



# **PETRONAS DAGANGAN BERHAD**

## **Quarterly Report**

For Second Quarter Ended 30 June 2021



# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 2021

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 2021 which should be read in conjunction with the accompanying explanatory notes on pages 6 to 19.

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

In RM'000	Note	Individual quarter ended		Cumulative quarter ended	
		2021	2020	2021	2020
Revenue	B2	5,143,990	2,931,750	10,247,308	9,485,661
Operating profit		92,373	5,667	380,188	(8,613)
Finance cost		(2,442)	(3,952)	(5,102)	(8,524)
Share of profit/(loss) after tax of equity accounted associates and joint ventures		34	(549)	335	(124)
<b>Profit/(Loss) before taxation</b>	B2	89,965	1,166	375,421	(17,261)
Taxation	B5	(7,600)	505	(101,892)	(8,766)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	B12	82,365	1,671	273,529	(26,027)
<b>Other comprehensive (expense)/ income</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Exchange differences arising from translation of financial statements of foreign operations		(320)	(110)	1,562	2,628
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD</b>		82,045	1,561	275,091	(23,399)
<b>Profit/(loss) attributable to:</b>					
Shareholders of the Company		82,141	3,510	273,254	(25,911)
Non-controlling interests		224	(1,839)	275	(116)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		82,365	1,671	273,529	(26,027)
<b>Total comprehensive income/(expense) attributable to:</b>					
Shareholders of the Company		81,821	3,400	274,816	(23,283)
Non-controlling interests		224	(1,839)	275	(116)
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD</b>		82,045	1,561	275,091	(23,399)
<b>Earnings/(Loss) per ordinary share - basic (sen)</b>	B10	8.3	0.4	27.5	(2.6)

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 SECOND QUARTER ENDED 30 JUNE 2021

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In RM'000	Note	As at 30 June 2021	As at 31 December 2020
<b>ASSETS</b>			
Property, plant and equipment		4,033,607	4,067,023
Investments in associates		1,882	1,665
Investments in joint ventures		19,566	19,449
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,055,055</b>	<b>4,088,137</b>
Trade and other inventories		355,689	410,229
Trade and other receivables		1,290,280	1,169,444
Fund investment		70,737	-
Cash and cash equivalents		2,601,678	2,691,820
Assets classified as held for sale		36,143	-
<b>TOTAL CURRENT ASSETS</b>		<b>4,354,527</b>	<b>4,271,493</b>
<b>TOTAL ASSETS</b>	B2	<b>8,409,582</b>	<b>8,359,630</b>
<b>EQUITY</b>			
Share capital		993,454	993,454
Reserves		4,617,136	4,650,291
<b>Total Equity Attributable to Shareholders of the Company</b>		<b>5,610,590</b>	<b>5,643,745</b>
Non-controlling interests		32,176	31,901
<b>TOTAL EQUITY</b>	B2	<b>5,642,766</b>	<b>5,675,646</b>
<b>LIABILITIES</b>			
Borrowings	B7	87,443	96,778
Deferred tax liabilities		102,703	104,609
Other long term liabilities and provisions		29,495	30,328
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>219,641</b>	<b>231,715</b>
Trade and other payables		2,398,300	2,342,061
Borrowings	B7	50,916	81,392
Taxation		77,326	28,816
Liabilities classified as held for sale		20,633	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,547,175</b>	<b>2,452,269</b>
<b>TOTAL LIABILITIES</b>	B2	<b>2,766,816</b>	<b>2,683,984</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,409,582</b>	<b>8,359,630</b>
Net assets per share attributable to ordinary equity holders of the Parent (RM)		5.65	5.68

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 2021

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Shareholders of the Company						Non-Controlling Interests	Total Equity
	Non- Distributable			Distributable				
In RM'000	Share Capital	Foreign Currency Translation Reserves	Capital Reserves	Retained Profits	Total			
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	-	1,562	-	-	1,562	-	1,562	
Total other comprehensive income for the period	-	1,562	-	-	1,562	-	1,562	
Profit for the period	-	-	-	273,254	273,254	275	273,529	
Total comprehensive income for the period	-	1,562	-	273,254	274,816	275	275,091	
Dividends paid	-	-	-	(307,971)	(307,971)	-	(307,971)	
At 30 June 2021	993,454	(19,529)	(18,732)	4,655,397	5,610,590	32,176	5,642,766	
At 1 January 2020	993,454	(18,935)	(18,732)	5,020,157	5,975,944	35,451	6,011,395	
Exchange difference arising from translation of financial statements of foreign operations	-	2,628	-	-	2,628	-	2,628	
Total other comprehensive income for the period	-	2,628	-	-	2,628	-	2,628	
Loss for the period	-	-	-	(25,911)	(25,911)	(116)	(26,027)	
Total comprehensive income/(expense) for the period	-	2,628	-	(25,911)	(23,283)	(116)	(23,399)	
Dividends paid	-	-	-	(447,054)	(447,054)	-	(447,054)	
At 30 June 2020	993,454	(16,307)	(18,732)	4,547,192	5,505,607	35,335	5,540,942	

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 2021

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In RM'000	Note	Cumulative quarter ended	
		2021	30 June 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) before taxation		375,421	(17,261)
Adjustments for:			
Depreciation and amortisation		230,959	255,393
Net impairment (write-back)/losses on receivables		(1,407)	6,309
Share of (profit)/loss after tax of equity accounted associates and joint ventures		(335)	124
Net (gain)/loss on disposal of property, plant and equipment		(2,107)	300
Inventories written-back to net realisable value ("NRV")		(4,088)	-
Net inventories written-back		(110)	(638)
Property, plant and equipment expensed off		916	-
Interest income		(27,064)	(37,797)
Finance cost		5,102	8,524
Other non-cash items		(562)	(2,079)
<b><sup>1</sup>Operating profit before changes in working capital</b>		<b>576,725</b>	<b>212,875</b>
Inventories		51,795	283,427
Trade and other receivables		(139,005)	424,774
Trade and other payables		76,405	(1,323,085)
<b>Cash generated from/(used in) operations</b>		<b>565,920</b>	<b>(402,009)</b>
Taxation paid		(55,299)	(56,592)
<b>Net cash generated from/(used in) operating activities</b>	B2	<b>510,621</b>	<b>(458,601)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income		27,064	37,797
Net (placement)/withdrawal of fund investment		(70,737)	51,004
Purchase of property, plant and equipment		(206,674)	(113,694)
Proceeds from disposal of property, plant and equipment		7,550	-
<b>Net cash used in investing activities</b>	B2	<b>(242,797)</b>	<b>(24,893)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(307,971)	(447,054)
Net drawdown/(repayment) of revolving credits	B7	6,500	(5,549)
Repayment of Islamic financing facilities	B7	(9,176)	(9,795)
Repayment of lease liabilities	B7	(37,163)	(79,974)
Interest paid on revolving credits	B7	(192)	(27)
Profit margin paid for Islamic financing facilities	B7	(89)	(532)
Interest paid on lease liabilities	B7	(4,821)	(7,965)
<b>Net cash used in financing activities</b>	B2	<b>(352,912)</b>	<b>(550,896)</b>

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 2021

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<b>Net decrease in cash and cash equivalents</b>	<b>(85,088)</b>	<b>(1,034,390)</b>
Net foreign exchange differences	1,855	6,082
Cash and cash equivalents at beginning of the period	<u>2,691,820</u>	<u>3,425,500</u>
Cash and cash equivalents at end of the period	<u>2,608,587</u>	<u>2,397,192</u>

Included in the Cash and Cash Equivalents at end of the period is an amount of RM6,909,000 categorised as Assets Held for Sale.

<sup>1</sup> Operating profit before changes in working capital includes Asset/ Liabilities Held For Sale

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 2021

### 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 2020. 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 2020.

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 30 June 2021.

#### 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 2020.

As of 1 January 2021, the Group has adopted the following amendments to MFRSs ("pronouncements") which are effective for annual years beginning on or after 1 January 2021.

Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement
Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 16	Leases (Interest Rate Benchmark Reform- Phase 2)

As of 1 April 2021, the Group has adopted Amendments to MFRS 16 Leases (Covid-19-Related Rent Concessions beyond 30 June 2021) which is effective for annual years beginning on or after 1 April 2021.

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 2020 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 SECOND QUARTER ENDED 30 JUNE 2021

### 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 2020 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 30 June 2021</b>	<b>As at 31 December 2020</b>
Approved and contracted for	112,925	81,140
Approved but not contracted for	656,505	207,648
	<u>769,430</u>	<u>288,788</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>2021</b>	<b>As at 30 June 2020</b>
<b><u>2019</u></b>		
Quarter 4: interim dividend of 25 sen per ordinary share	-	248,364
Quarter 4: special dividend of 15 sen per ordinary share	-	149,018
<b><u>2020</u></b>		
Quarter 1: interim dividend of 5 sen per ordinary share	-	49,672
Quarter 4: interim dividend of 17 sen per ordinary share	168,887	-
<b><u>2021</u></b>		
Quarter 1: interim dividend of 14 sen per ordinary share	139,084	-
	<u>307,971</u>	<u>447,054</u>

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 2021

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

#### A10 OPERATING SEGMENTS

The Group's reportable segments comprise Retail, Commercial and Others. 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 to the commercial sector
- Others – comprise mainly aviation fuelling services, technical services and and business activities other than retail and commercial segments

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 30 June

In RM'000	2021			
	Retail	Commercial	Others	Group
<b>Business Segments</b>				
Revenue	5,942,960	4,293,533	10,815	10,247,308
Depreciation and amortisation	182,679	33,109	15,171	230,959
Other income	139,756	25,314	702	165,772
<b>Operating profit/(loss) for reportable segments</b>	246,263	152,077	(18,152)	380,188
Finance cost	(1,472)	(256)	(3,374)	(5,102)
Share of profit after tax of equity accounted associates and joint ventures				335
<b>Profit before taxation</b>				<b>375,421</b>

In RM'000	2020			
	Retail	Commercial	Others	Group
<b>Business Segments</b>				
Revenue	5,226,150	4,252,307	7,204	9,485,661
Depreciation and amortisation	186,903	51,089	17,401	255,393
Other income	156,211	26,435	2,858	185,504
<b>Operating (loss)/profit for reportable segments</b>	(59,967)	71,838	(20,484)	(8,613)
Finance cost	(3,627)	(1,248)	(3,649)	(8,524)
Share of loss after tax of equity accounted associates and joint ventures				(124)
<b>Loss before taxation</b>				<b>(17,261)</b>

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 2021

### 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 intends to sell 100% equity interests in a subsidiary and the related assets and liabilities of the subsidiary are presented as assets/liabilities classified as held for sale. Efforts to sell the subsidiary is ongoing and the transaction is expected to complete in 2021. At 30 June 2021, the subsidiary comprised assets of RM36.1 million less liabilities of RM20.6 million.

#### A13 CONTINGENCIES

In RM'000	2021	Group 2020
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.	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 2020.

#### 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 2020.

#### A16 SUBSEQUENT EVENT

On 8 July 2021, Mesra Retail & Cafe Sdn Bhd ("MRCSB"), a wholly owned subsidiary, was incorporated in Malaysia, with an issued share capital of 200 ordinary shares of RM1,000 per ordinary share at a total cash consideration of RM200,000.

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 2021

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

#### 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 – 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>30 June 2021</b>		
<b>Financial Liabilities</b>		
Islamic financing facilities	690	704
Revolving credit facilities	15,825	16,000
	16,515	16,704
<b>Group</b>		
<b>31 December 2020</b>		
<b>Financial Liabilities</b>		
Islamic financing facilities	9,713	9,880
Revolving credit facilities	9,500	9,500
	19,213	19,380

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 2021

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

#### B1 HIGHLIGHTS FOR THE QUARTER

The re-imposition of full Movement Control Order (“MCO”) nationwide on 12 May 2021 has resulted in a decrease in business demand. However, unlike the first MCO in 2020, most essential economic sectors were allowed to operate which provided a reprieve and cushioned the impact to the business.

Malaysia’s Growth Domestic Product (“GDP”) recorded a growth of 16.1% in Q2 2021 as compared to a contraction of 17.2% in Q2 2020. The Group’s operations were also impacted by the crude oil prices. In Q2 2021, Average Brent price has improved to USD68.78/bbl from USD29.20/bbl in corresponding quarter last year which had directly contributed to an improvement in the Group’s overall results.

The Group recorded a stronger performance this quarter as compared to the corresponding quarter last year. Nevertheless, the ongoing market uncertainties continue to pose a challenge to the Group’s overall profit for the period. The Group continues to embark on various initiatives to optimise its resources while adapting to the current economic conditions by expanding the non-fuel segment and continuously leveraging on digital platform.

The Retail Segment has expanded its customer base with the continuous promotions of the new premium fuel, Primax 97 with Pro-Race. In addition, LPG business introduced Gas PETRONAS mobile app at selected areas within Klang Valley to facilitate the ordering of cooking gas. The Commercial segment is focusing its efforts towards maximising value creation to its customers during MOPS upward trend which contributes to overall higher gross profit. In addition, it has also put in place effective strategies to capitalise on demand recovery whilst continuing to increase customer base and experience.

The Retail Segment via its stations has allocated RM600,000 worth of food supply to amplify its Food Bank programme so it could reach to more people. The programme also allows the public to join in the cause by purchasing food bank packs at selected stations or via Setel app.

#### B2 REVIEW OF GROUP PERFORMANCE

The Group’s sales demand continues to experience the impact from COVID-19 pandemic. The resurgence of the COVID-19 cases during the period has resulted in reduction in volume due to uncertain demand projections both domestically and globally. However, improvement in MOPS prices trend during the period following the additional voluntary production cut by OPEC+ and the roll-out of COVID-19 vaccination program has supported the improvement in the Group’s bottom line performance in YTD FY 2021.

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

In RM’ Mil	Cumulative quarter ended								
	Group			Retail			Commercial		
	June 2021	June 2020	Var %	June 2021	June 2020	Var %	June 2021	June 2020	Var %
Revenue	10,247.3	9,485.7	8	5,943.0	5,226.2	14	4,293.5	4,252.3	1
Profit/(loss) before taxation	375.4	(17.3)	>100	244.8	(63.6)	>100	151.8	70.6	>100

##### Group

The Group’s revenue for the period increased by RM761.6 million as average selling prices increased by 15%. This was however, marginally offset with decrease in sales volume by 6%.

The Group recorded a Profit Before Taxation (“PBT”) of RM375.4 million which was mainly contributed by higher gross profit following increasing MOPS prices trend during the period. The increase was further contributed by lower operating expenditure, mainly from lower purchased and professional services as well as advertising and promotion.

##### Retail Segment

Retail Segment revenue increased by RM716.8 million, mainly contributed by increase in average selling prices by 13% in line with increasing MOPS prices trend as well as higher sales volume of 1%.

PBT for the period was higher by RM308.4 million, mainly contributed by higher gross profit from Mogas and Diesel, following increase in MOPS prices during the period as well as lower operating expenditure.

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 2021

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

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

##### Commercial Segment

Commercial Segment recorded an increase in revenue of RM41.2 million or 1%, which was contributed by increase in average selling prices by 18% despite lower sales volume by 14%. The increase in selling prices was contributed by increasing MOPS prices trend while the decrease in sales volume was mainly due to Jet A1, predominantly resulting from travel restrictions.

PBT increased by RM81.2 million, in line with higher gross profit from Jet A1 and Diesel contributed by increasing MOPS prices trend.

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

In RM' Mil	Individual quarter ended								
	Group			Retail			Commercial		
	June 2021	June 2020	Var %	June 2021	June 2020	Var %	June 2021	June 2020	Var %
Revenue	5,144.0	2,931.8	75	2,880.1	1,827.8	58	2,258.2	1,102.8	>100
Profit/(Loss) before taxation	89.9	1.2	>100	64.7	22.5	>100	36.6	(2.9)	>100

##### Group

The Group's revenue for the quarter increased by RM2,212.2 million as average selling prices and total sales volume increased by 51% and 16% respectively.

The Group recorded PBT of RM89.9 million, higher by RM88.7 million as compared to the corresponding quarter last year. This was contributed by higher gross profit following favourable MOPS prices trend as well as higher sales volume during the current quarter. The increase was offset by higher operating expenditure mainly from higher advertising and promotion activities.

##### Retail Segment

Retail Segment revenue increased by RM1,052.3 million or 58%, mainly contributed by increase in average selling prices by 40% as well as higher sales volume of 13% in tandem with higher demand.

PBT recorded for the quarter was RM64.7 million, higher by RM42.2 million as compared to the corresponding quarter last year, mainly contributed by higher gross profit from Diesel and Mogas following favourable MOPS prices trend as well as higher sales volume.

##### Commercial Segment

Commercial Segment recorded an increase in revenue of RM1,155.4 million, contributed by increase in average selling prices by 70% and higher sales volume by 21%. The increase in sales volume was mainly from Diesel, contributed by higher demand from fishery, dealer and power & utilities sectors during the quarter.

PBT increased by RM39.5 million, in line with higher gross profit from Jet A1 and Diesel contributed by favourable MOPS prices trend as well as higher volume.

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 2021

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

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

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

In RM' Mil	Individual quarter ended		
	June 2021	Mar 2021	Group Var %
Revenue	5,144.0	5,103.3	1
Profit before taxation	89.9	285.5	(68)

Revenue for the Group has marginally increased by RM40.7 million or 1% as compared to preceding quarter following the increase in average selling prices. However, there was lower demand for Q2 2021 following the full MCO in early May 2021 which restricted interdistrict and interstate travels that led to lower volume sold by 4%.

Group PBT for the quarter decreased by RM195.6 million or 68%, as a result of lower gross profit from both Retail and Commercial segments by RM184.3 million in tandem with higher product costs by 39%, less favourable MOPS prices trend and lower sale volume. Lower PBT was further due to higher operating expenditure of RM4.4 million mainly from higher repair and maintenance works at stations and terminals during the quarter.

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

In RM'000	As at 30 June 2021	As at 31 December 2020	Variance (%)
Total assets	8,409,582	8,359,630	1
Total equity	5,642,766	5,675,646	(1)
Total liabilities	2,766,816	2,683,984	3
Return on equity (%)	9.8	4.8	>100

Total assets increased by RM50.0 million or 1% mainly due to higher trade receivables in line with increasing MOPS prices.

Total liabilities increased by RM82.8 million or 3%, mainly due to higher trade and other payables resulting from higher purchase price, in line with improving MOPS prices.

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 2021

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

### B2 REVIEW OF GROUP PERFORMANCE (continued)

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

In RM'000	Cumulative quarter ended		Variance (%)
	2021	30 June 2020	
Net cash generated from/(used in) operating activities	510,621	(458,601)	>100
Net cash used in investing activities	(242,797)	(24,893)	>100
Net cash used in financing activities	(352,912)	(550,896)	(36)

Net cash generated from operating activities of RM510.6 million was recorded against net cash used of RM458.6 million in the corresponding period, mainly due to higher sales by RM729.0 million and higher subsidy received of RM394.7 million. This was then offset with higher purchases by RM419.4 million in line with increase in sales.

Investing activities were higher by RM217.9 million due to higher purchase of property plant and equipment of RM93.0 million particularly on commercial and digital projects as well as placement of fund investment made of RM70.7 million during the period.

Financing activities were lower by RM198.0 million mainly due to lower dividends paid as there was no special dividend announced in Q4 2020 as compared to Q4 2019.

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## FOR SECOND QUARTER ENDED 30 JUNE 2021

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

### B3 COMMENTARY ON PROSPECTS

#### Overall outlook

The on-going pandemic remains a key risk to the Group's outlook for 2021 given the recent resurgence of new variant in COVID-19 cases as well as the re-implementation of total nationwide lockdown. The opening of international borders remain uncertain despite the on-going vaccination programs happening domestically and globally. The ramp up of vaccination rate since end of May put Malaysia in good stead to reach herd immunity target, allowing the country to safely re-open the economy faster.

Dated Brent continued its upward momentum supported by the continuing voluntary production cut by OPEC+ and the recovery of the Western economies. We anticipate the Government's recent announcement on the relaxation of restrictions will help to stimulate economic activities. We will continue to monitor the market trend for growth opportunities by accelerating our targeted marketing campaign, whilst leveraging on strategic partnerships and digital platforms that can support our future-proof strategies to bring value-add to our customers.

#### Retail Segment

The implementation of nationwide total lockdown beginning of 1 June 2021 is expected to have further impact on product demand in the coming months due to travel restrictions, shorter station operating hours and limitation in number of customers entering Kedai Mesra.

Retail segment will continue to accelerate the growth of its non-fuel business by expanding its food-on-the-go solutions corner in Kedai Mesra to 80 locations nationwide by end of the year. It will also leverage its digital platform to offer customers a more seamless experience via the integration of its Mesra loyalty programme with the Setel mobile app.

Meanwhile, LPG business will continue to strengthen its distribution channels to benefit more customers through Gas PETRONAS mobile app whilst Lubricant business continues to focus on delivering differentiated customer experience to remain competitive, including leveraging its network of PETRONAS AutoExpert workshops.

#### Commercial Segment

The total lockdown has impacted the Malaysia's manufacturing and industrial sectors, while only essential sectors were allowed to operate. However, Commercial business will continue to provide superior value proposition to its customers through a comprehensive product offering, to retain and capture new markets. To address the impact of prolonged closure of international borders, commercial business will continue to capitalise on domestic air travel once the MCO is uplifted and focus demand on cargo flights requirements as well as to optimise its operating cost effectively.

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

#### 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 30 June		Cumulative quarter ended 30 June	
	2021	2020	2021	2020
<u>Income Tax:</u>				
Current period	5,918	1,561	103,809	14,196
<u>Deferred Taxation:</u>				
Current period	1,682	(2,066)	(1,917)	(5,430)
	<u>7,600</u>	<u>(505)</u>	<u>101,892</u>	<u>8,766</u>

Effective tax rate for the quarter ended 30 June 2021 of 8% was lower than the statutory tax rate due to higher non-assessable income. Effective tax rate for the cumulative quarter ended 30 June 2021 of 27% was higher than the statutory tax rate 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 30 June 2021	As at 31 December 2020
<b>Non Current</b>		
Secured		
Lease liabilities	87,443	96,778
<b>Current</b>		
Secured		
Lease liabilities	34,212	62,012
Unsecured		
Islamic financing facilities	704	9,880
Revolving credit facilities	16,000	9,500
	<u>50,916</u>	<u>81,392</u>
	<u>138,359</u>	<u>178,170</u>

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 2021

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

#### B7 BORROWINGS (continued)

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

In RM'000	As at 30 June 2021	As at 31 December 2020
<b>By Currency</b>		
RM	107,032	123,501
USD	31,327	54,366
THB	-	303
	<b>138,359</b>	<b>178,170</b>

The Islamic financing facilities are denominated in Ringgit Malaysia and governed by the Musharakah Mutanaqisah and Commodity Murabahah principles, and bear a profit margin ranging from 2.75% to 3.59% (2020: 2.78% to 4.32%) per annum.

The revolving credit facility is denominated in Ringgit Malaysia and bears interest rate ranging from 2.83% to 2.89% (2020: 2.80% to 2.89%) per annum.

The lease liabilities bear interest at rates ranging from 3.68% to 8.43% (2020: 3.68% to 8.43%) per annum.

(b) Reconciliation of borrowings arising from financing activities

In RM'000	As at 1 January 2021	Cash flows		Non-cash changes		As at 30 June 2021
		Net repayment	Interest expenses	Foreign exchange movement	Others	
Islamic financing facilities	9,880	(9,176)	(89)	-	89	704
Revolving credit facilities	9,500	6,500	(192)	-	192	16,000
Lease liabilities	158,790	(37,163)	(4,821)	-	4,849	121,655
	<b>178,170</b>	<b>(39,839)</b>	<b>(5,102)</b>	<b>-</b>	<b>5,130</b>	<b>138,359</b>

#### B8 MATERIAL LITIGATION

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

# QUARTERLY REPORT

## FOR SECOND QUARTER ENDED 30 JUNE 2021

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

#### B9 DIVIDENDS

The Board has declared an interim dividend of 10 sen per ordinary share amounting to RM99,345,400 for the second quarter ended 30 June 2021, payable on 22 September 2021 (Quarter 2 2020: an interim dividend of 5 sen per ordinary share amounting to RM49,672,700).

NOTICE IS HEREBY GIVEN that the interim dividend will be payable on 22 September 2021 to depositors registered in the Records of Depositors at the close of the business on 7 September 2021. A depositor shall qualify for entitlement to the dividends only in respect of:

- Shares transferred into Depositor's Securities Account before 4.00 pm on 7 September 2021 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/(LOSS) PER SHARE

Basic earnings/(loss) per share is derived based on the profit/(loss) attributable to shareholders of the Company and based on the number of ordinary shares outstanding as at 30 June 2021.

	Individual quarter ended		Cumulative quarter ended	
	2021	30 June 2020	2021	30 June 2020
Profit/(loss) attributable to shareholders of the Company (RM'000)	82,141	3,510	273,254	(25,911)
Number of ordinary shares ('000)	993,454	993,454	993,454	993,454
Earnings/(loss) per ordinary share (sen)	8.3	0.4	27.5	(2.6)

#### B11 TRADE RECEIVABLES

In RM'000	As at 30 June 2021	As at 31 December 2020
Trade receivables		
- Third party	923,675	918,385
- Related companies	154,955	48,739
Less:		
- Impairment loss: specific	(7,656)	(7,408)
- Impairment loss: general	(3,130)	(4,828)
	<b>1,067,844</b>	<b>954,888</b>
<b>At net</b>		
Current	1,006,885	912,436
Past due 1 to 30 days	24,754	20,963
Past due 31 to 60 days	13,163	5,181
Past due 61 to 90 days	4,404	1,683
Past due more than 90 days	18,638	14,625
	<b>1,067,844</b>	<b>954,888</b>

As at 30 June 2021, 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 2021

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

#### B12 PROFIT FOR THE PERIOD

In RM'000	Individual quarter ended		Cumulative quarter ended	
	2021	30 June 2020	2021	30 June 2020
<b>Profit for the period is arrived at after charging:</b>				
Depreciation and amortisation*	116,233	126,552	230,959	255,393
Impairment loss on trade and other receivables	913	892	1,297	7,046
Net loss on disposal of property, plant and equipment	336	54	-	300
Interest on revolving credit facilities	113	7	192	27
Net unrealised loss on foreign exchange	1,013	-	-	-
Profit margin for Islamic financing facilities	31	220	89	532
Interest on lease liabilities	2,298	3,725	4,821	7,965
Inventories written-off	-	28	-	28
Property, plant and equipment written off	4	-	4	-
Property, plant and equipment expensed off	737	-	916	-
Bad debts written off	5	-	5	-
<b>and after crediting:</b>				
Net gain on disposal of property, plant and equipment	-	-	2,107	-
Reversal of write down of inventories to net realisable value	3,058	-	4,088	-
Reversal of inventories written off	110	666	110	666
Interest income	14,391	11,705	27,064	37,797
Income from rental of premises	306	111	557	210
Net unrealised gain on foreign exchange	-	682	571	2,079
Net realised gain on foreign exchange	1,315	179	399	195
Write back of impairment loss on trade and other receivables	513	359	2,704	737
COVID-19 related rent concessions	-	50	-	50

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

Suria Kamarul Baharin (LS0010448)

Yeap Kok Leong (MAICSA 0862549)

Joint Secretaries

Kuala Lumpur

23 August 2021