



PETRONAS

PETRONAS DAGANGAN BERHAD QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022



QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

The Board of Directors of PETRONAS Dagangan Berhad ("PDB" or the "Company") is pleased to announce the following Unaudited Condensed Consolidated Financial Statements for PDB Group for the fourth quarter and year ended 31 December 2022 which should be read in conjunction with the accompanying explanatory notes on pages 7 to 20.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

In RM'000	Note	Individual quarter ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
Revenue	B1	9,498,779	7,111,809	36,748,896	22,674,049
Operating profit		248,013	203,446	1,148,905	751,187
Finance costs		(10,478)	(4,242)	(25,203)	(11,640)
Share of profit after tax of equity accounted associates and joint ventures		4,151	603	11,333	1,221
Profit before taxation	B1	241,686	199,807	1,135,035	740,768
Taxation	B4	(93,044)	(61,722)	(347,197)	(209,537)
PROFIT FOR THE PERIOD/YEAR		148,642	138,085	787,838	531,231
Profit attributable to:					
Shareholders of the Company		144,457	137,191	776,595	529,754
Non-controlling interests		4,185	894	11,243	1,477
PROFIT FOR THE PERIOD/YEAR		148,642	138,085	787,838	531,231
Earnings per ordinary share - basic (sen)	B11	14.5	13.8	78.2	53.3

The Unaudited Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying explanatory notes attached to these Condensed Consolidated Financial Statements.

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

In RM'000	Note	Individual quarter ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
PROFIT FOR THE PERIOD/YEAR		148,642	138,085	787,838	531,231
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Exchange differences arising from translation of financial statements of foreign operations		(23)	5,187	19	5,802
Reclassification of foreign currency translation differences to profit or loss on disposal of subsidiary		—	8,779	—	8,779
Total other comprehensive (loss)/income for the period/year		(23)	13,966	19	14,581
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		148,619	152,051	787,857	545,812
Profit attributable to:					
Shareholders of the Company		144,434	151,157	776,614	544,335
Non-controlling interests		4,185	894	11,243	1,477
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		148,619	152,051	787,857	545,812

The Unaudited Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these Condensed Consolidated Financial Statements.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM'000</i>	Note	As at 31 December 2022	As at 31 December 2021
ASSETS			
Property, plant and equipment		4,115,346	4,017,549
Intangible asset		484	806
Investments in associates		1,954	2,008
Investments in joint ventures		83,163	20,327
TOTAL NON-CURRENT ASSETS		4,200,947	4,040,690
Trade and other inventories		139,539	158,866
Trade and other receivables		4,027,890	3,490,185
Cash and cash equivalents		2,889,161	1,911,062
TOTAL CURRENT ASSETS		7,056,590	5,560,113
TOTAL ASSETS	B1	11,257,537	9,600,803
EQUITY			
Share capital		993,454	993,454
Reserves		4,749,291	4,588,619
Total Equity Attributable to Shareholders of the Company		5,742,745	5,582,073
Non-controlling interests		44,621	33,378
TOTAL EQUITY	B1	5,787,366	5,615,451
LIABILITIES			
Borrowings	B6	134,947	92,166
Deferred tax liabilities		93,317	102,723
Other long-term liabilities and provisions		36,074	31,272
TOTAL NON-CURRENT LIABILITIES		264,338	226,161
Trade and other payables		5,016,696	3,645,060
Borrowings	B6	49,366	24,266
Taxation		139,771	89,865
TOTAL CURRENT LIABILITIES		5,205,833	3,759,191
TOTAL LIABILITIES	B1	5,470,171	3,985,352
TOTAL EQUITY AND LIABILITIES		11,257,537	9,600,803
Net assets per share attributable to ordinary equity holders of the Parent (RM)		5.78	5.62

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the Condensed Consolidated Financial Statements.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In RM'000	Attributable to shareholders of the Company						
	Non-distributable			Distributable		Non-controlling interests	Total Equity
	Share Capital	Foreign Currency Translation Reserve	Capital Reserves	Retained Profits	Total		
At 1 January 2022	993,454	(6,510)	(305)	4,595,434	5,582,073	33,378	5,615,451
Exchange difference arising from translation of financial statements of foreign operations	—	19	—	—	19	—	19
Total other comprehensive income for the year	—	19	—	—	19	—	19
Profit for the year	—	—	—	776,595	776,595	11,243	787,838
Total comprehensive income for the year	—	19	—	776,595	776,614	11,243	787,857
Dividends paid	—	—	—	(615,942)	(615,942)	—	(615,942)
At 31 December 2022	993,454	(6,491)	(305)	4,756,087	5,742,745	44,621	5,787,366
At 1 January 2021	993,454	(21,091)	(18,732)	4,690,114	5,643,745	31,901	5,675,646
Exchange difference arising from translation of financial statements of foreign operations	—	5,802	—	—	5,802	—	5,802
Disposal of subsidiary acquired under common control	—	8,779	18,427	(18,427)	8,779	—	8,779
Total other comprehensive income/(loss) for the year	—	14,581	18,427	(18,427)	14,581	—	14,581
Profit for the year	—	—	—	529,754	529,754	1,477	531,231
Total comprehensive income for the year	—	14,581	18,427	511,327	544,335	1,477	545,812
Dividends paid	—	—	—	(606,007)	(606,007)	—	(606,007)
At 31 December 2021	993,454	(6,510)	(305)	4,595,434	5,582,073	33,378	5,615,451

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these Condensed Consolidated Financial Statements.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM'000</i>	Note	Year ended 31 December 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,135,035	740,768
Adjustments for:			
Depreciation of property, plant and equipment		438,538	412,155
Amortisation of intangible asset		322	—
Net impairment losses on:			
– Trade and other receivables		37,463	12,351
– Property, plant and equipment		—	4,124
Share of profit after tax of equity accounted associates and joint ventures		(11,333)	(1,221)
Net (gain)/loss on disposal of property, plant and equipment		(3,869)	1,710
Gain on disposal of Liquefied Petroleum Gas ("LPG") business		(87,937)	—
Reversal of inventories written down to net realisable value ("NRV")		—	(4,088)
Net inventories written off		—	346
Property, plant and equipment written off		22,164	1,096
Property, plant and equipment expensed off		2,722	2,627
Interest income		(69,601)	(61,265)
Finance costs		25,203	11,640
Other non-cash items		158	(1,045)
Operating profit before changes in working capital		1,488,865	1,119,198
Trade and other inventories		19,327	255,106
Trade and other receivables		(575,325)	(2,332,048)
Trade and other payables		1,368,697	1,305,223
Cash generated from operations		2,301,564	347,479
Taxation paid		(306,697)	(150,374)
Net cash generated from operating activities	B1	1,994,867	197,105
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiary		—	(713)
Interest income		69,601	61,265
Purchase of property, plant and equipment		(434,852)	(374,313)
Investment in a joint venture		(2,410)	—
Proceeds from disposal of LPG business		40,000	—
Proceeds from disposal of subsidiary		—	7,278
Proceeds from disposal of property, plant and equipment		6,868	9,471
Net cash used in investing activities	B1	(320,793)	(297,012)

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Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the Condensed Consolidated Financial Statements.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividends paid		(615,942)	(606,007)
Drawdown of revolving credits	B6	700,000	6,500
Repayment of revolving credits	B6	(716,000)	—
Repayment of Islamic financing facilities		—	(9,880)
Payment of lease liabilities	B6	(42,857)	(63,842)
Interest paid on revolving credits	B6	(10,218)	(423)
Profit margin paid for Islamic financing facilities		—	(139)
Interest paid on lease liabilities	B6	(11,008)	(8,968)
Net cash used in financing activities	B1	(696,025)	(682,759)
Net increase/(decrease) in cash and cash equivalents		978,049	(782,666)
Increase in cash and cash equivalents restricted		(9,679)	(7,666)
Net foreign exchange differences		50	1,908
Cash and cash equivalents at beginning of the year		1,882,627	2,671,051
Cash and cash equivalents at end of the year		2,851,047	1,882,627
Cash and cash equivalents		2,889,161	1,911,062
Cash and bank balances		(38,114)	(28,435)
Less: Cash and cash equivalents restricted		2,851,047	1,882,627

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The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the Condensed Consolidated Financial Statements.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 BASIS OF PREPARATION

The condensed financial statements have been prepared using historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The condensed financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They should be read in conjunction with the Audited Financial Statements and the accompanying notes for the year ended 31 December 2021. The explanatory notes attached to these condensed consolidated financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2021.

Within the context of these financial statements, the Group comprises the Company and its subsidiaries, and the Group's interest in its associates and its joint ventures as at and for the year ended 31 December 2022.

A2 SIGNIFICANT ACCOUNTING POLICIES

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31 December 2022 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2021 except as disclosed below.

During the financial year, the Group has adopted the following amendments to MFRSs ("pronouncements") that have been issued by the Malaysian Accounting Standard's Board ("MASB").

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 9	<i>Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)</i>
Amendments to Illustrative Examples accompanying MFRS 16 Leases	<i>(Annual Improvements to MFRS Standards 2018-2020)</i>
Amendments to MFRS 3	<i>Business Combinations (Reference to the Conceptual Framework)</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment (Property, Plant and Equipment - Proceeds before Intended Use)</i>
Amendments to MFRS 137	<i>Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Costs of Fulfilling a Contract)</i>

The initial application of the above pronouncements did not have any material impact to the consolidated financial statements of the Group.

A3 AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Group for the year ended 31 December 2021 were not subject to audit qualification.

A4 SEASONAL OR CYCLICAL FACTORS

The Group's operations in relation to sales volume are not significantly affected by seasonal or cyclical fluctuations of the business/industry.

A5 EXCEPTIONAL ITEMS

There were no exceptional items during the year under review.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A6 MATERIAL CHANGES IN ACCOUNTING ESTIMATES

There were no material changes in estimates of the amounts reported in the most recent annual financial statements of the Group for the year ended 31 December 2021 that may have a material effect in the results of period under review.

A7 CAPITAL COMMITMENTS

Outstanding capital commitments in respect of capital expenditure at the end of the reporting year not provided for at the end of each reporting period are as follows:

<i>In RM'000</i>	As at 31 December 2022	As at 31 December 2021
Approved and contracted for	97,011	137,220
Approved but not contracted for	326,655	244,769
	423,666	381,989

A8 DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the quarter under review, except as disclosed in note B6.

A9 DIVIDENDS PAID

During the year, the following dividend payments were made:

<i>In RM'000</i>	As at 31 December 2022	As at 31 December 2021
2020		
Quarter 4: interim dividend of 17 sen per ordinary share	—	168,887
2021		
Quarter 1: interim dividend of 14 sen per ordinary share	—	139,084
Quarter 2: interim dividend of 10 sen per ordinary share	—	99,345
Quarter 3: interim dividend of 20 sen per ordinary share	—	198,691
Quarter 4: interim dividend of 26 sen per ordinary share	258,298	—
2022		
Quarter 1: interim dividend of 5 sen per ordinary share	49,673	—
Quarter 2: interim dividend of 11 sen per ordinary share	109,280	—
Quarter 3: interim dividend of 20 sen per ordinary share	198,691	—
	615,942	606,007

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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A10 OPERATING SEGMENTS

Effective first quarter 2022, the reportable operating segments now comprise Retail, Commercial and Convenience Businesses. The change in the reportable operating segments is in line with the change in the way the Group's business is managed. Following this new structure, the Convenience segment is to focus on activities of the non-fuel business whilst the Retail and Commercial segments' operations remain largely the same as described in the Group's audited consolidated financial statements for the year ended 31 December 2021. Accordingly, the Group has restated the operating segment information for the prior year. Each reportable segment offers different services and requires different marketing strategies.

For each of the reportable segment, the Group's chief operating decision maker which is the Board of Directors of the Company, reviews internal management reports at least on a quarterly basis.

- Retail – consist of sales and purchase of petroleum products to the retail sector.
- Commercial – consist of sales and purchase of petroleum products and provision of services to the commercial sector.
- Convenience – comprise mainly non-fuel business activities.

Revenues derived from petroleum products are predominantly sold to the retail and commercial sectors in Malaysia which have been disclosed in the Operating Segment. In this respect, no further disaggregation of revenue is presented.

Results for the year ended 31 December

In RM'000

Business Segments	2022			
	Retail	Commercial	Convenience	Group
Revenue	17,371,537	19,156,544	220,815	36,748,896
Depreciation and amortisation	348,985	58,759	31,116	438,860
Other income	321,343	62,345	8,220	391,908
Operating profit for reportable segments	774,684	358,101	16,120	1,148,905
Finance cost	(15,693)	(9,076)	(434)	(25,203)
Share of profit after tax of equity accounted associates and joint ventures				11,333
Profit before taxation				1,135,035

In RM'000

Business Segments	2021			
	Retail	Commercial	Convenience	Group
Revenue	12,551,395	9,947,465	175,189	22,674,049
Depreciation and amortisation	323,288	80,330	8,537	412,155
Other income	131,825	39,300	2,163	173,288
Operating profit for reportable segments	470,606	241,237	39,344	751,187
Finance cost	(3,817)	(7,801)	(22)	(11,640)
Share of profit after tax of equity accounted associates and joint ventures				1,221
Profit before taxation				740,768

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A11 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at cost less accumulated impairment losses, if any.

A12 CONTINGENCIES

<i>In RM'000</i>	As at 31 December 2022	Group As at 31 December 2021
An award in favour of a subsidiary was issued by the arbitrator in 2018 following an arbitration proceeding, which allowed additional costs and expenses for restructuring works at one of the subsidiary's major facility. The quantum to be paid following the award as of the financial period is pending settlement negotiation between the parties.	<u>26,662</u>	<u>26,662</u>

No provision has been made on the above contingency in the quarterly report up to reporting date. There were no material contingent liabilities since the last consolidated statement of financial position as at 31 December 2021.

A13 SIGNIFICANT EVENTS

i. Business Transfer Agreement ("BTA") with PDB Group's subsidiaries

PDB has entered into a BTA with its wholly owned subsidiary, Mesra Retail & Cafe Sdn. Bhd. ("MESRA") on 9 December 2022 for the business transfer of non-fuel business operations effective 1 January 2022 that includes net assets transfer of RM18.4 million from PDB to MESRA for a consideration of the same amount which remains as payable by MESRA as at the year end. Novation exercise between PDB, MESRA and counterparties whereby PDB discharges its rights, interests, obligations and liabilities to MESRA were gradually completed during the year from 1 January 2022.

PDB has entered into a BTA with its wholly owned subsidiary, Setel Express Sdn. Bhd. ("SESB") on 21 July 2022 for the business transfer of courier services and sale of PETRONAS merchandise via retail marketing and e-commerce effective 1 November 2021 and 1 January 2022 respectively.

The business transfers were treated as common control transactions as these subsidiaries are controlled by PDB.

ii. Disposal of LPG Business in Sarawak

On 9 March 2022, the Group has entered into a Business Transfer and Share Subscription Agreement ("BTSSA") with PETROSNiaga Sdn. Bhd. ("PNIAGA") and Petroleum Sarawak Berhad ("PETROS"), in relation to the divestment of its LPG business in Sarawak and for subscription of 49% equity stake in PNIAGA. On 30 April 2022, the BTSSA was completed and PDB now holds 49% equity in PNIAGA which will market PETROS-branded LPG cylinders to household and commercial customers in Sarawak. The Company recorded net gain of disposal amounting to RM87.9 million from this divestment.

A14 CHANGES IN THE COMPOSITION OF THE GROUP

On 5 May 2022, the Group incorporated a wholly owned subsidiary, Setel Pay Sdn. Bhd. with the intent to hold the e-money operations from Setel Ventures Sdn. Bhd.

A15 RELATED PARTY TRANSACTIONS

There were no significant transactions with related party in addition to the related party transactions disclosed in the Audited Financial Statements for the year ended 31 December 2021.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A16 DISCONTINUED OPERATIONS

There were no discontinued operations in the Group during the period under review.

A17 FAIR VALUE INFORMATION

The carrying amounts of cash and cash equivalents and short term receivables and payables reasonably approximate their fair values due to their relative short term nature of these financial instruments.

Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the prevailing rate of interest charged on the respective loans at the end of the reporting period.

The following table analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the Consolidated Statement of Financial Position.

<i>In RM'000</i>	Fair value of financial instruments not carried at fair value	
	Level 3	Carrying amount
Group		
31 December 2022		
Financial Liability		
Revolving credit facility	—	—
	—	—
Group		
31 December 2021		
Financial Liability		
Revolving credit facility	15,801	16,000
	15,801	16,000

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B1 REVIEW OF GROUP PERFORMANCE

The Group's overall performance for the quarter remains strong supported by improved volume as well as favourable Brent crude oil price average at USD91.10/bbl against corresponding quarter last year of USD79.73/bbl. The Group's liquidity position had also improved following full receipts of subsidy receivable in the quarter.

On the non-fuel segment, an additional 25 new Café Mesra were opened in the quarter, bringing the total number of Café Mesra to 41 stores in 2022, a significant milestone since it was launched in July 2022. The Group also grew its convenience offering via Setel to include road tax renewal and payment to merchants and stores at North-South Expressway ("NSE") rest and service areas ("R&R").

Recognising the pathway to net zero emission, PDB continues the commitment to support the adoption of Electric Vehicle ("EV") in Malaysia by launching the first EV Charging Hub, in collaborations with its strategic partners, along with installation of 14 new units of Direct Charge ("DC") fast chargers at PETRONAS stations located mainly at central and southern regions during the quarter.

PDB also demonstrates its commitment to drive positive social impact to the community through various avenues and channels, including deployment of ROVR services to flood-hit areas in December 2022, to ensure continued supply was available during the challenging time.

a) Performance of the current year against last year

In RM' Mil	Retail			Year ended Commercial			Convenience		
	Dec 2022	Dec 2021	Var %	Dec 2022	Dec 2021	Var %	Dec 2022	Dec 2021	Var %
Revenue	17,371.5	12,551.4	38	19,156.5	9,947.4	93	220.9	175.2	26
Profit before taxation	759.0	466.8	63	349.0	233.4	50	15.7	39.4	(60)

In RM' Mil	Year ended Group		
	Dec 2022	Dec 2021	Var %
Revenue	36,748.9	22,674.0	62
Profit before taxation	1,135.0	740.8	53

Group

The Group's revenue for the period increased by RM14,074.9 million following higher sales volume by 28% and increase in average selling prices by 26%.

The Group recorded a Profit Before Taxation ("PBT") of RM1,135.0 million, higher by RM394.2 million or 53% which was mainly contributed by higher gross profit from all segments following increase in demand during the period. The increase was further contributed by higher other income due to once off gain from disposal of LPG business in Sarawak, partially offset by higher operating expenditure mainly attributable to dealers' commission and purchased and professional services.

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B1 REVIEW OF GROUP PERFORMANCE (continued)

a) Performance of the current year against last year (continued)

Retail Segment

Retail segment's revenue increased by RM4,820.1 million or 38%, mainly contributed from higher sales volume of 33% in tandem with higher demand as well as increase in average selling prices by 4%.

PBT recorded for the period was RM759.0 million, an increase of RM292.2 million against last year mainly contributed by higher gross profit from Mogas and Diesel in line with higher sales volume and increase in other income following once off gain on disposal of LPG business in Sarawak.

Commercial Segment

Commercial segment recorded an increase in revenue of RM9,209.1 million or 93%, contributed by increase in average selling prices and sales volume of 61% and 20% respectively.

PBT of RM349.0 million was recorded for the period, an increase of RM115.6 million against last year. This was mainly due to higher gross profit from Diesel following favourable prices trend and Jet A1 arising from higher volume, offset by increase in operating expenditure due to purchased and professional services.

Convenience Segment

Convenience segment recorded an increase in revenue of RM45.7 million or 26% contributed by higher sales from Mesra stores, Café Mesra and petrol station following improved demand during endemic phase.

PBT of RM15.7 million was recorded for the period, a decrease of RM23.7 million against last year. This was mainly attributed to higher operating expenditure in line with business expansions, offset by higher gross profit from increase in Mesra stores sales.

b) Performance of the current quarter against the corresponding quarter last year

In RM' Mil	Individual quarter ended								
	Retail			Commercial			Convenience		
	Dec 2022	Dec 2021	Var %	Dec 2022	Dec 2021	Var %	Dec 2022	Dec 2021	Var %
Revenue	4,555.2	3,870.5	18	4,889.0	3,185.8	53	54.5	55.5	(2)
Profit/(loss) before taxation	116.7	144.6	(19)	127.8	32.6	>100	(7.0)	22.0	(>100)
In RM' Mil	Individual quarter ended Group								
	Dec 2022	Dec 2021	Var %						
	Dec 2022	Dec 2021	Var %						
Revenue	9,498.7	7,111.8	34						
Profit before taxation	241.7	199.8	21						

Group

The Group's revenue for the quarter increased by RM2,386.9 million on the back of higher sales volume by 15% and increase in average selling prices by 16%.

The Group recorded a PBT of RM241.7 million grew by RM41.9 million or 21% mainly due to higher gross profit from Retail and Commercial segments in line with increase in volume sold and increase in other income following higher interest income.

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B1 REVIEW OF GROUP PERFORMANCE (continued)

b) Performance of the current quarter against the corresponding quarter last year (continued)

Retail Segment

Retail segment revenue increased by RM684.7 million, mainly contributed by higher sales volume of 16% in tandem with higher demand as well as increase in average selling prices by 2%.

PBT recorded for the quarter was RM116.7 million, a decrease of RM27.9 million or 19% against the corresponding quarter, mainly attributed to higher operating expenditure following increase in depreciation, dealers' commission and purchased and professional services. This was offset with increase in gross profit mainly from Mogas and Diesel in line with higher volume during the quarter.

Commercial Segment

Commercial segment recorded an increase in revenue of RM1,703.2 million or 53%, mainly contributed by improved average selling prices by 34% coupled with higher sales volume by 14%.

PBT of RM127.8 million was recorded for the quarter, an increase of RM95.2 million against the corresponding quarter last year, contributed by higher gross profit from Diesel following favourable prices trend coupled with Jet A1 arising from higher volume.

Convenience Segment

Revenue recorded for the quarter was RM54.5 million, a minimal decrease of RM1.0 million or 2% attributed to lower demand during the quarter.

Convenience segment recorded a loss before tax of RM7.0 million, a decrease of RM29.0 million or >100% against corresponding quarter attributed to higher operating expenditure following increase in depreciation and amortisation costs.

c) Variation of results against preceding quarter

	Individual quarter ended		
	Dec	Sept	Group
<i>In RM' Mil</i>	2022	2022	Var
Revenue	9,498.7	10,130.7	(6)
Profit before taxation	241.7	399.1	(39)

Revenue for the Group decreased by RM632.0 million or 6% as compared to the preceding quarter mainly attributed to lower average selling prices by 6%.

PBT for the quarter decreased by RM157.4 million or 39%, in line with lower gross profit mainly attributed to Commercial segment following less favourable prices movement, offset by increase in Retail segment's gross profit contributed by favourable prices trend. The decrease in PBT was further attributed to higher operating expenditure following increase in repair and maintenance as well as purchased and professional services.

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B1 REVIEW OF GROUP PERFORMANCE (continued)

d) Highlight on Consolidated Statement of Financial Position

<i>In RM'000</i>	As at 31 December 2022	As at 31 December 2021	Variance (%)
Total assets	11,257,537	9,600,803	17
Total equity	5,787,366	5,615,451	3
Total liabilities	5,470,171	3,985,352	37
Return on equity (%)	13.7	9.5	44

Total assets increased by RM1,656.7 million or 17% following higher receivables due to increase in credit sales during the year. The Group made provisions for balances due from certain customers that face challenges due to the prolong impact of the pandemic notwithstanding economic recovery.

Total liabilities were higher by RM1,484.8 million or 37%, mainly due to higher trade and other payables resulting from higher purchase cost, in line with increase in prices.

e) Highlight on Consolidated Statement of Cash Flows

<i>In RM'000</i>	Year ended 31 December 2022	Year ended 31 December 2021	Variance (%)
Net cash generated from operating activities	1,994,867	197,105	>100
Net cash used in investing activities	(320,793)	(297,012)	8
Net cash used in financing activities	(696,025)	(682,759)	2

Net cash generated from operating activities was higher by RM1,797.8 million during the period mainly due to receipt of subsidy receivable.

Investing activities were higher by RM23.8 million due to higher spending on capital expenditures by RM60.6 million offset by proceeds from disposal of LPG business in Sarawak of RM40.0 million.

Financing activities were higher by RM13.3 million mainly due to repayment of revolving credit facilities.

B2 COMMENTARY ON PROSPECTS

Overall outlook

Malaysia economy is expected to grow in FY2023, supported by firm domestic demand, further revival in tourism industry and continued investment in infrastructure projects. Whilst the Group is optimistic following the economic growth, we also remain cautious on the core inflation which is expected to remain elevated due to cost pressures and ongoing volatility deriving from future risk of global recession.

PDB remains steadfast in strengthening its business and continue to grow its Convenience product offerings, digital transformations and innovations in line with the Group's aim in making life simpler and better for its customers.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B2 COMMENTARY ON PROSPECTS (continued)

Business Segments

It is anticipated that increase of international travel arising from relaxation of China Zero Covid policy and lifting of travel restriction of China border will continue to support the growth of the aviation sector.

PDB aspires to enhance its customer experience by expanding its product offerings by launching more stand-alone Café Mesra at various locations in 2023.

In line with the Group's sustainability agenda, PDB plans to expand installation of EV chargers nationwide, while pursuing other e-mobility solutions and charging infrastructure at PETRONAS stations.

B3 PROFIT FORECAST OR PROFIT GUARANTEE

The Group does not publish any profit forecast or profit guarantee.

B4 TAXATION

Tax expense comprises the following:

<i>In RM'000</i>	Individual quarter ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
<u>Income Tax:</u>				
Current period	93,173	63,986	356,603	211,423
<u>Deferred Tax</u>				
Current period	(129)	(2,264)	(9,406)	(1,886)
	<u>93,044</u>	<u>61,722</u>	<u>347,197</u>	<u>209,537</u>

Effective tax rate for the cumulative quarter ended 31 December 2022 was 31%, higher than the statutory tax rate mainly resulting from imposition of Prosperity Tax for year of assessment 2022 at rate of 33%, partially offset by higher non-assessable income. Effective tax rate for the current quarter was 38% due to higher non-deductible expenses.

B5 STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no corporate proposals announced as at the date of this report.

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B6 BORROWINGS

a) Particulars of the Group's borrowings are as follows:

<i>In RM'000</i>	As at 31 December 2022	As at 31 December 2021
Non-Current		
<i>Secured</i>		
Lease liabilities	134,947	92,166
Current		
<i>Secured</i>		
Lease liabilities	49,366	8,266
<i>Unsecured</i>		
Revolving credit facility	—	16,000
	<u>49,366</u>	<u>24,266</u>
	<u>184,313</u>	<u>116,432</u>
	As at 31 December 2022	As at 31 December 2021
<i>In RM'000</i>		
By Currency		
RM	93,416	108,597
USD	90,897	7,835
	<u>184,313</u>	<u>116,432</u>

The revolving credit facilities are denominated in Ringgit Malaysia and bears interest rates ranging from 2.56% to 3.39% (2021: 2.83% to 2.89%) per annum.

The lease liabilities bear interest at rates ranging from 3.51% to 8.43% (2021: 3.24% to 8.43%) per annum.

b) Reconciliation of borrowings arising from financing activities:

<i>In RM'000</i>	As at 1 January 2022	Cash flows		Non-cash changes		As at 31 December 2022
		Net drawdown/ (repayment)	Interest expenses	Addition	Others	
Revolving credit facilities	16,000	(16,000)	(10,218)	—	10,218	—
Lease liabilities	100,432	(42,857)	(11,008)	137,520	226	184,313
	<u>116,432</u>	<u>(58,857)</u>	<u>(21,226)</u>	<u>137,520</u>	<u>10,444</u>	<u>184,313</u>

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B7 MATERIAL LITIGATION

There are no material litigations as at the date of this report.

B8 DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not have any material derivative financial instruments since the last audited consolidated financial statements for the year ended 31 December 2021.

B9 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

The Group does not have any financial liabilities that are measured at fair value for the period under review.

B10 DIVIDENDS

The Board has declared an interim dividend of 26 sen per ordinary share amounting to RM258,298,040 and a special dividend of 14 sen per ordinary share amounting to RM139,083,560 for the fourth quarter ended 31 December 2022, payable on 23 March 2023 (Quarter 4 2021: an interim dividend of 26 sen per ordinary share amounting to RM258,298,040).

NOTICE IS HEREBY GIVEN that the interim dividend and special dividend will be payable on 23 March 2023 to depositors registered in the Records of Depositors at the close of the business on 9 March 2023. A depositor shall qualify for entitlement to the dividends only in respect of:

- Shares transferred into Depositor's Securities Account before 4.00 pm on 9 March 2023 in respect of ordinary transfers.
- Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

B11 BASIC EARNINGS PER SHARE

Basic earnings per share is derived based on the profit attributable to shareholders of the Company and based on the number of ordinary shares outstanding as at 31 December 2022.

	Individual quarter ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
Profit attributable to shareholders of the Company (RM'000)	144,457	137,191	776,595	529,754
Number of ordinary shares ('000)	993,454	993,454	993,454	993,454
Earnings per ordinary share (sen)	14.5	13.8	78.2	53.3

As at the date of the statement of financial position, the Company does not have any instruments which may have dilutive impact on the basic earnings per share.

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA
MALAYSIA SECURITIES BERHAD

B12 TRADE RECEIVABLES

<i>In RM'000</i>	As at 31 December 2022	As at 31 December 2021
Trade receivables		
– Third party	1,745,782	1,344,196
– Related companies	177,855	274,616
Less:		
– Impairment loss: specific	(43,413)	(8,413)
– Impairment loss: general	(16,460)	(14,263)
	<u>1,863,764</u>	<u>1,596,136</u>
At net		
Not past due	1,813,621	1,556,875
Past due 1 to 30 days	12,895	13,836
Past due 31 to 60 days	5,697	9,455
Past due 61 to 90 days	4,772	2,216
Past due more than 90 days	26,779	13,754
	<u>1,863,764</u>	<u>1,596,136</u>

As at 31 December 2022, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B13 PROFIT FOR THE PERIOD

In RM'000	Individual quarter ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
Profit for the period is arrived at after charging:				
Depreciation and amortisation*	121,929	73,130	438,860	412,155
Impairment loss on trade and other receivables	21,587	13,080	40,604	16,873
Impairment loss on property, plant and equipment	—	4,124	—	4,124
Net loss on disposal of property, plant and equipment	—	3,696	—	1,710
Interest on revolving credit facilities	3,402	115	10,218	423
Net realised loss on foreign exchange	—	1,046	5,368	3,136
Net unrealised loss on foreign exchange	2,376	992	158	—
Profit margin for Islamic financing facilities	—	—	—	139
Interest on lease liabilities	3,099	2,017	11,008	8,968
Inventories written off	—	346	—	346
Property, plant and equipment written off	15,069	1,085	22,164	1,096
Property, plant and equipment expensed off	765	1,466	2,722	2,627
and after crediting:				
Net gain on disposal of property, plant and equipment	2,551	—	3,869	—
Gain on disposal of LPG business	—	—	87,937	—
Reversal of write down of inventories to NRV	—	—	—	4,088
Interest income	33,301	20,672	69,601	61,265
Income from rental of premises	1,038	516	2,196	1,503
Net unrealised gain on foreign exchange	—	—	—	1,045
Net realised gain on foreign exchange	3,597	—	—	—
Write back of impairment loss on trade and other receivables	459	428	3,141	4,522

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

* Includes depreciation on rights-of-use assets

B14 AUTHORISED FOR ISSUE

This quarterly report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 February 2023.

BY ORDER OF THE BOARD
Mek Yam @ Mariam Hassan (MAICSA 7030578)
Yeap Kok Leong (MAICSA 0862549)
Joint Secretaries
Kuala Lumpur
22 February 2023