



PETRONAS

PETRONAS DAGANGAN BERHAD

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2023



QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2023

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 first quarter ended 31 March 2023 which should be read in conjunction with the accompanying explanatory notes on pages 7 to 19.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>In RM'000</i>	Note	Individual quarter ended	
		2023	31 March 2022
Revenue	B1	8,645,458	7,618,323
Operating profit		407,032	180,718
Finance costs		(2,675)	(2,786)
Share of profit after tax of equity accounted associates and joint ventures		4,508	782
Profit before taxation	B1	408,865	178,714
Taxation	B4	(102,496)	(58,364)
PROFIT FOR THE PERIOD		306,369	120,350
Profit attributable to:			
Shareholders of the Company		301,838	118,494
Non-controlling interests		4,531	1,856
PROFIT FOR THE PERIOD		306,369	120,350
Earnings per ordinary share - basic (sen)	B11	30.4	11.9

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 FIRST QUARTER ENDED 31 MARCH 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>In RM'000</i>	Individual quarter ended	
	2023	31 March 2022
PROFIT FOR THE PERIOD	306,369	120,350
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	321	7
Total other comprehensive income for the period	321	7
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	306,690	120,357
Profit attributable to:		
Shareholders of the Company	302,159	118,501
Non-controlling interests	4,531	1,856
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	306,690	120,357

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 FIRST QUARTER ENDED 31 MARCH 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM'000</i>	Note	As at 31 March 2023	As at 31 December 2022
ASSETS			
Property, plant and equipment		4,049,965	4,115,346
Intangible asset		387	484
Investments in associates		2,033	1,954
Investments in joint ventures		70,466	83,163
TOTAL NON-CURRENT ASSETS		4,122,851	4,200,947
Trade and other inventories		181,809	139,539
Trade and other receivables		3,670,995	4,027,890
Tax recoverable		31,265	—
Cash and cash equivalents		2,860,687	2,889,161
Asset classified as held for sale	A12	17,126	—
TOTAL CURRENT ASSETS		6,761,882	7,056,590
TOTAL ASSETS	B1	10,884,733	11,257,537
EQUITY			
Share capital		993,454	993,454
Reserves		4,654,068	4,749,291
Total Equity Attributable to Shareholders of the Company		5,647,522	5,742,745
Non-controlling interests		49,152	44,621
TOTAL EQUITY	B1	5,696,674	5,787,366
LIABILITIES			
Borrowings	B6	122,978	134,947
Deferred tax liabilities		111,771	93,317
Other long-term liabilities and provisions		36,074	36,074
TOTAL NON-CURRENT LIABILITIES		270,823	264,338
Trade and other payables		4,868,464	5,016,696
Borrowings	B6	48,772	49,366
Taxation		—	139,771
TOTAL CURRENT LIABILITIES		4,917,236	5,205,833
TOTAL LIABILITIES	B1	5,188,059	5,470,171
TOTAL EQUITY AND LIABILITIES		10,884,733	11,257,537
Net assets per share attributable to ordinary equity holders of the Parent (RM)		5.68	5.78

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 FIRST QUARTER ENDED 31 MARCH 2023

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 2023	993,454	(6,491)	(305)	4,756,087	5,742,745	44,621	5,787,366
Exchange difference arising from translation of financial statements of foreign operation	—	321	—	—	321	—	321
Total other comprehensive income for the period	—	321	—	—	321	—	321
Profit for the period	—	—	—	301,838	301,838	4,531	306,369
Total comprehensive income for the period	—	321	—	301,838	302,159	4,531	306,690
Dividends paid	—	—	—	(397,382)	(397,382)	—	(397,382)
At 31 March 2023	993,454	(6,170)	(305)	4,660,543	5,647,522	49,152	5,696,674
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 operation	—	7	—	—	7	—	7
Total other comprehensive income for the period	—	7	—	—	7	—	7
Profit for the period	—	—	—	118,494	118,494	1,856	120,350
Total comprehensive income for the period	—	7	—	118,494	118,501	1,856	120,357
Dividends paid	—	—	—	(258,298)	(258,298)	—	(258,298)
At 31 March 2022	993,454	(6,503)	(305)	4,455,630	5,442,276	35,234	5,477,510

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 FIRST QUARTER ENDED 31 MARCH 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM'000</i>	Note	Individual quarter ended 31 March	
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		408,865	178,714
Adjustments for:			
Depreciation of property, plant and equipment		111,506	104,717
Amortisation of intangible asset		97	32
Net (write back)/impairment losses on trade and other receivables		(3,287)	7,384
Share of profit after tax of equity accounted associates and joint ventures		(4,508)	(782)
Net loss on disposal of property, plant and equipment		—	43
Property, plant and equipment expensed off		316	497
Interest income		(32,883)	(15,491)
Finance costs		2,675	2,786
Other non-cash items		(27)	252
Operating profit before changes in working capital		482,754	278,152
Trade and other inventories		(42,270)	(26,024)
Trade and other receivables		360,209	(628,170)
Trade and other payables		(145,146)	1,422,620
Cash generated from operations		655,547	1,046,578
Taxation paid		(255,079)	(57,255)
Net cash generated from operating activities	B1	400,468	989,323
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		32,883	15,491
Purchase of property, plant and equipment		(46,605)	(48,695)
Proceeds from disposal of property, plant and equipment		—	212
Net cash used in investing activities	B1	(13,722)	(32,992)

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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 FIRST QUARTER ENDED 31 MARCH 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividends paid		(397,382)	(258,298)
Repayment of revolving credits		—	(6,500)
Payment of lease liabilities	B6	(15,203)	(9,239)
Interest paid on revolving credits		—	(103)
Interest paid on lease liabilities	B6	(2,675)	(2,683)
Net cash used in financing activities	B1	(415,260)	(276,823)
Net (decrease)/increase in cash and cash equivalents		(28,514)	679,508
Decrease/(increase) in cash and cash equivalents restricted		4,086	(9,669)
Net foreign exchange differences		40	6
Cash and cash equivalents at beginning of the period		2,851,047	1,882,627
Cash and cash equivalents at end of the period		2,826,659	2,552,472
Cash and cash equivalents			
Cash and bank balances		2,860,687	2,590,576
Less: Cash and cash equivalents restricted		(34,028)	(38,104)
		2,826,659	2,552,472

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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 FIRST QUARTER ENDED 31 MARCH 2023

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 are unaudited and 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 2022. 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 2022.

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 quarter ended 31 March 2023.

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 2023 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2022 except as disclosed below.

During the financial year, the Group has adopted the following MFRS and 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 2023

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements and MFRS Practice Statement 2 (Disclosure of Accounting Policies)</i>
Amendments to MFRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)</i>
Amendments to MFRS 112	<i>Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)</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 2022 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 quarter under review.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2023

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 2022 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 financial position date not provided for at the end of each reporting period are as follows:

<i>In RM'000</i>	As at 31 March 2023	As at 31 December 2022
Approved and contracted for	61,721	97,011
Approved but not contracted for	316,384	326,655
	378,105	423,666

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 period, the following dividend payments were made:

<i>In RM'000</i>	As at 31 March 2023	As at 31 March 2022
2021		
Quarter 4: interim dividend of 26 sen per ordinary share	—	258,298
2022		
Quarter 4: interim dividend of 26 sen per ordinary share	258,298	—
Quarter 4: special dividend of 14 sen per ordinary share	139,084	—
	397,382	258,298

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FOR FIRST QUARTER ENDED 31 MARCH 2023

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

A10 OPERATING SEGMENTS

The Group's reportable operating segments comprise Retail, Commercial and Convenience Businesses. 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 – consists of sales and purchase of petroleum products to the retail sector.
- Commercial – consists of sales and purchase of petroleum products and provision of services to the commercial sector.
- Convenience – comprises 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 quarter ended 31 March

In RM'000

Business Segments	2023			Group
	Retail	Commercial	Convenience	
Revenue	4,409,699	4,172,145	63,614	8,645,458
Depreciation and amortisation	89,238	14,309	8,056	111,603
Other income	50,820	17,045	1,447	69,312
Operating profit for reportable segments	227,862	160,309	18,861	407,032
Finance cost	(197)	(2,310)	(168)	(2,675)
Share of profit after tax of equity accounted associates and joint ventures				4,508
Profit before taxation				408,865

In RM'000

Business Segments	2022			Group
	Retail	Commercial	Convenience	
Revenue	3,803,200	3,763,650	51,473	7,618,323
Depreciation and amortisation	82,207	17,197	5,345	104,749
Other income	52,318	11,431	108	63,857
Operating profit/(loss) for reportable segments	212,564	(41,124)	9,278	180,718
Finance cost	(635)	(2,054)	(97)	(2,786)
Share of profit after tax of equity accounted associates and joint ventures				782
Profit before taxation				178,714

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2023

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 ASSET CLASSIFIED AS HELD FOR SALE

On 19 March 2023, the Group via its subsidiary, PETRONAS Aviation Sdn. Bhd. ("PAV") has entered into a Shares Sale Agreement ("SSA") in relation to the divestment of 40% shareholdings by PAV in United Fuel Company LLC ("UFC"). The divestment in UFC is presented as asset classified as held for sale as at 31 March 2023 with the carrying value of the UFC's investment of RM17.1 million. The divestment is expected to be completed in September 2023 upon fulfilment of the conditions precedent as agreed in the SSA.

A13 CONTINGENCIES

<i>In RM'000</i>	As at 31 March 2023	Group As at 31 December 2022
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 2022.

A14 SIGNIFICANT EVENT

On 29 March 2023, PDB has announced the establishment of Islamic Commercial Papers ("ICP") Programme and Islamic Medium Term Notes ("IMTN") Programme with a combined aggregate limit of up to RM10.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar (collectively, the "Sukuk Wakalah Programmes"). The proceeds will be used to finance PDB and/or its subsidiaries' Shariah-compliant general corporate purposes, which include investments, capital expenditure, working capital requirements and/or refinancing of existing or future financing. As at to date, PDB has not issued nor utilised any amount from the Sukuk Wakalah Programmes.

Further details of the Sukuk Wakalah Programmes can be found in a separate Bursa announcement on 29 March 2023.

A15 CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter under review, other than disclosed in note A12.

A16 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 2022.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2023

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

A17 DISCONTINUED OPERATIONS

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

A18 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.

As at the end of the reporting period, there were no financial instruments carried at fair value.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2023

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 continue to show strong performance during the quarter on the back of higher volume sold particularly for Jet A1, Mogas and Diesel following increase in demand from opening of international borders, festive season and school holidays in the first quarter of 2023. The robust performance during the quarter was also contributed by PDB's commitment in improving cost and operational efficiencies.

Despite improved volume, the Group's revenue was impacted by less favourable Brent crude oil price which average at USD81.17/bbl against corresponding quarter last year of USD101.40/bbl mainly due to challenging global economic conditions and inflation worries that sparked fears which would impact future oil demand.

The non-fuel ventures had also strengthened as supported by strong demand via its Kedai Mesra, expansion of Café Mesra at standalone or beyond the station and increase in activities via Setel platform. PDB remains committed to its sustainability efforts to reduce the greenhouse gas ("GHG") emission. In Q1 2023, 23 PETRONAS Stations ("PS") were installed with solar panels which represents a significant addition of solar installations at PS to date.

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

In RM' Mil	Individual quarter ended								
	Retail			Commercial			Convenience		
	Mar 2023	Mar 2022	Var %	Mar 2023	Mar 2022	Var %	Mar 2023	Mar 2022	Var %
Revenue	4,409.7	3,803.2	16	4,172.2	3,763.7	11	63.6	51.4	24
Profit/(loss) before taxation	227.7	211.9	7	158.0	(43.2)	>100	18.7	9.2	>100
							Individual quarter ended Group		
							Mar 2023	Mar 2022	Var %
Revenue							8,645.5	7,618.3	13
Profit before taxation							408.9	178.7	>100

Group

The Group's revenue for the quarter increased by RM1,027.2 million on the back of higher sales volume by 13% and increase in average selling prices by 1%.

The Group recorded a Profit Before Taxation ("PBT") of RM408.9 million, grew by RM230.2 million or >100% mainly due to higher gross profit from all segments in line with increase in volume sold and higher interest income, partially offset with higher operating expenditure mainly attributable to dealers' commission.

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FOR FIRST QUARTER ENDED 31 MARCH 2023

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

B1 REVIEW OF GROUP PERFORMANCE (continued)

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

Retail Segment

Retail segment revenue increased by RM606.5 million or 16%, mainly contributed by higher sales volume of 15% in tandem with higher demand.

PBT recorded for the quarter was RM227.7 million, an increase of RM15.8 million or 7% against the corresponding quarter last year, mainly contributed by higher gross profit from Mogas and Diesel in line with higher volume sold during the quarter. This was offset by increase in operating expenditure mainly from dealers' commission.

Commercial Segment

Commercial segment recorded an increase in revenue of RM408.5 million or 11%, mainly contributed by higher sales volume of 10%.

PBT of RM158.0 million was recorded for the quarter, an increase of RM201.2 million or >100% against the corresponding quarter last year, mainly contributed by higher gross profit from Jet A1 and Diesel following stability in prices trend during the quarter.

Convenience Segment

Revenue recorded for the quarter was RM63.6 million, an increase of RM12.2 million or 24% contributed by higher demand for Mesra including expansion of Café Mesra and higher transactions recorded for Setel platform during the quarter.

PBT recorded for the quarter was RM18.7 million, an increase of RM9.5 million or >100% against corresponding quarter last year contributed by higher gross profit for Mesra and Setel offset with higher operating expenditure during the quarter.

b) Variation of results against preceding quarter

	Individual quarter ended		
	Mar 2023	Dec 2022	Group Var %
<i>In RM' Mil</i>			
Revenue	8,645.5	9,498.7	(9)
Profit before taxation	408.9	241.7	69

Revenue for the Group decreased by RM853.2 million or 9% as compared to the preceding quarter mainly attributed to lower average selling prices by 7% coupled with lower sales volume by 2%.

However, PBT for the quarter increased by RM167.2 million or 69%, in line with higher gross profit mainly from Retail segment following lower product costs and favourable prices trend. Convenience segment also contributed to the improved PBT of the Group due to lower operating expenditure.

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FOR FIRST QUARTER ENDED 31 MARCH 2023

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

B1 REVIEW OF GROUP PERFORMANCE (continued)

c) Highlight on Consolidated Statement of Financial Position

<i>In RM'000</i>	As at 31 March 2023	As at 31 December 2022	Variance (%)
Total assets	10,884,733	11,257,537	(3)
Total equity	5,696,674	5,787,366	(2)
Total liabilities	5,188,059	5,470,171	(5)
Return on equity (%)	21.7	13.7	58

Total assets decreased by RM372.8 million or 3% following lower receivables in line with lower average selling prices during the quarter.

Total liabilities were lower by RM282.1 million or 5%, mainly due to lower trade and other payables resulting from payment made during the quarter.

d) Highlight on Consolidated Statement of Cash Flows

<i>In RM'000</i>	Individual quarter ended 31 March 2023	31 March 2022	Variance (%)
Net cash generated from operating activities	400,468	989,323	(60)
Net cash used in investing activities	(13,722)	(32,992)	(58)
Net cash used in financing activities	(415,260)	(276,823)	50

Net cash generated from operating activities was lower by RM588.8 million during the period mainly due to higher payment to suppliers despite increase in sales during the quarter.

Net cash used in investing activities were lower by RM19.3 million mainly due to higher interest income received during the quarter.

Net cash used in financing activities were higher by RM138.4 million mainly due to higher dividends paid during the quarter following a special dividend declared in the preceding quarter.

B2 COMMENTARY ON PROSPECTS

Overall outlook

The domestic economy is expected to grow following strong demand amidst continuous consumer spending, further revival in tourism industry and investment in infrastructure projects.

The Group is also supportive of the recent announcement of national Budget 2023 which is intended to spur and boost economic activities, employment and incentives which may drive consumption and demand towards PDB business opportunities.

Notwithstanding the global headwinds, PDB remain cautiously optimistic and will continue to strengthen its core and business growth, leveraging digital platform with the aim to provide superior value proposition to the customers.

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FOR FIRST QUARTER ENDED 31 MARCH 2023

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

B2 COMMENTARY ON PROSPECTS (continued)

Business Segments

Economic recovery, upcoming festive seasons and revival of the tourism industry that continued in 2023, are expected to have positive impact on the overall Group's performance especially for Retail and Commercial segments.

Convenience segment will continue to expand in Q2 2023 by growing our Café Mesra brand awareness and standalone outlets. With DuitNow QR feature we offer seamless payment experience which will increase user acceptance of cashless transactions.

PDB will further support its sustainability agenda with plans to install additional EV chargers as well as solar panels at PS in 2023.

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 March	
	2023	2022
<u>Income Tax:</u>		
Current period	84,043	47,519
<u>Deferred Tax:</u>		
Current period	18,453	10,845
	102,496	58,364

Effective tax rate for the quarter ended 31 March 2023 was 25%, slightly higher than the statutory tax rate mainly resulting from higher non-deductible expenses.

B5 STATUS OF CORPORATE PROPOSALS ANNOUNCED

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

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2023

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

B6 BORROWINGS

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

<i>In RM'000</i>	As at 31 March 2023	As at 31 December 2022
Non-Current		
<i>Secured</i>		
Lease liabilities	122,978	134,947
Current		
<i>Secured</i>		
Lease liabilities	48,772	49,366
	<u>171,750</u>	<u>184,313</u>
	As at 31 March 2023	As at 31 December 2022
<i>In RM'000</i>		
By Currency		
RM	90,496	93,416
USD	81,254	90,897
	<u>171,750</u>	<u>184,313</u>

The lease liabilities bear interest at rates ranging from 3.68% to 8.43% (2022: 3.51% to 8.43%) per annum.

b) Reconciliation of borrowings arising from financing activities:

<i>In RM'000</i>	As at 1 January 2023	Cash flows		Non-cash changes		As at 31 March 2023
		Net repayment	Interest expenses	Addition	Others	
Lease liabilities	184,313	(15,203)	(2,675)	–	5,315	171,750

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2023

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

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 2022.

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 15 sen per ordinary share amounting to RM149,018,100 for the first quarter ended 31 March 2023, payable on 20 June 2023 (Quarter 1 2022: an interim dividend of 5 sen per ordinary share amounting to RM49,672,700).

NOTICE IS HEREBY GIVEN that the interim dividend will be payable on 20 June 2023 to depositors registered in the Records of Depositors at the close of the business on 7 June 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 7 June 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 March 2023.

	Individual quarter ended	
	2023	31 March 2022
Profit attributable to shareholders of the Company (RM'000)	301,838	118,494
Number of ordinary shares ('000)	993,454	993,454
Earnings per ordinary share (sen)	30.4	11.9

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.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2023

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

B12 TRADE RECEIVABLES

<i>In RM'000</i>	As at 31 March 2023	As at 31 December 2022
Trade receivables		
– Third party	1,526,106	1,745,782
– Related companies	193,046	177,855
Less:		
– Impairment loss: specific	(42,403)	(43,413)
– Impairment loss: general	(14,211)	(16,460)
	<u>1,662,538</u>	<u>1,863,764</u>
At net		
Not past due	1,597,136	1,813,621
Past due 1 to 30 days	14,152	12,895
Past due 31 to 60 days	19,103	5,697
Past due 61 to 90 days	4,627	4,772
Past due more than 90 days	27,520	26,779
	<u>1,662,538</u>	<u>1,863,764</u>

As at 31 March 2023, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position.

QUARTERLY REPORT

FOR FIRST QUARTER ENDED 31 MARCH 2023

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

B13 PROFIT FOR THE PERIOD

<i>In RM'000</i>	Individual quarter ended 31 March	
	2023	2022
Profit for the period is arrived at after charging:		
Depreciation and amortisation*	111,603	104,749
Impairment loss on trade and other receivables	199	7,853
Net loss on disposal of property, plant and equipment	—	43
Interest on revolving credit facilities	—	103
Net realised loss on foreign exchange	—	994
Net unrealised loss on foreign exchange	—	252
Interest on lease liabilities	2,675	2,683
Property, plant and equipment expensed off	316	497
and after crediting:		
Interest income	32,883	15,491
Income from rental of premises	352	379
Net unrealised gain on foreign exchange	42	—
Net realised gain on foreign exchange	1,419	—
Write back of impairment loss on trade and other receivables	3,486	469

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 May 2023.

BY ORDER OF THE BOARD
 Mek Yam @ Mariam Hassan (MAICSA 7030578)
 Norhashema Saleh (MAICSA 7021781)
 Company Secretaries
 Kuala Lumpur
 22 May 2023