b>	<b>2,276,144</b>
<b>EQUITY</b>			
Share capital		143,000	143,000
Retained earnings		2,299,103	2,278,250
<b>TOTAL EQUITY</b>		<b>2,442,103</b>	<b>2,421,250</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,816,572</b>	<b>4,697,394</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	April to June		January to June	
		2024	2023	2024	2023
		Unaudited	Unaudited	Unaudited	Unaudited
Revenue		4,294,656	4,054,120	8,941,523	7,871,554
Cost of sales		(4,221,279)	(3,938,797)	(8,689,295)	(7,579,568)
Gross profit		73,377	115,323	252,228	291,986
Other operating income		16,111	23,532	31,583	37,580
Other operating expenses		(60,443)	(61,116)	(115,513)	(120,374)
Administrative expenses		(7,844)	(7,248)	(14,899)	(13,973)
Results from operating activities		21,201	70,491	153,399	195,219
Finance income		2,071	1,628	3,807	3,313
Finance costs		(9,198)	(9,704)	(20,332)	(18,949)
Other (expenses)/income		(7,193)	(7,694)	(33,739)	21,976
Profit before tax	18	6,881	54,721	103,135	201,559
Tax benefit/(expense)	19	6,365	(14,713)	(20,182)	(52,824)
<b>Profit for the period</b>		<b>13,246</b>	<b>40,008</b>	<b>82,953</b>	<b>148,735</b>
<b>Total comprehensive income for the period</b>		<b>13,246</b>	<b>40,008</b>	<b>82,953</b>	<b>148,735</b>
<b>Basic earnings per ordinary share (sen)</b>	23	<b>4.9</b>	<b>14.8</b>	<b>30.7</b>	<b>55.1</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.



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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>Unaudited</i>			
<b>At 1 January 2023</b>	<b>143,000</b>	<b>2,073,639</b>	<b>2,216,639</b>
Total comprehensive income for the period	-	148,735	148,735
Dividends payable	-	(67,500)	(67,500)
<b>At 30 June 2023</b>	<b>143,000</b>	<b>2,154,874</b>	<b>2,297,874</b>
<i>Unaudited</i>			
<b>At 1 January 2024</b>	<b>143,000</b>	<b>2,278,250</b>	<b>2,421,250</b>
Total comprehensive income for the period	-	82,953	82,953
Dividends payable	-	(62,100)	(62,100)
<b>At 30 June 2024</b>	<b>143,000</b>	<b>2,299,103</b>	<b>2,442,103</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 June</i>	
	<i>2024</i>	<i>2023</i>
	<i>Unaudited</i>	<i>Unaudited</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	103,135	201,559
Adjustments for:		
Amortisation of intangible assets	242	117
Amortisation of long-term assets	796	766
Depreciation of investment properties	16,386	17,385
Depreciation of property, plant and equipment	43,128	40,981
Depreciation of right-of-use assets	320	315
Finance costs	20,332	18,949
Finance income	(3,807)	(3,313)
Impairment loss on trade and other receivables	48	-
Retirement benefit costs	1,301	1,287
Reversal of impairment loss on trade and other receivables	(13)	(91)
Reversal of write-down of inventories to net realisable value	(21,715)	(18,750)
Unrealised foreign exchange loss	3,194	7,986
Unrealised loss/(gain) on derivatives	1,571	(18,726)
Allowance for write-off on property, plant and equipment	2,927	-
<b>Operating profit before changes in working capital</b>	<b>167,845</b>	<b>248,465</b>
Change in inventories	(284,289)	29,029
Change in trade and other payables and other financial liabilities	564,823	202,667
Change in trade and other receivables and other financial assets	317,696	255,710
<b>Cash from operations</b>	<b>766,075</b>	<b>735,871</b>
Interest paid	(17,206)	(17,393)
Interest received	3,799	3,308
Tax paid	(16,965)	(6,827)
Retirement benefits paid	(97)	(1,759)
<b>Net cash from operating activities</b>	<b>735,606</b>	<b>713,200</b>

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 June</i>	
	<i>2024</i>	<i>2023</i>
	<i>Unaudited</i>	<i>Unaudited</i>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investment properties	(3,214)	(7,550)
Acquisition of property, plant and equipment	(38,638)	(16,367)
Payment for long-term assets	(4,583)	(11,376)
<b>Net cash used in investing activities</b>	<b>(46,435)</b>	<b>(35,293)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	-	(17,955)
Net repayment of borrowings	(570,000)	(460,000)
Payment of lease liabilities	(12,076)	(5,348)
<b>Net cash used in financing activities</b>	<b>(582,076)</b>	<b>(483,303)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>107,095</b>	<b>194,604</b>
<b>EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD</b>	<b>16</b>	<b>235</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>116,168</b>	<b>200,876</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>223,279</b>	<b>395,715</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 2023. 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 2023.

**2. Material Accounting Policies**

**a) Changes in accounting policies**

The audited financial statements of the Company for the year ended 31 December 2023 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 2023.

On 1 January 2024, the Company adopted the following accounting standards, amendments and interpretations of MFRSs effective for annual periods beginning on or after 1 January 2024:

- Amendments to MFRS 7 and MFRS 107, *Financial Instruments – Disclosures and Statement of Cash Flows – Supplier Finance Arrangements*
- 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*



## 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:

MFRS, amendments and interpretations effective 1 January 2025:

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS, amendments and interpretations effective 1 January 2027:

- MFRS 18, *Presentation and Disclosure in Financial Statements*

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

There has been no dividend paid since 31 December 2023.

Dividends of RM62,100 thousand in respect of the financial year ended 31 December 2023 approved during the Annual General Meeting on 13 June 2024 remained outstanding as at 30 June 2024. The dividends were paid subsequently on 2 and 4 July 2024.

## 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>30.06.2024</i>	<i>30.06.2023</i>	<i>30.06.2024</i>	<i>30.06.2023</i>
Malaysia	3,851,329	3,591,634	7,789,811	7,068,399
Singapore	443,327	462,486	1,151,712	803,155
	<b>4,294,656</b>	<b>4,054,120</b>	<b>8,941,523</b>	<b>7,871,554</b>

For the period ended 30 June 2024 approximately RM1,923,983 thousand (2023: RM1,947,740 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 2023.

## 11. Capital Commitments

Capital commitments not provided for in the interim financial statements as at 30 June 2024 are as follows:

<i>In RM'000</i>	<i>As at</i>	
	<i>30.06.2024</i>	<i>30.06.2023</i>
Contracted but not yet recognized		
Plant and equipment	140,162	32,227
Investment properties	12,786	13,047
	<b>152,948</b>	<b>45,274</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 June 2024, the Company has the following outstanding derivative financial instruments:

<i>In RM'000</i>	<i>Fair value hierarchy</i>	<i>Contract/ Nominal value</i>	<i>Fair value</i>	
<i>Type of derivatives</i>			<i>Assets</i>	<i>Liabilities</i>
Derivatives held for trading at fair value through profit or loss				
- Forward exchange contracts	Level 2	890,230	4,964	-
- Commodity swaps	Level 2	280,050	33,199	(39,734)
		<b>1,170,280</b>	<b>38,163</b>	<b>(39,734)</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>Period ended</i>	
	<i>30.06.2024</i>	<i>30.06.2024</i>	
Forward exchange contracts	-	2,215	Level 2 (OTC price)
Commodity swaps	(10,691)	(26,440)	Level 2 (OTC price)
	<b>(10,691)</b>	<b>(24,225)</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 June 2024**

PMRMB's domestic sales volume in the second quarter of 2024 grew by 5% to 6.0 million barrels from 5.7 million barrels sold in the same period last year. This was supported by continued growth in Retail and aviation sectors. However, the increase in domestic sales was partly countered by the reduced exports and intercompany sales with lower production from its Port Dickson Refinery which underwent a planned maintenance during the period. Total sales volume ended at 9.04 million barrels, 4% lower compared to the same quarter last year.

Despite the drop in total sales volume, the Company still posted a 6% increase in revenue at RM4,294,656 thousand compared to last year's RM4,054,120 as average prices remained higher. However, crude prices continued to be volatile as influenced by the ongoing geopolitical tensions in the Middle East with Dated Brent climbing to \$90 per barrel in April before dropping to \$83 in June due to global oil demand concerns from prolonged high inflation and high interest rate.

The regional refining cracks remained constrained as demand growth slowed down while crude premiums became more expensive due to local crude supply disruptions. Despite these challenging market conditions, the pro-active hedging strategies and prudent cost saving efforts enabled the Company to post gross profit of RM73,377 thousand in the second quarter, though lower than last year's RM115,323 thousand.

PMRMB also benefited RM4,352 thousand from savings on importation costs during the second quarter from its Recurrent Related Party Transactions (RRPT) mandate with related party Petron Singapore Trading (PSTPL), bringing the cumulative cost savings to RM15,527 thousand for the last 12 months since the mandate's approval in the June 2023 Annual General Meeting. The procurement arrangement with PSTPL enables PMRMB to avail of the groupwide synergy in obtaining better pricing and terms for finished product imports and vessel chartering requirements.

Operating and administrative expenses remained flat compared to last year, resulting in operating income of RM21,201 thousand. Notwithstanding higher interest rates, financing cost was reduced by 10% due to efficient cash and working capital management. Amid a challenging second quarter, PMRMB still concluded the period with a net profit of RM13,246 thousand.

The Company recorded profit before tax of RM6,881 thousand in the second quarter compared to the preceding quarter's RM96,254 thousand.

For the first half of 2024, the Company's total sales volume of 18.8 million barrels was 8% higher compared to 17.8 million barrels sold in the same period last year. The volume growth coupled with higher oil prices increased revenue by 14% to RM8,941,523 thousand from prior year's RM7,871,554 thousand. Despite the continued volatility in oil prices which also tempered regional refining margin during the first half, the Company posted operating income of RM153,399 thousand, translating to a net profit of RM82,953 thousand compared to RM148,735 thousand last year.

## 15. Commentary on Prospects

Oil price volatility in the first half of 2024 was largely impacted by the ongoing geopolitical tensions inducing fears of potential supply disruptions while global economic concerns posed demand worries. On the other hand, the oil market was buoyed by the US summer driving season demand towards the third quarter but partly offset by worries on China's slow economic growth. The Company expects the volatility to continue as prices would still be affected by factors such as the escalating tensions in the Middle East, US interest rate cuts, easing global inflation and softening demand amid the prospect of supply glut.

On the domestic front, Malaysia's economy is projected to grow between 4% to 5% in 2024, supported by rising consumption. The improvement in tourist arrivals, better employment and income prospects, as well as continued progress in multi-year projects across private and public sectors would support consumption and investment activities. Nevertheless, the country may not be spared by the potential risks stemming from weaker-than-expected external demand and higher domestic inflation post implementation of diesel targeted subsidy and increased service taxes, partly tempered by the relief of Ringgit showing signs of recovery.

Petron remains steadfast in pursuing long-term growth through investments in retail network expansion and enhancing operational efficiencies in the refinery and terminal operations. The Company will continue to optimize synergy and cost saving opportunities from its related party transactions with PSTPL under its renewed mandate to help boost profitability. Further, as a testament of its commitment to advance in its sustainability journey, the Company was recently escalated in the FTSE4Good Bursa Malaysia Index which ranks the top 120 companies out of the 800+ publicly listed in Bursa that has strong Environment, Social and Governance practices.

## 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>30.06.2024</i>	<i>31.12.2023</i>
<b>Current</b>		
Revolving credit – unsecured	380,000	950,000

## 18. Profit before Tax

Profit 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>30.06.2024</i>	<i>30.06.2023</i>	<i>30.06.2024</i>	<i>30.06.2023</i>
Amortisation of intangible assets	121	57	242	117
Amortisation of long-term assets	595	394	796	766
Depreciation of investment property	8,189	8,711	16,386	17,385
Depreciation of right-of-use assets	160	157	320	315
Finance costs	9,198	9,704	20,332	18,949
Finance income	(2,071)	(1,629)	(3,807)	(3,313)
Foreign exchange				
- Realised (gain)/loss	(3,208)	13,027	(640)	20,278
- Unrealised loss	3,194	7,986	3,194	7,986
(Gain)/Loss on derivatives	(42,187)	(70,147)	22,674	(98,445)
Impairment loss on trade and other receivables	21	-	48	-
Property, plant and equipment				
- Depreciation	20,493	18,848	43,128	40,981
- Allowance for write-off	368	-	2,927	-
Reversal of impairment loss on trade and other receivables	(13)	(23)	(13)	(91)
Reversal of write-down of inventories to net realisable value	-	-	(21,715)	(18,750)

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 (Benefit)/Expense

<i>In RM'000</i>	<i>3 months ended</i>		<i>Period ended</i>	
	<i>30.06.2024</i>	<i>30.06.2023</i>	<i>30.06.2024</i>	<i>30.06.2023</i>
<b>Current tax (benefit)/expense</b>				
- Current year	(5,455)	(21,196)	21,092	16,915
- Over provision in prior year	(6,692)	-	(6,692)	-
<b>Deferred tax expense</b>				
- Origination of temporary difference	5,782	35,909	5,782	35,909
<b>Total income tax (benefit)/expense</b>	<b>(6,365)</b>	<b>14,713</b>	<b>20,182</b>	<b>52,824</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. However, the court hearing was rescheduled to 24 to 26 September 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

The Company did not declare interim dividend for the quarter ended 30 June 2024.

## 23. Earnings per Ordinary Share

	<i>3 months ended</i>		<i>Period ended</i>	
	<i>30.06.2024</i>	<i>30.06.2023</i>	<i>30.06.2024</i>	<i>30.06.2023</i>
Net profit attributable to shareholders (RM'000)	13,246	40,008	82,953	148,735
Number of ordinary share units in issue ('000)	270,000	270,000	270,000	270,000
Basic earnings per share (sen)	4.9	14.8	30.7	55.1

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

The auditors' report on the Company's financial statements for the year ended 31 December 2023 was not qualified.