



PETRONAS

PETRONAS DAGANGAN BERHAD QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023



QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 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 fourth quarter and year ended 31 December 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 31 December		Year ended 31 December	
		2023	2022	2023	2022
Revenue	B1	10,075,366	9,498,779	37,549,338	36,748,896
Operating profit		304,731	248,013	1,351,087	1,148,905
Finance costs		(6,709)	(10,478)	(14,567)	(25,203)
Share of (loss)/profit after tax of equity accounted associates and joint ventures		(12,139)	4,151	(4,902)	11,333
Profit before taxation	B1	285,883	241,686	1,331,618	1,135,035
Taxation	B4	(102,206)	(93,044)	(364,840)	(347,197)
PROFIT FOR THE PERIOD/YEAR		183,677	148,642	966,778	787,838
Profit attributable to:					
Shareholders of the Company		180,811	144,457	943,076	776,595
Non-controlling interests		2,866	4,185	23,702	11,243
PROFIT FOR THE PERIOD/YEAR		183,677	148,642	966,778	787,838
Earnings per ordinary share - basic (sen)	B11	18.2	14.5	94.9	78.2

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 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

In RM'000	Note	Individual quarter ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
PROFIT FOR THE PERIOD/YEAR		183,677	148,642	966,778	787,838
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising from translation of financial statements of foreign operation		—	(23)	249	19
Reclassification of foreign currency translation differences to profit or loss on dissolution of a subsidiary		—	—	6,242	—
Total other comprehensive income/expense for the period/year		—	(23)	6,491	19
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		183,677	148,619	973,269	787,857
Profit attributable to:					
Shareholders of the Company		180,811	144,434	949,567	776,614
Non-controlling interests		2,866	4,185	23,702	11,243
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		183,677	148,619	973,269	787,857

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.

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM'000</i>	Note	As at 31 December 2023	As at 31 December 2022
ASSETS			
Property, plant and equipment		4,116,879	4,115,346
Intangible asset		97	484
Investments in associates		2,075	1,954
Investments in joint ventures		61,452	83,163
TOTAL NON-CURRENT ASSETS		4,180,503	4,200,947
Trade and other inventories		148,745	139,539
Trade and other receivables		5,634,024	4,027,890
Cash and cash equivalents		1,507,053	2,889,161
		7,289,822	7,056,590
Assets classified as held for sale	A12	16,634	—
TOTAL CURRENT ASSETS		7,306,456	7,056,590
TOTAL ASSETS	B1	11,486,959	11,257,537
EQUITY			
Share capital		993,454	993,454
Reserves		4,774,945	4,749,291
Total Equity Attributable to Shareholders of the Company		5,768,399	5,742,745
Non-controlling interests		68,323	44,621
TOTAL EQUITY	B1	5,836,722	5,787,366
LIABILITIES			
Borrowings	B6	99,823	134,947
Deferred tax liabilities		69,870	93,317
Other long-term liabilities and provisions		40,268	36,074
TOTAL NON-CURRENT LIABILITIES		209,961	264,338
Trade and other payables		5,356,895	5,016,696
Borrowings	B6	52,396	49,366
Taxation		30,985	139,771
TOTAL CURRENT LIABILITIES		5,440,276	5,205,833
TOTAL LIABILITIES	B1	5,650,237	5,470,171
TOTAL EQUITY AND LIABILITIES		11,486,959	11,257,537
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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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		
<i>In RM'000</i>							
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	—	249	—	—	249	—	249
Dissolution of a foreign operation subsidiary	—	6,242	—	—	6,242	—	6,242
Total other comprehensive income for the period	—	6,491	—	—	6,491	—	6,491
Profit for the period	—	—	—	943,076	943,076	23,702	966,778
Total comprehensive income for the period	—	6,491	—	943,076	949,567	23,702	973,269
Dividends paid	—	—	—	(923,913)	(923,913)	—	(923,913)
At 31 December 2023	993,454	—	(305)	4,775,250	5,768,399	68,323	5,836,722
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	—	19	—	—	19	—	19
Total other comprehensive income for the period	—	19	—	—	19	—	19
Profit for the period	—	—	—	776,595	776,595	11,243	787,838
Total comprehensive income for the period	—	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

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 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM'000</i>	Note	Year ended 31 December 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,331,618	1,135,035
Adjustments for:			
Bad debts written off		3,575	—
Depreciation of property, plant and equipment		462,757	438,538
Amortisation of intangible asset		387	322
Net impairment losses on:			
– Trade and other receivables		10,541	37,463
– Property, plant and equipment		5,745	—
Share of loss/(profit) after tax of equity accounted associates and joint ventures		4,902	(11,333)
Net gain on disposal of property, plant and equipment		(5,797)	(3,869)
Gain on disposal of Liquefied Petroleum Gas ("LPG") business		—	(87,937)
Property, plant and equipment written off		9,599	22,164
Property, plant and equipment expensed off		1,862	2,722
Interest income		(145,724)	(69,601)
Finance costs		14,567	25,203
Other non-cash items		(1,072)	158
Operating profit before changes in working capital		1,692,960	1,488,865
Trade and other inventories		(9,206)	19,327
Trade and other receivables		(1,609,327)	(575,325)
Trade and other payables		335,368	1,368,697
Cash generated from operations		409,795	2,301,564
Taxation paid		(497,040)	(306,697)
Net cash (used in)/generated from operating activities	B1	(87,245)	1,994,867
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		145,724	69,601
Purchase of property, plant and equipment		(466,852)	(434,852)
Investment in a joint venture		—	(2,410)
Proceeds from disposal of LPG business		—	40,000
Proceeds from disposal of property, plant and equipment		10,886	6,868
Net cash used in investing activities	B1	(310,242)	(320,793)

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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 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In RM'000</i>	Note	Year ended 31 December 2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(923,913)	(615,942)
Drawdown of revolving credits		—	700,000
Drawdown of Sukuk facilities	B6	1,997	—
Repayment of revolving credits		—	(716,000)
Repayment of Sukuk facilities	B6	(997)	—
Payment of lease liabilities	B6	(51,372)	(42,857)
Profit margin paid on Sukuk facilities	B6	(18)	—
Interest on revolving credit facilities		—	(10,218)
Interest paid on lease liabilities	B6	(10,318)	(11,008)
Net cash used in financing activities	B1	(984,621)	(696,025)
Net (decrease)/increase in cash and cash equivalents		(1,382,108)	978,049
Decrease/(increase) in cash and cash equivalents restricted		9,898	(9,679)
Net foreign exchange differences		—	50
Cash and cash equivalents at beginning of the year		2,851,047	1,882,627
Cash and cash equivalents at end of the year		1,478,837	2,851,047
Cash and cash equivalents			
Cash and bank balances		1,507,053	2,889,161
Less: Cash and cash equivalents restricted		(28,216)	(38,114)
		1,478,837	2,851,047

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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 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 year ended 31 December 2023.

A2 MATERIAL 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.

Amendment to MFRS 112 Income Taxes International Tax Reform - Pillar Two Model Rules

On 2 June 2023, the 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. On 29 December 2023, Pillar Two legislation has been enacted in Malaysia, which will come into effect on 1 January 2025.

The Amendments to MFRS 112/IAS 12 introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements available for the constituent entities in the Group. Based on the assessment carried out as at 31 December 2023, the Pillar Two effective tax rate in the jurisdiction in which the Group operates is above 15%. Therefore, the Group does not expect a potential exposure to Pillar Two top-up taxes.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

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

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.

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 December 2023	As at 31 December 2022
Approved and contracted for	87,102	97,011
Approved but not contracted for	397,898	326,655
	485,000	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 A14 and B6.

A9 DIVIDENDS PAID

During the period, the following dividend payments were made:

<i>In RM'000</i>	As at 31 December 2023	As at 31 December 2022
2021		
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
Quarter 4: interim dividend of 26 sen per ordinary share	258,298	—
Quarter 4: special dividend of 14 sen per ordinary share	139,084	—
2023		
Quarter 1: interim dividend of 15 sen per ordinary share	149,018	—
Quarter 2: interim dividend of 18 sen per ordinary share	178,822	—
Quarter 3: interim dividend of 20 sen per ordinary share	198,691	—
	923,913	615,942

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 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 year ended 31 December

In RM'000

Business Segments	2023			
	Retail	Commercial	Convenience	Group
Revenue	18,837,678	18,460,623	251,037	37,549,338
Depreciation and amortisation	370,337	57,738	35,069	463,144
Other income	215,842	91,586	7,124	314,552
Operating profit for reportable segments	798,605	524,743	27,739	1,351,087
Finance cost	(5,814)	(8,263)	(490)	(14,567)
Share of loss after tax of equity accounted associates and joint ventures				(4,902)
Profit before taxation				1,331,618

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	224,375	59,161	8,220	291,756
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

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 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 ASSETS 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 RM15.4 million as at 31 December 2023. The divestment is expected to be completed in 2024 upon fulfilment of the conditions precedent as agreed in the SSA.

Included herein two (2) lands with a carrying value of RM1.2 million that were classified as assets held for sale during the year.

A13 CONTINGENCIES

<i>In RM'000</i>	As at 31 December 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 facilities. The quantum to be paid following the award as of the financial period is pending settlement negotiation between the parties.	26,662	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 had issued RM2.0 million for the Sukuk Wakalah Programmes on 31 July 2023 and subsequently redeemed RM1.0 million on 25 August 2023. The remaining of IMTN will be fully redeemed on 31 July 2024.

A15 CHANGES IN THE COMPOSITION OF THE GROUP

On 8 August 2023, the Group dissolved its foreign operation subsidiary, PDB Netherlands B.V. (“PDBN”).

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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 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.

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	Carrying amount
	Level 3	
Group		
31 December 2023		
Financial Liability		
Sukuk facilities	965	1,000
	965	1,000

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

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

B1 REVIEW OF GROUP PERFORMANCE

Brent crude oil price averaged at \$84.34 per barrel, a drop of 6% compared to the same period last year and a 3% down from preceding quarter. Crude oil oversupply from the non-OPEC+ producers was the underlying reason, despite commitment by OPEC+ countries on voluntary cuts of oil production. Nevertheless, domestic economy continued to thrive moderately, evidenced by a stable labour market and improvement in the manufacturing sector.

The Group registered healthy margins for both cumulative and individual quarter, bolstered by commendable volume growth on the back of increased air travel as well as higher demand from services sector, particularly in retail trade and transportation. Retail segment volume was further supported by various fuel marketing initiatives, building on the momentum from the recently launched cardless Mesra Rewards loyalty programme. Additionally, Commercial segment also benefited from stable prices trend throughout the year, catalysing the profit growth relative to same period last year.

PDB strengthened its footprint in the Convenience segment through Café Mesra expansion beyond PETRONAS stations for greater convenience to the customers whilst building Café Mesra brand at strategic locations. Kedai Mesra, leveraging marketing campaigns and promotions, expanded product offerings as well as effective partnerships, recorded commendable sales growth compared to previous year.

In Q4 2023, Setel was chosen by the Ministry of Finance to be among the e-wallets participating in the eMADANI program, increasing the platform's accessibility to the public. Setel has continued its double-digit growth on Gross Merchandise Value ("GMV"), increasing its customers reach in both fuel and non-fuel segments.

a) Performance of the current year against last year

In RM' Mil	Retail			Year ended Commercial			Convenience		
	Dec	Dec	Var	Dec	Dec	Var	Dec	Dec	Var
	2023	2022	%	2023	2022	%	2023	2022	%
Revenue	18,837.7	17,371.5	8	18,460.6	19,156.5	(4)	251.0	220.9	14
Profit before taxation	792.8	759.0	4	516.5	349.0	48	27.2	15.7	73

In RM' Mil	Year ended Group		
	Dec 2023	Dec 2022	Var %
Revenue	37,549.3	36,748.9	2
Profit before taxation	1,331.6	1,135.0	17

Group

The Group's revenue for the year increased by RM800.4 million, driven by 8% sales volume growth despite a 6% drop in average selling price.

The Group recorded a Profit Before Taxation ("PBT") of RM1,331.6 million, an increase of RM196.6 million or 17% contributed by higher gross profit from all segments and interest income, offset by the increase in operating expenditures.

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 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 year against last year (continued)

Retail Segment

Retail segment revenue increased by RM1,466.2 million or 8%, mainly contributed by higher sales volume of 8% in tandem with higher demand.

PBT for the year stood at RM792.8 million, an increase of RM33.8 million or 4% against last year, contributed by higher gross profit from Mogas and Diesel in line with higher volume sold. The impact was offset by the increase in volume-related operating expenditures and lower other income following once-off LPG Sarawak business disposal gain recorded last year.

Commercial Segment

Commercial segment recorded a decrease in revenue of RM695.9 million or 4% mainly attributed to lower average selling price by 11% despite higher sales volume of 9%.

PBT for the year of RM516.5 million, an increase by RM167.5 million or 48% against last year, contributed by higher gross profit from Jet A1 following stable prices' trend and increased volume as well as interest income. The impact was offset by higher operating expenditures mainly due to increased business activities during the year.

Convenience Segment

Revenue recorded for the year was RM251.0 million, an increase of RM30.1 million or 14% contributed by higher demand for Kedai Mesra and Café Mesra during the year.

PBT recorded for the year was RM27.2 million, an increase of RM11.5 million against last year contributed by higher gross profit from chargeable sales from Kedai Mesra and Café Mesra and offset by increase in operating expenditure due to professional services and repair and maintenance.

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

In RM' Mil	Individual quarter ended								
	Retail			Commercial			Convenience		
	Dec 2023	Dec 2022	Var %	Dec 2023	Dec 2022	Var %	Dec 2023	Dec 2022	Var %
Revenue	5,094.5	4,555.2	12	4,917.0	4,889.0	1	63.9	54.5	17
Profit/(loss) before taxation	172.5	116.7	48	141.3	127.8	11	(15.8)	(7.0)	>100
	Individual quarter ended Group								
							Dec 2023	Dec 2022	Var %
Revenue							10,075.4	9,498.7	6
Profit before taxation							285.9	241.7	18

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 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 increased by RM576.7 million or 6% contributed by higher sales volume by 6%.

The Group recorded a PBT of RM285.9 million, higher by RM44.2 million or 18% following higher gross profit from all segments and higher other income. The impact was negated by higher operating expenditure.

Retail Segment

Retail segment revenue increased by RM539.3 million or 12%, mainly contributed by higher sales volume of 11% in line with higher demand.

PBT recorded for the quarter was RM172.5 million, an increase of RM55.8 million or 48% against the corresponding quarter last year, mainly contributed by higher gross margin from Mogas and Diesel as well as other income, offset by the increase in operating expenditure.

Commercial Segment

Commercial segment recorded a 1% increase in revenue of RM28.0 million following higher average selling prices.

PBT of RM141.3 million was recorded for the quarter, an increase of RM13.5 million or 11% against the corresponding quarter last year, mainly contributed by higher gross profit and other income, offset by the increase in operating expenditure.

Convenience Segment

Revenue recorded for the quarter was RM63.9 million, an increase of RM9.3 million or 17% contributed by higher chargeable sales for Kedai Mesra during the quarter.

LBT recorded for the quarter was RM15.8 million, higher by RM8.8 million against corresponding quarter last year mainly due to increase in operating expenditure and offset by higher gross profit mainly from chargeable sales for Kedai Mesra.

c) Variation of results against preceding quarter

<i>In RM' Mil</i>	Individual quarter ended		
	Dec 2023	Sept 2023	Group Var %
Revenue	10,075.4	9,916.0	2
Profit before taxation	285.9	261.7	9

Revenue for the Group increased by RM159.4 million or 2% as compared to the preceding quarter mainly contributed by higher average selling prices by 2%.

PBT for the quarter increased by RM24.2 million or 9% contributed by higher gross profit from Jet A1 and Diesel as well as other income, partially negated by increase in operating expenditure.

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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)

d) Highlight on Consolidated Statement of Financial Position

<i>In RM'000</i>	As at 31 December 2023	As at 31 December 2022	Variance (%)
Total assets	11,486,959	11,257,537	2
Total equity	5,836,722	5,787,366	1
Total liabilities	5,650,237	5,470,171	3
Return on equity (%)	16.8	13.7	23

Total assets recorded at RM11,487.0 million, an increase by RM229.4 million or 2% mainly contributed by increase in trade and other receivables. This was offset by lower cash and cash equivalents during the year.

Total liabilities increased by RM180.1 million or 3%, mainly due to increase in trade and other payables resulting from higher purchase cost.

e) Highlight on Consolidated Statement of Cash Flows

<i>In RM'000</i>	Year ended 31 December 2023	Year ended 31 December 2022	Variance (%)
Net cash (used in)/generated from operating activities	(87,245)	1,994,867	>(100)
Net cash used in investing activities	(310,242)	(320,793)	(3)
Net cash used in financing activities	(984,621)	(696,025)	41

Net cash used in operating activities was lower by RM2,082.1 million during the year mainly due to delay in subsidy receipts.

Net cash used in investing activities was lower by RM10.5 million mainly due to higher interest income earned during the year, offset by higher spending on capital expenditures.

Net cash used in financing activities was higher by RM288.6 million mainly attributable to increase in dividends paid during the year.

QUARTERLY REPORT

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

B2 COMMENTARY ON PROSPECTS

Malaysia's economy is anticipated to grow in 2024, fuelled by resilient domestic demand and stable labour market despite rising inflation* and potential challenges from geo-political headwinds.

While expecting crude oil prices to be approximately \$80/bbl** throughout 2024, the Group remains vigilant in monitoring market fluctuation and adjusting strategies for sustained profitability in a dynamic market.

On our fuel business, we view the impending regulatory changes in 2024 primarily on targeted subsidy program, present both challenges and opportunities to the Group. Nonetheless, the Group will continue to focus on new avenues for growth of our non-fuel business.

Convenience segment is poised to grow anchoring on the Café Mesra brand, coupled with innovative offerings such as Hot Food & Coffee Vending Machines which would further demonstrate the Group's commitment to improving customers' lives, making it simpler and better.

PDB maintains a strong focus on sustainability, evident through initiatives such as solarisation of PETRONAS Stations, expanding Used Cooking Oil ("UCO") collection points nationwide and collaborations with industry players to enhance PETRONAS stations with Electric Vehicle ("EV") charging points, positioning the Group to seize opportunities in the cleaner energy space.

*Source: MIDF Research

**Source: Woodmac Reports

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	
	2023	2022	2023	2022
<u>Income Tax:</u>				
Current period	86,371	93,173	388,287	356,603
<u>Deferred Tax:</u>				
Current period	15,835	(129)	(23,447)	(9,406)
	<u>102,206</u>	<u>93,044</u>	<u>364,840</u>	<u>347,197</u>

Effective tax rate for individual and cumulative quarter ended 31 December 2023 of 36% and 27% respectively, 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.

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FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 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 December 2023	As at 31 December 2022
Non-Current		
<i>Secured</i>		
Lease liabilities	99,823	134,947
Current		
<i>Secured</i>		
Lease liabilities	51,396	49,366
<i>Unsecured</i>		
Sukuk facilities	1,000	—
	<u>52,396</u>	<u>49,366</u>
	<u>152,219</u>	<u>184,313</u>
	As at 31 December 2023	As at 31 December 2022
<i>In RM'000</i>		
By Currency		
<i>RM</i>		
Lease liabilities	103,401	93,416
Sukuk facilities	1,000	—
<i>USD</i>		
Lease liabilities	47,818	90,897
	<u>152,219</u>	<u>184,313</u>

The lease liabilities and Sukuk facilities bear interest and profit margin respectively 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 31 December 2023
		Net repayment	Profit margin/ Interest expenses	Addition	Others	
Sukuk facilities	—	1,000	(18)	—	18	1,000
Lease liabilities	184,313	(51,372)	(10,318)	18,278	10,318	151,219
	<u>184,313</u>	<u>(50,372)</u>	<u>(10,336)</u>	<u>18,278</u>	<u>10,336</u>	<u>152,219</u>

B7 MATERIAL LITIGATION

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

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

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

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 27 sen per ordinary share amounting to RM268,232,580 for the fourth quarter ended 31 December 2023, payable on 26 March 2024 (Quarter 4 2022: 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)

NOTICE IS HEREBY GIVEN that the interim dividend will be payable on 26 March 2024 to depositors registered in the Records of Depositors at the close of the business on 12 March 2024. 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 12 March 2024 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 2023.

	Individual quarter ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
Profit attributable to shareholders of the Company (RM'000)	180,811	144,457	943,076	776,595
Number of ordinary shares ('000)	993,454	993,454	993,454	993,454
Earnings per ordinary share (sen)	18.2	14.5	94.9	78.2

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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 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 December 2023	As at 31 December 2022
Trade receivables		
– Third party	1,842,473	1,745,782
– Related companies	246,018	177,855
Less:		
– Impairment loss: specific	(49,572)	(43,413)
– Impairment loss: general	(17,875)	(16,460)
	<u>2,021,044</u>	<u>1,863,764</u>
At net		
Not past due	1,925,399	1,813,621
Past due 1 to 30 days	59,819	12,895
Past due 31 to 60 days	8,579	5,697
Past due 61 to 90 days	3,813	4,772
Past due more than 90 days	23,434	26,779
	<u>2,021,044</u>	<u>1,863,764</u>

As at 31 December 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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 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/YEAR

<i>In RM'000</i>	Individual quarter ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
Profit for the period/year is arrived at after charging:				
Depreciation and amortisation*	124,537	121,929	463,144	438,860
Impairment loss on trade and other receivables	13,269	21,587	19,476	40,604
Impairment loss on property, plant and equipment	—	—	5,745	—
Profit margin on Sukuk facilities	9	—	18	—
Interest on revolving credit facilities	—	3,402	—	10,218
Net realised loss on foreign exchange	600	—	6,623	5,368
Net unrealised loss on foreign exchange	—	2,376	—	158
Interest on lease liabilities	2,469	3,099	10,318	11,008
Property, plant and equipment written off	7,422	15,069	9,599	22,164
Property, plant and equipment expensed off	1,429	765	1,862	2,722
Bad debts written off	3,278	—	3,575	—
and after crediting:				
Net gain on disposal of property, plant and equipment	5,797	2,551	5,797	3,869
Gain on disposal of LPG business	—	—	—	87,937
Reversal of write down of inventories to NRV	2,072	—	—	—
Interest income	43,310	33,301	145,724	69,601
Income from rental of premises	1,382	1,038	2,469	2,196
Net unrealised gain on foreign exchange	1,072	—	1,072	—
Net realised gain on foreign exchange	—	3,597	—	—
Write back of impairment loss on trade and other receivables	5,007	459	8,935	3,141

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 26 February 2024.

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

26 February 2024