



# **PETRONAS Group Quarterly Report**

For Fourth Quarter and  
Year Ended 31 December 2021

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

The Board of Directors of Petroliam Nasional Berhad ("PETRONAS" or the "Company") is pleased to announce the following unaudited condensed consolidated financial statements of PETRONAS Group for the fourth quarter ended 31 December 2021 which should be read in conjunction with the accompanying explanatory notes on pages 7 to 21.

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

In RM Mil	Individual quarter ended 31 December		Cumulative quarter ended 31 December	
	2021	2020	2021	2020
Revenue	76,571	44,042	247,962	178,741
Cost of revenue	(48,175)	(36,195)	(158,646)	(134,958)
<b>Gross profit</b>	<b>28,396</b>	<b>7,847</b>	<b>89,316</b>	<b>43,783</b>
Selling and distribution expenses	(2,693)	(2,505)	(9,423)	(8,174)
Administration expenses	(3,939)	(2,425)	(11,536)	(9,675)
Net impairment write-back/(losses) <sup>1</sup>	347	(556)	2,307	(32,681)
Other expenses	(1,977)	(2,261)	(3,136)	(5,871)
Other income	460	1,469	4,904	4,102
<b>Operating profit/(loss)</b>	<b>20,594</b>	<b>1,569</b>	<b>72,432</b>	<b>(8,516)</b>
Financing costs	(1,050)	(1,404)	(5,069)	(4,133)
Share of profit/(loss) after tax and non-controlling interests of equity accounted associates and joint ventures	486	(5)	1,882	328
<b>Profit/(Loss) before taxation</b>	<b>20,030</b>	<b>160</b>	<b>69,245</b>	<b>(12,321)</b>
Tax expense	(6,673)	(1,297)	(20,645)	(8,708)
<b>PROFIT/(LOSS) FOR THE PERIOD/YEAR</b>	<b>13,357</b>	<b>(1,137)</b>	<b>48,600</b>	<b>(21,029)</b>
<b>Other comprehensive income/(loss)</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Net changes in fair value of equity investments at fair value through other comprehensive income ("OCI")	654	11	639	13
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net movements from exchange differences	(933)	(5,295)	3,533	(452)
Cash flow hedge	1,551	(358)	(174)	(1,447)
Others	136	(53)	170	28
<b>Total other comprehensive income/(loss) for the period/year</b>	<b>1,408</b>	<b>(5,695)</b>	<b>4,168</b>	<b>(1,858)</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD/YEAR</b>	<b>14,765</b>	<b>(6,832)</b>	<b>52,768</b>	<b>(22,887)</b>
<b>Profit/(Loss) attributable to:</b>				
Shareholders of the Company	11,797	(2,008)	41,792	(23,851)
Non-controlling interests	1,560	871	6,808	2,822
<b>PROFIT/(LOSS) FOR THE PERIOD/YEAR</b>	<b>13,357</b>	<b>(1,137)</b>	<b>48,600</b>	<b>(21,029)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Shareholders of the Company	13,357	(7,169)	45,010	(25,019)
Non-controlling interests	1,408	337	7,758	2,132
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD/YEAR</b>	<b>14,765</b>	<b>(6,832)</b>	<b>52,768</b>	<b>(22,887)</b>

<sup>1</sup> Includes certain amount relating to loss on remeasurement of finance lease receivables and write-off of assets.

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM Mil</i>	As at 31 December 2021	As at 31 December 2020
<b>ASSETS</b>		
Property, plant and equipment	282,898	291,717
Investment properties and land held for development	13,167	13,454
Investments in associates and joint ventures	9,229	12,599
Intangible assets	19,394	20,044
Long-term receivables	33,751	21,232
Fund and other investments	2,955	1,009
Deferred tax assets	20,983	20,622
<b>TOTAL NON-CURRENT ASSETS</b>	<b>382,377</b>	<b>380,677</b>
Trade and other inventories	14,477	12,491
Trade and other receivables	48,324	40,583
Fund and other investments	10,479	9,779
Cash and cash equivalents	164,556	130,523
	<b>237,836</b>	<b>193,376</b>
Assets classified as held for sale	14,791	18
<b>TOTAL CURRENT ASSETS</b>	<b>252,627</b>	<b>193,394</b>
<b>TOTAL ASSETS</b>	<b>635,004</b>	<b>574,071</b>
<b>EQUITY</b>		
Share capital	100	100
Reserves	350,756	330,521
<b>Total equity attributable to shareholders of the Company</b>	<b>350,856</b>	<b>330,621</b>
Non-controlling interests	53,484	50,413
<b>TOTAL EQUITY</b>	<b>404,340</b>	<b>381,034</b>
<b>LIABILITIES</b>		
Borrowings	86,619	76,808
Deferred tax liabilities	9,543	8,455
Other long-term liabilities and provisions	50,620	51,056
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>146,782</b>	<b>136,319</b>
Trade and other payables	51,825	43,728
Borrowings	21,212	11,421
Taxation	6,913	1,569
	<b>79,950</b>	<b>56,718</b>
Liabilities classified as held for sale	3,932	—
<b>TOTAL CURRENT LIABILITIES</b>	<b>83,882</b>	<b>56,718</b>
<b>TOTAL LIABILITIES</b>	<b>230,664</b>	<b>193,037</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>635,004</b>	<b>574,071</b>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Attributable to shareholders of the Company</i>				
	<i>Non-distributable</i>				
<i>In RM Mil</i>	Share Capital	Capital and Other Reserves	Foreign Currency Translation Reserve	Fair Value through OCI Reserve	Hedging Reserve
<b>Cumulative quarter ended 31 December 2021</b>					
Balance at 1 January 2021	100	15,685	30,557	(65)	(1,221)
Net changes of equity investments at fair value through OCI:					
- Changes in fair value	—	—	—	639	—
Net movements from exchange differences	—	—	2,813	—	—
Cash flow hedge <sup>2</sup>	—	—	—	—	(387)
Others	—	153	—	—	—
Total other comprehensive income/(loss) for the year, net of tax	—	153	2,813	639	(387)
Profit for the year	—	—	—	—	—
<b>Total comprehensive income/(loss) for the year</b>	<b>—</b>	<b>153</b>	<b>2,813</b>	<b>639</b>	<b>(387)</b>
Changes in ownership interests in subsidiaries	—	—	—	—	—
Redemption of redeemable preference shares in a subsidiary	—	—	—	—	—
Dividends	—	—	—	—	—
<b>Total transactions with shareholders</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Balance at 31 December 2021	100	15,838	33,370	574	(1,608)
<b>Cumulative quarter ended 31 December 2020</b>					
Balance at 1 January 2020	100	14,496	30,014	(78)	13
Net changes of equity investments at fair value through OCI:					
- Changes in fair value	—	—	—	13	—
Net movements from exchange differences	—	—	184	—	—
Cash flow hedge	—	—	—	—	(1,234)
Others	—	(131)	—	—	—
Total other comprehensive (loss)/income for the year, net of tax	—	(131)	184	13	(1,234)
(Loss)/Profit for the year	—	—	—	—	—
<b>Total comprehensive (loss)/income for the year</b>	<b>—</b>	<b>(131)</b>	<b>184</b>	<b>13</b>	<b>(1,234)</b>
Changes in ownership interest in subsidiaries	—	—	359	—	—
Acquisition of a subsidiary	—	—	—	—	—
Redemption of redeemable preference shares in subsidiaries	—	1,320	—	—	—
Dividends	—	—	—	—	—
<b>Total transactions with shareholders</b>	<b>—</b>	<b>1,320</b>	<b>359</b>	<b>—</b>	<b>—</b>
Balance at 31 December 2020	100	15,685	30,557	(65)	(1,221)

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<sup>2</sup> Includes RM126 million relating to cost of hedging reserve.

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

<i>In RM Mil</i>	<i>Attributable to shareholders of the Company</i>			<b>Non- Controlling Interests</b>	<b>Total Equity</b>
	<b>General Reserve</b>	<b>Retained Profits</b>	<b>Total Distributable</b>		
<b>Cumulative quarter ended 31 December 2021</b>					
Balance at 1 January 2021	12,000	273,565	330,621	50,413	381,034
Net changes of equity investments at fair value through OCI:					
- Changes in fair value	—	—	639	—	639
Net movements from exchange differences	—	—	2,813	720	3,533
Cash flow hedge <sup>2</sup>	—	—	(387)	213	(174)
Others	—	—	153	17	170
Total other comprehensive income/(loss) for the year, net of tax	—	—	3,218	950	4,168
Profit for the year	—	41,792	41,792	6,808	48,600
<b>Total comprehensive income/(loss) for the year</b>	—	41,792	45,010	7,758	52,768
Changes in ownership interests in subsidiaries	—	225	225	—	225
Redemption of redeemable preference shares in a subsidiary	—	—	—	(4)	(4)
Dividends	—	(25,000)	(25,000)	(4,683)	(29,683)
<b>Total transactions with shareholders</b>	—	(24,775)	(24,775)	(4,687)	(29,462)
Balance at 31 December 2021	12,000	290,582	350,856	53,484	404,340
<b>Cumulative quarter ended 31 December 2020</b>					
Balance at 1 January 2020	12,000	332,551	389,096	49,819	438,915
Net changes of equity investments at fair value through OCI:					
- Changes in fair value	—	—	13	—	13
Net movements from exchange differences	—	—	184	(636)	(452)
Cash flow hedge	—	—	(1,234)	(213)	(1,447)
Others	—	—	(131)	159	28
Total other comprehensive (loss)/income for the year, net of tax	—	—	(1,168)	(690)	(1,858)
(Loss)/Profit for the year	—	(23,851)	(23,851)	2,822	(21,029)
<b>Total comprehensive (loss)/income for the year</b>	—	(23,851)	(25,019)	2,132	(22,887)
Changes in ownership interest in subsidiaries	—	185	544	2,533	3,077
Acquisition of a subsidiary	—	—	—	632	632
Redemption of redeemable preference shares in subsidiaries	—	(1,320)	—	—	—
Dividends	—	(34,000)	(34,000)	(4,703)	(38,703)
<b>Total transactions with shareholders</b>	—	(35,135)	(33,456)	(1,538)	(34,994)
Balance at 31 December 2020	12,000	273,565	330,621	50,413	381,034

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<sup>2</sup> Includes RM126 million relating to cost of hedging reserve.

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM Mil</i>	Note	Cumulative quarter ended 31 December	
		2021	2020
<b>Cash flows from operating activities</b>			
Profit/(Loss) before taxation		69,245	(12,321)
Adjustments for:			
Depreciation and amortisation		34,417	36,026
Net impairment (write-back)/losses on:			
- intangible assets		(1,310)	5,648
- investment in a joint venture and associates		259	151
- loan and advances to a joint venture		61	71
- property, plant and equipment and investment properties	B11	(3,172)	25,714
- receivables		1,791	(37)
Net impairment/write-off on well costs		1,809	2,246
Net inventories written down to net realisable value/written off		188	37
Bad debts written off		11	65
Intangible assets written off		—	20
Property, plant and equipment/project-in-progress written off		54	234
Write-off of trade receivables and loss on remeasurement of finance lease receivables		—	846
Net gain on disposal of property, plant and equipment, investment in subsidiaries, an associate, joint ventures and other investments		(656)	(388)
Gain on bargain purchase		—	(247)
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures		(1,882)	(328)
Net change in contract liabilities		166	(481)
Net change in provisions		392	769
Net unrealised (gain)/loss on derivatives		(670)	275
Net unrealised gain on foreign exchange		(862)	(6)
Interest income		(2,998)	(4,838)
Financing costs		5,069	4,133
Other non-cash items		(12)	(70)
<b>Operating profit before changes in working capital</b>		<b>101,900</b>	57,519
Net changes in working capital		(8,813)	(4,197)
<b>Cash generated from operations</b>		<b>93,087</b>	53,322
Interest expenses paid		(3,584)	(2,689)
Interest income		2,998	4,838
Taxation paid, net of refund		(13,904)	(14,726)
<b>Net cash generated from operating activities</b>		<b>78,597</b>	40,745

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# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

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

<i>In RM Mil</i>	Cumulative quarter ended 31 December	
	2021	2020
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries, net of cash acquired	(1)	(158)
Dividends received	1,456	1,279
Investments in associates and joint ventures	(323)	(82)
Investments in securities and other investments	(4,036)	(4,237)
Long-term receivables to a joint venture	—	(861)
Deposits/proceeds from disposal/partial disposal:		
- investment in subsidiaries, net of cash disposed	—	64
- property, plant and equipment	1,869	584
- securities and other investments	1,581	2,944
- investment in an associate	64	—
- investment in joint ventures	51	—
Proceeds from redemption of preference shares in joint ventures	—	670
Purchase of property, plant and equipment, investment properties, intangible assets and land held for development	(30,165)	(33,117)
<b>Net cash used in investing activities</b>	<b>(29,504)</b>	<b>(32,914)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(25,000)	(34,000)
Dividends paid to non-controlling interests	(4,683)	(4,703)
Drawdown of borrowings	34,602	43,084
Payment of lease liabilities	(4,344)	(4,232)
Payment to non-controlling interests on additional equity interests	(13)	—
Payment to non-controlling interests on redemption of redeemable preference shares	(4)	—
Proceeds from partial disposal of equity interest to non-controlling interests	238	3,077
Repayment of borrowings	(16,852)	(20,693)
<b>Net cash used in financing activities</b>	<b>(16,056)</b>	<b>(17,467)</b>
Net increase/(decrease) in cash and cash equivalents	33,037	(9,636)
Decrease/(Increase) in cash and cash equivalents restricted	304	(322)
Net foreign exchange differences	1,692	(1,752)
Cash and cash equivalents at beginning of the year	128,141	139,851
<b>Cash and cash equivalents at end of the year</b>	<b>163,174</b>	<b>128,141</b>
<b>Cash and cash equivalents</b>		
Cash and bank balances and deposits	164,556	130,523
Bank overdrafts	(2)	(698)
Less: Cash and cash equivalents restricted	(1,380)	(1,684)
	<b>163,174</b>	<b>128,141</b>

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# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

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

#### A1. BASIS OF PREPARATION

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*. They should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2020.

The explanatory notes attached to these condensed consolidated financial statements provide an explanation of events and transactions that are significant to an 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 condensed consolidated financial statements, the Group comprises the Company, its subsidiaries and joint operations, as well as the Group's interest in joint ventures and associates as at and for the year ended 31 December 2021.

#### A2. SIGNIFICANT ACCOUNTING POLICIES

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31 December 2021 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2020 except as disclosed below.

During the financial year, the Group has adopted the following Amendments to MFRSs ("pronouncements") that have been issued by the Malaysian Accounting Standards Board ("MASB").

##### **Effective for annual periods beginning on or after 1 January 2021**

Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement*, MFRS 7 *Financial Instruments: Disclosures*, MFRS 4 *Insurance Contracts*, MFRS 16 *Leases (Interest Rate Benchmark Reform - Phase 2)*

##### **Effective for annual periods beginning on or after 1 April 2021**

Amendment to MFRS 16 *Leases (Covid-19-Related Rent Concessions beyond 30 June 2021)*

The initial application of the above-mentioned pronouncements did not have any material impact to the 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 subjected to any audit qualification.

#### A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

The Group's operations, on overall, are not significantly affected by seasonal or cyclical fluctuations of the business/industry.

#### A5. EXCEPTIONAL ITEM

There was no exceptional item during the period under review.



# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

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

#### A6. MATERIAL CHANGES IN 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 material effect in the results of the period under review.

#### A7. DEBT AND EQUITY SECURITIES

There were no material issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the period under review, other than as disclosed in Note A9 and Note B10.

#### A8. DIVIDENDS PAID

During the financial year, the amount of dividends paid by the Company were as follows:

- i. a dividend of RM180,000 per ordinary share amounting to RM18 billion was declared to shareholders and paid in instalments between March and November 2021.
- ii. a dividend of RM70,000 per ordinary share amounting to RM7 billion was declared to shareholders and paid in instalments between August and December 2021.

#### A9. SIGNIFICANT EVENTS

- i. On 17 March 2021, PETRONAS via its indirect wholly-owned subsidiary, PETRONAS Energy Canada Ltd. ("PECL"), successfully priced a US\$600 million single tranche 7-year note. The use of proceeds is to fund PECL's continued development and production activities, debt refinancing and for general corporate purposes. PECL focuses on the development and production of oil and natural gas in Canada.
- ii. On 22 April 2021, PETRONAS via its wholly-owned subsidiary, PETRONAS Capital Limited ("PCL"), successfully priced a US\$3.0 billion dual-tranche senior bond offering, comprising US\$1.25 billion 10.75-year and US\$1.75 billion 40-year conventional notes. The use of proceeds is for debt refinancing and general corporate purposes, thereby further strengthening the balance sheet and extending PETRONAS' debt maturity profile.
- iii. On 6 October 2021, PETRONAS via its wholly-owned subsidiaries, PETRONAS South Caucasus S.à r.l. and PETRONAS Azerbaijan (Shah Deniz) S.à r.l., signed a Sale and Purchase Agreement ("SPA") for the sale of its entire 15.5% stake in the Shah Deniz offshore gas field and its related assets (herein known as "Azerbaijan Assets") to LUKOIL Overseas Shah Deniz Limited and LUKOIL Overseas Shah Deniz Midstream Limited (collectively as "LUKOIL"). On 10 December 2021, in line with the pre-emptive rights exercised by other existing partners, a revised SPA was signed with LUKOIL, whereas new SPAs were signed with BP Exploration (Azerbaijan) Limited, BP Pipeline (SCP) Limited, Azerbaijan (Shah Deniz) Limited and Azerbaijan (South Caucasus Pipeline) Limited, for the Azerbaijan Assets mentioned above.

The divestment was completed in February 2022. The net effect arising from the disposal of Azerbaijan Assets is not material in relation to the consolidated results of the Group.

- iv. On 2 December 2021, PETRONAS via its wholly-owned subsidiary, PETRONAS (E&P) Overseas Venture Sdn. Bhd., signed a Sale and Purchase Agreement ("SPA") for the sale of PETRONAS Carigali Chad Exploration & Production Inc ("PCCEPI") and its subsidiaries (herein known as "Chad entities") to Savannah Energy Chad Limited. The divestment is expected to be completed in 2022 upon fulfilment of the set conditions precedents, which includes waiver of existing partners' pre-emptive rights. The expected net effect arising from the disposal of Chad entities is not material in relation to the consolidated results of the Group.

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

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

#### A10. CAPITAL COMMITMENTS

Outstanding commitments in respect of capital expenditure at the end of the reporting year not provided for in the financial statements are:

<i>In RM Mil</i>	<b>As at 31 December 2021</b>	<b>As at 31 December 2020</b>
<b>Capital expenditure</b>		
<i>Approved and contracted for</i>	<b>37,160</b>	32,854
<i>Approved but not contracted for</i>	<b>63,348</b>	76,743
	<b>100,508</b>	109,597
<b>Share of capital expenditure of joint ventures</b>		
<i>Approved and contracted for</i>	<b>15,743</b>	20,163
<i>Approved but not contracted for</i>	<b>25,024</b>	36,276
	<b>40,767</b>	56,439
	<b>141,275</b>	166,036

#### A11. CONTINGENCIES

There were no material contingent liabilities since the last audited consolidated statement of financial position as at 31 December 2020.

#### A12. CHANGES IN COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the period under review, other than as disclosed in Note A9.

#### A13. FAIR VALUE INFORMATION

The following table analyses financial instruments carried at fair value by valuation method. The different levels in a fair value hierarchy based on the input used in the valuation technique have been defined 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 Group recognises transfers between levels of fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the current financial year and comparative year.

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

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

#### A13. FAIR VALUE INFORMATION (continued)

##### 31 December 2021

*In RM Mil*

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Quoted shares	1,555	—	—	1,555
Quoted securities	143	—	—	143
Unquoted shares	—	—	1,327	1,327
Malaysian Government Securities	—	1,710	—	1,710
Corporate Bonds and Sukuk	—	8,299	—	8,299
Forward foreign exchange contracts	—	183	—	183
Commodity derivatives	116	1,509	—	1,625
Interest rate swaps	—	110	—	110
	<u>1,814</u>	<u>11,811</u>	<u>1,327</u>	<u>14,952</u>
<b>Financial liabilities</b>				
Forward foreign exchange contracts	—	(105)	—	(105)
Commodity derivatives	(1,415)	(394)	—	(1,809)
Interest rate swaps	—	(220)	—	(220)
	<u>(1,415)</u>	<u>(719)</u>	<u>—</u>	<u>(2,134)</u>

##### 31 December 2020

*In RM Mil*

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Quoted shares	1,130	—	—	1,130
Quoted securities	181	—	—	181
Unquoted shares	—	—	393	393
Malaysian Government Securities	—	290	—	290
Corporate Bonds and Sukuk	—	8,219	—	8,219
Forward foreign exchange contracts	—	146	—	146
Commodity derivatives	361	11	—	372
Interest rate swaps	—	7	—	7
	<u>1,672</u>	<u>8,673</u>	<u>393</u>	<u>10,738</u>
<b>Financial liabilities</b>				
Forward foreign exchange contracts	—	(72)	—	(72)
Commodity derivatives	(1,584)	(12)	—	(1,596)
Interest rate swaps	—	(527)	—	(527)
	<u>(1,584)</u>	<u>(611)</u>	<u>—</u>	<u>(2,195)</u>

#### Derivative financial instruments

As disclosed in the Group's audited consolidated financial statements for the year ended 31 December 2020, the Group is exposed to various risks which may affect the value of the Group's assets, liabilities or expected future cash flows. To mitigate these exposures from a business perspective, the Group enters into various financial instruments. The Group applies hedge accounting on the fair value movement of certain commodity derivatives used to hedge its oil and gas sales. Methods and assumptions used to estimate the fair values at 31 December 2021 are consistent with those used in the year ended 31 December 2020.

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

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

#### A14. OPERATING SEGMENTS

The Group's reportable operating segments comprise Upstream, Gas and New Energy and Downstream. Each reportable segment offers different products and services and are managed separately as described in the Group's audited consolidated financial statements for the year ended 31 December 2020.

For each of the reportable segment, the Group chief operating decision maker, which in this case is the PETRONAS Executive Leadership Team ("ELT"), reviews internal management reports at least on a quarterly basis.

Performance is measured based on segment Profit After Tax ("PAT"), as included in the internal management reports. Segment PAT is used to measure performance as the PETRONAS ELT believes that such information is the most relevant in evaluating the results of the segments.

##### A14.1 Segment revenue

	2021		2020		Individual quarter ended 31 December	
	2021	2020	2021	2020	2021	2020
<i>In RM Mil</i>	<b>Third-parties</b>		<b>Inter-segment</b>		<b>Gross total</b>	
Upstream	11,901	7,151	18,487	9,670	30,388	16,821
Gas and New Energy	26,981	12,889	3,632	1,594	30,613	14,483
Downstream	34,542	21,624	1,624	570	36,166	22,194
Corporate and Others	3,147	2,378	1,554	1,668	4,701	4,046
<b>Total</b>	<b>76,571</b>	<b>44,042</b>	<b>25,297</b>	<b>13,502</b>	<b>101,868</b>	<b>57,544</b>

  

	2021		2020		Cumulative quarter ended 31 December	
	2021	2020	2021	2020	2021	2020
<i>In RM Mil</i>	<b>Third-parties</b>		<b>Inter-segment</b>		<b>Gross total</b>	
Upstream	40,100	28,734	64,325	42,033	104,425	70,767
Gas and New Energy	75,732	54,621	10,059	7,566	85,791	62,187
Downstream	121,090	84,183	3,414	1,194	124,504	85,377
Corporate and Others	11,040	11,203	5,121	5,124	16,161	16,327
<b>Total</b>	<b>247,962</b>	<b>178,741</b>	<b>82,919</b>	<b>55,917</b>	<b>330,881</b>	<b>234,658</b>

##### A14.2 Segment PAT/(LAT)<sup>3</sup>

	Individual quarter ended 31 December		Cumulative quarter ended 31 December	
	2021	2020	2021	2020
<i>In RM Mil</i>				
Upstream	11,662	1,660	34,452	(10,218)
Gas and New Energy	7,694	1,006	15,046	(9,983)
Downstream	(4,723)	(2,991)	712	(3,458)
Corporate and Others	(1,906)	(1,603)	(1,340)	242
<b>Total PAT/(LAT) for reportable segments</b>	<b>12,727</b>	<b>(1,928)</b>	<b>48,870</b>	<b>(23,417)</b>
Elimination of inter-segment transactions	630	791	(270)	2,388
<b>Consolidated PAT/(LAT)</b>	<b>13,357</b>	<b>(1,137)</b>	<b>48,600</b>	<b>(21,029)</b>

<sup>3</sup> Loss After Tax.

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

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

#### A15. REVENUE

The following table includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Upstream		Gas and New Energy		Downstream		Corporate and Others		Individual quarter ended 31 December Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	<i>In RM Mil</i>									
Revenue from contract customers	11,239	6,682	25,897	12,372	34,399	21,445	2,538	1,071	74,073	41,570
Other revenue	662	469	1,084	517	143	179	609	1,307	2,498	2,472
<b>Total</b>	<b>11,901</b>	<b>7,151</b>	<b>26,981</b>	<b>12,889</b>	<b>34,542</b>	<b>21,624</b>	<b>3,147</b>	<b>2,378</b>	<b>76,571</b>	<b>44,042</b>

  

	Upstream		Gas and New Energy		Downstream		Corporate and Others		Cumulative quarter ended 31 December Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	<i>In RM Mil</i>									
Revenue from contract customers	37,534	27,164	73,390	53,342	120,607	83,721	5,198	4,209	236,729	168,436
Other revenue	2,566	1,570	2,342	1,279	483	462	5,842	6,994	11,233	10,305
<b>Total</b>	<b>40,100</b>	<b>28,734</b>	<b>75,732</b>	<b>54,621</b>	<b>121,090</b>	<b>84,183</b>	<b>11,040</b>	<b>11,203</b>	<b>247,962</b>	<b>178,741</b>

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

### PART B – OTHER EXPLANATORY NOTES

#### B1. REVIEW OF GROUP PERFORMANCE

Cumulative quarter ended			Individual quarter ended		
31 December 2021	31 December 2020	In RM Mil	31 December 2021	30 September 2021	31 December 2020
247,962	178,741	Revenue	76,571	61,773	44,042
100,469	55,320	EBITDA <sup>4</sup>	28,083	26,274	11,886
48,600	(21,029)	PAT/(LAT)	13,357	16,312	(1,137)
<i>In RM Mil</i>			Cumulative quarter ended		
Cash flows from operating activities			31 December 2021	31 December 2020	
Capital investments			78,597	40,745	
			30,489	33,357	
<i>In RM Mil</i>			As at		
Total assets			31 December 2021	31 December 2020	
Shareholders' equity			635,004	574,071	
Gearing ratio <sup>5</sup>			350,856	330,621	
ROACE <sup>6</sup>			23.1%	21.3%	
			10.8%	(4.1)%	

**Fourth quarter** PETRONAS Group's revenue of RM76.6 billion for the fourth quarter of 2021 was higher by RM32.5 billion or 74% as compared to the fourth quarter of 2020 mainly driven by favourable average realised prices for all products.

The Group recorded EBITDA of RM28.1 billion, increased by RM16.2 billion in line with higher revenue partially offset by higher product costs.

PAT of RM13.4 billion was higher by RM14.5 billion against LAT of RM1.1 billion for the fourth quarter of 2020 in tandem with higher EBITDA and lower net impairment losses on assets. This was partially offset by higher taxation in line with higher profit. Excluding impairment losses<sup>7</sup>, the Group would record a PAT of RM15.8 billion, higher by RM15.6 billion as compared to RM0.2 billion in corresponding quarter.

**Cumulative quarter** PETRONAS Group's revenue of RM248.0 billion for the year ended 31 December 2021 was higher by RM69.2 billion as compared to the same period in 2020 predominantly due to favourable price impact for major products in line with higher average realised prices.

The Group recorded EBITDA at RM100.5 billion, improved by RM45.1 billion mainly attributable to higher revenue partially offset by increase in product costs.

PAT was RM48.6 billion in contrast to LAT of RM21.0 billion in 2020 in tandem with higher EBITDA and lower net impairment losses and provisions<sup>7</sup> in current year following upward trend in prices partially offset by higher taxation. Excluding impairment write-back/(losses)<sup>7</sup>, the Group would record a PAT of RM50.4 billion, higher by RM39.8 billion as compared to PAT excluding impairment losses<sup>7</sup> in 2020.

Cash flows from operating activities grew by RM37.9 billion or 93% in line with higher cash from operations. Capital investments amounted to RM30.5 billion across the businesses.

<sup>4</sup> EBITDA consists of profit before taxation and non-controlling interests, with the addition of amounts previously deducted for depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets and provision for onerous contracts and the exclusion of financing costs and interest income.

<sup>5</sup> Gearing ratio is calculated as adjusted total debt (total debt including financial guarantees) divided by adjusted total equity (total equity plus deferred tax liabilities and minus capitalised interest) and adjusted total debt. Gearing ratio for corresponding period has been restated to conform with this formula.

<sup>6</sup> Return on average capital employed ("ROACE") is calculated as profit before interest expense after tax (calculated on 12-month preceding basis) divided by average total equity and long-term debt.

<sup>7</sup> Includes impairment losses/write-off of exploration expenditure under intangible assets, loss on remeasurement of finance lease receivables and provision for onerous contracts.

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

### PART B – OTHER EXPLANATORY NOTES (continued)

#### B1. REVIEW OF GROUP PERFORMANCE (continued)

Total assets strengthened to RM635.0 billion as at 31 December 2021 against RM574.1 billion as at 31 December 2020 mainly contributed by higher cash and fund investments as well as receivables. Shareholders' equity of RM350.9 billion increased by RM20.2 billion mainly attributable to profit recorded during the year, favourable movement in foreign currency translation reserve and partially offset by dividends declared to shareholders amounting to RM25.0 billion.

Gearing ratio increased to 23.1% as at 31 December 2021 from 21.3% as at 31 December 2020 mainly due to issuance of notes and bonds. ROACE improved significantly to 10.8% as at 31 December 2021 from negative 4.1% as at 31 December 2020 on the back of higher profit recorded during the year.

#### B2. REVIEW OF PERFORMANCE – UPSTREAM

Cumulative quarter ended		Financial Indicators	Individual quarter ended		
31 December 2021	31 December 2020		31 December 2021	30 September 2021	31 December 2020
		<i>In RM Mil</i>			
		Revenue			
40,100	28,734	Third party	11,901	9,232	7,151
64,325	42,033	Inter-segment	18,487	16,258	9,670
104,425	70,767		30,388	25,490	16,821
34,452	(10,218)	PAT/(LAT)	11,662	9,816	1,660
Cumulative quarter ended		Operational Indicators	Individual quarter ended		
31 December 2021	31 December 2020		31 December 2021	30 September 2021	31 December 2020
		Production <sup>8</sup> ('000 boe <sup>9</sup> per day)			
813	847	Crude oil and condensates	797	787	829
1,462	1,362	Natural gas	1,494	1,333	1,436
2,275	2,209		2,291	2,120	2,265
		Entitlement <sup>10</sup> ('000 boe per day)			
535	585	Crude oil and condensates	521	490	582
1,033	1,039	Natural gas	956	1,004	1,072
1,568	1,624		1,477	1,494	1,654

**Fourth quarter** Revenue for the fourth quarter of 2021 was RM30.4 billion, higher by 81% as compared to the fourth quarter of 2020 mainly contributed by higher average realised prices for crude oil and condensates and natural gas. This was partially offset by lower sales entitlement volume.

PAT for the fourth quarter of 2021 was RM11.7 billion, higher by RM10.0 billion primarily due to higher revenue and net impairment write-back as compared to net impairment losses reported in corresponding quarter. This was partially offset by higher taxation as well as product costs and cash payments in line with higher prices.

Total daily production average for the fourth quarter of 2021 was 2,291 thousand boe per day, higher by 26 thousand boe per day mainly due to higher crude oil production from international operations coupled with higher natural gas production contributed by higher demand for both Malaysia and international operations. This was partially offset by lower crude oil production for Malaysia.

<sup>8</sup> Represents Malaysia's production (PETRONAS Group and other Operators) and PETRONAS Group's international equity production volume.

<sup>9</sup> boe: barrels of oil equivalent.

<sup>10</sup> Represents PETRONAS Group's sales entitlement to Malaysia's production and PETRONAS Group's international sales entitlement volume.

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

### PART B – OTHER EXPLANATORY NOTES (continued)

#### B2. REVIEW OF PERFORMANCE – UPSTREAM (continued)

**Cumulative quarter** Revenue for the year ended 31 December 2021 was RM104.4 billion, improved by 48% as compared to the same period in 2020 mainly attributable to higher average realised prices for crude oil and condensates and natural gas as well as higher natural gas sales volume. This was partially offset by lower crude and condensates oil sales volume.

PAT was RM34.5 billion as compared to LAT of RM10.2 billion for the same period in 2020 primarily driven by higher revenue and net impairment write-back as compared to net impairment losses reported in prior year. This was partially offset by higher taxation as well as product costs and cash payments in line with higher prices.

Total daily production average for the year ended 31 December 2021 was 2,275 thousand boe per day higher by 66 thousand boe per day against 2,209 thousand boe per day in the same period last year mainly due to higher crude oil production from international operations coupled with higher natural gas production contributed by stronger demand for both Malaysia and international operations. This was partially offset by lower crude oil production for Malaysia.

#### B3. REVIEW OF PERFORMANCE – GAS AND NEW ENERGY

Cumulative quarter ended		<i>Financial Indicators</i>	Individual quarter ended		
31 December 2021	31 December 2020		31 December 2021	30 September 2021	31 December 2020
		<i>In RM Mil</i>			
		Revenue			
75,732	54,621	Third party	26,981	18,454	12,889
10,059	7,566	Inter-segment	3,632	2,079	1,594
85,791	62,187		30,613	20,533	14,483
15,046	(9,983)	PAT/(LAT)	7,694	3,668	1,006

Cumulative quarter ended		<i>Operational Indicators</i>	Individual quarter ended		
31 December 2021	31 December 2020		31 December 2021	30 September 2021	31 December 2020
2,644	2,521	Malaysia average sales gas volume (mmscfd) <sup>11</sup>	2,681	2,548	2,619
32.74	33.12	Gross LNG sales volume (million tonnes) <sup>12</sup>	8.13	7.52	8.84

**Fourth quarter** Revenue for the fourth quarter of 2021 was RM30.6 billion, higher by RM16.1 billion as compared to the same quarter in 2020 as a result of improved LNG average realised prices.

PAT was RM7.7 billion against RM1.0 billion in the same quarter of 2020 primarily driven by higher revenue partially offset by higher product costs.

Malaysia average sales gas volume increased by 62 mmscfd mainly due to higher offtake from power sector in Peninsular Malaysia on the back of industry's recovery in 2021. Gross LNG sales volume however declined by 0.71 million tonnes following lower demand due to warmer winter and emergence of new COVID-19 variant that dampens the economic recovery.

**Cumulative quarter** Revenue for the year ended 31 December 2021 was RM85.8 billion, higher by 38% as compared to the same period in 2020 due to the impact of higher LNG average realised prices and higher sales gas volume.

PAT was RM15.0 billion in contrast to LAT of RM10.0 billion in corresponding year mainly contributed by higher revenue coupled with lower impairment losses on assets. The increase was partially offset by higher product costs.

Malaysia average sales gas volume increased by 123 mmscfd mainly attributable to higher offtake from power sector in Peninsular Malaysia as mentioned above. Gross LNG sales volume was marginally lower by 0.38 million tonnes following lower demand due to emergence of new COVID-19 variant that dampens the economic recovery.

<sup>11</sup> mmscfd: million standard cubic feet per day.

<sup>12</sup> Gross volume refers to all LNG sales inclusive of volume subsequently sold as sales gas.



# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

### PART B – OTHER EXPLANATORY NOTES (continued)

#### B4. REVIEW OF PERFORMANCE – DOWNSTREAM

Cumulative quarter ended		<i>Financial Indicators</i>	Individual quarter ended		
31 December 2021	31 December 2020		31 December 2021	30 September 2021	31 December 2020
		<i>In RM Mil</i>			
		Revenue			
121,090	84,183	Third party	34,542	31,466	21,624
3,414	1,194	Inter-segment	1,624	449	570
124,504	85,377		36,166	31,915	22,194
712	(3,458)	PAT/(LAT)	(4,723)	2,910	(2,991)
Cumulative quarter ended		<i>Operational Indicators</i>	Individual quarter ended		
31 December 2021	31 December 2020		31 December 2021	30 September 2021	31 December 2020
		Petroleum products sales volume (in million barrels)	67.9	67.9	67.8
262.4	261.8	Crude oil sales volume (in million barrels)	27.2	21.3	35.6
109.7	137.4	Petrochemical products sales volume (in million metric tonnes)	2.1	2.0	2.1
8.2	8.2				

**Fourth quarter** Revenue for the fourth quarter of 2021 was RM36.2 billion, higher by 63% as compared to the same quarter in 2020 underpinned by higher average realised prices for petroleum products, petrochemical products and crude oil.

LAT was RM4.7 billion as compared to RM3.0 billion in the fourth quarter of 2020, higher by RM1.7 billion primarily due to higher impairment losses on assets, despite improved petrochemical and refining margins in line with favourable prices.

Petroleum products sales volume was 67.9 million barrels, higher by 0.1 million barrels following higher domestic marketing volume, partially offset by lower trading volume. Crude oil sales volume was 27.2 million barrels, lower by 8.4 million barrels due to lower crude oil marketing volume. Petrochemical products sales volume was comparable at 2.1 million metric tonnes.

**Cumulative quarter** Revenue for the year ended 31 December 2021 was RM124.5 billion, higher by 46% as compared to the same period in 2020 on the back of higher average realised prices for petroleum products, petrochemical products and crude oil.

PAT was RM0.7 billion against LAT of RM3.5 billion in the same period of 2020, higher by RM4.2 billion mainly contributed by improved petrochemical and refining margins as mentioned above, offset by higher impairment losses on assets.

Petroleum products sales volume was 262.4 million barrels, higher by 0.6 million barrels following increased trading activities. Crude oil sales volume was 109.7 million barrels, lower by 27.7 million barrels mainly due to lower marketing volume. Petrochemical products sales volume was comparable at 8.2 million metric tonnes.

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

### PART B – OTHER EXPLANATORY NOTES (continued)

#### B5. REVIEW OF PERFORMANCE – CORPORATE AND OTHERS

Cumulative quarter ended		Financial Indicators	Individual quarter ended		
31 December 2021	31 December 2020		31 December 2021	30 September 2021	31 December 2020
		<i>In RM Mil</i>			
		Revenue			
11,040	11,203	Third party	3,147	2,621	2,378
5,121	5,124	Inter-segment	1,554	1,259	1,668
16,161	16,327		4,701	3,880	4,046
(1,340)	242	(LAT)/PAT	(1,906)	232	(1,603)

**Fourth quarter** Revenue for the fourth quarter of 2021 was RM4.7 billion, increased by 16% as compared to the same quarter in 2020 mainly contributed by higher shipping related income.

LAT of RM1.9 billion was slightly higher mainly due to higher operating expenditure offset by higher revenue and foreign exchange gain due to strengthening of US Dollar against Ringgit.

**Cumulative quarter** Revenue for the year ended 31 December 2021 was RM16.2 billion, comparable to 2020.

LAT was RM1.3 billion due to higher operating expenditure partially cushioned by lower impairment losses and favourable foreign exchange gain due to strengthening of US Dollar against Ringgit.

#### B6. COMPARISON WITH PRECEDING QUARTER'S RESULTS

<i>In RM Mil</i>	Individual quarter ended	
	31 December 2021	30 September 2021
Revenue	76,571	61,773
EBITDA	28,083	26,274
PAT	13,357	16,312

PETRONAS Group revenue increased by RM14.8 billion or 24% in the fourth quarter of 2021 at RM76.6 billion as compared to the preceding quarter mainly attributable to improved average realised prices and higher sales volume for all products.

EBITDA was RM28.1 billion, increased by RM1.8 billion in line with higher revenue partially offset by higher product costs and operating expenditure.

PAT for the fourth quarter of 2021 was however lower by RM3.0 billion as a result of higher taxation, partially cushioned by improved EBITDA as mentioned above. Excluding impairment (losses)/write-back<sup>15</sup>, the Group would record a PAT of RM15.8 billion which was comparable to the preceding quarter.

#### B7. COMMENTARY ON PROSPECTS

The industry is expected to continue to operate in a challenging environment due to market uncertainties and heightened geopolitical risks. Amidst these challenges, the Group will focus on executing our growth plans and sustainability efforts while remaining committed to deliver operational and commercial excellence.

<sup>15</sup> Includes impairment losses/write-off of exploration expenditure under intangible assets and provision for onerous contracts.

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

### PART B – OTHER EXPLANATORY NOTES (continued)

#### B8. TAXATION

<i>In RM Mil</i>	Individual quarter ended		Cumulative quarter ended	
	2021	2020	2021	2020
<b>Current tax expenses</b>				
Malaysia	3,146	2,269	17,147	11,841
Overseas	828	371	1,921	885
	<b>3,974</b>	2,640	<b>19,068</b>	12,726
<b>Deferred tax expenses</b>				
Origination and reversal of temporary differences	2,699	(1,343)	1,577	(4,018)
	<b>6,673</b>	1,297	<b>20,645</b>	8,708

The Group's effective tax rate for the current quarter and year to date were 33% and 30% respectively, which are reflective of the various tax legislations within which the Group operates, including among others Petroleum (Income Tax) Act 1967 ("PITA"), Malaysia Income Tax Act 1967, Global Incentive for Trading ("GIFT") under Labuan Financial Services and Securities Act 2010, Labuan Business Activity Tax 1990 ("LBATA") and international tax legislations.

#### B9. CASH, FUND AND OTHER INVESTMENTS

<i>In %</i>	As at 31 December 2021	As at 31 December 2020
<b>By Currency</b>		
RM	52.3	60.2
USD	45.4	37.8
Others	2.3	2.0
	<b>100.0</b>	100.0
<b>By Maturity<sup>14</sup></b>		
< 1 year	94.3	92.9
1 to 5 years	2.0	3.1
5 to 10 years	3.7	4.0
	<b>100.0</b>	100.0
<b>By Type</b>		
Money market	92.5	92.5
Corporate bonds	5.0	6.2
Equities	2.5	1.3
	<b>100.0</b>	100.0

There was no material purchase and sale of quoted securities during the period under review.

<sup>14</sup> Refers to instrument maturity dates; excludes equities.

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

### PART B – OTHER EXPLANATORY NOTES (continued)

#### B10. BORROWINGS

The details of the Group borrowings as at 31 December 2021 are as follows:

<i>In RM Mil</i>	As at 31 December 2021	As at 31 December 2020
<b>Non-Current</b>		
Term loans	14,969	14,865
Lease liabilities	11,498	11,324
Notes and Bonds	54,337	45,014
Islamic financing facilities	5,815	5,605
<b>Total non-current borrowings</b>	<b>86,619</b>	<b>76,808</b>
<b>Current</b>		
Term loans	10,952	4,732
Lease liabilities	1,345	1,405
Notes and Bonds	7,303	–
Islamic financing facilities	857	1,546
Revolving credits	637	1,384
Bankers' acceptances	116	1,656
Bank overdrafts	2	698
<b>Total current borrowings</b>	<b>21,212</b>	<b>11,421</b>
<b>Total borrowings</b>	<b>107,831</b>	<b>88,229</b>

<i>In RM Mil</i>	As at 31 December 2021	%	As at 31 December 2020	%
<b>By Currency</b>				
USD	90,748	84.1	70,798	80.2
RM	10,416	9.6	9,430	10.7
EUR	2,646	2.5	2,282	2.6
ZAR	1,955	1.8	2,301	2.6
CAD	357	0.3	2,030	2.3
INR	1,476	1.4	1,111	1.3
GBP	16	0.1	64	0.1
Others	217	0.2	213	0.2
	<b>107,831</b>	<b>100.0</b>	<b>88,229</b>	<b>100.0</b>

<b>By Repayment Schedule</b>	2021	%	2020	%
< 1 year	21,212	19.7	11,421	12.9
1 to 5 years	24,748	23.0	28,060	31.8
5 to 10 years	23,100	21.3	9,960	11.3
> 10 years	38,771	36.0	38,788	44.0
	<b>107,831</b>	<b>100.0</b>	<b>88,229</b>	<b>100.0</b>

Drawdown of notes and bonds by the Group's entities were for development and production activities, debt refinancing and for general corporate purposes as disclosed in Note A9.

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

### PART B – OTHER EXPLANATORY NOTES (continued)

#### B11. PROFIT/(LOSS) FOR THE PERIOD/YEAR

<i>In RM Mil</i>	Individual quarter ended		Cumulative quarter ended	
	2021	31 December 2020	2021	31 December 2020
<b>Included in profit/(loss) for the period are the following charges:</b>				
Bad debts written off	8	28	11	65
Depreciation and amortisation	9,615	9,729	34,417	36,026
Intangible assets written off	—	20	—	20
Loss on disposal of:				
- property, plant and equipment	24	13	105	19
- investment in a subsidiary	—	—	2	—
Net impairment losses on:				
- intangible assets	47	1,812	—	5,648
- investment in a joint venture and associates	259	151	259	151
- investment properties	3	12	3	12
- loan and advances to a joint venture	26	23	61	71
- property, plant and equipment	—	—	—	25,702
- receivables	2,436	—	1,791	—
Net impairment/write-off on well costs <sup>15</sup>	1,004	1,642	1,809	2,246
Net change in contract liabilities	496	—	166	—
Net inventories written down to net realisable value/written off	168	—	188	37
Net loss on:				
- derivatives	1,900	847	4,985	834
- foreign exchange	21	715	—	1,093
Property, plant and equipment/project-in-progress written off	40	228	54	234
Write-off of trade receivables and loss on remeasurement of finance lease receivables	—	—	—	846
<b>and credits:</b>				
Bad debts recovered	1	21	1	21
Dividend income	91	—	137	51
Gain on bargain purchase	—	—	—	247
Gain on disposal of:				
- investment in an associate	1	—	74	—
- investment in joint ventures	19	—	19	—
- other investments	—	—	5	—
- property, plant and equipment	108	67	665	236
- investment in a subsidiary	—	—	—	171
Interest income	793	918	2,998	4,838
Net change in contract liabilities	—	350	—	481
Net gain on foreign exchange	—	—	895	—
Net write-back of impairment losses on:				
- intangible assets	—	—	1,310	—
- property, plant and equipment	3,165	1,596	3,175	—
- receivables	—	2	—	37
Reversal of inventories written down to net realisable value	—	79	—	—

<sup>15</sup> Comprises net impairment losses and write-off of exploration expenditure under intangible assets.

# QUARTERLY REPORT

## FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2021

### PART B – OTHER EXPLANATORY NOTES (continued)

#### B12. DIVIDENDS

The Directors had on 28 February 2022 declared a dividend of RM250,000 per ordinary share amounting to RM25 billion. The dividend will be recognised and accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2022.

#### B13. EXCHANGE RATES

US Dollar/RM	Individual quarter ended			Cumulative quarter ended		
	31 December 2021	30 September 2021	31 December 2020	31 December 2021	30 September 2021	31 December 2020
Average rate	4.1848	4.1971	4.1082	4.1439	4.1302	4.2036
Closing rate	4.1740	4.1890	4.0285	4.1740	4.1890	4.0285

#### By order of the Board

Intan Shafinas (Tuty) Hussain (LS0009774)  
 Company Secretary  
 Kuala Lumpur  
 28 February 2022