



PETRONAS DAGANGAN BERHAD

QUARTERLY REPORT

FOR SECOND QUARTER ENDED 30 JUNE 2024

QUARTERLY REPORT

FOR SECOND QUARTER ENDED 30 JUNE 2024

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 2024 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	
		2024	30 June 2023	2024	30 June 2023
Revenue	B1	9,837,939	8,912,517	19,231,065	17,557,975
Operating profit		401,616	378,474	744,771	785,506
Finance costs		(2,183)	(2,626)	(4,516)	(5,301)
Share of (loss)/profit after tax of equity accounted associates and joint ventures		(3,327)	(659)	(17,378)	3,849
Profit before taxation	B1	396,106	375,189	722,877	784,054
Taxation	B4	(112,784)	(98,493)	(206,654)	(200,989)
PROFIT FOR THE PERIOD		283,322	276,696	516,223	583,065
Profit attributable to:					
Shareholders of the Company		276,391	275,710	502,432	577,548
Non-controlling interests		6,931	986	13,791	5,517
PROFIT FOR THE PERIOD		283,322	276,696	516,223	583,065
Earnings per ordinary share - basic (sen)	B11	27.8	27.8	50.6	58.1

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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

In RM'000	Note	Individual quarter ended		Cumulative quarter ended	
		2024	30 June 2023	2024	30 June 2023
PROFIT FOR THE PERIOD		283,322	276,696	516,223	583,065
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising from translation of financial statements of foreign operations		—	(61)	—	260
Total other comprehensive (loss)/income for the period		—	(61)	—	260
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		283,322	276,635	516,223	583,325
Profit attributable to:					
Shareholders of the Company		276,391	275,649	502,432	577,808
Non-controlling interests		6,931	986	13,791	5,517
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		283,322	276,635	516,223	583,325

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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM'000</i>	Note	As at 30 June 2024	As at 31 December 2023
ASSETS			
Property, plant and equipment		4,026,797	4,116,879
Intangible asset		—	97
Investments in associates		2,167	2,075
Investments in joint ventures		43,981	61,452
TOTAL NON-CURRENT ASSETS		4,072,945	4,180,503
Trade and other inventories		144,308	148,745
Trade and other receivables		4,309,913	5,634,024
Cash and cash equivalents		3,118,838	1,507,053
		7,573,059	7,289,822
Assets classified as held for sale	A12	16,383	16,634
TOTAL CURRENT ASSETS		7,589,442	7,306,456
TOTAL ASSETS	B1	11,662,387	11,486,959
EQUITY			
Share capital		993,454	993,454
Reserves		4,830,322	4,774,945
Total Equity Attributable to Shareholders of the Company		5,823,776	5,768,399
Non-controlling interests		82,114	68,323
TOTAL EQUITY	B1	5,905,890	5,836,722
LIABILITIES			
Borrowings	B6	94,626	99,823
Deferred tax liabilities		72,024	69,870
Other long-term liabilities and provisions		40,268	40,268
TOTAL NON-CURRENT LIABILITIES		206,918	209,961
Trade and other payables		5,369,156	5,356,895
Borrowings	B6	33,185	52,396
Taxation		147,238	30,985
TOTAL CURRENT LIABILITIES		5,549,579	5,440,276
TOTAL LIABILITIES	B1	5,756,497	5,650,237
TOTAL EQUITY AND LIABILITIES		11,662,387	11,486,959
Net assets per share attributable to ordinary equity holders of the Parent (RM)		5.86	5.81

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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company						Total Equity
	Non-distributable			Distributable		Non-controlling Interests	
<i>In RM'000</i>	Share Capital	Foreign Currency Translation Reserve	Capital Reserves	Retained Profits	Total		
At 1 January 2024	993,454	—	(305)	4,775,250	5,768,399	68,323	5,836,722
Profit for the period	—	—	—	502,432	502,432	13,791	516,223
Total comprehensive income for the period	—	—	—	502,432	502,432	13,791	516,223
Dividends paid	—	—	—	(447,055)	(447,055)	—	(447,055)
At 30 June 2024	993,454	—	(305)	4,830,627	5,823,776	82,114	5,905,890
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
Total comprehensive income for the period	—	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

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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In RM'000	Note	Cumulative quarter ended 30 June	
		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		722,877	784,054
Adjustments for:			
Depreciation of property, plant and equipment		230,082	223,345
Amortisation of intangible asset		97	193
Net impairment losses/(write back) on trade and other receivables			
– Trade and other receivables		(4,040)	(3,721)
– Property, plant and equipment		7,323	–
Bad debts written off		316	301
Share of loss/(profit) after tax of equity accounted associates and joint ventures		17,378	(3,849)
Unrealised foreign exchange loss		1,928	2,524
Net gain on disposal of property, plant and equipment		(508)	–
Property, plant and equipment written off		7,890	–
Property, plant and equipment expensed off		813	396
Interest income		(65,404)	(65,647)
Interest expense		4,516	5,301
Operating profit before changes in working capital		923,268	942,898
Trade and other inventories		4,436	(11,897)
Trade and other receivables		1,328,402	423,285
Trade and other payables		11,691	(219,941)
Cash generated from operations		2,267,797	1,134,345
Taxation paid		(88,246)	(350,645)
Net cash generated from operating activities	B1	2,179,551	783,700
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		65,404	65,647
Purchase of property, plant and equipment		(155,649)	(157,161)
Proceeds from disposal of property, plant and equipment		921	–
Net cash used in investing activities	B1	(89,324)	(91,514)

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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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

In RM'000	Note	Cumulative quarter ended 30 June	
		2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(447,055)	(546,400)
Payment of lease liabilities	B6	(26,872)	(30,606)
Profit margin paid on Sukuk facilities	B6	(18)	—
Interest paid on lease liabilities	B6	(4,498)	(5,301)
Net cash used in financing activities	B1	(478,443)	(582,307)
Net increase in cash and cash equivalents		1,611,784	109,879
(Increase)/decrease in cash and cash equivalents restricted		(27,912)	8,173
Net foreign exchange differences		—	47
Cash and cash equivalents at beginning of the period		1,478,837	2,851,047
Cash and cash equivalents at end of the period		3,062,709	2,969,146
Cash and cash equivalents			
Cash and bank balances		3,118,838	2,999,087
Less: Cash and cash equivalents restricted		(56,129)	(29,941)
		3,062,709	2,969,146

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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 2024

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 2023. 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 2023.

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 2024.

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 2024 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for year ended 31 December 2023 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 2024

Amendments to MFRS 16	<i>Leases (Lease Liability in a Sale and Leaseback)</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements (Non-current Liabilities with Covenants)</i>
Amendments to MFRS 107	<i>Statement of Cash Flows (Supplier Finance Arrangements)</i>
Amendments to MFRS 7	<i>Financial Instruments: Disclosures (Supplier Finance Arrangements)</i>

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

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FOR SECOND QUARTER ENDED 30 JUNE 2024

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 2023 were not subject to any 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 2023 that may have a material effect in the results of the period under review.

A7 CAPITAL COMMITMENTS

Capital expenditures which have not been provided for at the end of each reporting period are as follows:

<i>In RM'000</i>	As at 30 June 2024	As at 31 December 2023
Approved and contracted for	118,987	87,102
Approved but not contracted for	195,147	397,898
	314,134	485,000

A8 DEBT AND EQUITY SECURITIES

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

A9 DIVIDENDS PAID

During the period under review, the following dividend payments were made:

<i>In RM'000</i>	As at 30 June 2024	As at 30 June 2023
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
2023		
Quarter 1: interim dividend of 15 sen per ordinary share	—	149,018
Quarter 4: interim dividend of 27 sen per ordinary share	268,233	—
2024		
Quarter 1: interim dividend of 18 sen per ordinary share	178,822	—
	447,055	546,400

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FOR SECOND QUARTER ENDED 30 JUNE 2024

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	2024			
	Retail	Commercial	Convenience	Group
Revenue	10,235,003	8,852,476	143,586	19,231,065
Depreciation and amortisation	183,651	30,896	15,632	230,179
Other income	89,090	40,625	2,769	132,484
Operating profit for reportable segments	442,928	285,349	16,494	744,771
Finance cost	(990)	(3,395)	(131)	(4,516)
Share of loss after tax of equity accounted associates and joint ventures				(17,378)
Profit before taxation				722,877

In RM'000

Business Segments	2023			
	Retail	Commercial	Convenience	Group
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	85,913	32,550	1,960	120,423
Operating profit for reportable segments	453,738	299,910	31,858	785,506
Finance cost	(1,215)	(3,896)	(190)	(5,301)
Share of profit after tax of equity accounted associates and joint ventures				3,849
Profit before taxation				784,054

QUARTERLY REPORT

FOR SECOND QUARTER ENDED 30 JUNE 2024

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 30 June 2024. The divestment is expected to be completed in 2024 upon fulfilment of the condition precedents as agreed in the SSA.

As at 30 June 2024, included herein one (1) land with a carrying value of RM1.0 million that was classified as asset held for sale. During the current quarter, the Company had disposed one (1) of its land with the sale proceeds of RM0.9 million at net book value of RM0.3 million, which has resulted to gain on disposal of RM0.6 million.

A13 CONTINGENCIES

<i>In RM'000</i>	As at 30 June 2024	Group As at 31 December 2023
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.	<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 2023.

A14 CHANGES IN THE COMPOSITION OF THE GROUP

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

A15 RELATED PARTY TRANSACTIONS

There were no significant transactions with related party in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2023.

A16 DISCONTINUED OPERATIONS

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

QUARTERLY REPORT

FOR SECOND QUARTER ENDED 30 JUNE 2024

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

A17 FAIR VALUE INFORMATION

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

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

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

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

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

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

<i>In RM'000</i>	Fair value of financial instruments not carried at fair value	Carrying amount
	Level 3	
Group		
30 June 2024		
Financial liability		
Sukuk facilities	931	1,000
	931	1,000

QUARTERLY REPORT

FOR SECOND QUARTER ENDED 30 JUNE 2024

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

B1 REVIEW OF GROUP PERFORMANCE

The Group's revenue in Q2 2024 increased by 10% compared to the same period last year. This growth was driven by higher average selling prices, in line with Brent crude oil price which closed at \$84.97 per barrel in Q2 2024, an 8.8% increase from Q2 2023.

Total volume has increased by 5%, contributed by healthy demand during festive events, successful promotional campaigns and higher volume from airline industry. The Group also experienced reduction in retail diesel volume following the implementation of Subsidised Diesel Control System ("SKDS") 2.0 in June 2024, whilst commercial diesel volume registered an uplift, as a result of the higher retail diesel price.

The Group's Profit Before Tax ("PBT") improved by 6% despite the increase in operating expenditures in line with higher activities.

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

In RM' Mil	Cumulative quarter ended								
	Retail			Commercial			Convenience		
	June 2024	June 2023	Var %	June 2024	June 2023	Var %	June 2024	June 2023	Var %
Revenue	10,235.0	8,974.8	14	8,852.5	8,459.6	5	143.6	123.6	16
Profit before taxation	441.9	452.5	(2)	282.0	296.0	(5)	16.4	31.7	(48)

In RM' Mil	Cumulative quarter ended Group		
	June 2024	June 2023	Var %
Revenue	19,231.1	17,558.0	10
Profit before taxation	722.9	784.1	(8)

Group

The Group's revenue for the year increased by RM1,673.1 million, driven by 6% sales volume growth as well as 4% increase in average selling prices.

The Group recorded a PBT of RM722.9 million, a decrease of RM61.2 million or 8% attributed to higher product costs and operating expenditures, offset by an increase in gross profit mainly from Retail segment.

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FOR SECOND QUARTER ENDED 30 JUNE 2024

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 RM1,260.2 million or 14%, mainly contributed by higher sales volume of 12% in line with increase in demand.

PBT recorded for the period stood at RM441.9 million, a decrease of RM10.6 million or 2% against the corresponding period last year, mainly attributed to higher product costs and operating expenditures. This was offset by higher gross margin from favourable MOPS prices trend and improved demand.

Commercial Segment

Commercial segment revenue recorded an increase of RM392.9 million or 5%. This was mainly contributed by higher average selling prices by 8%, negated by lower sales volume by 4%.

PBT of RM282.0 million was recorded for the period, a decrease of RM14.0 million or 5% against the corresponding period last year mainly due to higher operating expenditures in line with increase in business activity. The decrease in PBT was offset by higher gross profit following improved demand for Jet A1 and Diesel.

Convenience Segment

Revenue recorded for the period was RM143.6 million, an increase of RM20.0 million or 16% contributed by higher demand for Kedai Mesra and Café Mesra during the period.

PBT recorded for the period was RM16.4 million, a decrease of RM15.3 million or 48% against the corresponding period last year attributed to higher operating expenditures, offset with higher gross profit mainly from chargeable sales from Kedai Mesra and Café Mesra.

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

In RM' Mil	Individual quarter ended								
	Retail			Commercial			Convenience		
	June 2024	June 2023	Var %	June 2024	June 2023	Var %	June 2024	June 2023	Var %
Revenue	5,188.4	4,565.1	14	4,575.4	4,287.4	7	74.1	60.0	24
Profit before taxation	227.1	224.9	1	163.0	138.0	18	9.3	13.0	(28)
In RM' Mil	Individual quarter ended Group								
	June 2024	June 2023	Var %						
	June 2024	June 2023	Var %						
Revenue	9,837.9	8,912.5	10						
Profit before taxation	396.1	375.2	6						

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FOR SECOND QUARTER ENDED 30 JUNE 2024

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 RM925.4 million, driven by improved sales volume as well as average selling prices by 5% respectively.

The Group recorded a PBT of RM396.1 million, an increase of RM20.9 million or 6% contributed by higher gross profit for all segments, offset by an increase in operating expenditures.

Retail Segment

Retail segment revenue increased by RM623.3 million or 14%, mainly contributed by higher sales volume of 12% in line with increase in demand.

PBT recorded for the quarter was RM227.1 million, an increase of RM2.2 million or 1% against the corresponding quarter last year, mainly contributed by higher gross profit for Mogas and Diesel in line with favourable MOPS prices trend and improved demand, offset by higher operating expenditures and product costs.

Commercial Segment

Commercial segment recorded an increase in revenue of RM288.0 million or 7% mainly contributed by higher average selling prices by 11% offset by lower sales volume of 4%.

PBT of RM163.0 million was recorded for the quarter, an increase of RM25.0 million or 18% against the corresponding quarter last year mainly due to higher gross profit on Diesel and Jet A1 on the back of favourable MOPS prices trend and improved demand. The increase in PBT was offset by higher operating expenditures in line with increase in business activity.

Convenience Segment

Revenue recorded for the quarter was RM74.1 million, an increase of RM14.1 million or 24% contributed by higher sales for Kedai Mesra, Café Mesra and PETRONAS Shop merchandise during the quarter.

PBT recorded for the quarter was RM9.3 million, a decrease of RM3.7 million or 28% against the corresponding quarter last year attributed to higher operating expenditures, offset with higher gross profit mainly from higher demand for Kedai Mesra, Café Mesra and PETRONAS Shop merchandise.

c) Variation of results against preceding quarter

	Individual quarter ended		
	June	Mar	Var
<i>In RM' Mil</i>	2024	2024	%
Revenue	9,837.9	9,393.1	5
Profit before taxation	396.1	326.8	21

Revenue for the Group increased by RM444.8 million or 5% as compared to the preceding quarter mainly contributed by higher sales volume of 4% and higher average selling prices by 1%.

PBT for the quarter increased by RM69.3 million or 21% contributed by higher gross profit from all segments due to lower product costs and improved demand, offset by higher operating expenditures.

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FOR SECOND QUARTER ENDED 30 JUNE 2024

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 30 June 2024	As at 31 December 2023	Variance (%)
Total assets	11,662,387	11,486,959	2
Total equity	5,905,890	5,836,722	1
Total liabilities	5,756,497	5,650,237	2
Return on equity (%)	17.7	16.8	5

Total assets recorded at RM11,662.4 million, an increase by RM175.4 million or 2% mainly contributed by increase in cash and cash equivalents. This was offset by lower trade and other receivables.

Total liabilities increased by RM106.3 million or 2%, mainly attributed to taxation following utilisation of tax credit during the period.

e) Highlight on Consolidated Statement of Cash Flows

<i>In RM'000</i>	Cumulative quarter ended 2024	30 June 2023	Variance (%)
Net cash generated from operating activities	2,179,551	783,700	>100
Net cash used in investing activities	(89,324)	(91,514)	(2)
Net cash used in financing activities	(478,443)	(582,307)	(18)

Net cash generated from operating activities was higher by RM1,395.9 million during the period mainly due to higher receipts of subsidy.

Net cash used in investing activities was lower by RM2.2 million mainly due to lower spending on capital expenditures.

Net cash used in financing activities was lower by RM103.9 million mainly due to decrease in dividends paid during the period.

QUARTERLY REPORT

FOR SECOND QUARTER ENDED 30 JUNE 2024

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

B2 COMMENTARY ON PROSPECTS

The Group is expected to sustain its performance in both the Retail and Commercial segments, supported by an economic environment where the gross domestic product is projected to expand by 4% to 5%*. The Brent crude oil price is anticipated to stabilise within the range of \$80 per barrel** towards the year end.

Notwithstanding this, the Group remains prudent and continues to be vigilant of the potential impacts of domestic regulatory changes, as well as other global macroeconomics and geopolitical developments.

The Group is committed to operational and commercial excellence while pursuing its growth opportunities. The Retail business is strengthening its focus to acquire new customers and to explore new opportunities with strategic partners. The Commercial segment is set to capitalise on the aviation sector's recovery and other high value margin sectors with its competitive price edge. For the Convenience segment, both Mesra and Setel are on track to continue growing the non-fuel business of the Group.

*Source: Media Release by Ministry of Finance (MOF), 30 July 2024

**Source: Woodmac Reports, 4 July 2024

B3 PROFIT FORECAST OR PROFIT GUARANTEE

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

B4 TAX EXPENSE

Tax expense comprises the following:

<i>In RM'000</i>	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	2024	2023	2024	2023
Current tax expenses				
Current period tax	117,868	105,862	204,500	189,905
Deferred tax expenses				
Origination and reversal of temporary differences	(5,084)	(7,369)	2,154	11,084
	<u>112,784</u>	<u>98,493</u>	<u>206,654</u>	<u>200,989</u>

Effective tax rate for individual and cumulative quarter ended 30 June 2024 are 28% and 29% 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.

QUARTERLY REPORT

FOR SECOND QUARTER ENDED 30 JUNE 2024

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 30 June 2024	As at 31 December 2023
Non-Current		
<i>Secured</i>		
Lease liabilities	94,626	99,823
Current		
<i>Secured</i>		
Lease liabilities	32,185	51,396
<i>Unsecured</i>		
Sukuk facilities	1,000	1,000
	<u>33,185</u>	<u>52,396</u>
	<u>127,811</u>	<u>152,219</u>
	As at	As at
<i>In RM'000</i>	30 June	31 December
	2024	2023
By Currency		
<i>RM</i>		
Lease liabilities	101,695	103,401
Sukuk facilities	1,000	1,000
<i>USD</i>		
Lease liabilities	25,116	47,818
	<u>127,811</u>	<u>152,219</u>

The lease liabilities and Sukuk facilities bear interest and profit margin at rates ranging from 3.41% to 8.43% per annum for 2024 and 2023 respectively.

b) Reconciliation of borrowings arising from financing activities:

<i>In RM'000</i>	As at 1 January 2024	Cash flows		Non-cash changes		As at 30 June 2024
		Net repayment	Profit margin/ Interest expenses	Addition	Others	
Sukuk facilities	1,000	–	(18)	–	18	1,000
Lease liabilities	151,219	(26,872)	(4,498)	1,690	5,272	126,811
	<u>152,219</u>	<u>(26,872)</u>	<u>(4,516)</u>	<u>1,690</u>	<u>5,290</u>	<u>127,811</u>

B7 MATERIAL LITIGATION

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

QUARTERLY REPORT

FOR SECOND QUARTER ENDED 30 JUNE 2024

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 2023.

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 20 sen per ordinary share amounting to RM198,690,800 for the second quarter ended 30 June 2024, payable on 18 September 2024 (Quarter 2 2023: an interim dividend of 18 sen per ordinary share amounting to RM178,821,720).

NOTICE IS HEREBY GIVEN that the interim dividend will be payable on 18 September 2024 to depositors registered in the Records of Depositors at the close of the business on 4 September 2024. A depositor shall qualify for entitlement to the dividends only in respect of:

- a. Shares transferred into Depositor's Securities Account before 4.00 pm on 4 September 2024 in respect of ordinary transfers.
- b. 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 2024.

	Individual quarter ended		Cumulative quarter ended	
	2024	2023	2024	2023
Profit attributable to shareholders of the Company (RM'000)	276,391	275,710	502,432	577,548
Number of ordinary shares ('000)	993,454	993,454	993,454	993,454
Earnings per ordinary share (sen)	27.8	27.8	50.6	58.1

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 SECOND QUARTER ENDED 30 JUNE 2024

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 2024	As at 31 December 2023
Trade receivables		
– Third party	1,780,883	1,842,473
– Related companies	231,344	246,018
Less:		
– Impairment loss: specific	(51,020)	(49,572)
– Impairment loss: general	(12,583)	(17,875)
	<u>1,948,624</u>	<u>2,021,044</u>
At net		
Not past due	1,849,135	1,925,399
Past due 1 to 30 days	22,105	59,819
Past due 31 to 60 days	34,597	8,579
Past due 61 to 90 days	6,488	3,813
Past due more than 90 days	36,299	23,434
	<u>1,948,624</u>	<u>2,021,044</u>

As at 30 June 2024, 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 SECOND QUARTER ENDED 30 JUNE 2024

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 30 June		Cumulative quarter ended 30 June	
	2024	2023	2024	2023
Profit for the period is arrived at after charging:				
Depreciation and amortisation*	116,507	111,935	230,179	223,538
Impairment loss on trade and other receivables	2,562	620	4,127	819
Impairment loss on property, plant and equipment	7,323	—	7,323	—
Profit margin on Sukuk facilities	9	—	18	—
Net realised loss on foreign exchange	51	5,555	—	4,136
Net unrealised loss on foreign exchange	398	2,566	1,928	2,524
Interest on lease liabilities	2,174	2,626	4,498	5,301
Property, plant and equipment written off	7,890	—	7,890	—
Property, plant and equipment expensed off	412	80	813	396
Bad debts written off	303	—	316	—
and after crediting:				
Net gain on disposal of property, plant and equipment	462	—	508	—
Interest income	37,032	32,764	65,404	65,647
Income from rental of premises	1,128	425	1,897	777
Net realised gain on foreign exchange	—	—	2,042	—
Write back of impairment loss on trade and other receivables	7,110	1,054	8,167	4,540

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

*Includes depreciation on right-of-use asset

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 20 August 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

20 August 2024