



# PETRONAS DAGANGAN BERHAD

## Quarterly Report

For First Quarter Ended 31 March 2022



# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

The Board of Directors of PETRONAS Dagangan Berhad ("PDB" or "the Company") is pleased to announce the following Unaudited Condensed Consolidated Financial Statements for PDB Group for the first quarter ended 31 March 2022 which should be read in conjunction with the accompanying explanatory notes on pages 6 to 20.

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In RM'000	Note	Individual quarter ended	
		2022	31 March 2021
Revenue	B2	7,618,323	5,142,378
Operating profit		180,718	287,815
Finance cost		(2,786)	(2,660)
Share of profit after tax of equity accounted associates and joint ventures		782	301
Profit before taxation	B2	178,714	285,456
Tax expense	B5	(58,364)	(94,292)
<b>PROFIT FOR THE PERIOD</b>	B12	<b>120,350</b>	<b>191,164</b>
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising from translation of financial statements of foreign operation		7	1,882
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>120,357</b>	<b>193,046</b>
Profit attributable to:			
Shareholders of the Company		118,494	191,113
Non-controlling interests		1,856	51
<b>PROFIT FOR THE PERIOD</b>		<b>120,350</b>	<b>191,164</b>
Total comprehensive income attributable to:			
Shareholders of the Company		118,501	192,995
Non-controlling interests		1,856	51
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>120,357</b>	<b>193,046</b>
Earnings per ordinary share-basic (sen)	B10	11.9	19.2

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

# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In RM'000	Note	As at 31 March 2022	As at 31 December 2021
<b>ASSETS</b>			
Property, plant and equipment		4,053,909	4,017,549
Intangible asset	A13	774	806
Investments in associates		2,103	2,008
Investments in joint ventures		21,014	20,327
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,077,800</b>	<b>4,040,690</b>
Trade and other inventories		184,890	158,866
Trade and other receivables		4,112,165	3,490,185
Assets classified as held for sale	A12	102	-
Cash and cash equivalents		2,590,576	1,911,062
<b>TOTAL CURRENT ASSETS</b>		<b>6,887,733</b>	<b>5,560,113</b>
<b>TOTAL ASSETS</b>	B2	<b>10,965,533</b>	<b>9,600,803</b>
<b>EQUITY</b>			
Share capital		993,454	993,454
Reserves		4,448,822	4,588,619
<b>Total Equity Attributable to Shareholders of the Company</b>		<b>5,442,276</b>	<b>5,582,073</b>
Non-controlling interests		35,234	33,378
<b>TOTAL EQUITY</b>	B2	<b>5,477,510</b>	<b>5,615,451</b>
<b>LIABILITIES</b>			
Borrowings	B7	151,065	92,166
Deferred tax liabilities		113,568	102,723
Other long term liabilities and provisions		31,272	31,272
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>295,905</b>	<b>226,161</b>
Trade and other payables		5,070,334	3,645,060
Borrowings	B7	41,656	24,266
Taxation		80,128	89,865
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,192,118</b>	<b>3,759,191</b>
<b>TOTAL LIABILITIES</b>	B2	<b>5,488,023</b>	<b>3,985,352</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,965,533</b>	<b>9,600,803</b>
Net assets per share attributable to ordinary equity holders of the Parent (RM)		5.48	5.62

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

# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Shareholders of the Company						Total Equity
	Non- Distributable			Distributable			
In RM'000	Share Capital	Foreign Currency Translation Reserves	Capital Reserves	Retained Profits	Total	Non-Controlling Interests	
At 1 January 2022	993,454	(6,510)	(305)	4,595,434	5,582,073	33,378	5,615,451
Exchange difference arising from translation of financial statements of foreign operation	-	7	-	-	7	-	7
Total other comprehensive income for the period	-	7	-	-	7	-	7
Profit for the period	-	-	-	118,494	118,494	1,856	120,350
Total comprehensive income for the period	-	7	-	118,494	118,501	1,856	120,357
Dividends paid	-	-	-	(258,298)	(258,298)	-	(258,298)
At 31 March 2022	993,454	(6,503)	(305)	4,455,630	5,442,276	35,234	5,477,510
At 1 January 2021	993,454	(21,091)	(18,732)	4,690,114	5,643,745	31,901	5,675,646
Exchange difference arising from translation of financial statements of foreign operations	-	1,882	-	-	1,882	-	1,882
Total other comprehensive income for the period	-	1,882	-	-	1,882	-	1,882
Profit for the period	-	-	-	191,113	191,113	51	191,164
Total comprehensive income for the period	-	1,882	-	191,113	192,995	51	193,046
Dividends paid	-	-	-	(168,887)	(168,887)	-	(168,887)
At 31 March 2021	993,454	(19,209)	(18,732)	4,712,340	5,667,853	31,952	5,699,805

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

# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In RM'000	Note	Individual quarter ended	
		2022	31 March 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		178,714	285,456
Adjustments for:			
Depreciation and amortisation		104,749	114,726
Net impairment losses/(write-back) on receivables		7,384	(1,807)
Share of profit after tax of equity accounted associates and joint ventures		(782)	(301)
Net loss/(gain) on disposal of property, plant and equipment		43	(2,443)
Inventories written-back at net realisable value ("NRV")		-	(1,030)
Property, plant and equipment expensed off		497	179
Interest income		(15,491)	(12,673)
Finance cost		2,786	2,660
Other non-cash items		252	(1,584)
<b>Operating profit before changes in working capital</b>		<b>278,152</b>	<b>383,183</b>
Inventories		(26,024)	9,696
Trade and other receivables		(628,170)	(297,761)
Trade and other payables		1,422,620	527,918
<b>Cash generated from operations</b>		<b>1,046,578</b>	<b>623,036</b>
Taxation paid		(57,255)	(32,826)
<b>Net cash generated from operating activities</b>	B2	<b>989,323</b>	<b>590,210</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income		15,491	12,673
Purchase of property, plant and equipment		(48,695)	(95,186)
Proceeds from disposal of property, plant and equipment		212	7,550
<b>Net cash used in investing activities</b>	B2	<b>(32,992)</b>	<b>(74,963)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(258,298)	(168,887)
Net (repayment)/drawdown of revolving credits	B7	(6,500)	6,500
Repayment of Islamic financing facilities	B7	-	(5,101)
Repayment of lease liabilities	B7	(9,239)	(19,889)
Interest paid on revolving credits	B7	(103)	(79)
Profit margin paid for Islamic financing facilities	B7	-	(58)
Interest paid on lease liabilities	B7	(2,683)	(2,523)
<b>Net cash used in financing activities</b>	B2	<b>(276,823)</b>	<b>(190,037)</b>

# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<b>Net increase in cash and cash equivalents</b>	<b>679,508</b>	<b>325,210</b>
Net foreign exchange differences	6	1,990
Cash and cash equivalents at beginning of the period	<u>1,911,062</u>	<u>2,691,820</u>
Cash and cash equivalents at end of the period	<u>2,590,576</u>	<u>3,019,020</u>

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

# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

#### A1 BASIS OF PREPARATION

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

The condensed financial statements 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 2021. The explanatory notes attached to the condensed financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2021.

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

#### A2 SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the same accounting policies and methods of computation are followed in the condensed consolidated financial statements as compared with the consolidated financial statements for the year ended 31 December 2021.

As of 1 January 2022, the Group has adopted the following amendments to MFRSs ("pronouncements") which are effective for annual years beginning on or after 1 January 2022.

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

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

#### A3 AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

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

#### A4 SEASONAL OR CYCLICAL FACTORS

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

#### A5 EXCEPTIONAL ITEMS

There were no exceptional items during the quarter under review.

# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

#### A6 MATERIAL CHANGES IN ACCOUNTING ESTIMATES

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

#### A7 CAPITAL COMMITMENTS

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

<b>In RM'000</b>	<b>As at 31 March 2022</b>	<b>As at 31 December 2021</b>
Approved and contracted for	30,857	137,220
Approved but not contracted for	343,661	244,769
	<u>374,518</u>	<u>381,989</u>

#### A8 DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the quarter under review, except as disclosed in note B7.

#### A9 DIVIDENDS PAID

During the period, the following dividend payments were made:

<b>In RM'000</b>	<b>Individual quarter ended</b>	
<b><u>2020</u></b>	<b><u>2022</u></b>	<b><u>31 March 2021</u></b>
Quarter 4: interim dividend of 17 sen per ordinary share	-	168,887
<b><u>2021</u></b>		
Quarter 4: interim dividend of 26 sen per ordinary share	258,298	-
	<u>258,298</u>	<u>168,887</u>



# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

#### A10 OPERATING SEGMENTS

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

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

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

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

#### Results for the quarter ended 31 March

In RM'000	2022			
	Retail	Commercial	Convenience	Group
<b>Business Segments</b>				
Revenue	3,803,200	3,763,650	51,473	7,618,323
Depreciation and amortisation	82,207	17,197	5,345	104,749
Other income	52,318	11,431	108	63,857
<b>Operating profit/(loss) for reportable segments</b>	212,564	(41,124)	9,278	180,718
Finance cost	(635)	(2,054)	(97)	(2,786)
Share of profit after tax of equity accounted associates and joint ventures				782
<b>Profit before taxation</b>				178,714
In RM'000	2021			
Business Segments	Retail	Commercial	Convenience	Group
Revenue	3,052,252	2,049,420	40,706	5,142,378
Depreciation and amortisation	76,644	20,845	17,237	114,726
Other income	30,625	15,527	984	47,136
<b>Operating profit/(loss) for reportable segments</b>	183,776	108,227	(4,189)	287,815
Finance cost	(828)	(1,826)	(6)	(2,660)
Share of profit after tax of equity accounted associates and joint ventures				301
<b>Profit before taxation</b>				285,456

# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

#### 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

The Group has entered into a Business Transfer and Share Subscription Agreement (“BTSSA”) with PETROSNIaga Sdn. Bhd. (“PNIAGA”) and Petroleum Sarawak Berhad (“PETROS”), in relation to the divestment of its LPG business in Sarawak and for subscription of 49% equity stake in PNIAGA on 9 March 2022. The related assets of LPG business in Sarawak are presented as assets classified as held for sale. Subsequent to 31 March 2022, the BTSSA has been completed and further details of the completion can be found in a separate Bursa announcement on 30 April 2022. PDB now holds 49% equity in PNIAGA which will market PETROS-branded LPG cylinders to household and commercial customers in Sarawak.

#### A13 SETEL EXPRESS SDN. BHD.

Pursuant to the completion of acquisition of Setel Express Sdn. Bhd. (“SESB”) (formerly known as D-Two Couriers (M) Sdn. Bhd.) on 10 September 2021, SESB has become a wholly owned subsidiary of the Group. The net identifiable assets and goodwill disclosed in the audited financial statements for the year ended 31 December 2021 were based on provisional figures which was subsequently finalised as at period end.

As at period end, the fair value of the net assets are disclosed below, of which an intangible asset was recognised. The intangible asset relates to the fair value of logistics license acquired (previously recognised as goodwill). There were no material changes to the financial statement of the Group.

Effects of the acquisition based on finalised fair value figures are as follows:

In RM'000	At fair value
Property, plant and equipment	7
Intangible asset - license	806
Trade and other receivables	32
Cash and cash equivalents	2
Trade and other payables	<u>(132)</u>
Net identifiable assets	<u>715</u>
Purchase consideration	715
Less: Cash and cash equivalents of acquired subsidiary	<u>(2)</u>
Cash flow on acquisition, net of cash	<u><b>713</b></u>

As at 31 March 2022, amortisation of the intangible asset has been reflected accordingly in this quarterly report.

# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

#### A14 CONTINGENCIES

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

#### A15 RELATED PARTY TRANSACTIONS

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

# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

#### A16 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 – Inputs 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.

In RM'000	Fair value of financial instruments not carried at fair value Level 3	Carrying amount
<b>Group</b>		
<b>31 March 2022</b>		
<b>Financial Liability</b>		
Revolving credit facility	9,370	9,500
<b>Group</b>		
<b>31 December 2021</b>		
<b>Financial Liability</b>		
Revolving credit facility	15,801	16,000

# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

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

#### B1 HIGHLIGHTS FOR THE QUARTER

The favourable economic condition following less restrictions in the current quarter has positively impacted the demand as compared to the corresponding quarter last year. The reopening of more economic sectors following the National Recovery Plan ("NRP") and increasing vaccination rate have geared the country towards a better recovery prospect in transitioning to the endemic phase of COVID-19.

Malaysia's Growth Domestic Product ("GDP") recorded a growth of 5% in Q1 2022 as compared to a contraction of 0.5% in Q1 2021. The Group's operations were also impacted by the fluctuating crude oil prices. In Q1 2022, Average Brent price has improved to USD100.40/bbl from USD60.90/bbl of corresponding quarter last year. Whilst Retail segment is riding on the oil price improvement, Group's Commercial segment has recorded a loss before tax due to the steep increases in prices that has impacted higher product cost.

In adapting to the current market and economic conditions, the Group has further embarked on initiatives to expand the non-fuel segment such as the opening of five Mesra Café in Q1 2022 and expansion of Setel Express services nationwide.

#### B2 REVIEW OF GROUP PERFORMANCE

The Group's sales continue to recover from the COVID-19 pandemic following less restrictions in the current period. However, due to the steep upwards MOPS prices trend during the period, the Group's bottom line is impacted by higher product costs.

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

In RM' Mil	Individual quarter ended								
	Retail			Commercial			Convenience		
	Mar 2022	Mar 2021	Var %	Mar 2022	Mar 2021	Var %	Mar 2022	Mar 2021	Var %
Revenue	3,803.2	3,052.3	25	3,763.7	2,049.4	84	51.5	40.7	26
Profit/ (loss) before taxation	211.9	182.9	16	(43.2)	106.4	(>100)	9.2	(4.2)	>100

In RM' Mil	Individual quarter ended Group		
	Mar 2022	Mar 2021	Var %
Revenue	7,618.3	5,142.4	48
Profit before taxation	178.7	285.5	(37)

# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

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

#### B2 REVIEW OF GROUP PERFORMANCE (continued)

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

###### Group

The Group's revenue for the year increased by RM2,475.9 million following higher sales volume by 20% and increased average selling prices by 24%.

Despite the increase of revenue, the Group recorded a lower Profit Before Taxation ("PBT") of RM178.7 million i.e. by RM106.8 million or 37% which was mainly due to higher operating expenditure from dealer's commission and lower gross profit from Commercial segment mainly due to higher product costs.

###### Retail Segment

Retail Segment revenue increased by RM750.9 million, mainly contributed by higher sales volume of 18% as well as increase in average selling prices by 6% in tandem with higher demand.

PBT recorded for the period was RM211.9 million, an increase of RM29.0 million against the corresponding quarter, mainly contributed by higher gross profit across all products from higher sales volume.

###### Commercial Segment

Commercial Segment recorded an increase in revenue of RM1,714.3 million or 84%, contributed by higher sales volume by 23% and increase in average selling prices by 49%.

LBT of RM43.2 million was recorded as compared to PBT of RM106.4 million in the corresponding quarter last year. This was mainly due to lower gross profit from Jet A1 following higher product costs.

###### Convenience Segment

Convenience Segment recorded an increase in revenue of RM10.8 million or 27% contributed by higher sales from MESRA stores following higher demand from easing of restrictions.

PBT of RM9.2 million was recorded as compared to LBT of RM4.2 million in the corresponding quarter last year. This was mainly contributed by higher gross profit from higher MESRA sales.

# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

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

### B2 REVIEW OF GROUP PERFORMANCE (continued)

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

In RM' Mil	Individual quarter ended		
	Mar 2022	Dec 2021	Group Var %
Revenue	7,618.3	7,111.8	7
Profit before taxation	178.7	199.8	(11)

Revenue for the Group has increased by RM506.5 million or 7% as compared to preceding quarter following the increase average selling prices by 7%.

Group PBT for the quarter decreased by RM21.1 million or 11%, mainly due to lower gross profit from Commercial segment attributed to higher product costs. This was offset by higher other income following loss on disposal of subsidiary recorded in the preceding quarter and lower operating expenditure from lower repair and maintenance costs during the period.

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

In RM'000	As at 31 March 2022	As at 31 December 2021	Variance (%)
Total assets	10,965,533	9,600,803	14
Total equity	5,477,510	5,615,451	(3)
Total liabilities	5,488,023	3,985,352	38
Return on equity (%)	8.8	9.5	(7)

Total assets increased by RM1,364.7 million or 14% mainly contributed by higher cash and cash equivalents by RM679.5 million following receipt from commercial customer in aviation industry. In addition, trade and other receivables increased by RM622.0 million in line with higher subsidy receivable following increase in MOPS prices.

Total liabilities increased by RM1,502.7 million or 38%, mainly due to higher trade and other payables from higher purchase price, in line with increasing MOPS prices.

# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

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

### B2 REVIEW OF GROUP PERFORMANCE (continued)

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

In RM'000	Individual quarter ended		Variance (%)
	2022	31 March 2021	
Net cash generated from operating activities	989,323	590,210	68
Net cash used in investing activities	(32,992)	(74,963)	(56)
Net cash used in financing activities	(276,823)	(190,037)	46

Net cash generated from operating activities was higher by RM399.1 million during the period mainly due to higher sales by RM2,381.1 million, higher subsidy received by RM2,306.6 million and lower duties paid by RM154.3 million. This was offset by higher purchases by RM4,442.9 million.

Investing activities were lower by RM42.0 million due to lower spending on capital expenditures of RM46.5 million.

Financing activities were higher by RM86.8 million mainly due to higher dividend payment by RM89.4 million during the period following higher dividend declared.



# QUARTERLY REPORT

## FOR FIRST QUARTER ENDED 31 MARCH 2022

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

### B3 COMMENTARY ON PROSPECTS

#### Overall outlook

In transitioning to the endemic phase of COVID-19 effective 1 April 2022, the Malaysian government has announced the re-opening of its borders to allow quarantine-free travel and tourism. This is expected to have positive impact on product demand with higher tourists and travellers in the country. An increase of consumer spending from pent-up demand and a gradual recovery in labour market will support a stronger economic recovery in 2022.

Dated Brent crude oil prices have also shown an increasing trend since the start of 2022 and continued to increase sharply as compared to the previous quarter. The crude oil prices are expected to remain highly volatile fuelled by rising concerns of tightening market due to supply fears amidst heightening of geopolitical/Russia-Ukraine conflict and widening OPEC+ production gap.

PDB is optimistic in maintaining our growth recovery with the encouraging economic factors, while remaining cautious towards volatility of crude oil prices that could likely impact our financial performance and liquidity. We will continue to monitor, take appropriate mitigation actions and to focus on our future-proof strategies while expanding more collaborative efforts towards the sustainability agenda to bring value added proposition to our customers.

#### Business Segments

The lifting of operating hour restrictions for business premises are expected to have positive impact on the product demand on fuel and non-fuel.

We will continue to provide reliable and seamless experience to our customers at the station leveraging on our digital platform, to further strengthen the distribution channels of LPG, to expand PETRONAS AutoExpert outlets in 2022 and accelerating growth via e-commerce platforms for Lubricant business.

The reopening of international borders after two years is expected to positively impact a much faster rebuild of the aviation, hospitality and tourism-related industry in Malaysia. Commercial business will continue to leverage on the significant growth in total number of passengers traffic compared to previous year and continue to provide superior value proposition to its customers.

The income from MESRA is expected to increase in line with improved economic activities and the introduction of Café Mesra, a new eatery corner within the newly designed MESRA store, is expected to grow the Convenience business moving forward. In addition, we are also planning to introduce Electric Vehicle DC Fast Chargers in our network carrying PDB's own brand, "Energise by PETRONAS" in 2022, which will be the catalyst for our involvement in the broader EV ecosystem in pursuing our sustainability agenda. This is also in line with the government's targets to drive the EV sector in the country, supported with the full-tax exemptions on EV starting 2022.

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### B4 PROFIT FORECAST

Not applicable as the Group does not publish any profit forecast.

### B5 TAXATION

Tax expense comprises the following:

In RM'000	Individual quarter ended 31 March	
	2022	2021
<u>Income Tax:</u>		
Current period	47,519	97,891
<u>Deferred Taxation:</u>		
Current period	10,845	(3,599)
	<u>58,364</u>	<u>94,292</u>

Effective tax rate for the quarter ended 31 March 2022 was 33%, higher than the statutory tax rate mainly due to higher non-deductible expenses.

### B6 STATUS OF CORPORATE PROPOSALS ANNOUNCED

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

### B7 BORROWINGS

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

In RM'000	As at	As at
	31 March 2022	31 December 2021
<b>Non Current</b>		
Secured		
Lease liabilities	151,065	92,166
<b>Current</b>		
Secured		
Lease liabilities	32,156	8,266
Unsecured		
Revolving credit facility	9,500	16,000
	<u>41,656</u>	<u>24,266</u>
	<u>192,721</u>	<u>116,432</u>

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#### B7 BORROWINGS (continued)

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

In RM'000	As at 31 March 2022	As at 31 December 2021
<b>By Currency</b>		
RM	101,118	108,597
USD	91,603	7,835
	<b>192,721</b>	<b>116,432</b>

The revolving credit facility is denominated in Ringgit Malaysia and bears interest rate of 2.83% (2021: 2.83% to 2.89%) per annum.

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

(b) Reconciliation of borrowings arising from financing activities

In RM'000	As at 1 January 2022	Cash flows		Non-cash changes		As at 31 Mar 2022
		Net repayment	Interest expenses	Addition	Others	
Revolving credit facility	16,000	(6,500)	(103)	-	103	9,500
Lease liabilities	100,432	(9,239)	(2,683)	99,865	(5,154)	183,221
	<b>116,432</b>	<b>(15,739)</b>	<b>(2,786)</b>	<b>99,865</b>	<b>(5,051)</b>	<b>192,721</b>

#### B8 MATERIAL LITIGATION

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

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#### B9 DIVIDENDS

The Board has declared an interim dividend of 5 sen per ordinary share amounting to RM49,672,700 for the first quarter ended 31 March 2022, payable on 24 June 2022 (Quarter 1 2021: an interim dividend of 14 sen per ordinary share amounting to RM139,083,560).

NOTICE IS HEREBY GIVEN that the interim dividend will be payable on 24 June 2022 to depositors registered in the Records of Depositors at the close of the business on 13 June 2022. 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 June 2022 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.

#### B10 BASIC EARNINGS PER SHARE

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

	Individual quarter ended	
	31 March	
	2022	2021
Profit attributable to shareholders of the Company (RM'000)	118,494	191,113
Number of ordinary shares ('000)	993,454	993,454
Earnings per ordinary share (sen)	11.9	19.2

#### B11 TRADE RECEIVABLES

In RM'000	As at 31 March 2022	As at 31 December 2021
Trade receivables		
- Third party	1,663,615	1,344,169
- Related companies	291,658	274,616
Less:		
- Impairment loss: specific	(15,114)	(8,413)
- Impairment loss: general	(14,958)	(14,263)
	<b>1,925,201</b>	<b>1,596,136</b>
<b>At net</b>		
Current	1,852,148	1,556,875
Past due 1 to 30 days	29,732	13,836
Past due 31 to 60 days	15,380	9,455
Past due 61 to 90 days	4,800	2,216
Past due more than 90 days	23,141	13,754
	<b>1,925,201</b>	<b>1,596,136</b>

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

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#### B12 PROFIT FOR THE PERIOD

In RM'000	Individual quarter ended	
	2022	31 March 2021
<b>Profit for the period is arrived at after charging:</b>		
Depreciation and amortisation*	104,749	114,726
Impairment loss on trade and other receivables	7,853	384
Interest on revolving credit facility	103	79
Net unrealised loss on foreign exchange	252	-
Net realised loss on foreign exchange	994	916
Net loss on disposal of property, plant and equipment	43	-
Profit margin for Islamic financing facilities	-	58
Interest on lease liabilities	2,683	2,523
Property, plant and equipment expensed off	497	179
<b>and after crediting:</b>		
Net gain on disposal of property, plant and equipment	-	2,443
Reversal of write down of inventory to net realisable value	-	1,030
Interest income	15,491	12,673
Income from rental of premises	379	251
Net unrealised gain on foreign exchange	-	1,584
Write back of impairment loss on trade and other receivables	469	2,191

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 assets

#### BY ORDER OF THE BOARD

Wong Lay See (MAICSA 7018684)  
Yeap Kok Leong (MAICSA 0862549)  
Joint Secretaries  
Kuala Lumpur  
26 May 2022