

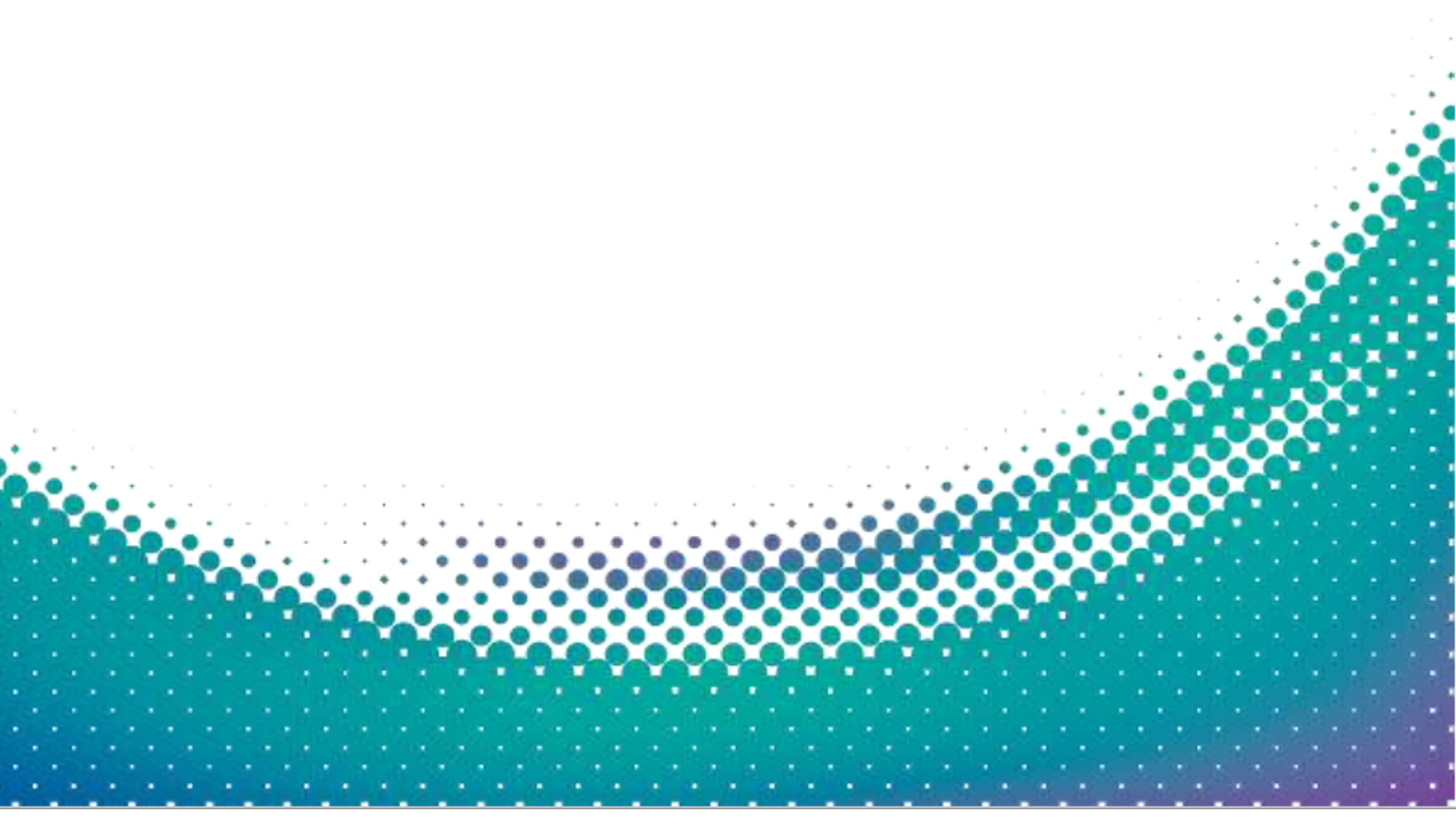


**PETRONAS**

# **PETRONAS DAGANGAN BERHAD**

## **QUARTERLY REPORT**

FOR SECOND QUARTER ENDED 30 JUNE 2023



# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 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 second quarter ended 30 June 2023 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		Cumulative quarter ended	
		2023	30 June 2022	2023	30 June 2022
Revenue	B1	8,912,517	9,501,101	17,557,975	17,119,424
<b>Operating profit</b>		<b>378,474</b>	317,040	<b>785,506</b>	497,758
Finance costs		(2,626)	(4,402)	(5,301)	(7,188)
Share of (loss)/profit after tax of equity accounted associates and joint ventures		(659)	2,856	3,849	3,638
<b>Profit before taxation</b>	B1	<b>375,189</b>	315,494	<b>784,054</b>	494,208
Taxation	B4	(98,493)	(76,080)	(200,989)	(134,444)
<b>PROFIT FOR THE PERIOD</b>		<b>276,696</b>	239,414	<b>583,065</b>	359,764
<b>Profit attributable to:</b>					
Shareholders of the Company		275,710	237,679	577,548	356,173
Non-controlling interests		986	1,735	5,517	3,591
<b>PROFIT FOR THE PERIOD</b>		<b>276,696</b>	239,414	<b>583,065</b>	359,764
<b>Earnings per ordinary share - basic (sen)</b>	B11	<b>27.8</b>	23.9	<b>58.1</b>	35.9

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.

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 2023

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

In RM'000	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	2023	2022	2023	2022
<b>PROFIT FOR THE PERIOD</b>	<b>276,696</b>	239,414	<b>583,065</b>	359,764
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Exchange differences arising from translation of financial statements of foreign operation	(61)	20	260	27
<b>Total other comprehensive (expense)/ income for the period</b>	<b>(61)</b>	20	<b>260</b>	27
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>276,635</b>	239,434	<b>583,325</b>	359,791
<b>Profit attributable to:</b>				
Shareholders of the Company	275,649	237,699	577,808	356,200
Non-controlling interests	986	1,735	5,517	3,591
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>276,635</b>	239,434	<b>583,325</b>	359,791

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 SECOND QUARTER ENDED 30 JUNE 2023

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM'000</i>	Note	As at 30 June 2023	As at 31 December 2022
<b>ASSETS</b>			
Property, plant and equipment		4,055,967	4,115,346
Intangible asset		290	484
Investments in associates		2,135	1,954
Investments in joint ventures		71,202	83,163
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,129,594</b>	<b>4,200,947</b>
Trade and other inventories		151,436	139,539
Trade and other receivables		3,606,099	4,027,890
Tax recoverable		36,510	—
Cash and cash equivalents		2,999,087	2,889,161
Asset classified as held for sale	A12	15,629	—
<b>TOTAL CURRENT ASSETS</b>		<b>6,808,761</b>	<b>7,056,590</b>
<b>TOTAL ASSETS</b>	B1	<b>10,938,355</b>	<b>11,257,537</b>
<b>EQUITY</b>			
Share capital		993,454	993,454
Reserves		4,780,699	4,749,291
<b>Total Equity Attributable to Shareholders of the Company</b>		<b>5,774,153</b>	<b>5,742,745</b>
Non-controlling interests		50,138	44,621
<b>TOTAL EQUITY</b>	B1	<b>5,824,291</b>	<b>5,787,366</b>
<b>LIABILITIES</b>			
Borrowings	B6	114,563	134,947
Deferred tax liabilities		104,401	93,317
Other long-term liabilities and provisions		36,074	36,074
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>255,038</b>	<b>264,338</b>
Trade and other payables		4,793,107	5,016,696
Borrowings	B6	50,501	49,366
Taxation		15,418	139,771
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,859,026</b>	<b>5,205,833</b>
<b>TOTAL LIABILITIES</b>	B1	<b>5,114,064</b>	<b>5,470,171</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,938,355</b>	<b>11,257,537</b>
Net assets per share attributable to ordinary equity holders of the Parent (RM)		5.81	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 SECOND QUARTER ENDED 30 JUNE 2023

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In RM'000	Attributable to shareholders of the Company						Total Equity
	Non-distributable			Distributable		Non-controlling Interests	
	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	—	260	—	—	260	—	260
Total other comprehensive income for the period	—	260	—	—	260	—	260
Profit for the period	—	—	—	577,548	577,548	5,517	583,065
<b>Total comprehensive income for the period</b>	—	260	—	577,548	577,808	5,517	583,325
Dividends paid	—	—	—	(546,400)	(546,400)	—	(546,400)
At 30 June 2023	993,454	(6,231)	(305)	4,787,235	5,774,153	50,138	5,824,291
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	—	27	—	—	27	—	27
Total other comprehensive income for the period	—	27	—	—	27	—	27
Profit for the period	—	—	—	356,173	356,173	3,591	359,764
<b>Total comprehensive income for the period</b>	—	27	—	356,173	356,200	3,591	359,791
Dividends paid	—	—	—	(307,971)	(307,971)	—	(307,971)
At 30 June 2022	993,454	(6,483)	(305)	4,643,636	5,630,302	36,969	5,667,271

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 SECOND QUARTER ENDED 30 JUNE 2023

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM'000</i>	Note	Cumulative Quarter ended 30 June	
		2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		784,054	494,208
Adjustments for:			
Depreciation of property, plant and equipment		223,345	211,224
Amortisation of intangible asset		193	129
Net (write back)/impairment losses on trade and other receivables		(3,721)	12,690
Share of profit after tax of equity accounted associates and joint ventures		(3,849)	(3,638)
Net gain on disposal of property, plant and equipment		—	(1,299)
Gain on disposal of Liquefied Petroleum Gas ("LPG") business		—	(87,937)
Property, plant and equipment expensed off		396	1,701
Interest income		(65,647)	(25,475)
Finance costs		5,301	7,188
Other non-cash items		2,826	(729)
<b>Operating profit before changes in working capital</b>		<b>942,898</b>	608,062
Trade and other inventories		(11,897)	(40,516)
Trade and other receivables		423,285	(6,830,546)
Trade and other payables		(219,941)	6,792,423
<b>Cash generated from operations</b>		<b>1,134,345</b>	529,423
Taxation paid		(350,645)	(91,147)
<b>Net cash generated from operating activities</b>	B1	<b>783,700</b>	438,276
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income		65,647	25,475
Purchase of property, plant and equipment		(157,161)	(108,824)
Investment in a joint venture		—	(2,410)
Proceeds from disposal of LPG business		—	40,000
Proceeds from disposal of property, plant and equipment		—	949
<b>Net cash used in investing activities</b>	B1	<b>(91,514)</b>	(44,810)

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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 SECOND QUARTER ENDED 30 JUNE 2023

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

In RM'000	Note	Cumulative Quarter ended 30 June	
		2023	2022
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(546,400)	(307,971)
Drawdown of revolving credits		—	700,000
Repayment of revolving credits		—	(16,000)
Payment of lease liabilities	B6	(30,606)	(18,815)
Interest paid on revolving credits		—	(1,889)
Interest paid on lease liabilities	B6	(5,301)	(5,299)
<b>Net cash (used in)/generated from financing activities</b>	B1	<b>(582,307)</b>	350,026
<b>Net increase in cash and cash equivalents</b>		<b>109,879</b>	743,492
Decrease/(increase) in cash and cash equivalents restricted		8,173	(12,997)
Net foreign exchange differences		47	49
Cash and cash equivalents at beginning of the period		2,851,047	1,882,627
<b>Cash and cash equivalents at end of the period</b>		<b>2,969,146</b>	2,613,171
<b>Cash and cash equivalents</b>		<b>2,999,087</b>	2,654,603
Cash and bank balances		(29,941)	(41,432)
Less: Cash and cash equivalents restricted		2,969,146	2,613,171

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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 SECOND QUARTER ENDED 30 JUNE 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 30 June 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 year ended 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 (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements (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 are not expected to have material impact to the financial statements of the Group.

On 2 June 2023, MASB has also issued the Amendments to MFRS 112 *Income Taxes International Tax Reform – Pillar Two Model Rules*. This pronouncement is effective from annual period beginning on or after 1 January 2023 and will be in effect upon enactment of Pillar Two Model Rules in Malaysia. As allowed by the transitional provision, the Group is not required to provide any disclosure in relation to this pronouncement for interim period ended 30 June 2023.

#### 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 period under review.



# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 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 30 June 2023	As at 31 December 2022
Approved and contracted for	132,637	97,011
Approved but not contracted for	124,119	326,655
	<b>256,756</b>	423,666

#### A8 DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the period 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 30 June 2023	As at 30 June 2022
<b>2021</b>		
Quarter 4: interim dividend of 26 sen per ordinary share	—	258,298
<b>2022</b>		
Quarter 1: interim dividend of 5 sen per ordinary share	—	49,673
Quarter 4: interim dividend of 26 sen per ordinary share	258,298	—
Quarter 4: special dividend of 14 sen per ordinary share	139,084	—
<b>2023</b>		
Quarter 1: interim dividend of 15 sen per ordinary share	149,018	—
	<b>546,400</b>	307,971

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 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 cumulative quarter ended 30 June

*In RM'000*

Business Segments	2023			Group
	Retail	Commercial	Convenience	
Revenue	8,974,789	8,459,634	123,552	17,557,975
Depreciation and amortisation	180,015	27,823	15,700	223,538
Other income	98,223	33,861	1,960	134,044
<b>Operating profit for reportable segments</b>	<b>453,738</b>	<b>299,911</b>	<b>31,857</b>	<b>785,506</b>
Finance cost	(1,215)	(3,896)	(190)	(5,301)
Share of profit after tax of equity accounted associates and joint ventures				3,849
<b>Profit before taxation</b>				<b>784,054</b>

*In RM'000*

Business Segments	2022			Group
	Retail	Commercial	Convenience	
Revenue	8,279,510	8,738,636	101,278	17,119,424
Depreciation and amortisation	166,630	33,639	11,084	211,353
Other income	152,523	28,893	467	181,883
<b>Operating profit/(loss) for reportable segments</b>	<b>524,815</b>	<b>(42,254)</b>	<b>15,197</b>	<b>497,758</b>
Finance cost	(2,432)	(4,511)	(245)	(7,188)
Share of profit after tax of equity accounted associates and joint ventures				3,638
<b>Profit before taxation</b>				<b>494,208</b>

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 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 with the carrying value of RM15.6 million as at 30 June 2023. 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>	<b>As at 30 June 2023</b>	<b>Group As at 31 December 2022</b>
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 facilities. The quantum to be paid following the award as of the financial period is pending settlement negotiation between the parties.	<b>26,662</b>	26,662

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 reporting date, PDB has not issued nor utilised any amount for the Sukuk Wakalah Programmes.

#### A15 CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the period under review.

#### 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.

#### A17 DISCONTINUED OPERATIONS

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

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 2023

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

#### 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 SECOND QUARTER ENDED 30 JUNE 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 average oil price in Q2 2023 stands at \$78.05/bbl, a decrease of approximately 31% and 4% against same period last year and preceding quarter respectively due to the weaker-than-expected economy in China and the ongoing concerns of a worldwide economic slowdown in 2023.

Despite the downward movement of the oil price, the Group maintains solid performance during the quarter supported by higher volume, mainly driven by resilient domestic demand and international travel. The performance was further boosted by improved margin for the Commercial segment driven by stability in prices' trend for Jet A1 and Diesel.

The growth in Mesra income and Setel Apps usage was also propelled by the positive demand. The appointment of Setel as one of the e-Wallet providers for eBeliaRahmah coupled with activation of DuitNow has further strengthen its position in the market and enabled increase in spending.

#### a) Performance of the current period against the corresponding period last year

In RM' Mil	Retail			Cumulative quarter ended Commercial			Convenience		
	June 2023	June 2022	Var %	June 2023	June 2022	Var %	June 2023	June 2022	Var %
	Revenue	8,974.8	8,279.5	8	8,459.6	8,738.6	(3)	123.6	101.3
Profit/(loss) before taxation	452.5	522.4	(13)	296.0	(46.8)	>100	31.7	15.0	>100

In RM' Mil	Cumulative quarter ended Group		
	June 2023	June 2022	Var %
Revenue	17,558.0	17,119.4	3
Profit before taxation	784.1	494.2	59

#### Group

The Group's revenue for the quarter increased by RM438.6 million on the back of higher sales volume by 11%, offset by decline in average selling prices by 8%.

The Group recorded a Profit Before Taxation ("PBT") of RM784.1 million, grew by RM289.9 million or 59%. This was contributed by higher gross profit mainly from Commercial segment in line with stability in prices' trend and volume sold, partially offset with higher operating expenditure mainly attributable to repair and maintenance and once-off gain from disposal of LPG business in Sarawak in corresponding period last year.

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 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 period against the corresponding period last year (continued)

##### Retail Segment

Retail segment revenue increased by RM695.3 million or 8%, mainly contributed by higher sales volume of 8% in tandem with higher demand.

PBT recorded for the period was RM452.5 million, a decrease of RM69.9 million or 13% against the corresponding period last year, mainly attributed to increase in operating expenditure mainly from transportation services and once-off gain from disposal of LPG business in Sarawak in the corresponding period last year. This was offset by higher gross profit from Mogas and Diesel in line with higher volume sold during the period.

##### Commercial Segment

Commercial segment recorded a decrease in revenue of RM279.0 million or 3% mainly attributed to lower average selling price of 16% despite higher sales volume of 15%.

PBT of RM296.0 million was recorded for the period, an increase of RM342.8 million or >100% against the corresponding period last year, mainly contributed by higher gross profit from Jet A1 and Diesel following stability in prices' trend. This was offset by higher operating expenditure following increase in repair and maintenance.

##### Convenience Segment

Revenue recorded for the period was RM123.6 million, an increase of RM22.3 million or 22% contributed by higher demand for Mesra and PETRONAS Shop during the period.

PBT recorded for the period was RM31.7 million, an increase of RM16.7 million or >100% against the corresponding period last year contributed by higher gross profit from Mesra Retail & Cafe Sdn. Bhd. ("MESRA") partially offset by higher operating expenditure.

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

In RM' Mil	Individual quarter ended								
	Retail			Commercial			Convenience		
	June 2023	June 2022	Var %	June 2023	June 2022	Var %	June 2023	June 2022	Var %
Revenue	4,565.1	4,476.3	2	4,287.4	4,975.0	(14)	60.0	49.8	20
Profit/(loss) before taxation	224.9	310.4	(28)	138.0	(3.6)	>100	13.0	5.8	>100
	Individual quarter ended Group								
							June 2023	June 2022	Var %
Revenue							8,912.5	9,501.1	(6)
Profit before taxation							375.2	315.5	19

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 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)

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

##### Group

The Group's revenue for the quarter decreased by RM588.6 million or 6% attributed to lower average selling prices by 14% despite higher sales volume by 9%.

The Group recorded a PBT of RM375.2 million, higher by RM59.7 million or 19% mainly due to higher gross profit from Commercial segment. This was partially offset by once-off gain from disposal of LPG business in Sarawak in the corresponding quarter last year and higher operating expenditure mainly attributable to repair and maintenance.

##### Retail Segment

Retail segment revenue increased by RM88.8 million or 2%, mainly contributed by higher sales volume of 2% in line with higher demand.

PBT recorded for the quarter was RM224.9 million, a decrease of RM85.5 million or 28% against the corresponding quarter last year, mainly due to once-off gain from disposal of LPG business in Sarawak in corresponding quarter last year and higher operating expenditure mainly from transportation services. This was further impacted by lower gross profit mainly from LPG and Mogas.

##### Commercial Segment

Commercial segment recorded a decrease in revenue of RM687.6 million or 14%, mainly attributed to lower average selling prices by 28%, offset with higher sales volume by 20%.

PBT of RM138.0 million was recorded for the quarter, an increase of RM141.6 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, offset by higher operating expenditure due to repair and maintenance.

##### Convenience Segment

Revenue recorded for the quarter was RM60.0 million, an increase of RM10.2 million or 20% contributed by higher sales for Mesra and PETRONAS Shop during the quarter.

PBT recorded for the quarter was RM13.0 million, an increase of RM7.2 million or >100% against corresponding quarter last year contributed by higher gross profit from MESRA.

#### c) Variation of results against preceding quarter

In RM' Mil	Individual quarter ended		
	Group		
	June 2023	Mar 2023	Var %
Revenue	8,912.5	8,645.5	3
Profit before taxation	375.2	408.9	(8)

Revenue for the Group increased by RM267.0 million or 3% as compared to the preceding quarter mainly contributed by higher sales volume by 6%, partially offset by lower average selling prices by 3%.

However, PBT for the quarter decreased by RM33.7 million or 8% following higher operating expenditure due to repair and maintenance and advertising & promotions.

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MALAYSIA SECURITIES BERHAD (continued)

### B1 REVIEW OF GROUP PERFORMANCE (continued)

#### d) Highlight on Consolidated Statement of Financial Position

<i>In RM'000</i>	As at 30 June 2023	As at 31 December 2022	Variance (%)
Total assets	10,938,355	11,257,537	(3)
Total equity	5,824,291	5,787,366	1
Total liabilities	5,114,064	5,470,171	(7)
Return on equity (%)	20.2	13.7	47

Total assets remained strong at RM10,938.4 million, a decrease by RM319.2 million or 3% mainly due to lower receivables in line with lower average selling prices during the period.

Total liabilities were lower by RM356.1 million or 7%, mainly due to lower trade and other payables resulting from reduced purchase cost in line with lower prices.

#### e) Highlight on Consolidated Statement of Cash Flows

<i>In RM'000</i>	Cumulative Quarter ended 2023	30 June 2022	Variance (%)
Net cash generated from operating activities	783,700	438,276	79
Net cash used in investing activities	(91,514)	(44,810)	>100
Net cash (used in)/generated from financing activities	(582,307)	350,026	>(100)

Net cash generated from operating activities was higher by RM345.4 million during the period mainly due to higher receipts of subsidy receivables and increase in sales.

Net cash used in investing activities was higher by RM46.7 million mainly due to higher capital expenditures during the period.

Net cash used in financing activities was higher by RM932.3 million mainly due to higher dividends paid during the current period coupled with drawdown of revolving credit facilities of RM700.0 million in the same period last year.



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MALAYSIA SECURITIES BERHAD (continued)

### B2 COMMENTARY ON PROSPECTS

#### Overall outlook

Domestic demand is expected to continuously grow driven by increased household spending due to improvement of economic conditions with projected GDP growth of 4% to 5%\* by 2023. Economic growth is anticipated to thrive from the relaxation of migrant labour restrictions and a rise in tourist arrivals. Additionally, Malaysia's inflationary rate is predicted to remain moderate in 2023 owing to existing monetary policies and pricing controls.

Despite global economic uncertainty, PDB will remain resilient and strive to strengthen the business with adoption of a multi-faceted approach, offering a diverse range of products and services while prioritising customer-centricity.

#### Business Segments

Positive effects are foreseen for the Group's performance as it leverages the growth in air passenger traffic, expanding its product offerings and meeting the increasing demand from the manufacturing and hospitality industry for Retail and Commercial segments.

The Convenience segment will be further complemented by extending more white-label products and expansion of Café Mesra. PDB also aim to leverage on the wide range of vehicle-related features in Setel to encourage more usage among motorists in Malaysia.

PDB continues to focus on installing additional solar panels at PETRONAS Stations in Peninsular Malaysia, in supporting the advancement of renewable sources.

\*(Source: Ministry of Finance)

### 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 30 June		Cumulative quarter ended 30 June	
	2023	2022	2023	2022
<u>Income Tax:</u>				
Current period	105,862	82,472	189,905	129,991
<u>Deferred Tax:</u>				
Current period	(7,369)	(6,392)	11,084	4,453
	<u>98,493</u>	<u>76,080</u>	<u>200,989</u>	<u>134,444</u>

Effective tax rate for individual and cumulative quarter ended 30 June 2023 was 26%, slightly higher than the statutory tax rate mainly resulting from higher non-deductible expenses.

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

### B5 STATUS OF CORPORATE PROPOSALS ANNOUNCED

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

### B6 BORROWINGS

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

<i>In RM'000</i>	As at 30 June 2023	As at 31 December 2022
<b>Non-Current</b>		
<i>Secured</i>		
Lease liabilities	114,563	134,947
<b>Current</b>		
<i>Secured</i>		
Lease liabilities	50,501	49,366
	<b>165,064</b>	<b>184,313</b>
<i>In RM'000</i>	As at 30 June 2023	As at 31 December 2022
<b>By Currency</b>		
RM	96,147	93,416
USD	68,917	90,897
	<b>165,064</b>	<b>184,313</b>

The lease liabilities bear interest at rates ranging from 3.41% 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 30 June 2023
		Net repayment	Interest expenses	Addition	Others	
Lease liabilities	184,313	(30,606)	(5,301)	6,056	10,602	165,064

### 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.

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

### 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 18 sen per ordinary share amounting to RM178,821,720 for the second quarter ended 30 June 2023, payable on 26 September 2023 (Quarter 2 2022: an interim dividend of 11 sen per ordinary share amounting to RM109,279,940).

NOTICE IS HEREBY GIVEN that the interim dividend will be payable on 26 September 2023 to depositors registered in the Records of Depositors at the close of the business on 13 September 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 13 September 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 30 June 2023.

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	2023	2022	2023	2022
Profit attributable to shareholders of the Company (RM'000)	275,710	237,679	577,548	356,173
Number of ordinary shares ('000)	993,454	993,454	993,454	993,454
Earnings per ordinary share (sen)	27.8	23.9	58.1	35.9

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.

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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 30 June 2023	As at 31 December 2022
Trade receivables		
– Third party	1,670,643	1,745,782
– Related companies	184,614	177,855
Less:		
– Impairment loss: specific	(42,256)	(43,413)
– Impairment loss: general	(13,946)	(16,460)
	<u>1,799,055</u>	<u>1,863,764</u>
At net		
Not past due	1,739,490	1,813,621
Past due 1 to 30 days	23,445	12,895
Past due 31 to 60 days	6,104	5,697
Past due 61 to 90 days	994	4,772
Past due more than 90 days	29,022	26,779
	<u>1,799,055</u>	<u>1,863,764</u>

As at 30 June 2023, 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 (continued)

### B13 PROFIT FOR THE PERIOD

<i>In RM'000</i>	Individual quarter ended		Cumulative quarter ended	
	2023	30 June 2022	2023	30 June 2022
<b>Profit for the period is arrived at after charging:</b>				
Depreciation and amortisation*	111,935	106,636	223,538	211,353
Impairment loss on trade and other receivables	620	7,035	819	14,888
Interest on revolving credit facilities	—	1,786	—	1,889
Net realised loss on foreign exchange	5,555	8,873	4,136	9,924
Net unrealised loss on foreign exchange	2,566	—	2,524	—
Interest on lease liabilities	2,626	2,616	5,301	5,299
Property, plant and equipment expensed off	80	1,204	396	1,701
<b>and after crediting:</b>				
Net gain on disposal of property, plant and equipment	—	864	—	1,299
Gain on disposal of LPG business	—	87,937	—	87,937
Interest income	32,764	9,989	65,647	25,475
Income from rental of premises	425	303	777	719
Net unrealised gain on foreign exchange	—	568	—	729
Write back of impairment loss on trade and other receivables	1,054	1,729	4,540	2,198

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 28 August 2023.

BY ORDER OF THE BOARD  
 Mek Yam @ Mariam Hassan (MAICSA 7030578) (SSM Practising Certificate No. 201908000788)  
 Norhashema Saleh (MAICSA 7021781) (SSM Practising Certificate No. 202308000073)  
 Company Secretaries  
 Kuala Lumpur  
 28 August 2023