






PETRONAS


Energising a **Sustainable Future**


Audited
Financial
Statements
2024

 This interactive PDF allows you to access information easily, search for a specific item or navigate between sections and links.

 Content List

 Search

 Previous Page

 Next Page

Financial Statements

1	Directors’ Report
5	Statement by Directors
5	Statutory Declaration
6	Consolidated Statement of Financial Position
7	Consolidated Statement of Profit or Loss
8	Consolidated Statement of Other Comprehensive Income
9	Consolidated Statement of Changes in Equity
13	Consolidated Statement of Cash Flows
15	Statement of Financial Position
16	Statement of Profit or Loss and Other Comprehensive Income
17	Statement of Changes in Equity
18	Statement of Cash Flows
20	Notes to the Financial Statements
167	Independent Auditors’ Report
172	Appendix I

DIRECTORS’ REPORT

For the financial year ended 31 December 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company in the course of the financial year remained unchanged and consist of exploitation of oil and gas, the marketing of petroleum and petroleum products and investment holding. The principal activities of key subsidiaries, key associates and key joint arrangements are stated in Note 41, Note 42 and Note 43 to the financial statements respectively. The principal activities of other subsidiaries are available in the respective subsidiaries’ Directors’ Report or at the Company’s registered office and the Board of Directors (“Board”) deems such information is included in the Company’s Directors’ Report by such reference and shall form part of the Company’s Directors’ Report.

The Company is wholly-owned by the Government of Malaysia.

SUBSIDIARIES

The details of the Company’s key subsidiaries are disclosed in Note 41 to the financial statements.

RESULTS

<i>In RM Mil</i>	Group	Company
Profit for the year	55,092	45,146
Profit attributable to:		
Shareholders of the Company	49,104	45,146
Non-controlling interests	5,988	–

DIVIDENDS

During the financial year, the Company paid a dividend of RM320,000 per ordinary share amounting to RM32 billion declared to shareholders on 14 March 2024 and paid in instalments between March and December 2024.

The Directors had on 24 February 2025 declared a dividend of RM320,000 per ordinary share amounting to RM32 billion. The dividend will be recognised and accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

Further details on dividends are disclosed in Note 28.

RESERVES AND PROVISIONS

There were no material movements to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

DIRECTORS’ REPORT

For the financial year ended 31 December 2024 (continued)

DIRECTORS

Directors who served during the financial year until the date of this report are:

Tan Sri Dato’ Seri Mohd Bakke bin Salleh (Chairman)	
Tan Sri Tengku Muhammad Taufik	
Azizan bin Zakaria	
Tan Sri Zaharah binti Ibrahim	
Liza binti Mustapha	
Datuk Dr. Shahrazat binti Haji Ahmad	(appointed on 13 January 2025)
Datuk K.Y. Mustafa	(resigned on 19 January 2025)
Datuk Johan bin Mahmood @ Johan Mahmood Merican	(resigned on 13 January 2025)
Dato Hj Ibrahim bin Baki	(resigned on 16 October 2024)

The Company has been granted a relief order pursuant to Section 255(1) of the Companies Act, 2016 relieving the Company’s Directors from full compliance to the requirements under Section 253(2) of the Companies Act, 2016.

The names of Directors of subsidiaries are available in the respective subsidiaries’ Directors’ Report or at the Company’s registered office and the Board deems such information is included in the Company’s Directors’ Report by such reference and shall form part of the Company’s Directors’ Report.

DIRECTORS’ INTERESTS

None of the Directors holding office at 31 December 2024 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS’ BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than the benefits disclosed below), by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Directors’ benefits paid to or receivable by the Directors in respect of the financial year ended 31 December 2024 was RM27 million comprising fees and other long-term and short-term employee benefits.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES

There were no changes in the issued and paid up capital of the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS’ REPORT

For the financial year ended 31 December 2024 (continued)

INDEMNITY AND INSURANCE COSTS

During the financial year, PETRONAS and its subsidiaries maintained a Directors’ and Officers’ Liability Insurance in accordance with Section 289 of the Companies Act, 2016. The total insured limit for the Directors and Officers Liability Insurance effected for the Directors and Officers of the Group was RM1,290 million per occurrence and in the aggregate. The insurance premium for the Group and the Company are RM2,769,000 and RM790,000 respectively.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) the necessary actions had been taken in relation to the writing off of bad debts and the provisioning of doubtful debts and satisfied themselves that all known bad debts have been written off and adequate provision made for doubtful debts; and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- (ii) any material contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No material contingent liability or other liability, other than as disclosed in the financial statements, of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature, nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.



DIRECTORS’ REPORT

For the financial year ended 31 December 2024 (continued)

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept reappointment.

The auditors’ remuneration paid or payable to KPMG PLT, member firms of KPMG International Limited and Local affiliates of KPMG PLT for the financial year ended 31 December 2024 are as follows:

<i>In RM Mil</i>	Group	Company
Audit fees		
KPMG PLT	9	3
Member firms of KPMG International Limited	9	—
	18	3
Non audit service fees		
KPMG PLT	1	1
Local affiliates of KPMG PLT	1	1
Member firms of KPMG International Limited	2	1
	4	3

Signed on behalf of the Board of Directors
in accordance with a resolution of the Directors:

Tan Sri Dato’ Seri Mohd Bakke bin Salleh
Chairman

Tan Sri Tengku Muhammad Taufik
Director

Kuala Lumpur,
Date: 24 February 2025

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 6 to 166, are drawn up in accordance with MFRS Accounting Standards as issued by Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year then ended on that date.

Signed on behalf of the Board of Directors
in accordance with a resolution of the Directors:

Tan Sri Dato’ Seri Mohd Bakke bin Salleh
Chairman

Tan Sri Tengku Muhammad Taufik
Director

Kuala Lumpur,
Date: 24 February 2025

STATUTORY DECLARATION

I, **Liza binti Mustapha**, the Director primarily responsible for the financial management of **PETRONAS**, do solemnly and sincerely declare that the financial statements set out on pages 6 to 166 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
Liza binti Mustapha
MIA Membership Number: 47410
at **Kuala Lumpur** in **Wilayah Persekutuan**
on 24 February 2025.

BEFORE ME:



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

<i>In RM Mil</i>	Note	31.12.2024	31.12.2023
ASSETS			
Property, plant and equipment	3	327,356	326,398
Investment properties	4	9,379	9,388
Land held for development	5	7,337	2,887
Investments in associates	7	4,350	2,919
Investments in joint ventures	8	7,869	7,449
Intangible assets	9	31,175	31,902
Long-term receivables	10	46,690	47,939
Fund and other investments	11	16,633	10,778
Deferred tax assets	13	25,459	27,853
TOTAL NON-CURRENT ASSETS		476,248	467,513
Trade and other inventories	14	14,096	14,307
Trade and other receivables	15	71,748	57,028
Fund and other investments	11	15,698	11,620
Cash and cash equivalents	16	188,476	208,492
		290,018	291,447
Assets classified as held for sale	17	407	14,341
TOTAL CURRENT ASSETS		290,425	305,788
TOTAL ASSETS		766,673	773,301
EQUITY			
Share capital	18	100	100
Reserves	19	451,115	443,369
Total equity attributable to shareholders of the Company		451,215	443,469
Non-controlling interests	20	55,395	59,396
TOTAL EQUITY		506,610	502,865
LIABILITIES			
Borrowings	21	90,837	98,754
Deferred tax liabilities	13	13,029	13,297
Other long-term liabilities and provisions	22	64,766	64,434
TOTAL NON-CURRENT LIABILITIES		168,632	176,485
Trade and other payables	23	67,156	68,076
Borrowings	21	20,060	12,867
Taxation		4,064	3,931
		91,280	84,874
Liabilities classified as held for sale	17	151	9,077
TOTAL CURRENT LIABILITIES		91,431	93,951
TOTAL LIABILITIES		260,063	270,436
TOTAL EQUITY AND LIABILITIES		766,673	773,301

The notes set out on pages 20 to 166 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

<i>In RM Mil</i>	Note	2024	2023
Continuing operations			
Revenue	24	305,131	305,755
Cost of revenue		(187,892)	(182,465)
Gross profit		117,239	123,290
Selling and distribution expenses		(9,950)	(8,943)
Administration expenses		(17,993)	(15,245)
Net impairment losses/write-off ¹		(4,882)	(6,096)
Other expenses		(3,000)	(3,359)
Other income		6,016	8,479
Operating profit	25	87,430	98,126
Financing costs	26	(5,878)	(5,500)
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures		581	872
Profit before taxation from continuing operations		82,133	93,498
Tax expense	27	(26,348)	(14,559)
Profit for the year from continuing operations		55,785	78,939
Discontinued operations			
(Loss)/Profit for the year from discontinued operations, net of tax	17	(693)	1,775
PROFIT FOR THE YEAR		55,092	80,714
Profit/(Loss) attributable to:			
Shareholders of the Company			
From continuing operations		49,996	72,840
From discontinued operations		(892)	1,521
		49,104	74,361
Non-controlling interests			
From continuing operations		5,789	6,099
From discontinued operations		199	254
		5,988	6,353
PROFIT FOR THE YEAR		55,092	80,714

¹ Excludes well costs and includes loss on remeasurement/derecognition of financial assets measured at amortised cost.

The notes set out on pages 20 to 166 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF
OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

<i>In RM Mil</i>	Note	2024	2023
Profit for the year		55,092	80,714
Other comprehensive (loss)/income			
Continuing operations			
Items that will not be reclassified subsequently to profit or loss			
Net changes in fair value of equity investments at fair value through other comprehensive income ("OCI")		(136)	(128)
Items that may be reclassified subsequently to profit or loss			
Net movements from exchange differences		(10,663)	10,279
Cash flow hedge		(1,120)	(873)
Others		437	11
Total other comprehensive (loss)/income for the year from continuing operations, net of tax		(11,482)	9,289
Discontinued operations			
Total other comprehensive loss for the year from discontinued operations, net of tax	17	—	(199)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		43,610	89,804
Total comprehensive income/(loss) attributable to:			
Shareholders of the Company			
From continuing operations		39,929	80,063
From discontinued operations		(892)	1,374
		39,037	81,437
Non-controlling interests			
From continuing operations		4,374	8,165
From discontinued operations		199	202
		4,573	8,367
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		43,610	89,804

The notes set out on pages 20 to 166 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

		Attributable to shareholders of the Company				
		Non-distributable				
<i>In RM Mil</i>	Note	Share Capital	Capital and Other Reserves	Foreign Currency Translation Reserve	Fair Value through OCI Reserve	Hedging Reserve
Balance at 1 January 2024		100	16,160	47,961	17	107
Net changes of equity investments at fair value through OCI		—	—	—	(136)	—
Net movements from exchange differences		—	—	(9,297)	—	—
Cash flow hedge		—	—	—	—	(1,072)
Other comprehensive income/(loss)		—	438	—	—	—
Total other comprehensive income/(loss) for the year, net of tax		—	438	(9,297)	(136)	(1,072)
Profit for the year		—	—	—	—	—
Total comprehensive income/(loss) for the year		—	438	(9,297)	(136)	(1,072)
Changes in ownership interests in subsidiaries		—	—	153	—	—
Transfer to retained earnings for permanent diminution		—	—	—	99	—
Disposal of subsidiaries		—	(180)	2,278	—	—
Redemption of redeemable preference shares in a subsidiary		—	26	—	—	—
Dividends to shareholders of the Company	28	—	—	—	—	—
Dividends to non-controlling interests		—	—	—	—	—
Total transactions with owners of the Group		—	(154)	2,431	99	—
Balance at 31 December 2024		100	16,444	41,095	(20)	(965)

continue to next page

The notes set out on pages 20 to 166 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024 (continued)

		Attributable to shareholders of the Company				
		Distributable				
In RM Mil	Note	General Reserve	Retained Profits	Total	Non-controlling Interests	Total Equity
Balance at 1 January 2024		12,000	367,124	443,469	59,396	502,865
Net changes of equity investments at fair value through OCI		–	–	(136)	–	(136)
Net movements from exchange differences		–	–	(9,297)	(1,366)	(10,663)
Cash flow hedge		–	–	(1,072)	(48)	(1,120)
Other comprehensive income/(loss)		–	–	438	(1)	437
Total other comprehensive income/(loss) for the year, net of tax		–	–	(10,067)	(1,415)	(11,482)
Profit for the year		–	49,104	49,104	5,988	55,092
Total comprehensive income/(loss) for the year		–	49,104	39,037	4,573	43,610
Changes in ownership interests in subsidiaries		–	(1,722)	(1,569)	(601)	(2,170)
Transfer to retained earnings for permanent diminution		–	(99)	–	–	–
Disposal of subsidiaries		–	180	2,278	(1,701)	577
Redemption of redeemable preference shares in a subsidiary		–	(26)	–	(147)	(147)
Dividends to shareholders of the Company	28	–	(32,000)	(32,000)	–	(32,000)
Dividends to non-controlling interests		–	–	–	(6,125)	(6,125)
Total transactions with owners of the Group		–	(33,667)	(31,291)	(8,574)	(39,865)
Balance at 31 December 2024		12,000	382,561	451,215	55,395	506,610

continued from previous page

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024 (continued)

In RM Mil	Note	Attributable to shareholders of the Company				
		Non-distributable				Hedging Reserve
		Share Capital	Capital and Other Reserves	Foreign Currency Translation Reserve	Fair Value through OCI Reserve	
Balance at 1 January 2023		100	15,987	39,771	145	863
Net changes of equity investments at fair value through OCI		—	—	—	(128)	—
Net movements from exchange differences		—	—	8,070	—	—
Cash flow hedge		—	—	—	—	(756)
Other comprehensive (loss)/income		—	(110)	—	—	—
Total other comprehensive (loss)/income for the year, net of tax		—	(110)	8,070	(128)	(756)
Profit for the year		—	—	—	—	—
Total comprehensive (loss)/income for the year		—	(110)	8,070	(128)	(756)
Changes in ownership interests in subsidiaries		—	(59)	120	—	—
Redemption of redeemable preference shares in subsidiaries		—	342	—	—	—
Dividends to shareholders of the Company	28	—	—	—	—	—
Dividends to non-controlling interests		—	—	—	—	—
Total transactions with owners of the Group		—	283	120	—	—
Balance at 31 December 2023		100	16,160	47,961	17	107

continue to next page

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024 (continued)

		Attributable to shareholders of the Company				
		Distributable				
In RM Mil	Note	General Reserve	Retained Profits	Total	Non-controlling Interests	Total Equity
Balance at 1 January 2023		12,000	332,743	401,609	58,822	460,431
Net changes of equity investments at fair value through OCI		–	–	(128)	–	(128)
Net movements from exchange differences		–	–	8,070	2,001	10,071
Cash flow hedge		–	–	(756)	(117)	(873)
Other comprehensive (loss)/ income		–	–	(110)	130	20
Total other comprehensive (loss)/ income for the year, net of tax		–	–	7,076	2,014	9,090
Profit for the year		–	74,361	74,361	6,353	80,714
Total comprehensive (loss)/ income for the year		–	74,361	81,437	8,367	89,804
Changes in ownership interests in subsidiaries		–	362	423	129	552
Redemption of redeemable preference shares in subsidiaries		–	(342)	–	(660)	(660)
Dividends to shareholders of the Company	28	–	(40,000)	(40,000)	–	(40,000)
Dividends to non-controlling interests		–	–	–	(7,262)	(7,262)
Total transactions with owners of the Group		–	(39,980)	(39,577)	(7,793)	(47,370)
Balance at 31 December 2023		12,000	367,124	443,469	59,396	502,865

continued from previous page

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

In RM Mil	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations		82,133	93,498
Adjustments for:			
Amortisation of intangible assets and contract costs		2,169	2,433
Change in contract liabilities & provisions		(261)	(1,515)
Depreciation of property, plant and equipment and investment properties		36,811	35,354
Financing costs		5,878	5,500
Gain on realisation of foreign currency translation reserve from disposals		(1,836)	(445)
Interest income		(12,682)	(11,514)
Loss on remeasurement/derecognition of financial assets measured at amortised cost		2,974	874
Loss on remeasurement of net assets classified as held for sale		52	–
Net impairment losses of assets		1,340	1,716
Net impairment/write-off of well costs		2,991	1,439
Net inventories written down to net realisable value/written off		397	133
Net loss/(gain) on disposals of investments in subsidiaries, property, plant and equipment and other investments		234	(1,240)
Net unrealised loss/(gain) on derivatives		91	(33)
Net unrealised (gain)/loss on foreign exchange		(2,288)	1,523
Net write-off of assets		590	3,508
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures		(581)	(872)
Other non-cash items		–	(2)
Operating profit before changes in working capital from continuing operations		118,012	130,357
Change in trade and other receivables		(2,924)	(8,268)
Change in trade inventories		(521)	(703)
Change in trade and other payables		2,691	10,339
Cash generated from continuing operations		117,258	131,725
Interest income received		12,682	11,514
Interest expenses paid		(4,750)	(3,234)
Taxation paid, net of refund		(24,323)	(28,218)
Net cash generated from continuing operations		100,867	111,787
Net cash generated from discontinued operations	17	1,593	2,371
Net cash generated from operating activities		102,460	114,158

continue to next page

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024 (continued)

<i>In RM Mil</i>	Note	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments in:			
- associates and joint ventures		(1,906)	(2,905)
- securities and other investments		(14,540)	(13,955)
Long-term receivables and advances paid to joint arrangements		(11,321)	(137)
Purchase of property, plant and equipment, investment properties, land held for development and intangible assets		(51,868)	(47,933)
Other investing items		8,703	6,092
Net cash used in investing activities from continuing operations	29	(70,932)	(58,838)
Net cash used in investing activities from discontinued operations	17	(78)	(458)
Net cash used in investing activities	29	(71,010)	(59,296)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(32,000)	(40,000)
Drawdown of borrowings		19,766	16,237
Repayment of borrowings		(20,077)	(15,438)
Other financing items		(13,810)	(14,111)
Net cash used in financing activities from continuing operations	30	(46,121)	(53,312)
Net cash (used in)/generated from financing activities from discontinued operations	17	(244)	214
Net cash used in financing activities	30	(46,365)	(53,098)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(14,915)	1,764
INCREASE IN CASH AND CASH EQUIVALENTS RESTRICTED		(179)	(1,096)
NET FOREIGN EXCHANGE DIFFERENCES		(5,718)	5,957
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		207,009	200,384
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		186,197	207,009
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	16	188,476	208,492
Bank overdrafts	21	(10)	–
Classified as held for sale:			
- Cash and bank balances		45	1,167
- Bank overdrafts		–	(515)
		188,511	209,144
Less: Cash and cash equivalents - restricted	16	(2,314)	(2,135)
		186,197	207,009

continued from previous page

The notes set out on pages 20 to 166 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

<i>In RM Mil</i>	Note	31.12.2024	31.12.2023
ASSETS			
Property, plant and equipment	3	13,028	16,574
Investments in subsidiaries	6	191,340	164,430
Investments in associates	7	302	302
Investments in joint ventures	8	843	843
Intangible assets	9	375	323
Long-term receivables	10	102,507	110,256
Fund and other investments	11	6,897	3,869
Deferred tax assets	13	7,744	9,033
TOTAL NON-CURRENT ASSETS		323,036	305,630
Trade and other inventories	14	115	43
Trade and other receivables	15	42,168	28,971
Fund and other investments	11	9,339	6,698
Cash and cash equivalents	16	52,033	75,160
TOTAL CURRENT ASSETS		103,655	110,872
TOTAL ASSETS		426,691	416,502
EQUITY			
Share capital	18	100	100
Reserves	19	295,320	282,308
TOTAL EQUITY		295,420	282,408
LIABILITIES			
Borrowings	21	54,992	63,726
Other long-term liabilities and provisions	22	48,146	47,848
TOTAL NON-CURRENT LIABILITIES		103,138	111,574
Trade and other payables	23	20,044	21,810
Borrowings	21	7,326	517
Taxation		763	193
TOTAL CURRENT LIABILITIES		28,133	22,520
TOTAL LIABILITIES		131,271	134,094
TOTAL EQUITY AND LIABILITIES		426,691	416,502

The notes set out on pages 20 to 166 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

<i>In RM Mil</i>	Note	2024	2023
Revenue	24	152,967	161,195
Cost of revenue		(89,640)	(89,441)
Gross profit		63,327	71,754
Selling and distribution expenses		(395)	(498)
Administration expenses		(9,346)	(9,154)
Net impairment losses/write-off ¹		(1,416)	(8,360)
Other expenses		(2,230)	(1,689)
Other income		9,863	10,143
Operating profit	25	59,803	62,196
Financing costs	26	(3,865)	(4,361)
Profit before taxation		55,938	57,835
Tax expense	27	(10,792)	(9,073)
Profit for the year		45,146	48,762
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedge		(134)	296
Total other comprehensive (loss)/income for the year, net of tax		(134)	296
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		45,012	49,058

¹ Includes loss on remeasurement of financial assets measured at amortised cost.

The notes set out on pages 20 to 166 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

In RM Mil	Note	Attributable to shareholders of the Company				Total Equity
		Non-distributable		Distributable		
		Share Capital	Hedging Reserve	General Reserve	Retained Profits	
Balance at 1 January 2024		100	(154)	12,000	270,462	282,408
Cash flow hedge		–	(134)	–	–	(134)
Profit for the year		–	–	–	45,146	45,146
Total comprehensive (loss)/ income for the year		–	(134)	–	45,146	45,012
Dividends to the shareholders of the Company	28	–	–	–	(32,000)	(32,000)
Balance at 31 December 2024		100	(288)	12,000	283,608	295,420
Balance at 1 January 2023		100	(450)	12,000	261,700	273,350
Cash flow hedge		–	296	–	–	296
Profit for the year		–	–	–	48,762	48,762
Total comprehensive income for the year		–	296	–	48,762	49,058
Dividends to the shareholders of the Company	28	–	–	–	(40,000)	(40,000)
Balance at 31 December 2023		100	(154)	12,000	270,462	282,408

The notes set out on pages 20 to 166 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

<i>In RM Mil</i>	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		55,938	57,835
Adjustments for:			
Amortisation of intangible assets		82	60
Change in contract liabilities		(266)	(765)
Change in fair value of cess and decarbonisation fund receivables		(2,064)	(1,800)
Change in provisions		590	561
Depreciation of property, plant and equipment		1,688	2,734
Dividend income		(22,889)	(27,326)
Financing costs		3,865	4,361
Gain on partial disposal of a subsidiary		(1,791)	–
Interest income		(7,114)	(7,472)
Loss on disposals of property, plant and equipment		57	318
Loss on remeasurement of financial assets measured at amortised cost		881	238
Net impairment losses/(reversals) of:			
- investments in subsidiaries		80	4,971
- loans and advances to subsidiaries and a joint venture		(5)	(8)
- property, plant and equipment		77	(318)
- trade and other receivables		99	1,377
Net unrealised loss/(gain) on foreign exchange		930	(2,050)
Net unrealised (gain)/loss on derivatives		(204)	125
Net write-off of:			
- property, plant and equipment		8	2,082
- receivables		276	18
Operating profit before changes in working capital		30,238	34,941
Change in trade and other receivables		1,150	(164)
Change in trade inventories		(72)	48
Change in trade and other payables		(2,023)	(2,936)
Cash generated from operations		29,293	31,889
Interest income received		6,290	6,515
Interest expenses paid		(2,273)	(2,293)
Taxation paid		(8,853)	(11,209)
Net cash generated from operating activities		24,457	24,902

continue to next page

The notes set out on pages 20 to 166 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024 (continued)

<i>In RM Mil</i>	Note	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of additional shares in subsidiaries		(25,087)	(12,851)
Disbursements from/(Contributions to) Decarbonisation Fund		1,936	(20,102)
Dividends received		22,889	27,326
Investment in securities and other investments		(7,479)	(5,553)
Long-term receivables and advances paid by/(to):			
- subsidiaries		1,432	6,368
- associates and joint ventures		(11,084)	(216)
Other investing items		3,684	2,731
Net cash used in investing activities	29	(13,709)	(2,297)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(32,000)	(40,000)
Other financing items		(946)	(889)
Net cash used in financing activities	30	(32,946)	(40,889)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(22,198)	(18,284)
NET FOREIGN EXCHANGE DIFFERENCES		(929)	2,277
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		75,160	91,167
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	16	52,033	75,160

continued from previous page

The notes set out on pages 20 to 166 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

1. BASIS OF PREPARATION

1.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by Malaysian Accounting Standards Board (“MFRS”), IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia.

As of 1 January 2024, the Group and the Company had adopted Amendments to MFRSs (“pronouncements”) that have been issued by the Malaysian Accounting Standards Board (“MASB”) as described fully in Note 40.

MASB has also issued new and revised pronouncements which are not yet effective for the Group and the Company and therefore, have not been adopted in these financial statements. These pronouncements including their impact on the financial statements in the period of initial application are set out in Note 40. Revised pronouncement that is not relevant to the operations of the Group and of the Company is also set out in Note 40.

These financial statements were approved and authorised for issue by the Board of Directors on 24 February 2025.

1.2 Basis of measurement

The financial statements of the Group and of the Company have been prepared on historical cost basis except for certain items which are measured at fair value, as disclosed in the accounting policies below.

1.3 Functional and presentation currency

The individual financial statements of each entity in the Group are prepared using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the Company has been determined as Ringgit Malaysia.

The Group’s and the Company’s financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s reporting currency. All financial information has been rounded to the nearest million, unless otherwise stated.

1.4 Use of estimates and judgments

The preparation of financial statements in conformity with MFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- (i) Note 3 :Property, plant and equipment
- (ii) Note 9 :Intangible assets
- (iii) Note 13 :Deferred tax
- (iv) Note 21 :Borrowings
- (v) Note 22 :Other long-term liabilities and provisions
- (vi) Note 24 :Revenue
- (vii) Note 27 :Tax expense
- (viii) Note 38 :Financial instruments

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the Group and the Company, unless otherwise stated. The Group and the Company continuously assess the application of material accounting policies to be disclosed in the financial statements.

2.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee’s return.

Investments in subsidiaries are measured in the Company’s statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date that control commences until the date that control ceases.

All inter-company transactions are eliminated on consolidation and revenue and profits relate to external transactions only. Unrealised losses resulting from inter-company transactions are also eliminated unless cost cannot be recovered.

Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group. The identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date. The costs of an acquisition is measured as the aggregate of the fair value of the consideration. Non-controlling interests are stated either at fair value or at the proportionate share of the acquiree’s identifiable net assets at the acquisition date.

When a business combination is achieved in stages, the Group remeasures its previously held non-controlling equity interest in the acquiree at fair value at the acquisition date, with any resulting gain or loss recognised in the profit or loss. Increase in the Group’s ownership interest in an existing subsidiary is accounted for as equity transactions with differences between the fair value of consideration paid and the Group’s proportionate share of net assets acquired, recognised directly in equity.

The Group measures goodwill as the excess of the aggregate fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and any previously held interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in the profit or loss.

Goodwill arising from business combinations prior to 1 October 2009 is stated at the previous carrying amount less subsequent impairments, pursuant to the adoption of MFRS framework by the Group in the financial year ended 31 December 2012.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of consolidation (continued)

Business combinations (continued)

Transaction costs, other than those associated with the issuance of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented, or, if later, at the date that common control was established; for this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder’s consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain or loss is recognised directly in equity.

Non-controlling interests

Non-controlling interests at the end of the reporting period, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Group, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the shareholders of the Company.

Non-controlling interests in the results of the Group are presented in the consolidated statement of profit or loss and consolidated statement of other comprehensive income as an allocation of the profit or loss and total comprehensive income for the year between the non-controlling interests and shareholders of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group’s share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

Loss of control

Upon loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and other components of equity related to the former subsidiary from the consolidated statement of financial position except when the retained interest is a joint operation where the Group’s retained interest in the assets and liabilities of the former subsidiary are not derecognised. Any surplus or deficit arising from the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost except when the retained interest is a joint operation where such interest is measured at its carrying amount. Subsequently, it is accounted for as an equity-accounted investee or as a fair value through other comprehensive income financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.2 Associates

Associates are entities in which the Group has significant influence including representation on the Board of Directors, but not control or joint control, over the financial and operating policies of the investee company.

Associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The consolidated financial statements include the Group’s share of post-acquisition profits or losses and other comprehensive income of the equity-accounted associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

The Group’s share of post-acquisition reserves and retained profits less losses are added to the carrying value of the investment in the consolidated statement of financial position. These amounts are taken from the latest audited financial statements or management financial statements of the associates.

2.3 Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements’ returns.

Joint arrangements are classified as either joint operation or joint venture. A joint arrangement is classified as joint operation when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation. A joint arrangement is classified as joint venture when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method.

2.4 Property, plant and equipment and depreciation

Recognition and measurement

Freehold land and projects-in-progress are stated at cost less accumulated impairment losses and are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation for property, plant and equipment other than oil and gas properties (excluding oil and gas infrastructures), is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

Depreciation of producing oil and gas properties is computed based on the unit of production method using total proved reserves for capitalised acquisition cost, certain facilities and wells. For other capitalised exploration and development costs, facilities and wells, total proved developed reserves are used. Infrastructures are depreciated over a period of not more than 25 years.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment and depreciation (continued)

Depreciation (continued)

The estimated useful lives of other property, plant and equipment (including right-of-use assets) are as follows:

	2024	2023
• Buildings	3 – 100 years	5 – 100 years
• Plant and equipment	2 – 59 years	2 – 66 years
• Office equipment, furniture and fittings	2 – 20 years	3 – 20 years
• Computer software and hardware	2 – 20 years	3 – 20 years
• Motor vehicles	2 – 10 years	2 – 10 years
• Vessels	2 – 30 years	2 – 30 years

Right-of-use assets and leases

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term (other than certain right-of-use assets related to oil and gas properties which are depreciated using the unit of production method based on the earlier of the reserve cut-off or expiry of the lease contract).

The depreciable amount is determined after deducting residual value. The residual value, useful life and depreciation method are reviewed at each financial year end and adjusted as appropriate.

Recognition exemption

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short- term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group and the Company present right-of-use assets that do not meet the definition of investment property in ‘property, plant and equipment’ and lease liabilities in ‘borrowings’ in the statement of financial position.

Sublease classification

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.5 Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purpose. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Freehold land and projects-in-progress are stated at cost and are not depreciated. Other investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any, consistent with the accounting policy for property, plant and equipment as stated in Note 2.4.

Depreciation for buildings is recognised in the profit or loss on a straight-line basis over their estimated useful lives ranging between 10 and 100 years.

2.6 Land held for development

Land held for property development consists of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at the lower of cost and net realisable value consistent with the accounting policy for inventories as stated in Note 2.12.

Land held for development is reclassified as properties under development at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle. Properties under development are in turn, reclassified as developed properties held for sale upon completion of the development activities. Properties under development and developed properties held for sale are recognised as trade and other inventories in current assets. The accounting policy is described separately in Note 2.12.

2.7 Intangible assets

Goodwill

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. The entire carrying amount of the investment is reviewed for impairment when there is objective evidence of impairment.

Exploration and evaluation expenditure

Intangible assets also include expenditure on the exploration for and evaluation of oil and natural gas resources (hereinafter collectively referred to as “exploration and evaluation expenditure”). The accounting policy for exploration and evaluation expenditure is described separately in Note 2.8.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.7 Intangible assets (continued)

Allowances and certificates

Allowances and certificates consist of purchased carbon credit. These carbon credit will be utilised in settlement of environmental carbon emission incurred by the Group and the Company in the normal course of doing business.

Allowances and certificates with indefinite useful lives are carried at cost less accumulated impairment losses. These allowances and certificates are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Utilisation of allowances and certificates will be charged to the profit or loss, within cost of revenue, which reflects the cost of allowances required to offset carbon emission during the same period. Any unutilised allowances and certificates will remain as intangible assets to be utilised against future carbon emission.

Other intangible assets

Intangible assets related to development and production service contract (“DPSC”) which consist of expenditure incurred in bringing a field to first commercial production (“FCP”), are capitalised as incurred. The amount capitalised further includes capital expenditure after achieving FCP, interest and other financing cost incurred, if any, on significant development activities prior to FCP. Other intangible cost also includes the right to use the oil and gas producing assets. After FCP, the Group capitalises costs which qualify for capitalisation relating to improvements or new development for respective DPSC.

Other intangible assets include trademarks which consist of brand names, patents and know-how being proprietary processes which give an edge over competitors and customer relations which reflect the future value generation related to core customers.

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation for intangible assets with finite useful lives other than certain recoverable expenditure incurred under service contracts is recognised in the profit or loss on a straight-line basis over the estimated economic useful lives as follows:

	2024	2023
• Trademark	20 years	20 years
• Customer relations	30 years	30 years
• Know-how and patents	30 years	30 years
• Formulae	20 years	20 years
• Technology and digital assets	5 – 20 years	5 – 19 years

Certain recoverable expenditure incurred under service contracts is amortised based on unit of production method, calculated based on entitlement of production for the period and estimated entitlement for the remaining life of the asset. Estimates are made in relation to expected entitlement of production which are based on the actual cost incurred but yet to be recovered and application of the prevailing crude oil price. The amortisation method and the useful life of intangible assets are reviewed at least at each reporting date.

Intangible assets with finite useful lives are assessed for impairment whenever there is an indication that it may be impaired. Impairment assessment on intangible assets with indefinite useful lives is performed annually.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.8 Exploration, evaluation and development expenditure

The Group follows the successful efforts method of accounting for the exploration and development expenditure.

Exploration and evaluation expenditure

Costs directly associated with an exploration well, including license acquisition and drilling costs, are initially capitalised as intangible assets until the results have been evaluated.

If a well does not result in successful discovery of economically recoverable volume of hydrocarbons, such costs are written off as a dry well. If hydrocarbons are found and, subject to further appraisal activity which may include the drilling of further wells and are likely to be capable of commercial development under prevailing economic conditions, the costs continue to be carried as intangible assets. All such carried costs are reviewed at least once a year to determine whether the reserves found or appraised remain economically viable. When this is no longer the case, the costs are written off.

Where development plan is commercially viable and approved by the relevant authorities, the related exploration and evaluation costs are transferred to projects-in-progress in property, plant and equipment.

Development expenditure

Development expenditure comprises all costs incurred in bringing a field to commercial production and is capitalised as incurred. The amount capitalised includes attributable interests and other financing costs incurred on exploration and development before commencement of production.

Upon commencement of production, the exploration and development expenditure initially capitalised as projects-in-progress are transferred to oil and gas properties and are depreciated as described in the accounting policy for property, plant and equipment and depreciation (see Note 2.4).

2.9 Financial instruments

Recognition and derecognition

(i) Financial assets

Regular way purchases or sales were recognised on the settlement date i.e. the date that the asset is delivered to or by an entity. Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, as appropriate.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.9 Financial instruments (continued)

Recognition and derecognition (continued)

(i) Financial assets (continued)

Amortised cost (continued)

Subsequent measurement

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. Interest income and foreign exchange gains and losses are recognised in profit or loss.

Fair value through other comprehensive income

Debt instruments

This category comprises debt instruments where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt instruments are not designated as at fair value through profit or loss.

Equity instruments

Fair value through other comprehensive income category also comprises investment in equity instruments that are not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Subsequent measurement

Financial assets categorised as fair value through other comprehensive income are subsequently measured at fair value with unrealised gains and losses recognised directly in other comprehensive income and accumulated under fair value through other comprehensive income reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses accumulated in other comprehensive income are never reclassified to the profit or loss.

Fair value through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses recognised in the profit or loss. The methods used to measure fair value are stated in Note 2.18.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.9 Financial instruments (continued)

Recognition and derecognition (continued)

(ii) Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise; or,
- if a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the Group's and the Company's key management personnel; or
- if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9 Financial Instruments, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

Amortised cost

Subsequent to initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.9 Financial instruments (continued)

Recognition and derecognition (continued)

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(iv) Derivative financial instruments

The Group and the Company use derivative financial instruments such as interest rate and foreign currency swaps, forward rate contracts, futures and options, to manage certain exposures to fluctuations in foreign currency exchange rates, interest rates and commodity prices.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

In general, contracts to sell or purchase non-financial items to meet expected own use requirements are not accounted for as financial instruments. However, contracts to sell or purchase commodities that can be net settled or which contain written options are required to be recognised at fair value, with gains and losses recognised in the profit or loss.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

Hedge accounting

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a risk probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.9 Financial instruments (continued)

Recognition and derecognition (continued)

(v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Interest rate benchmark reform

The Group and the Company have applied the practical expedients provided in the amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement*, MFRS 7 *Financial Instruments: Disclosures*, MFRS 4 *Insurance Contracts* and MFRS 16 *Leases (Interest Rate Benchmark Reform – Phase 2)* upon transition from London Inter-Bank Offered Rate to Secured Overnight Financing Rate (“SOFR”).

As at reporting date, the Group and the Company’s negotiated contracts for which alternative benchmark rate SOFR had been used to replace LIBOR resulted in economically equivalent position with no profit or loss impact upon initial transition.

For contracts which are still in transition to SOFR as at reporting date, the Group and the Company have applied alternative benchmark rate available in the market.

2.10 Impairment

(i) Financial assets, contract assets and finance lease receivables

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and finance lease receivables.

Loss allowances for receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

Loss allowances for financial assets other than receivables that are trade in nature and finance lease receivables are measured at an amount equal to the 12-months expected credit losses. If the credit risk on the financial asset has increased significantly since initial recognition, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses.

The Group and the Company consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security which represent credit impaired receivables.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.10 Impairment (continued)

(ii) Other assets

The carrying amounts of other assets, other than inventories, deferred tax assets and non-current assets or disposal groups classified as held for sale, are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the asset’s recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

An impairment loss in respect of goodwill is not reversed in the subsequent period. In respect of other assets, impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Reversals of impairment losses are credited to the profit or loss in the year in which the reversals are recognised. This includes certain amount of write-back for subsequent write-off.

2.11 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances, deposits with licensed financial institutions and highly liquid investments which have an insignificant risk of changes in fair value and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and deposits restricted as they are considered an integral part of the Group’s cash management, if any.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of crude oil and condensates includes costs of bringing the inventories to their present location and condition and is determined on a weighted average basis. Cost of crude oil and condensates for processing includes costs of bringing the inventories to their present location and condition, less trade discounts and rebates and is determined on the first-in, first-out basis.

Cost of petroleum products includes crude oil costs, export duty, transportation charges and processing costs and is determined on a weighted average basis.

Cost of liquefied natural gas and petrochemical products includes raw material costs and production overheads and is determined on a weighted average basis.

Cost of material stores and spares consists of the invoiced value from suppliers and import duty charges and is determined on a weighted average basis.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.12 Inventories (continued)

Cost of developed properties held for sale and properties under development consists of costs associated with the acquisition of land, all costs that are directly attributable to development activities, appropriate proportions of common costs attributable to developing the properties, and interest expenses incurred during the period of active development.

Lifting of offtake arrangements for crude oil and condensate produced in jointly-owned operations are such that it is not practicable for each participant to receive or sell its precise share of the overall production during the period. At each reporting date, the extent of underlift is recognised as an asset at the lower of the cost and net realisable value, while overlift is recognised as a liability. The net movement of underlift and overlift is recognised in the profit or loss in cost of revenue.

2.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent it relates to a business combination or items recognised directly in equity, in which case it is recognised in equity or other comprehensive income.

Global minimum top-up tax

The Group has adopted International Tax Reform – Pillar Two Model Rules upon its release on 2 June 2023. The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption. The application by the respective entity is subject to when the law is being enacted or substantively enacted in the respective country jurisdiction.

Upon its application, the Group will apply a mandatory temporary exception from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. The mandatory temporary exception applies retrospectively. The retrospective application has no impact to the Group’s consolidated financial statements.

2.14 Foreign currency transactions

Gains and losses on exchange arising from retranslation are recognised in the profit or loss, except for differences arising on the retranslation of equity instruments at fair value through other comprehensive income, which are recognised in equity and are never reclassified to profit or loss.

On consolidation, the assets and liabilities of subsidiaries with functional currencies other than Ringgit Malaysia, are translated into Ringgit Malaysia at the exchange rates ruling at reporting date.

The income and expenses are translated at the exchange rates at the dates of the transactions or an average rate that approximates those rates. Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.15 Borrowing costs and foreign currency exchange differences relating to projects-in-progress

Borrowing costs which are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to be prepared for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the assets is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs ceases when all activities necessary to prepare the qualifying asset for its intended use or sale are completed.

Exchange differences arising from foreign currency borrowings, although regarded as an adjustment to borrowing costs, are not capitalised but instead recognised in the profit or loss in the period in which they arise.

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of financing a specific qualifying asset, in which the actual borrowing cost incurred on that borrowing less any investment income on the temporary investment of that borrowings, will be capitalised. Borrowing costs incurred subsequent to the completion of a specific qualifying asset are also included in the determination of the capitalisation rate.

2.16 Revenue

Revenue from contracts with customers

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. Revenue contracts that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15 *Revenue from Contracts with Customers* are measured at the transaction price determined under MFRS 15.

Where a contract contains significant financing component, the Group adjusts the contract amount for the effects of the time value of money to reflect financing transaction between the Group and its customer at contract inception.

The Group and the Company recognise revenue from sales of oil and gas products namely petroleum products, crude oil and condensates, liquefied natural gas, natural gas, processed gas and petrochemical products when or as it transfers control over a product or service to the customer. An asset is transferred when or as the customer obtains control of the asset.

Revenue arising from shipping activities is mainly from freight income and charter income. Freight income and the relevant discharged costs of cargoes loaded onto vessels up to the reporting date are accrued for in the profit or loss based on percentage of completion method. Charter income is accrued on a straight-line basis over the period of the contract, as service is performed.

Revenue arising from construction contract is recognised progressively based on percentage of completion method.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.16 Revenue (continued)

Other revenue

Revenue arising from rental income of investment properties under operating lease is recognised on a straight-line basis over the term of the lease under the lease arrangement.

Revenue arising from assets yielding interest and profit share margin from Islamic financing facilities are recognised on a time proportion basis that takes into account the effective yield on the assets.

Revenue arising from investments yielding dividend is recognised when the shareholders’ right to receive payment is established.

Revenue arising from trading activities, where forward and future sale and purchase contracts have been determined to be for trading purposes, the associated sales and purchases are reported as net trading gain/ (loss) within sales.

2.17 Financing costs

Financing costs comprise interest payable on borrowings and profit share margin on Islamic financing facilities, as well as accretion in provision due to the passage of time.

All interests and other costs incurred in connection with borrowings are expensed as incurred, other than that capitalised in accordance with the accounting policy stated in Note 2.15.

2.18 Fair value measurement

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

(i) Financial instruments

The fair value of financial instruments that are actively traded in organised financial markets are determined by reference to quoted market prices at the close of business at the end of reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm’s length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

(ii) Non-financial assets

For non-financial assets, the fair value measurement takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.18 Fair value measurement (continued)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value 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 identifiable 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.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

2.19 Insurance contracts

Insurance contracts are contracts under which the Group and the Company accept significant insurance risk by agreeing to compensate a third party if a specified uncertain future event adversely affects the guaranteed party.

In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group and the Company use judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Group and the Company have the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant. The Group and the Company measure insurance contracts as the total of the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated risks, if any, recognise as provision in the statement of financial position.

Subsequently, the liability for remaining coverage period is remeasured to reflect the changes of facts and circumstances, and the Group and the Company recognise loss in profit or loss for the fulfilment of cash flows for incurred claims and expenses, if any.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT

Group 2024 <i>In RM Mil</i>	At 1.1.2024	Additions	Disposals/ Write-offs
At cost:			
<u>Own use</u>			
Freehold land	2,839	8	–
Oil and gas properties	396,587	8,444	(20,194)
Buildings	24,607	85	(14)
Plant and equipment	214,773	787	(1,819)
Office equipment, furniture and fittings	4,384	164	(57)
Computer software and hardware	6,318	81	(143)
Motor vehicles	425	54	(9)
Vessels	10,811	109	(852)
Projects-in-progress			
- oil and gas properties	31,325	12,981	(111)
- plant and equipment	46,992	13,601	(27)
- vessels	1,646	1,638	(17)
- other projects	3,354	3,855	(19)
	744,061	41,807	(23,262)
<u>Leased to others as operating lease</u>			
Buildings	309	–	–
Vessels	41,407	237	(1,516)
Plant and equipment	327	–	–
	42,043	237	(1,516)
<u>Right-of-use</u>			
Leasehold land	10,218	64	(3)
Lease properties	237	8	(32)
Oil and gas properties	7,502	1,353	(944)
Buildings	1,909	375	(350)
Plant and equipment	3,648	464	(19)
Computer software and hardware	19	–	(2)
Motor vehicles	390	50	(29)
Vessels	11,560	4,643	(12)
	35,483	6,957	(1,391)
	821,587	^a 49,001	(26,169)

continue to next page

^a Includes addition to future cost of decommissioning and restoration amounting to RM459 million.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2024 <i>In RM Mil</i>	Acquisition of subsidiaries	Transfers/ Reclassifications/ Adjustments	Translation exchange difference	At 31.12.2024
At cost:				
<u>Own use</u>				
Freehold land	5	(10)	(33)	2,809
Oil and gas properties	–	12,065	(9,827)	387,075
Buildings	11	(49)	(250)	24,390
Plant and equipment	356	13,854	(4,312)	223,639
Office equipment, furniture and fittings	–	62	(36)	4,517
Computer software and hardware	–	282	(81)	6,457
Motor vehicles	–	(1)	(4)	465
Vessels	–	(353)	(1,034)	8,681
Projects-in-progress				
- oil and gas properties	–	(12,787)	(145)	31,263
- plant and equipment	1	(13,763)	(805)	45,999
- vessels	–	(538)	(39)	2,690
- other projects	–	(2,353)	(725)	4,112
	373	(3,591)	(17,291)	742,097
<u>Leased to others as operating lease</u>				
Buildings	–	187	–	496
Vessels	–	558	(920)	39,766
Plant and equipment	–	(3)	–	324
	–	742	(920)	40,586
<u>Right-of-use</u>				
Leasehold land	12	399	(36)	10,654
Lease properties	–	248	(133)	328
Oil and gas properties	–	–	(64)	7,847
Buildings	–	(2)	(104)	1,828
Plant and equipment	–	(89)	(62)	3,942
Computer software and hardware	–	1	–	18
Motor vehicles	–	(7)	(13)	391
Vessels	–	(25)	(823)	15,343
	12	525	(1,235)	40,351
	385	a,b,c(2,324)	(19,446)	823,034

continued from previous page

^a Includes downward revision to future cost of decommissioning and restoration amounting to RM2,591 million.

^b Includes downward adjustments to right-of-use assets following lease modification in accordance to MFRS 16 *Leases* amounting to RM89 million.

^c Includes net transfers in of RM356 million comprising transfer in from intangible assets of RM2,948 million and intra group adjustment of RM189 million, offset by transfer in from accumulated depreciation of RM1,491 million and transfer out to assets classified as held for sale of RM264 million, intangible assets of RM977 million and other receivables of RM49 million.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2024 <i>In RM Mil</i>	At 1.1.2024	Charge for the year	Disposals/ Write-offs	Impairment (reversals)/ losses
Accumulated depreciation and impairment losses:				
<u>Own use</u>				
Freehold land	–	1	–	–
Oil and gas properties	299,015	21,523	(16,786)	(3,151)
Buildings	11,293	535	(12)	(7)
Plant and equipment	130,291	7,997	(1,733)	(310)
Office equipment, furniture and fittings	3,422	225	(56)	150
Computer software and hardware	4,693	527	(135)	2
Motor vehicles	292	37	(9)	13
Vessels	4,313	820	(664)	643
Projects-in-progress				
- oil and gas properties	1,906	–	–	(97)
- plant and equipment	2,929	–	–	57
- vessels	–	–	–	14
- other projects	95	–	(1)	75
	458,249	31,665	(19,396)	(2,611)
<u>Leased to others as operating lease</u>				
Buildings	23	49	–	–
Vessels	22,041	1,425	(1,516)	13
Plant and equipment	33	12	–	–
	22,097	1,486	(1,516)	13
<u>Right-of-use</u>				
Leasehold land	2,808	205	(2)	(25)
Lease properties	14	2	(30)	7
Oil and gas properties	5,551	1,723	(944)	–
Buildings	968	279	(339)	–
Plant and equipment	2,358	239	(17)	–
Computer software and hardware	19	–	(2)	–
Motor vehicles	251	71	(29)	–
Vessels	2,874	1,756	(12)	133
	14,843	4,275	(1,375)	115
	495,189	37,426	(22,287)	(2,483)

continue to next page

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2024 <i>In RM Mil</i>	Transfers/ Reclassifications/ Adjustments	Translation exchange difference	At 31.12.2024
Accumulated depreciation and impairment losses:			
<u>Own use</u>			
Freehold land	–	(1)	–
Oil and gas properties	(1,505)	(5,980)	293,116
Buildings	(176)	(137)	11,496
Plant and equipment	190	(2,452)	133,983
Office equipment, furniture and fittings	(5)	(23)	3,713
Computer software and hardware	(16)	(53)	5,018
Motor vehicles	1	(5)	329
Vessels	–	(407)	4,705
Projects-in-progress			
- oil and gas properties	(185)	(106)	1,518
- plant and equipment	1	(23)	2,964
- vessels	–	–	14
- other projects	82	(1)	250
	(1,613)	(9,188)	457,106
<u>Leased to others as operating lease</u>			
Buildings	24	–	96
Vessels	–	(318)	21,645
Plant and equipment	1	–	46
	25	(318)	21,787
<u>Right-of-use</u>			
Leasehold land	–	(3)	2,983
Lease properties	212	(127)	78
Oil and gas properties	–	(57)	6,273
Buildings	8	(37)	879
Plant and equipment	(241)	(24)	2,315
Computer software and hardware	(1)	–	16
Motor vehicles	–	(8)	285
Vessels	–	(795)	3,956
	(22)	(1,051)	16,785
	^a (1,610)	(10,557)	495,678

continued from previous page

^a Includes net transfers out to assets classified as held for sale of RM223 million, intangible assets of RM15 million and cost of property, plant and equipment amounting to RM1,471 million; offsets by transfer in from intangible assets of RM82 million and from other receivables of RM17 million.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2023 <i>In RM Mil</i>	At 1.1.2023	Additions	Disposals/ Write-offs
At cost:			
<u>Own use</u>			
Freehold land	2,739	45	(4)
Oil and gas properties	378,869	8,561	(14,105)
Buildings	24,030	125	(130)
Plant and equipment	201,502	2,815	(688)
Office equipment, furniture and fittings	4,303	157	(42)
Computer software and hardware	5,790	173	(62)
Motor vehicles	347	75	(38)
Vessels	10,806	122	(754)
Projects-in-progress			
- oil and gas properties	25,404	10,223	(1,487)
- plant and equipment	35,881	13,062	(11)
- vessels	2,453	2,087	–
- other projects	2,140	4,024	(97)
	694,264	41,469	(17,418)
<u>Leased to others as operating lease</u>			
Buildings	309	–	–
Vessels	37,508	218	(240)
Plant and equipment	326	1	–
	38,143	219	(240)
<u>Right-of-use</u>			
Leasehold land	10,045	82	(3)
Lease properties	254	1	(25)
Oil and gas properties	5,869	1,577	–
Buildings	1,572	269	(34)
Plant and equipment	3,510	152	(107)
Computer software and hardware	18	1	(1)
Motor vehicles	349	47	(18)
Vessels	9,537	2,240	(746)
	31,154	4,369	(934)
	763,561	^a 46,057	^b (18,592)

continue to next page

^a Includes addition to future cost of decommissioning and restoration amounting to RM2,587 million.
^b Includes oil and gas properties written off upon cessation of operation.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2023 In RM Mil	Acquisition of subsidiaries	Transfers/ Reclassifications/ Adjustments	Translation exchange difference	At 31.12.2023
At cost:				
<u>Own use</u>				
Freehold land	14	21	24	2,839
Oil and gas properties	–	14,393	8,869	396,587
Buildings	321	16	245	24,607
Plant and equipment	1,172	5,572	4,400	214,773
Office equipment, furniture and fittings	1	(72)	37	4,384
Computer software and hardware	1	273	143	6,318
Motor vehicles	39	(1)	3	425
Vessels	–	–	637	10,811
Projects-in-progress				
- oil and gas properties	–	(3,151)	336	31,325
- plant and equipment	–	(3,158)	1,218	46,992
- vessels	–	(2,947)	53	1,646
- other projects	–	(2,739)	26	3,354
	1,548	8,207	15,991	744,061
<u>Leased to others as operating lease</u>				
Buildings	–	–	–	309
Vessels	–	2,864	1,057	41,407
Plant and equipment	–	–	–	327
	–	2,864	1,057	42,043
<u>Right-of-use</u>				
Leasehold land	39	17	38	10,218
Lease properties	–	6	1	237
Oil and gas properties	–	–	56	7,502
Buildings	7	9	86	1,909
Plant and equipment	–	19	74	3,648
Computer software and hardware	–	–	1	19
Motor vehicles	–	5	7	390
Vessels	–	–	529	11,560
	46	56	792	35,483
	^a 1,594	^{b,c,d} 11,127	17,840	^a 821,587

continued from previous page

^a Certain prior year information has been restated to conform with current year presentation.
^b Includes upward revision to future cost of decommissioning and restoration amounting to RM9,163 million.
^c Includes upward adjustments to right-of-use assets following lease modification in accordance to MFRS 16 Leases amounting to RM204 million.
^d Includes net transfers in of RM1,760 million comprising transfer in from intangible assets of RM1,966 million, offset by transfer out to inventories of RM141 million, assets classified as held for sale of RM60 million and investment properties of RM5 million.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2023 In RM Mil	At 1.1.2023	Charge for the year	Disposals/ Write-offs	Impairment (reversals)/ losses
Accumulated depreciation and impairment losses:				
<u>Own use</u>				
Freehold land	3	–	–	–
Oil and gas properties	282,412	20,652	(10,213)	(52)
Buildings	10,435	601	(11)	77
Plant and equipment	119,495	8,180	(403)	20
Office equipment, furniture and fittings	3,333	91	(40)	–
Computer software and hardware	4,225	452	(47)	3
Motor vehicles	269	31	(14)	–
Vessels	3,476	881	(746)	81
Projects-in-progress				
- oil and gas properties	3,000	–	–	(1,140)
- plant and equipment	2,846	–	–	49
- other projects	109	–	–	(14)
	429,603	30,888	(11,474)	(976)
<u>Leased to others as operating lease</u>				
Buildings	13	7	–	–
Vessels	20,452	1,355	(184)	13
Plant and equipment	21	12	–	–
	20,486	1,374	(184)	13
<u>Right-of-use</u>				
Leasehold land	2,568	174	–	60
Lease properties	22	1	(16)	6
Oil and gas properties	4,297	1,220	–	–
Buildings	748	220	(31)	–
Plant and equipment	2,164	243	(68)	–
Computer software and hardware	15	3	(1)	–
Motor vehicles	196	66	(19)	–
Vessels	2,244	1,255	(745)	–
	12,254	3,182	(880)	66
	462,343	35,444	^a (12,538)	(897)

continue to next page

^a Includes oil and gas properties written off upon cessation of operation.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2023 <i>In RM Mil</i>	Transfers/ Reclassifications/ Adjustments	Translation exchange difference	At 31.12.2023
Accumulated depreciation and impairment losses:			
<u>Own use</u>			
Freehold land	(3)	–	–
Oil and gas properties	–	6,216	299,015
Buildings	12	179	11,293
Plant and equipment	(18)	3,017	130,291
Office equipment, furniture and fittings	–	38	3,422
Computer software and hardware	4	56	4,693
Motor vehicles	(3)	9	292
Vessels	–	621	4,313
Projects-in-progress			
- oil and gas properties	–	46	1,906
- plant and equipment	–	34	2,929
- other projects	–	–	95
	(8)	10,216	458,249
<u>Leased to others as operating lease</u>			
Buildings	–	3	23
Vessels	–	405	22,041
Plant and equipment	–	–	33
	–	408	22,097
<u>Right-of-use</u>			
Leasehold land	3	3	2,808
Lease properties	–	1	14
Oil and gas properties	–	34	5,551
Buildings	–	31	968
Plant and equipment	–	19	2,358
Computer software and hardware	–	2	19
Motor vehicles	3	5	251
Vessels	–	120	2,874
	6	215	14,843
	^a (2)	10,839	^b 495,189

continued from previous page

^a Includes transfer out to investment properties of RM2 million.
^b Certain prior year information has been restated to conform with current year presentation.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2024 <i>In RM Mil</i>	At 1.1.2024	Additions	Disposals/ Write-offs
At cost:			
<u>Own use</u>			
Oil and gas properties	30,100	30	(545)
Buildings	293	1	–
Other equipment	21	–	–
Office equipment, furniture and fittings	106	2	–
Computer software and hardware	477	–	–
Motor vehicles	16	3	–
Projects-in-progress			
- oil and gas properties	58	–	–
- other projects	1,048	371	(8)
	32,119	407	(553)
<u>Right-of-use</u>			
Leasehold land	355	–	–
Buildings	7,178	233	–
Plant and equipment	1,485	–	–
	9,018	233	–
	41,137	640	(553)

continue to next page

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2024 <i>In RM Mil</i>	Transfers/ Reclassifications/ Adjustments	At 31.12.2024
At cost:		
<u>Own use</u>		
Oil and gas properties	(2,178)	27,407
Buildings	–	294
Other equipment	–	21
Office equipment, furniture and fittings	–	108
Computer software and hardware	7	484
Motor vehicles	–	19
Projects-in-progress		
- oil and gas properties	(56)	2
- other projects	(129)	1,282
	(2,356)	29,617
<u>Right-of-use</u>		
Leasehold land	–	355
Buildings	–	7,411
Plant and equipment	–	1,485
	–	9,251
	^{a, b} (2,356)	38,868

continued from previous page

^a Includes downward revision to future cost of decommissioning and restoration amounting to RM2,234 million.
^b Includes net transfers out of RM122 million comprising transfers to subsidiaries of RM45 million and intangible assets of RM76 million and reclassification to profit or loss of RM1 million.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2024 <i>In RM Mil</i>	At 1.1.2024	Charge for the year	Impairment losses
Accumulated depreciation and impairment losses:			
<u>Own use</u>			
Oil and gas properties	20,825	1,239	–
Buildings	64	6	–
Other equipment	15	3	–
Office equipment, furniture and fittings	92	3	–
Computer software and hardware	454	12	–
Motor vehicles	12	2	–
Projects-in-progress			
- other projects	–	–	77
	21,462	1,265	77
<u>Right-of-use</u>			
Leasehold land	56	7	–
Buildings	1,705	344	–
Plant and equipment	1,340	72	–
	3,101	423	–
	24,563	1,688	77

continue to next page

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2024 In RM Mil	Disposals/ Write-offs	At 31.12.2024
Accumulated depreciation and impairment losses:		
<u>Own use</u>		
Oil and gas properties	(488)	21,576
Buildings	–	70
Other equipment	–	18
Office equipment, furniture and fittings	–	95
Computer software and hardware	–	466
Motor vehicles	–	14
Projects-in-progress		
- other projects	–	77
	(488)	22,316
<u>Right-of-use</u>		
Leasehold land	–	63
Buildings	–	2,049
Plant and equipment	–	1,412
	–	3,524
	(488)	25,840

continued from previous page

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2023 In RM Mil	At 1.1.2023	Additions	Disposals/ Write-offs
At cost:			
<u>Own use</u>			
Oil and gas properties	30,625	183	(6,585)
Buildings	293	–	–
Other equipment	21	–	–
Office equipment, furniture and fittings	104	2	–
Computer software and hardware	475	2	(9)
Motor vehicles	15	1	–
Projects-in-progress			
- oil and gas properties	47	88	–
- plant and equipment	1,319	–	–
- other projects	933	608	(80)
	33,832	884	(6,674)
<u>Right-of-use</u>			
Leasehold land	353	–	–
Buildings	6,827	351	–
Plant and equipment	1,485	–	–
	8,665	351	–
	42,497	^{a,b} 1,235	^c (6,674)

continue to next page

^a Includes addition to future cost of decommissioning and restoration amounting to RM161 million.
^b Includes upwards adjustments to right-of-use assets following lease modification in accordance with MFRS 16 *Leases* amounting to RM188 million and addition of new right-of-use asset amounting to RM163 million.
^c Includes oil and gas properties written off upon cessation of operation.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2023 <i>In RM Mil</i>	Transfers/ Reclassifications/ Adjustments	At 31.12.2023
At cost:		
<u>Own use</u>		
Oil and gas properties	5,877	30,100
Buildings	–	293
Other equipment	–	21
Office equipment, furniture and fittings	–	106
Computer software and hardware	9	477
Motor vehicles	–	16
Projects-in-progress		
- oil and gas properties	(77)	58
- plant and equipment	(1,319)	–
- other projects	(413)	1,048
	4,077	32,119
<u>Right-of-use</u>		
Leasehold land	2	355
Buildings	–	7,178
Plant and equipment	–	1,485
	2	9,018
	a,b,c4,079	41,137

continued from previous page

^a Includes upward revision to future cost of decommissioning and restoration amounting to RM5,801 million.
^b Includes net transfers out of RM1,720 million comprising transfers to subsidiaries of RM1,317 million and intangible assets of RM262 million and reclassification to profit or loss of RM141 million.
^c Includes downwards revision of oil and gas properties cost amounting to RM2 million.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2023 <i>In RM Mil</i>	At 1.1.2023	Charge for the year	Impairment reversals
Accumulated depreciation and impairment losses:			
<u>Own use</u>			
Oil and gas properties	22,692	2,303	(1,988)
Buildings	59	5	–
Other equipment	12	3	–
Office equipment, furniture and fittings	89	3	–
Computer software and hardware	438	21	–
Motor vehicles	10	2	–
	23,300	2,337	(1,988)
<u>Right-of-use</u>			
Leasehold land	50	6	–
Buildings	1,386	319	–
Plant and equipment	1,268	72	–
	2,704	397	–
	26,004	2,734	(1,988)

continue to next page

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2023 <i>In RM Mil</i>	Disposals/ Write-offs	At 31.12.2023
Accumulated depreciation and impairment losses:		
<u>Own use</u>		
Oil and gas properties	(2,182)	20,825
Buildings	–	64
Other equipment	–	15
Office equipment, furniture and fittings	–	92
Computer software and hardware	(5)	454
Motor vehicles	–	12
	(2,187)	21,462
<u>Right-of-use</u>		
Leasehold land	–	56
Buildings	–	1,705
Plant and equipment	–	1,340
	–	3,101
	^a (2,187)	24,563

continued from previous page

^a Includes oil and gas properties written off upon cessation of operation.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

<i>In RM Mil</i>	Group		Company	
	2024	2023	2024	2023
Carrying amount				
<u>Own use</u>				
Freehold land	2,809	2,839	–	–
Oil and gas properties	93,959	97,572	5,831	9,275
Buildings	12,894	13,314	224	229
Plant and equipment	89,656	84,482	3	6
Office equipment, furniture and fittings	804	962	13	14
Computer software and hardware	1,439	1,625	18	23
Motor vehicles	136	133	5	4
Vessels	3,976	6,498	–	–
Projects-in-progress				
- oil and gas properties	29,745	29,419	2	58
- plant and equipment	43,035	44,063	–	–
- vessels	2,676	1,646	–	–
- other projects	3,862	3,259	1,205	1,048
	284,991	285,812	7,301	10,657
<u>Leased to others as operating lease</u>				
Buildings	400	286	–	–
Vessels	18,121	19,366	–	–
Plant and equipment	278	294	–	–
	18,799	19,946	–	–
<u>Right-of-use</u>				
Leasehold land	7,671	7,410	292	299
Lease properties	250	223	–	–
Oil and gas properties	1,574	1,951	–	–
Buildings	949	941	5,362	5,473
Plant and equipment	1,627	1,290	73	145
Computer software and hardware	2	–	–	–
Motor vehicles	106	139	–	–
Vessels	11,387	8,686	–	–
	23,566	20,640	5,727	5,917
	327,356	326,398	13,028	16,574

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

3.1 As a lessee

Right-of-use assets

Depreciation of right-of-use assets

In RM Mil	Group		Company	
	2024	2023	2024	2023
Capitalised in property, plant and equipment	541	269	–	–
Capitalised in exploration and evaluation expenditure	561	320	–	–
Total depreciation capitalised into other assets	1,102	589	–	–
Recognised in profit or loss	3,173	2,593	423	397
Total depreciation	4,275	3,182	423	397

Extension options

Some lease contracts contain extension options exercisable only by the Group and the Company before the end of the non-cancellable contract period. Where practicable, the Group and the Company include extension options in lease contracts to provide operational flexibility. The discounted potential future lease payments arising from exercisable extension options have been included in the lease liabilities except for when the extension terms are uncertain as the Group is finalising the extension terms as at reporting date.

Significant judgments and assumptions in relation to leases

The Group and the Company assess at lease commencement by applying significant judgment whether it is reasonably certain to exercise the extension options. The Group and the Company consider all facts and circumstances including past practice and any cost that will be incurred to change the asset if an option to extend is not exercised.

The Group and the Company also applied judgments and assumptions in determining the incremental borrowing rate of the respective leases. The Group and the Company first determine the closest available borrowing rates for respective currency and tenure before using significant judgments to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

3.2 As a lessor

Property, plant and equipment leased to others as operating lease

The following are recognised in profit or loss:

In RM Mil	Group	
	2024	2023
Lease income	3,559	3,577

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

3.2 As a lessor (continued)

Property, plant and equipment leased to others as operating lease (continued)

The operating lease payments to be received are as follows:

In RM Mil	Group	
	2024	2023
Less than one year	2,979	2,566
One to five years	8,514	6,678
More than five years	11,921	3,694
Total undiscounted lease payments	23,414	12,938

3.3 Security

Property, plant and equipment of the Group with carrying amount of RM13,582 million (2023: RM15,808 million) have been pledged as security for loan facilities as set out in Note 21 to the financial statements.

3.4 Projects-in-progress

Included in additions to projects-in-progress of the Group are borrowing costs of RM2,063 million which had been capitalised during the year (2023: RM1,813 million) and capitalisation of depreciation charge for the year in respect of right-of-use assets amounting to RM1,102 million (2023: RM589 million). The interest rate on borrowing costs capitalised ranges from 2.3% to 5.8% (2023: 2.3% to 5.8%) per annum.

3.5 Restriction of land title

The titles to certain freehold and leasehold land are in the process of being registered in the subsidiaries' name. Certain long-term leasehold land of the Group and the Company cannot be disposed of, charged or sub-leased without the prior consent of the relevant authority.

3.6 Change in estimates

During the year, the Group and the Company revised the estimated future cost of decommissioning of oil and gas properties and other property, plant and equipment. The revision was accounted for prospectively as a change in accounting estimates resulting in a decrease in cost of property, plant and equipment of the Group and the Company by RM2,591 million (2023: increase by RM9,163 million) and RM2,234 million (2023: increase by RM5,801 million) respectively (refer Note 22).

3.7 Estimation of oil and gas reserves

Oil and gas reserves are key elements in the Group's and the Company's investment decision-making process. Reserves estimation principles and methodologies are based on globally recognised industry standards, such as the Petroleum Resources Management System developed by the Society of Petroleum Engineers.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

3.7 Estimation of oil and gas reserves (continued)

The term “reserves” describes quantities of oil and gas volumes anticipated to be commercially recoverable by application of development projects to known accumulations given the prevailing economic situation present at the time of estimation. The reserves can be characterised into developed and undeveloped based on their development and production status. Developed reserves are quantities expected to be recovered from existing and operating wells and facilities. Undeveloped reserves are quantities expected to be recovered through future significant investments, which have been sanctioned and approved, and remain so until production commences when they would be characterised as developed reserves.

Estimation of reserves are reviewed annually. These estimates are inherently imprecise, require the application of judgments and are subject to regular revision, either upward or downward, based on new information available such as new geological information gathered from the drilling of additional wells, observation of long-term reservoir performance under producing conditions and changes in economic factors, including product prices, contract terms or development plans.

Such revisions will impact the Group’s and the Company’s reported financial position and results which include:

- (i) carrying value of oil and gas properties and their corresponding amortisation charges;
- (ii) carrying value of projects-in-progress;
- (iii) provisions for decommissioning and restoration; and
- (iv) carrying value of deferred tax assets/liabilities.

3.8 Impairment review of property, plant and equipment

For the financial year ended 31 December 2024, the Group and the Company recognised net impairment losses¹ on certain property, plant and equipment amounting to RM948 million (2023: RM407 million) and RM77 million (2023: net impairment reversal of RM318 million) respectively. The Group’s net impairment losses are mainly in relation to maritime segment following unfavourable changes in economic outlook.

In arriving at the net impairment losses amounts, the carrying amount of each impaired cash-generating unit is compared with the recoverable amount of the cash-generating unit. The impairment reversals are limited only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The Group’s recoverable amount for the relevant impairment losses/reversals during the year of RM2,791 million (2023: RM1,431 million) were determined from the value in use calculations using cash flow projections and fair value less costs to sell.

The Group uses a range of long-term assumptions including prices, volumes, margins and costs based on past performance and management’s expectations of market development. The projected cash flows were discounted using discount rates ranging between 7.2% to 8.0% (2023: 7.6% to 8.0%).

Price assumptions

Price assumptions applied for impairment testing are reviewed on an annual basis. Reviews include comparison with available market data and forecasts that reflect fundamental developments in global demand and supply. As at 31 December 2024, the real term of average Brent price applied in impairment testing scenarios were as follows:

Average price assumptions	2025-2029	>2029
Brent (USD/bbl)	70	70

¹ Excludes impairment reversals for subsequent write-off for the Group of RM3,431 million (2023: RM1,304 million) and the Company of RM Nil (2023: RM1,670 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

4. INVESTMENT PROPERTIES

Group 2024 In RM Mil	At 1.1.2024	Additions	Disposals
At cost:			
Freehold land	1,465	–	–
Leasehold land	973	28	–
Buildings	13,284	5	(1,144)
Projects-in-progress	2,302	522	–
	18,024	555	(1,144)

continue to next page

	At 1.1.2024	Charge for the year	Disposals	Impairment losses
Accumulated depreciation and impairment losses:				
Buildings	8,564	487	(1,144)	–
Projects-in-progress	72	–	–	78
	8,636	487	(1,144)	78

continue to next page

Group 2023 In RM Mil	At 1.1.2023	Additions	Disposals
At cost:			
Freehold land	1,467	–	(2)
Leasehold land	973	–	–
Buildings	13,505	5	(259)
Projects-in-progress	1,982	336	–
	17,927	341	(261)

continue to next page

	At 1.1.2023	Charge for the year	Disposals	Impairment losses
Accumulated depreciation and impairment losses:				
Buildings	8,283	499	(246)	15
Projects-in-progress	–	–	–	72
	8,283	499	(246)	87

continue to next page

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

4. INVESTMENT PROPERTIES (continued)

Group 2024 <i>In RM Mil</i>	Transfers	Translation exchange difference	Change in fair value	At 31.12.2024
At cost:				
Freehold land	–	–	–	1,465
Leasehold land	–	–	–	1,001
Buildings	100	(6)	–	12,239
Projects-in-progress	(101)	–	4	2,727
	^a (1)	(6)	4	17,432

continued from previous page

	Transfers	Translation exchange difference	At 31.12.2024
Accumulated depreciation and impairment losses:			
Buildings	–	(4)	7,903
Projects-in-progress	–	–	150
	–	(4)	8,053

continued from previous page

Group 2023 <i>In RM Mil</i>	Transfers	Translation exchange difference	At 31.12.2023
At cost:			
Freehold land	–	–	1,465
Leasehold land	–	–	973
Buildings	17	16	13,284
Projects-in-progress	(16)	–	2,302
	^b 1	16	18,024

continued from previous page

	Transfers	Translation exchange difference	At 31.12.2023
Accumulated depreciation and impairment losses:			
Buildings	2	11	8,564
Projects-in-progress	–	–	72
	^b 2	11	8,636

continued from previous page

^a Includes net transfer out to asset held for sale of RM1 million.

^b Includes net transfer in from property, plant and equipment of RM3 million, offset by the transfer out to assets classified held for sale of RM2 million and transfer out to other receivables of RM2 million.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

4. INVESTMENT PROPERTIES (continued)

Group <i>In RM Mil</i>	Carrying amount	
	2024	2023
Freehold land	1,465	1,465
Leasehold land	1,001	973
Buildings	4,336	4,720
Projects-in-progress	2,577	2,230
	9,379	9,388

Fair value information

The Directors of the subsidiaries have estimated the fair value of investment properties as at 31 December 2024 to be RM16,652 million (2023: RM16,645 million).

The fair value of investment properties are categorised as follows:

Group <i>In RM Mil</i>	Level 3	
	2024	2023
Freehold land	1,792	1,778
Leasehold land	1,005	1,005
Buildings	13,855	13,862
	16,652	16,645

The Group uses various valuation techniques in determining the fair value of its investment properties. Such techniques include discounted cash flows method, investment method, residual method and market comparable method.

Leases as lessor

The Group via its subsidiary has entered into non-cancellable operating lease agreements for Government Office Buildings (“GOB”) in accordance with the Concession Agreement (“CA”) with the Government of Malaysia. Under the CA, the Group will construct various parcels of GOB on land belonging to the Government. Upon completion of each parcel, the Government will execute a 25-year lease agreement over the land of the said parcel to the Group. Simultaneously, the Group will sub-lease the same land and buildings to the Government for the same period in return for lease rentals based on predetermined rates per square foot per month.

The maturity analysis of the undiscounted lease payments receivables for the Group inclusive of GOB is as follows:

<i>In RM Mil</i>	Group	
	2024	2023
Less than one year	1,589	1,725
Between one and five years	5,449	6,316
More than five years	1,554	2,217
Total undiscounted lease payments	8,592	10,258

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

5. LAND HELD FOR DEVELOPMENT

Included in land held for development for the Group is freehold land amounting to RM6,897 million (2023: RM2,734 million).

On 4 October 2024, PETRONAS via its wholly-owned subsidiary, KLCC (Holdings) Sdn. Bhd. (“KLCCH”) entered into a land sale and purchase agreement with Bandar Malaysia Sdn. Bhd. and Bandar Malaysia Land Sdn. Bhd. collectively known as (“BM”) to acquire 486 acres of land located at the former Royal Malaysia Air Force base at Jalan Sungai Besi for a cash consideration of RM6 billion. As at 31 December 2024, RM4 billion of the purchase price had been paid upon completion of conditions precedent. The land will be developed by KLCCH or its subsidiaries and subsequently there will be a profit-sharing element with BM that is conditional upon the full recoupment of all future capital invested by KLCCH or its subsidiaries for the land acquisition and development.

6. INVESTMENTS IN SUBSIDIARIES

In RM Mil	Company	
	2024	2023
Investments at cost		
- quoted shares	14,907	14,907
- unquoted shares	184,048	157,240
Fair value adjustments on loans and advances and financial guarantee	10,265	10,083
	209,220	182,230
Less: Impairment losses		
- unquoted shares	(17,880)	(17,800)
	191,340	164,430
Market value of quoted shares	74,350	85,164

The increase in investment in subsidiaries during the year mainly relates to the additional new shares issued by existing subsidiaries which had been fully subscribed by the Company.

Details of key subsidiaries are stated in Note 41 to the financial statements.

Non-controlling interests in subsidiaries

The Group’s subsidiaries that have material Non-controlling interests (“NCI”) are MISC Berhad (“MISC”), PETRONAS Chemicals Group Berhad (“PCG”), PETRONAS Gas Berhad (“PGB”), Putrajaya Holdings Sdn. Bhd. (“PJH”) and PETRONAS Dagangan Berhad (“PDB”) as shown below:

Group 2024 In RM Mil	MISC	PCG	PGB	PJH	PDB	Others	Total
NCI percentage effective ownership interest and voting interest (%)	49	35.7	49	35.6	36.1	Varies	–
Carrying amount of NCI	19,876	15,906	7,139	3,855	2,190	6,429	55,395
Profit allocated to NCI	638	542	961	209	413	3,225	5,988

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

6. INVESTMENTS IN SUBSIDIARIES (continued)

Non-controlling interests in subsidiaries (continued)

Summarised financial information before intra-group elimination

In RM Mil	MISC	PCG	PGB	PJH	PDB
As at 31 December 2024					
Non-current assets	47,576	41,261	15,099	11,377	4,053
Current assets	12,858	18,759	3,656	3,736	7,062
Non-current liabilities	(13,046)	(8,850)	(2,996)	(3,114)	(213)
Current liabilities	(9,075)	(11,191)	(1,520)	(1,166)	(4,833)
Net assets	38,313	39,979	14,239	10,833	6,069
Year ended 31 December 2024					
Revenue	13,237	30,671	6,538	1,998	37,951
Profit for the year	1,233	1,289	1,924	588	1,117
Total comprehensive (loss)/income	(40)	(646)	1,905	588	1,117
Cash flows from operating activities	4,277	4,626	3,146	1,517	1,769
Cash flows from investing activities	(1,191)	(2,495)	(1,199)	(1,037)	(212)
Cash flows from financing activities	(4,166)	(1,266)	(2,879)	(905)	(950)
Net (decrease)/increase in cash and cash equivalents	(1,080)	865	(932)	(425)	607
Increase in cash and cash equivalents restricted	–	–	–	–	(38)
Net foreign exchange differences	(155)	(207)	–	–	–
Cash and cash equivalents at beginning of the year	6,545	9,268	3,528	1,809	1,479
Cash and cash equivalents at end of the year	5,310	9,926	2,596	1,384	2,048
Dividends paid to NCI	(787)	(462)	(59)	(60)	(319)

Group 2023 In RM Mil	MISC	PCG	PGB	PJH	PDB	Others	Total
NCI percentage effective ownership interest and voting interest (%)	49	35.7	49	35.6	36.1	Varies	–
Carrying amount of NCI	20,649	16,817	6,943	3,706	2,096	9,185	59,396
Profit allocated to NCI	854	576	1,000	179	339	3,405	6,353

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

6. INVESTMENTS IN SUBSIDIARIES (continued)

Non-controlling interests in subsidiaries (continued)

Summarised financial information before intra-group elimination (continued)

In RM Mil	MISC	PCG	PGB	PJH	PDB
As at 31 December 2023					
Non-current assets	51,152	43,268	14,806	11,437	4,181
Current assets	13,908	16,938	4,513	3,879	7,306
Non-current liabilities	(17,151)	(9,183)	(3,113)	(3,698)	(210)
Current liabilities	(7,943)	(8,949)	(2,391)	(1,206)	(5,440)
Net assets	39,966	42,074	13,815	10,412	5,837
Year ended 31 December 2023					
Revenue	14,272	28,667	6,445	2,008	37,549
Profit for the year	1,959	1,750	1,901	504	967
Total comprehensive income	3,261	3,295	1,913	504	973
Cash flows from operating activities	5,696	5,119	3,005	1,597	(87)
Cash flows from investing activities	(1,866)	(2,593)	(930)	(68)	(310)
Cash flows from financing activities	(3,920)	(2,175)	(2,573)	(1,009)	(985)
Net (decrease)/increase in cash and cash equivalents	(90)	351	(498)	520	(1,382)
Decrease in cash and cash equivalents restricted	–	–	–	–	10
Net foreign exchange differences	229	29	–	–	–
Cash and cash equivalents at beginning of the year	6,406	8,888	4,026	1,289	2,851
Cash and cash equivalents at end of the year	6,545	9,268	3,528	1,809	1,479
Dividends paid to NCI	(787)	(684)	(80)	(54)	(333)

Impairment assessment of investments in subsidiaries

For the financial year ended 31 December 2024, the Company recognised net impairment losses amounting to RM80 million (2023: RM4,971 million) on the cost of investment in subsidiaries.

In calculating the recoverable amount, the Company uses a range of long-term assumptions including prices, volumes, margins and costs based on past performance and management's expectations of economic outlook. The projected cash flows were discounted using discount rate at range of 6.5% to 8.9% (2023: 6.5% to 9.0%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

7. INVESTMENTS IN ASSOCIATES

In RM Mil	Group		Company	
	2024	2023	2024	2023
Investments at cost				
- quoted shares	314	314	302	302
- unquoted shares	4,928	3,373	–	–
Share of post-acquisition profits and reserves	1,601	1,725	–	–
	6,843	5,412	302	302
Less: Impairment losses				
- unquoted shares	(2,493)	(2,493)	–	–
	4,350	2,919	302	302
Market value of quoted shares	1,634	1,312	787	674

The Group's share of the current year losses and cumulative losses of certain associates amounting to RM98 million (2023: RM108 million) and RM419 million (2023: RM321 million) respectively have not been recognised in the Group's profit or loss as equity accounting has ceased when the Group's share of losses of these associates exceeded the carrying amount of its investment in these associates since the Group has no obligation in respect of the losses.

Summarised financial information has not been included as the associates are not individually material to the Group.

Details of key associates are stated in Note 42 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

8. INVESTMENTS IN JOINT VENTURES

In RM Mil	Group		Company	
	2024	2023	2024	2023
Investments at cost				
- unquoted shares	7,992	7,574	475	475
Fair value adjustments on financial guarantee	377	377	377	377
Share of post-acquisition losses and reserves	(485)	(487)	–	–
	7,884	7,464	852	852
Less: Impairment losses	(15)	(15)	(9)	(9)
	7,869	7,449	843	843
Share of joint ventures' contingent liabilities:				
Claims filed by/disputes with various parties	(25)	(29)	–	–

The Group’s share of the current year and cumulative losses of certain joint ventures amounting to RM5,134 million (2023: RM4,044 million) and RM9,614 million (2023: RM5,321 million) respectively have not been recognised in the Group’s profit or loss as equity accounting has ceased when the Group’s share of losses of these joint ventures exceeded the carrying amount of its investment in these joint ventures since the Group has no obligation in respect of the losses.

The shares of a joint venture are pledged as a security for an integrated borrowing structure undertaken by the joint venture with a joint operation entity as described in Note 21.

Summarised financial information has not been included as the joint ventures are not individually material to the Group.

Details of key joint ventures are stated in Note 43 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

9. INTANGIBLE ASSETS

Group 2024 In RM Mil	At 1.1.2024	Additions	Disposals/ Write-offs
At cost:			
Goodwill	10,012	–	–
Exploration and evaluation expenditure	21,056	6,964	(2,370)
Other intangible assets	55,400	1,692	(152)
Intangible assets under development	46	59	–
	86,514	8,715	^a (2,522)

continue to next page

	At 1.1.2024	Charge for the year	Disposals/ Write-offs	Impairment losses
Accumulated amortisation and impairment losses:				
Goodwill	2,516	–	–	–
Exploration and evaluation expenditure	9,545	–	(21)	721
Other intangible assets	42,551	2,143	(24)	195
	54,612	2,143	(45)	^a 916

continue to next page

Group 2023 In RM Mil	At 1.1.2023	Additions	Disposals/ Write-offs
At cost:			
Goodwill	8,900	–	–
Exploration and evaluation expenditure	15,796	7,159	(923)
Other intangible assets	51,296	1,841	(50)
Intangible assets under development	23	43	–
	76,015	9,043	^a (973)

continue to next page

	At 1.1.2023	Charge for the year	Disposal/ Write-offs	Impairment losses
Accumulated amortisation and impairment losses:				
Goodwill	2,494	–	–	–
Exploration and evaluation expenditure	8,848	–	(1)	555
Other intangible assets	38,413	2,417	(40)	50
	49,755	2,417	(41)	^a 605

continue to next page

^a Included in exploration and evaluation expenditure is net impairment/write-off of well costs amounting to RM2,991 million (2023: RM1,439 million).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

9. INTANGIBLE ASSETS (continued)

Group 2024 <i>In RM Mil</i>	Acquisition of subsidiaries	Transfers	Translation exchange difference	At 31.12.2024
At cost:				
Goodwill	(226)	(64)	(488)	9,234
Exploration and evaluation expenditure	11	(2,697)	(1,139)	21,825
Other intangible assets	341	728	(2,431)	55,578
Intangible assets under development	–	(8)	(2)	95
	126	^a (2,041)	(4,060)	86,732

continued from previous page

	Transfers	Translation exchange difference	At 31.12.2024
Accumulated amortisation and impairment losses:			
Goodwill	–	(30)	2,486
Exploration and evaluation expenditure	–	(270)	9,975
Other intangible assets	(72)	(1,697)	43,096
	^a (72)	(1,997)	55,557

continued from previous page

Group 2023 <i>In RM Mil</i>	Acquisition of subsidiaries	Transfers	Translation exchange difference	At 31.12.2023
At cost:				
Goodwill	519	–	593	10,012
Exploration and evaluation expenditure	–	(1,778)	802	21,056
Other intangible assets	–	(168)	2,481	55,400
Intangible assets under development	–	(20)	–	46
	519	^b (1,966)	3,876	86,514

continued from previous page

	Translation exchange difference	At 31.12.2023
Accumulated amortisation and impairment losses:		
Goodwill	22	2,516
Exploration and evaluation expenditure	143	9,545
Other intangible assets	1,711	42,551
	1,876	54,612

continued from previous page

^a Includes net transfers out to property, plant and equipment of RM1,904 million and assets classified as held for sale of RM65 million.
^b Includes net transfers out to property, plant and equipment of RM1,966 million.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

9. INTANGIBLE ASSETS (continued)

Company 2024 <i>In RM Mil</i>	At 1.1.2024	Additions	Transfers/ Adjustments	At 31.12.2024
At cost:				
Other intangible assets	395	–	86	481
Intangible assets under development	41	61	(13)	89
	436	61	^a 73	570

	At 1.1.2024	Charge for the year	At 31.12.2024
Accumulated amortisation:			
Other intangible assets	113	82	195

Company 2023 <i>In RM Mil</i>	At 1.1.2023	Additions	Transfers/ Adjustments	At 31.12.2023
At cost:				
Other intangible assets	114	4	277	395
Intangible assets under development	19	38	(16)	41
	133	42	^b 261	436

	At 1.1.2023	Charge for the year	At 31.12.2023
Accumulated amortisation:			
Other intangible assets	53	60	113

<i>In RM Mil</i>	2024	Group 2023	2024	Company 2023
Carrying amount				
Goodwill	6,748	7,496	–	–
Exploration and evaluation expenditure	11,850	11,511	–	–
Other intangible assets	12,482	12,849	286	282
Intangible assets under development	95	46	89	41
	31,175	31,902	375	323

^a Includes net transfer in of RM76 million from property, plant and equipment, reclassification to profit or loss of RM2 million and other adjustment amounting to RM1 million.
^b Includes net transfer in of RM262 million from property, plant and equipment and other adjustment amounting to RM1 million.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

9. INTANGIBLE ASSETS (continued)

Impairment review of goodwill

For the purpose of impairment testing, goodwill is allocated to groups of cash-generating units which represent the lowest level within the Group and at which the goodwill is monitored for internal management purposes.

In performing the impairment assessment for goodwill, the carrying amount of the cash-generating unit (including goodwill) is compared with the recoverable amount of the cash-generating unit. The recoverable amount is the higher of fair value less costs to sell and value in use. In the absence of any information about the fair value of a cash-generating unit, the value in use is deemed to be the recoverable amount.

Included in goodwill as at 31 December 2024 is the carrying amount arising from the acquisition of Perstorp Holding AB of RM2,879 million (2023: RM3,283 million).

Perstorp Holding AB (“Perstorp”)

The recoverable amount of the cash-generating unit was based on fair value less costs to sell, which was estimated using income approach with the assistance of an independent valuer. The amount was determined by discounting the future cash flow incorporating current market expectations about the future.

The cash flow was projected based on plans and forecast approved by management for the next 10 years. For the period thereafter, a terminal value was calculated using perpetuity growth rate of 2.0% (2023: 2.0%) based on external macroeconomics and industry specific sources. The future cash flow was discounted using discount rate at about 7.9% (2023: 8.6%).

Based on the assessment, the recoverable amount was determined to be higher than its carrying amount and therefore, no impairment loss was recognised.

The above estimates are sensitive in the following areas:

- (i)

An increase of 0.6 percentage point (2023: 0.4 percentage point) in discount rate used would have reduced the recoverable amount by approximately RM2,002 million (2023: RM1,360 million).
- (ii)

A decrease of 0.5 percentage point (2023: 0.5 percentage point) in perpetuity growth rate used would have reduced the recoverable amount by approximately RM982 million (2023: RM932 million).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

9. INTANGIBLE ASSETS (continued)

Other goodwill

The recoverable amount of the remaining goodwill was based on value in use, derived from the respective cash-generating units’ business plan cash flow projection, adjusted with an estimated terminal value. The cash flows assume a long-term average growth rate of the respective industries those units are engaged in and are discounted to present value using discount rate of 6.16% to 8.90% (2023: 7.20% to 9.10%).

For impairment testing of goodwill relating to current year acquisition, the consideration paid represented the best evidence of the subsidiaries’ fair value less cost to sell since there were no significant adverse events between the date of acquisition until the year end.

Based on the above, the recoverable amount of goodwill of the remaining units were determined to be higher than their carrying amount, thus no impairment loss was recognised during the year.

Impairment review of exploration and evaluation expenditure

As at 31 December 2024, the Group recognised net impairment losses on certain exploration and evaluation expenditure amounting to RM721 million (2023: RM555 million) related to oil and gas exploration cash-generating units and certain wells which are no longer capable of commercial development in accordance with the policy set out in Note 2.8.

10. LONG-TERM RECEIVABLES

In RM Mil	Note	Group		Company	
		2024	2023	2024	2023
Term loans and advances:					
Loans and advances due from subsidiaries	10.1	—	—	36,982	45,745
Loans and advances due from associates and joint ventures	10.2	9,722	9,699	7,875	7,557
		9,722	9,699	44,857	53,302
Trade receivable from a subsidiary		—	—	1,405	1,595
Amounts due from joint arrangements		8,088	10,735	90	1,436
Contract assets		32	8,824	—	—
Finance lease receivables	10.3	19,264	11,939	—	—
Other receivables and prepayments	10.4	10,511	10,183	56,358	55,731
Derivative financial assets	12	850	776	—	—
		48,467	52,156	102,710	112,064
Less: Allowance for impairment losses					
- Term loans and advances	38	(56)	(1,266)	(111)	(116)
- Trade receivable from a subsidiary	38	—	—	(54)	(43)
- Amounts due from joint arrangements	38	(1,049)	(2,250)	(11)	(1,331)
- Finance lease receivables	38	(86)	(473)	—	—
- Other receivables and prepayments	38	(586)	(228)	(27)	(318)
		46,690	47,939	102,507	110,256

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

10. LONG-TERM RECEIVABLES (continued)

- 10.1 The Company’s loans and advances due from subsidiaries bear interest at rates ranging from 2.70% to 6.90% (2023: 2.70% to 7.81%) per annum.
- 10.2 The Group’s and the Company’s loans and advances due from associates and joint ventures bear interest at rates ranging from 5.5% to 8.0% (2023: 5.5% to 7.3%) and 6.31% (2023: 7.33%) per annum respectively.
- 10.3 Finance lease receivables

Finance lease receivables represent lease rental and interest receivable from customers in relation to the lease of offshore floating assets, buildings and pipelines entered by the subsidiaries of the Group.

The movement of long-term finance lease receivables during the financial year are as follows:

<i>In RM Mil</i>	Group	
	2024	2023
At 1 January	11,939	12,268
Additions	8,979	200
Interest income	1,638	1,017
Lease payments received	(3,292)	(1,546)
At 31 December	19,264	11,939

The following table sets out a maturity analysis of lease receivables, showing undiscounted lease payments to be received after the reporting date.

<i>In RM Mil</i>	Group	
	2024	2023
Less than one year	2,884	2,123
One to two years	2,782	1,912
Two to three years	2,643	1,977
Three to four years	2,626	1,880
Four to five years	2,130	1,861
More than five years	24,591	11,145
Total undiscounted lease payments	37,656	20,898
Unearned interest income	(17,040)	(7,704)
	20,616	13,194

The effective interest rate of the Group’s lease receivables are between 2.20% to 9.04% (2023: 2.20% to 9.04%) per annum. Included in minimum lease receivables are the estimated unguaranteed residual values of the leased assets of RM37 million (2023: RM35 million).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

10. LONG-TERM RECEIVABLES (continued)

- 10.4 Included in the Group’s other receivables and prepayments is a concession arrangement entered into by a subsidiary of the Group with the Government of Malaysia to construct government buildings on a build-lease-maintain-transfer basis. The concession period is 28 years and 6 months commencing from the construction date.

Included in the Company’s other receivables and prepayments are:

- (i) abandonment cess contribution to the Abandonment Cess Fund, which is reimbursable to the Company upon execution of the abandonment of the oil and gas properties in accordance with the terms of the production sharing contracts (“PSCs”) as described in Note 37. The amount of cess payable to the PSC Contractors is disclosed in Note 22; and
- (ii) decarbonisation contribution to the Decarbonisation Fund, which is reimbursable to the Company upon request of qualifying project in connection with PETRONAS’ decarbonisation and clean energy pursuits.

11. FUND AND OTHER INVESTMENTS

<i>In RM Mil</i>	Group		Company	
	2024	2023	2024	2023
Non-current				
Fair value through profit or loss				
Unquoted shares	236	130	–	–
Quoted securities	601	527	–	–
	837	657	–	–
Fair value through other comprehensive income				
Quoted shares	–	45	–	–
Unquoted shares	1,572	1,653	73	73
	1,572	1,698	73	73
Amortised cost				
Corporate Bonds and Sukuk	6,795	2,687	3,037	1,021
Malaysian Government Securities	7,429	5,736	3,787	2,775
	14,224	8,423	6,824	3,796
Total non-current investments	16,633	10,778	6,897	3,869

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

11. FUND AND OTHER INVESTMENTS (continued)

In RM Mil	Group		Company	
	2024	2023	2024	2023
Current				
Fair value through profit or loss				
Quoted shares	3,981	2,014	1,552	204
Corporate Bonds and Sukuk	8,612	6,899	6,140	4,827
Malaysian Government Securities	2,033	2,085	1,647	1,667
	14,626	10,998	9,339	6,698
Fair value through other comprehensive income				
Quoted shares	—	122	—	—
Amortised cost				
Unquoted securities	1,020	500	—	—
Corporate Bonds and Sukuk	52	—	—	—
	1,072	500	—	—
Total current investments	15,698	11,620	9,339	6,698
Total fund and other investments	32,331	22,398	16,236	10,567
Representing items:				
At amortised cost	15,296	8,923	6,824	3,796
At fair value	17,035	13,475	9,412	6,771
	32,331	22,398	16,236	10,567

Included in fund and other investments of the Group is an amount of RM10,517 million (2023: RM6,335 million) which is held for the purpose of future decommissioning activities of oil and gas properties.

Included in Corporate Bonds and Sukuk of the Company are securities issued by subsidiaries amounting to RM1,860 million (2023: RM546 million).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

12. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

In RM Mil	Note	2024		2023	
		Assets	Liabilities	Assets	Liabilities
Group					
Non-current					
Derivatives not designated as hedging instruments					
Forward foreign exchange contracts		—	—	—	(4)
Derivatives designated as hedging instruments					
Interest rate swaps		594	—	717	(7)
Forward foreign exchange contracts		256	—	52	(2)
Commodity derivatives		—	—	7	—
		850	—	776	(9)
Total non-current derivatives		850	—	776	(13)
Current					
Derivatives not designated as hedging instruments					
Forward foreign exchange contracts		235	(71)	161	(104)
Commodity derivatives		436	(186)	617	(94)
		671	(257)	778	(198)
Derivatives designated as hedging instruments					
Forward foreign exchange and other contracts		81	(81)	62	(54)
Commodity derivatives		574	(935)	640	(100)
		655	(1,016)	702	(154)
Total current derivatives		1,326	(1,273)	1,480	(352)
Total derivatives		2,176	(1,273)	2,256	(365)
Included within:					
Long-term receivables	10	850	—	776	—
Trade and other receivables	15	1,326	—	1,480	—
Other long-term liabilities and provisions	22	—	—	—	(13)
Trade and other payables	23	—	(1,273)	—	(352)
		2,176	(1,273)	2,256	(365)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

12. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (continued)

In RM Mil	Note	2024		2023	
		Assets	Liabilities	Assets	Liabilities
Company					
Current					
Derivatives not designated as hedging instruments					
Forward foreign exchange contracts		31	(35)	151	(143)
Derivatives designated as hedging instruments					
Commodity derivatives		503	—	632	—
Total derivatives		534	(35)	783	(143)
Included within:					
Trade and other receivables	15	534	—	783	—
Trade and other payables	23	—	(35)	—	(143)
		534	(35)	783	(143)

In the normal course of business, the Group and the Company enter into derivative financial instruments to manage their normal business exposures in relation to commodity prices, foreign currency exchange rates and interest rates, including management of the balance between floating rate and fixed rate debt, consistent with risk management policies and objectives.

The calculation of fair value for derivative financial instruments depends on the type of instruments.

(a) Commodity swaps, options and futures

The fair value of oil, gas and petroleum products swaps, options and futures is based on the fair value difference between forward market price at the reporting date and the contracted price or cost of premium when applicable.

(b) Forward foreign exchange contracts

The fair value of forward foreign currency exchange contracts is based on the fair value difference between forward exchange rate at the reporting date and the contracted rate.

(c) Interest rate swaps

The fair value of interest rate swaps is based on the fair value difference between interest rate at the reporting date and the contracted rate.

The Group and the Company apply hedge accounting whereby hedges meeting the criteria for hedge accounting are classified as cash flow hedges. The effective portion of the gain or loss on the hedging instruments is recognised directly in equity until the hedged transaction occurs, while the ineffective portion is recognised in the profit or loss. Details of cash flow hedges are disclosed in Note 38 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

13. DEFERRED TAX

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

In RM Mil	Assets		Liabilities		Net	
	2024	2023 ^a	2024	2023 ^a	2024	2023 ^a
Group						
Property, plant and equipment and intangible assets	7,868	8,765	(28,743)	(31,350)	(20,875)	(22,585)
Lease liabilities	4,579	4,499	–	–	4,579	4,499
Unused tax losses	10,582	12,857	–	–	10,582	12,857
Unabsorbed capital allowances	2,824	2,452	–	–	2,824	2,452
Unused reinvestment allowances	447	453	–	–	447	453
Unused investment tax allowances	3,688	4,997	–	–	3,688	4,997
Provision for decommissioning and restoration	10,832	11,121	–	–	10,832	11,121
Others	2,733	3,410	(2,380)	(2,648)	353	762
Tax assets/(liabilities)	43,553	48,554	(31,123)	(33,998)	12,430	14,556
Set off tax	(18,094)	(20,701)	18,094	20,701	–	–
Net tax assets/(liabilities)	25,459	27,853	(13,029)	(13,297)	12,430	14,556
Company						
Property, plant and equipment	–	–	(3,514)	(4,683)	(3,514)	(4,683)
Lease liabilities	1,640	1,679	–	–	1,640	1,679
Unused tax losses	3,061	4,775	–	–	3,061	4,775
Unabsorbed capital allowances	35	47	–	–	35	47
Unused investment tax allowances	–	82	–	–	–	82
Provision for decommissioning and restoration	5,863	6,783	–	–	5,863	6,783
Others	728	502	(69)	(152)	659	350
Tax assets/(liabilities)	11,327	13,868	(3,583)	(4,835)	7,744	9,033
Set off tax	(3,583)	(4,835)	3,583	4,835	–	–
Net tax assets	7,744	9,033	–	–	7,744	9,033

^a Certain prior year information has been restated to conform with current year presentation.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

13. DEFERRED TAX (continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

In RM Mil	Group		Company	
	2024	2023	2024	2023
Deductible temporary differences	1,557	1,250	–	–
Unabsorbed capital allowances	3,609	3,605	–	–
Unused tax losses	58,795	48,324	9,500	8,766
Unused reinvestment allowances	22	–	–	–
Unused investment tax allowances	4,205	5,368	–	–
	68,188	58,547	9,500	8,766

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company and the respective subsidiaries can utilise the benefits.

In accordance with the provision of Malaysian Finance Act 2021, the utilisation of unused tax losses will be limited to ten years with effect from year of assessment 2019.

Unabsorbed capital allowances and unused investment tax allowances do not expire under current tax legislation.

The Group and the Company have unused tax losses carried forward of approximately RM101,936 million (2023: RM101,069 million) and RM22,254 million (2023: RM28,662 million), unabsorbed capital allowances of approximately RM14,846 million (2023: RM13,344 million) and RM146 million (2023: RM196 million), and unused investment tax allowances of approximately RM17,428 million (2023: RM22,465 million) and RM Nil (2023: RM216 million) respectively, which give rise to the recognised and unrecognised deferred tax assets as above.

The Group also has unused reinvestment allowances of approximately RM1,885 million (2023: RM1,888 million) which give rise to the recognised and unrecognised deferred tax assets as above.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

13. DEFERRED TAX (continued)

The components and movements of deferred tax liabilities and assets during the year prior to offsetting are as follows:

Group 2024 In RM Mil	At 1.1.2024	Credited/ (Charged) to profit or loss
Deferred tax liabilities		
Property, plant and equipment and intangible assets	(31,350)	1,913
Others	(2,648)	473
	(33,998)	2,386
Deferred tax assets		
Property, plant and equipment and intangible assets	8,765	(805)
Lease liabilities	4,499	299
Unused tax losses	12,857	(1,917)
Unabsorbed capital allowances	2,452	372
Unused reinvestment allowances	453	(6)
Unused investment tax allowances	4,997	(1,308)
Provision for decommissioning and restoration	11,121	(246)
Others	3,410	(514)
	48,554	4,125
Total	14,556	(1,739)

continue to next page

Group 2023 Restated ^c In RM Mil	At 1.1.2023	(Charged)/ Credited to profit or loss	Acquisition of subsidiaries
Deferred tax liabilities			
Property, plant and equipment and intangible assets	(27,841)	(3,031)	–
Others	(1,768)	(486)	(190)
	(29,609)	3,517	(190)
Deferred tax assets			
Property, plant and equipment and intangible assets	9,173	(522)	–
Lease liabilities	4,616	(169)	–
Unused tax losses	8,635	3,768	–
Unabsorbed capital allowances	1,664	786	–
Unused reinvestment allowances	447	6	–
Unused investment tax allowances	5,056	(84)	–
Provision for decommissioning and restoration	6,600	4,849	–
Others	2,264	476	113
	38,455	9,110	113
Total	8,846	5,593	(77)

continue to next page

^{a,b} Includes reclassification within and between deferred tax liabilities and deferred tax assets.
^c Certain prior year information has been restated to conform with current year presentation.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

13. DEFERRED TAX (continued)

Group 2024 <i>In RM Mil</i>	Equity	Translation exchange difference	At 31.12.2024
Deferred tax liabilities			
Property, plant and equipment and intangible assets	–	694	(28,743)
Others	(228)	23	(2,380)
	(228)	717	(31,123)
Deferred tax assets			
Property, plant and equipment and intangible assets	–	(92)	7,868
Lease liabilities	–	(219)	4,579
Unused tax losses	–	(358)	10,582
Unabsorbed capital allowances	–	–	2,824
Unused reinvestment allowances	–	–	447
Unused investment tax allowances	–	(1)	3,688
Provision for decommissioning and restoration	–	(43)	10,832
Others	–	(163)	2,733
	–	(876)	43,553
Total	(228)	(159)	12,430

continued from previous page

Group 2023 Restated ^a <i>In RM Mil</i>	Disposal of assets	Equity	Translation exchange difference	At 31.12.2023
Deferred tax liabilities				
Property, plant and equipment and intangible assets	–	–	(478)	(31,350)
Others	–	(100)	(104)	(2,648)
	–	(100)	(582)	(33,998)
Deferred tax assets				
Property, plant and equipment and intangible assets	–	–	114	8,765
Lease liabilities	–	–	52	4,499
Unused tax losses	–	–	454	12,857
Unabsorbed capital allowances	–	–	2	2,452
Unused reinvestment allowances	–	–	–	453
Unused investment tax allowances	–	–	25	4,997
Provision for decommissioning and restoration	(347)	–	19	11,121
Others	–	–	557	3,410
	(347)	–	1,223	48,554
Total	(347)	(100)	641	14,556

continued from previous page

^a Certain prior year information has been restated to conform with current year presentation.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

13. DEFERRED TAX (continued)

Company 2024 <i>In RM Mil</i>	At 1.1.2024	Credited/ (Charged) to profit or loss	Equity	At 31.12.2024
Deferred tax liabilities				
Property, plant and equipment	(4,683)	1,169	–	(3,514)
Others	(152)	3	80	(69)
	(4,835)	1,172	80	(3,583)
Deferred tax assets				
Lease liabilities	1,679	(39)	–	1,640
Unused tax losses	4,775	(1,714)	–	3,061
Unabsorbed capital allowances	47	(12)	–	35
Unused investment tax allowances	82	(82)	–	–
Provision for decommissioning and restoration	6,783	(920)	–	5,863
Others	502	226	–	728
	13,868	(2,541)	–	11,327
	9,033	(1,369)	80	7,744

Company 2023 Restated ^a <i>In RM Mil</i>	At 1.1.2023	(Charged)/ Credited to profit or loss	Transfers	Equity	At 31.12.2023
Deferred tax liabilities					
Property, plant and equipment	(3,140)	(1,492)	(51)	–	(4,683)
Others	(267)	265	–	(150)	(152)
	(3,407)	(1,227)	^b (51)	(150)	(4,835)
Deferred tax assets					
Lease liabilities	1,112	567	–	–	1,679
Unused tax losses	1,920	2,855	–	–	4,775
Unabsorbed capital allowances	37	10	–	–	47
Unused investment tax allowances	721	(639)	–	–	82
Provision for decommissioning and restoration	6,708	75	–	–	6,783
Others	1,145	(643)	–	–	502
	11,643	2,225	–	–	13,868
	8,236	998	^b (51)	(150)	9,033

^a Certain prior year information has been restated to conform with current year presentation.

^b Includes transfer out to investment in subsidiaries of RM51 million.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

14. TRADE AND OTHER INVENTORIES

<i>In RM Mil</i>	Group		Company	
	2024	2023	2024	2023
Crude oil and condensates	2,242	2,578	22	15
Petroleum products	3,413	3,287	92	28
Petrochemical products	2,204	1,885	—	—
Liquefied natural gas	1,477	1,226	—	—
Stores, spares and others	3,705	3,704	1	*—
Non-petroleum products	15	—	—	—
Developed properties held for sale	493	615	—	—
Properties under development	547	1,012	—	—
Inventories at lower of cost and net realisable value	14,096	14,307	115	43
Recognised in the profit or loss from continuing operations:				
Inventories recognised as cost of revenue	97,992	99,894	—	—
Net inventories written down to net realisable value/written off	397	133	—	—

* Amount less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

15. TRADE AND OTHER RECEIVABLES

<i>In RM Mil</i>	Note	Group		Company	
		2024	2023	2024	2023
Trade					
Trade receivables		31,496	30,802	2,168	2,065
Amounts due from:					
- subsidiaries	15.1	—	—	13,927	14,809
- associates and joint arrangements	15.1	8,940	5,859	—	—
Contract assets	15.2	172	342	—	—
Derivative financial assets	12	1,033	1,294	503	632
Less: Allowance for impairment losses					
- Trade receivables	38	(637)	(855)	(3)	(7)
- Amounts due from subsidiaries	38	—	—	(4)	(1)
- Amounts due from associates and joint arrangements	38	(131)	(156)	—	—
		40,873	37,286	16,591	17,498
Non-trade					
Other receivables, deposits and prepayments		18,573	16,270	1,628	1,637
Amounts due from:					
- subsidiaries	15.1	—	—	14,815	9,694
- associates and joint arrangements	15.1	9,713	1,014	9,171	5
Tax recoverable		2,021	2,174	—	—
Finance lease receivables	10	1,352	1,255	—	—
Derivative financial assets	12	293	186	31	151
Less: Allowance for impairment losses					
- Amounts due from subsidiaries	38	—	—	(1)	(2)
- Amount due from a joint venture	38	(55)	—	(55)	—
- Other receivables, deposits and prepayments	38	(1,022)	(1,157)	(12)	(12)
		30,875	19,742	25,577	11,473
		71,748	57,028	42,168	28,971

15.1 Amounts due from subsidiaries, associates and joint arrangements arose in the normal course of business. During the financial year, the Company has entered into an agreement with the shareholder of the Group's joint venture partner to assume the role of supplier jointly for feedstock supplied in prior year to a joint venture entity of the Group.

15.2 Contract assets are mainly in relation to amount due from customers on contracts relating to the Group's rights to consideration for work completed but not billed at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

16. CASH AND CASH EQUIVALENTS

In RM Mil	Group		Company	
	2024	2023	2024	2023
Cash and bank balances	17,452	22,694	6,383	9,426
Deposits placed	171,024	185,798	116,421	130,100
	188,476	208,492	122,804	139,526
Less: Subsidiaries' cash with PETRONAS Integrated Financial Shared Service Centre	—	—	(70,771)	(64,366)
	188,476	208,492	52,033	75,160

The Company manages the cash and cash equivalents on behalf of certain subsidiaries through its Integrated Financial Shared Service Centre in order to allow for more efficient management of cash. The cash and cash equivalents reported in the Company's financial statements do not include the amounts managed on behalf of the subsidiaries.

Included in cash and bank balances of the Group and the Company are interest/profit-bearing balances amounting to RM16,712 million (2023: RM18,200 million) and RM6,383 million (2023: RM9,426 million) respectively.

Included in deposits with banks of the Group is an amount of RM21,639 million (2023: RM23,980 million) which is held for the purpose of future decommissioning and restoration activities of oil and gas properties.

Included in the consolidated cash and cash equivalents are restricted amounts in relation to:

- (i)

retention account of RM1,253 million (2023: RM1,108 million) which is restricted for use under the requirements of loan covenants, certain borrowing facilities agreement and construction projects;
- (ii)

restricted funds of RM603 million (2023: RM622 million) for Voluntary Abandonment and Decommissioning Contribution is held by the Group on behalf of the joint operating partners and not to be utilised for other business operations;
- (iii)

deposits held under designated accounts for redemption of Islamic financing facilities of RM388 million (2023: RM368 million); and
- (iv)

deposits restricted for other requirements of RM70 million (2023: RM37 million).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

17. ASSETS/(LIABILITIES) CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets/(liabilities) classified as held for sale

Assets and liabilities held for sale are disposal groups intended to be disposed in the immediate future. Included in the disposal groups during the year are other disposal groups that are not material in relation to the consolidated results of the Group and therefore not presented separately as discontinuing operations.

The financial performance and the net cash flows of disposal group that is material in relation to the consolidated results of the Group is presented separately as discontinued operations in the Group's financial statements.

The following amounts represent carrying values of net assets owned by the Group with the intention of disposal in the immediate future. The carrying amounts of these assets represent the lower of carrying amounts or fair values. The amount also includes a disposal group from prior year, which continues to be classified as held for sale following the Group's commitment to sell the assets.

In RM Mil	Group	
	2024	2023
Assets classified as held for sale		
Property, plant and equipment	68	4,079
Intangible assets	8	322
Deferred tax assets	—	335
Trade and other inventories	53	4,665
Trade and other receivables	137	3,827
Other assets	141	1,113
	407	14,341
Liabilities classified as held for sale		
Borrowings	(18)	(3,031)
Trade and other payables	(122)	(5,306)
Other liabilities and provisions	(11)	(740)
	(151)	(9,077)
Amounts included in accumulated OCI		
Foreign currency translation reserve	—	2,283
Other reserves	—	(180)
Reserves of disposal groups classified as held for sale	—	2,103

Fair value information

In accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, certain assets classified as held for sale were written down to their fair value less costs to sell. The fair value less costs to sell is based on the most recent market transactions of the disposal groups.

The fair value of certain assets which are carried at fair value are categorised as Level 2.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

17. ASSETS/(LIABILITIES) CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

Discontinued operations

On 7 February 2023, PETRONAS via its wholly-owned subsidiary, PETRONAS Marketing International Sdn. Bhd. ("PMISB"), signed a Sale and Purchase Agreement with Vitol Emerald Bidco (Pty) Ltd and Vitol Africa B.V. for the sale of PMISB's entire 74% equity interests in its subsidiary, namely Engen Limited and its subsidiaries ("Engen Group"). The divestment was completed on 21 May 2024.

The business of Engen Group represents the major composition of the Group's geographical segment for Africa and had been classified as disposal group held for sale and discontinued operations since 31 December 2022.

The results of Engen Group for the year are presented below:

In RM Mil	Note	Up to the	Group
		disposal date	2023
After inter-company adjustments			
Revenue	24	14,826	37,842
Cost of revenue		(12,445)	(33,665)
Gross profit		2,381	4,177
Selling and distribution expenses		(308)	(828)
Administration expenses		(339)	(775)
Net impairment losses ¹		(6)	(88)
Other expenses		(2,297)	(729)
Other income		345	662
Operating (loss)/profit		(224)	2,419
Financing costs	26	(143)	(333)
(Loss)/Profit before tax from discontinued operations		(367)	2,086
Tax expense	27	(326)	(311)
(Loss)/Profit for the year from discontinued operations after inter-company adjustments		(693)	1,775
Inter-company adjustments ²		1,339	(959)
Profit for the period from discontinued operations before inter-company adjustments representing the net effect to Statement of Profit or Loss		646	816
Other comprehensive (loss)/income			
Net movements from exchange differences of discontinued operations		—	(208)
Net movements from OCI of discontinued operations		—	9
Total other comprehensive loss		—	(199)
Total comprehensive (loss)/income from discontinued operations after inter-company adjustments		(693)	1,576
Inter-company adjustments ²		1,276	(704)
Total comprehensive income from discontinued operations before inter-company adjustments representing the net effect to Statement of Other Comprehensive Income		583	872

¹ Includes certain amount relating to write-off of assets.

² Mainly relates to elimination of sales and purchase transactions between related companies in continuing and discontinued operations. The amount will remain in continuing operations profit after the disposal.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

17. ASSETS/(LIABILITIES) CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

Discontinued operations (continued)

The net cash flows incurred by Engen Group are as follows:

In RM Mil	Group	
	Up to the disposal date	2023
Net cash generated from operating activities	1,593	2,371
Net cash used in investing activities	(78)	(458)
Net cash (used in)/generated from financing activities	(244)	214
Net increase in cash and cash equivalents	1,271	2,127

The summary of the net effect of the disposal of Engen Group on the consolidated financial statements of the Group is disclosed separately in Note 32.

18. SHARE CAPITAL

In RM Mil	Company	
	2024	2023
Issued and fully paid shares with no par value classified as equity instrument:		
100,000 ordinary shares of RM1,000 each	100	100

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. Ordinary share has no par value.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

19. RESERVES

Capital and other reserves

Capital reserves represent primarily reserves created upon issuance of bonus shares and redemption of preference shares by subsidiaries. Other reserves comprise the Group’s share of its associate and joint venture companies’ reserves.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of subsidiaries whose functional currencies are different from that of the Company’s functional currency as well as foreign currency differences arising from the translation of monetary items that are considered to form part of a net investment in a foreign operation.

Fair value through other comprehensive income reserve

This reserve records the changes in fair value of equity securities designated at fair value through other comprehensive income. On disposal or impairment of equity securities, the cumulative changes in fair value are transferred to the retained profits.

Hedging reserve

Hedging reserves include the cash flow hedge reserve that records the effective portion of the gain or loss on derivatives designated as hedging instrument in a cash flow hedge. Amounts are subsequently transferred out from equity to either profit or loss or the carrying value of assets, as appropriate. Hedging reserves also include the cost of hedging reserve which records the changes in the time value of option contracts and the forward element of forward contracts.

General reserve

General reserve represents appropriation of retained profits for general purposes rather than for a specific item of future loss or expense. In effect, it is a reserve for unspecified possible events.

20. NON-CONTROLLING INTERESTS

This consists of the non-controlling interests’ proportion of share capital and reserves of partly-owned subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

21. BORROWINGS

In RM Mil	Group		Company	
	2024	2023	2024	2023
Non-current				
Lease liabilities	15,267	13,596	6,194	6,534
Secured				
Term loans	14,145	16,323	–	–
Islamic financing facilities	2,039	1,713	–	–
Total non-current secured borrowings	16,184	18,036	–	–
Unsecured				
Term loans	4,520	1,612	–	–
Notes and Bonds	54,143	64,539	48,798	57,192
Islamic financing facilities	440	971	–	–
Revolving credits	283	–	–	–
Total non-current unsecured borrowings	59,386	67,122	48,798	57,192
Total non-current borrowings	90,837	98,754	54,992	63,726
Current				
Lease liabilities	3,973	3,445	638	517
Secured				
Term loans	4,425	4,111	–	–
Islamic financing facilities	743	1,318	–	–
Total current secured borrowings	5,168	5,429	–	–
Unsecured				
Term loans	372	128	–	–
Notes and Bonds	8,623	–	6,688	–
Islamic financing facilities	575	1,707	–	–
Revolving credits	984	1,882	–	–
Bankers’ acceptances	355	276	–	–
Bank overdrafts	10	–	–	–
Total current unsecured borrowings	10,919	3,993	6,688	–
Total current borrowings	20,060	12,867	7,326	517
Total borrowings	110,897	111,621	62,318	64,243

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

21. BORROWINGS (continued)

Terms and debt repayment schedule

Group 2024 <i>In RM Mil</i>	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
Lease liabilities	19,240	3,973	2,855	5,511	6,901
Secured					
Term loans	18,570	4,425	3,641	5,436	5,068
Islamic financing facilities	2,782	743	247	734	1,058
	21,352	5,168	3,888	6,170	6,126
Unsecured					
Term loans	4,892	372	64	3,586	870
Notes and Bonds	62,766	8,623	2,230	5,345	46,568
Islamic financing facilities	1,015	575	390	50	—
Revolving credits	1,267	984	283	—	—
Bankers' acceptances	355	355	—	—	—
Bank overdrafts	10	10	—	—	—
	70,305	10,919	2,967	8,981	47,438
	110,897	20,060	9,710	20,662	60,465

2023 <i>In RM Mil</i>					
Lease liabilities	17,041	3,445	2,313	3,916	7,367
Secured					
Term loans	20,434	4,111	2,533	8,776	5,014
Islamic financing facilities	3,031	1,318	586	432	695
	23,465	5,429	3,119	9,208	5,709
Unsecured					
Term loans	1,740	128	64	198	1,350
Notes and Bonds	64,539	—	8,726	7,808	48,005
Islamic financing facilities	2,678	1,707	134	500	337
Revolving credits	1,882	1,882	—	—	—
Bankers' acceptances	276	276	—	—	—
	71,115	3,993	8,924	8,506	49,692
	111,621	12,867	14,356	21,630	62,768

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

21. BORROWINGS (continued)

Terms and debt repayment schedule (continued)

Company 2024 <i>In RM Mil</i>	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
Lease liabilities	6,832	638	386	995	4,813
Unsecured					
Notes and Bonds	55,486	6,688	2,230	—	46,568
	62,318	7,326	2,616	995	51,381

2023 <i>In RM Mil</i>					
Lease liabilities	7,051	517	549	1,013	4,972
Unsecured					
Notes and Bonds	57,192	—	6,887	2,300	48,005
	64,243	517	7,436	3,313	52,977

Secured term loans

The secured term loans obtained by the subsidiaries primarily comprise:

<i>In Mil</i>	Securities	2024	2023
USD Term loans	Secured by way of a charge over certain property, plant and equipment, together with charter agreements, insurance of the relevant assets and retention accounts of certain subsidiaries.	US\$3,910	US\$3,510
EUR Term loans	Secured by way of a deed of guarantee undertaken by the Company.	€360	€415
INR Term loans	Secured by way of charge over all assets of the projects financed including immovable and movable properties, current assets, accounts, intangible assets and goodwill.	₹79,041	₹73,278

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

21. BORROWINGS (continued)

Secured term loans (continued)

Included in the USD secured term loans of the Group is 50% share of project financing facility of a joint operation entity amounting to USD343 million (2023: USD372 million), which is undertaken with a joint venture entity, under an integrated borrowing structure for contractual obligations for project completion and delivery and for the repayment of bridge loan facilities and other expenditures.

The loan of the joint operation entity is secured in the following manner:

- (i) completion guarantee by the Company, which is a fully recourse guarantee to a subsidiary, on several and not joint basis which will be uplifted and terminated upon meeting all project completion requirements;
- (ii) cross-guarantee arrangement under an integrated borrowing structure due to the nature of the project with a joint venture entity as disclosed in Note 38; and
- (iii) charge over ordinary shares and the land lease rights of the said joint operation entity.

As per the integrated borrowing structure, the Company has provided a project completion guarantee to the lenders, via a Debt Service Undertaking (“DSU”) for a Guaranteed Project Completion Date (“Guaranteed PCD”) on 31 December 2023. The DSU further defines that the lenders have the right to request for full repayment of outstanding amount if the project completion delays beyond the Guaranteed PCD.

During the year, the Guaranteed PCD has been extended from 31 December 2023 to 31 March 2024 and subsequently further extended to 31 December 2025.

The secured term loans bear interest at rates ranging from 0.80% to 9.80% (2023: 1.85% to 7.57%) per annum and are fully repayable at their various due dates from 2025 to 2043.

Unsecured term loans

The unsecured term loans obtained by the subsidiaries primarily comprise:

In Mil	2024	2023
USD Term loans	US\$1,046	US\$1,828

These unsecured term loans bear interest at rates ranging from 0.71% to 4.18% (2023: 0.71% to 6.70%) per annum and are fully repayable at their various due dates from 2025 to 2029.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

21. BORROWINGS (continued)

Unsecured Notes and Bonds

The unsecured Notes and Bonds comprise:

In Mil	2024	2023
USD Notes and Bonds:		
3.625% Guaranteed Notes due 2025*	US\$400	US\$400
3.500% Guaranteed Notes due 2025^@	US\$1,500	US\$1,500
7.625% Bonds due 2026#	US\$500	US\$500
3.750% Guaranteed Notes due 2027*	US\$600	US\$600
2.112% Guaranteed Notes due 2028*^@	US\$600	US\$600
3.500% Guaranteed Notes due 2030^@	US\$2,250	US\$2,250
2.480% Guaranteed Notes due 2032^@	US\$1,250	US\$1,250
4.500% Guaranteed Notes due 2045^@	US\$1,500	US\$1,500
4.550% Guaranteed Notes due 2050^@	US\$2,750	US\$2,750
4.800% Guaranteed Notes due 2060^@	US\$1,000	US\$1,000
3.404% Guaranteed Notes due 2061^@	US\$1,750	US\$1,750

- # Issued by the Company.
- ^ Issued by the Company via a subsidiary.
- * Issued by a subsidiary.
- @ Guaranteed by the Company.

In connection with the long-term borrowing facility agreements, the Group and the Company have agreed on the following significant covenants with the bondholders of (i) the Bonds issued by the Company and (ii) the Guaranteed Notes@:

- (i) not to allow any material indebtedness (the minimum aggregate amount exceeding USD30,000,000 for the 7.625% Bonds due 2026 and USD200,000,000 for the other Guaranteed Notes or its equivalent in any other currency) for borrowed money of the Company to become due or capable of being declared due before its stated maturity, any guarantee of the Company for material indebtedness of any other person is not discharged at maturity or when validly called or the Company goes into default;
- (ii) the Company (not including any of its subsidiaries) not to create, incur or have outstanding any mortgage, pledge, lien, charge, encumbrance or any other lien upon the whole or any part of its property or assets, present or future, to secure for the benefit of the holders of any indebtedness of itself or any other person, unless the aggregate outstanding principal amount of all such secured indebtedness (other than indebtedness secured by the liens already in existence) plus attributable debt of the Company in respect of sales and leaseback transactions would not exceed 10% of the consolidated net tangible assets for the 7.625% Bonds due 2026 and 15% of the consolidated net tangible assets for the other Guaranteed Notes;

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

21. BORROWINGS (continued)

Unsecured Notes and Bonds (continued)

- (iii)

the Company (not including any of its subsidiaries) not to enter into any sale and leaseback transaction, unless the attributable debt in respect of such sale and leaseback transaction and all other sale and leaseback transaction plus the aggregate outstanding principal amount of indebtedness for borrowed money secured by security interests (other than permitted security interests) then outstanding which have not equally and ratably secured, the total outstanding would not exceed 10% of the consolidated net tangible assets for the 7.625% Bonds due 2026 and 15% of the consolidated net tangible assets for the other Guaranteed Notes provided that, within 12 months after such sale and leaseback transaction, it applies to the retirement of indebtedness for borrowed money, the repayment obligations hereunder and which are not secured by any security interest, an amount to the greater of:

 - the net proceeds of the sale or transfer of the property or other assets which are the subject of such sale and leaseback transaction as determined by the Company; or
 - the fair market value of the property or other assets so leased as determined by the Company;
- (iv)

the Company, PETRONAS Capital Limited (“PCL”) and PETRONAS Energy Canada Ltd (“PECL”), without consent of the majority bondholders may not consolidate with, or merge into, or sell, transfer, lease or convey substantially all of its assets to any corporation unless any successor corporation expressly assumes the obligations of the Company, PCL or PECL, as the case may be under the Guaranteed Notes and Bonds.

Unsecured revolving credits and bank overdrafts

The unsecured revolving credits and bank overdrafts are obtained by the subsidiaries and primarily bear interest at rates ranging from 3.39% to 7.90% (2023: 2.96% to 7.25%) per annum.

Secured Islamic financing facilities

The secured Islamic financing facilities obtained by the subsidiaries comprise:

In RM Mil	2024	2023
Musharakah Mutanaqisah Term Finances	106	206
Murabahah Medium Term Notes	3,705	4,455

The secured Islamic financing facilities bear yield payable/profit rates ranging from 2.03% to 4.77% (2023: 2.03% to 4.80%) per annum and are fully repayable at their various due dates from 2025 to 2040.

The Islamic financing facilities are secured by way of a charge over certain property, plant and equipment and investment properties.

Unsecured Islamic financing facilities

The unsecured Islamic financing facilities obtained by the subsidiaries primarily comprise:

In RM Mil	2024	2023
Murabahah Note Issuance Facilities	—	1,300
Sukuk Musyarakah	4,500	4,500

The unsecured Islamic financing facilities bear yield payable ranging from 3.60% to 4.58% (2023: 3.46% to 4.58%) per annum and are fully repayable at their various due dates from 2025 to 2033.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

22. OTHER LONG-TERM LIABILITIES AND PROVISIONS

In RM Mil	Note	Group		Company	
		2024	2023	2024	2023
Provision for decommissioning and restoration of:					
- oil and gas properties		44,859	45,256	23,353	24,532
- other property, plant and equipment		4,833	4,311	—	—
Financial guarantees		—	—	234	116
Derivative financial liabilities	12	—	13	—	—
Contract liabilities		3,716	3,935	6,176	6,149
Abandonment cess payables	37	6,346	5,816	15,401	14,184
Deferred and contingent considerations		2,815	2,916	—	—
Others		2,197	2,187	2,982	2,867
		64,766	64,434	48,146	47,848

Provision for decommissioning and restoration of oil and gas properties and other property, plant and equipment is recognised when there is an obligation to abandon a facility or an item of property, plant and equipment and to restore the site on which it is located, and when a reasonable estimate of that liability can be made. In the case of provision for decommissioning and restoration of oil and gas properties, the obligation is stipulated in certain PSCs as described in Note 37.

The provision recognised is the present value of the Group’s and the Company’s obligations of the estimated future costs determined in accordance with current conditions and requirements.

A corresponding asset of an amount equivalent to the provision is also created. This asset is depreciated in accordance with the policy set out in Note 2.4. The present value of the provision is expected to increase due to the passage of time which is included within finance costs.

Deferred and contingent considerations are mainly in relation to estimated payment obligations arising from acquisitions of asset and/or business.

Most of these removal events are many years in the future and precise requirements that will have to be met when the removal events actually occur are uncertain. The actual timing and net cash outflows can differ from estimates due to changes in laws, regulations, public expectations, technologies, prices and conditions, therefore, the carrying amount of provisions, together with the interest rate used in discounting the cash flows and inflation rate, are regularly reviewed and adjusted to take account of such changes. The interest rates and inflation rates used to determine the significant obligations as at 31 December 2024 ranges from 3.33% to 9.59% (2023: 3.02% to 10.63%) and 1.57% to 5.80% (2023: 1.62% to 3.10%) per annum respectively. Changes in the expected future costs are reflected in both the provision and the asset.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

22. OTHER LONG-TERM LIABILITIES AND PROVISIONS (continued)

The movement of provision for decommissioning and restoration during the financial year are as follows:

In RM Mil	Group		Company	
	2024	2023	2024	2023
At 1 January	50,214	37,486	24,635	17,653
Additions	459	2,587	2	161
Net changes in provision	(1,403)	10,554	(1,653)	6,992
Provision utilised	(716)	(1,210)	(198)	(167)
Unwinding of discount	1,933	2,122	906	927
Disposals	–	(1,591)	–	(931)
Translation exchange difference	(377)	266	–	–
At 31 December	50,110	50,214	23,692	24,635

In RM Mil	Note	Group		Company	
		2024	2023	2024	2023
Included within:					
Other long-term liabilities and provisions		49,692	49,567	23,353	24,532
Trade and other payables	23	418	647	339	103
		50,110	50,214	23,692	24,635

As at 31 December 2024, the provision for decommissioning and restoration is expected to be utilised as follows:

In RM Mil	Group	Company
1 to 10 years	18,232	7,132
11 to 20 years	14,433	9,431
More than 20 years	17,445	7,129
	50,110	23,692

During the year, the provision for decommissioning and restoration for the Group and the Company decreased by RM1,403 million and RM1,653 million respectively, out of which RM4,919 million and RM3,023 million respectively was as a result of the changes in estimated decommissioning timeline, inflation rates and discount rates, partly offset by an increase in the provision by RM3,516 million and RM1,370 million respectively resulting from other changes in the estimated cash flows.

In the prior year, the provision for the Group and the Company increased by RM10,554 million and RM6,992 million respectively, out of which RM8,554 million and RM5,250 million respectively were as a result of changes in the estimated cash flows and inflation rates, RM2,000 million and RM1,742 million respectively were attributable to the changes in the discount rates and other certain key changes in the assumptions.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

22. OTHER LONG-TERM LIABILITIES AND PROVISIONS (continued)

The adjustments were accounted for prospectively as a change in accounting estimates resulting in the following:

In RM Mil	Group		Company	
	2024	2023	2024	2023
(Decrease)/Increase in provision for decommissioning and restoration	(1,403)	10,554	(1,653)	6,992
(Decrease)/Increase in cost of property, plant and equipment	(2,591)	9,163	(2,234)	5,801
Decrease in net profits	(1,188)	(1,391)	(581)	(1,191)

23. TRADE AND OTHER PAYABLES

In RM Mil	Note	Group		Company	
		2024	2023	2024	2023
Trade payables		23,363	19,979	2,401	2,392
Other payables		39,642	45,273	11,937	13,640
Amounts due to:					
- subsidiaries		–	–	5,663	5,612
- associates and joint arrangements		2,878	2,472	8	23
Derivative financial liabilities	12	1,273	352	35	143
		67,156	68,076	20,044	21,810

Included in other payables of the Group and the Company are:

- (i) amounts owing to suppliers, contractors and joint operating partners which mainly arose in the normal course of business and cash payments to the Federal and State Governments of Malaysia; and
- (ii) provision for decommissioning and restoration of RM418 million (2023: RM647 million) and RM339 million (2023: RM103 million) respectively, which are expected to be utilised in the next twelve months.

Amounts due to subsidiaries, associates and joint arrangements arose in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

24. REVENUE

In RM Mil	Group		Company	
	2024	2023	2024	2023
Continuing operations				
Revenue from contracts with customers	284,231	286,681	122,327	125,552
Other revenue				
- shipping and shipping related services ^a	5,698	4,394	–	–
- net trading gain	669	548	–	–
- rental of properties	2,343	2,883	–	–
- rendering of services	6	37	578	658
- others	1,662	1,441	3,290	3,509
	10,378	9,303	3,868	4,167
- dividend income				
Quoted				
- subsidiaries	–	–	2,900	3,388
- associates	–	–	17	16
- other investments	107	66	25	1
Unquoted				
- subsidiaries	–	–	19,796	23,777
- associates and joint arrangements	29	–	144	144
- other investments	10	1	7	–
	146	67	22,889	27,326
- interest income	10,376	9,704	3,883	4,150
Total revenue from continuing operations	305,131	305,755	152,967	161,195
Discontinued operations				
Revenue from contracts with customers	14,826	37,842	–	–
Total revenue	319,957	343,597	152,967	161,195

^a Includes income from vessels leased to others as operating lease.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

24. REVENUE (continued)

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical markets and major products/services lines.

Group 2024 In RM Mil	Upstream	Gas & Maritime	Downstream	Corporate and others	Total
Primary geographical markets					
Continuing operations					
- Asia ^a	18,064	73,905	42,774	563	135,306
- Malaysia	4,629	26,212	62,567	1,847	95,255
- Rest of the world ^b	17,348	7,856	28,466	–	53,670
	40,041	107,973	133,807	2,410	284,231
Discontinued operations					
- Africa	–	–	14,826	–	14,826
Total revenue from contracts with customers	40,041	107,973	148,633	2,410	299,057
Major products/services lines					
Continuing operations					
- Petroleum products	176	–	89,144	–	89,320
- Crude oil and condensates	27,061	–	8,733	–	35,794
- Liquefied natural gas	–	75,634	813	–	76,447
- Natural and processed gas	12,167	27,763	30	–	39,960
- Petrochemical products	–	–	29,505	–	29,505
- Construction contracts	–	1,673	–	8	1,681
- Others	637	2,903	5,582	2,402	11,524
	40,041	107,973	133,807	2,410	284,231
Discontinued operations					
- Petroleum products	–	–	14,541	–	14,541
- Petrochemical products	–	–	285	–	285
	–	–	14,826	–	14,826
Total revenue from contracts with customers	40,041	107,973	148,633	2,410	299,057

^a Excludes Malaysia.

^b Comprises revenue that is not material by individual country.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

24. REVENUE (continued)

Disaggregation of revenue from contracts with customers (continued)

Group 2023 Restated ^a In RM Mil	Upstream	Gas & Maritime	Downstream	Corporate and others	Total
Primary geographical markets					
Continuing operations					
- Asia ^b	19,639	69,074	44,620	362	133,695
- Malaysia	3,310	23,999	61,613	1,683	90,605
- Rest of the world ^c	15,669	11,934	34,778	–	62,381
	38,618	105,007	141,011	2,045	286,681
Discontinued operations					
- Africa	–	–	37,842	–	37,842
Total revenue from contracts with customers	38,618	105,007	178,853	2,045	324,523
Major products/services lines					
Continuing operations					
- Petroleum products	198	–	94,755	–	94,953
- Crude oil and condensates	25,387	202	13,138	–	38,727
- Liquefied natural gas	–	72,914	1,141	–	74,055
- Natural and processed gas	12,350	25,814	39	–	38,203
- Petrochemical products	–	–	27,522	–	27,522
- Construction contracts	–	3,339	–	6	3,345
- Others	683	2,738	4,416	2,039	9,876
	38,618	105,007	141,011	2,045	286,681
Discontinued operations					
- Petroleum products	–	–	37,502	–	37,502
- Petrochemical products	–	–	340	–	340
	–	–	37,842	–	37,842
Total revenue from contracts with customers	38,618	105,007	178,853	2,045	324,523

^a Certain prior year information has been restated to conform with current year presentation.
^b Excludes Malaysia.
^c Comprises revenue that is not material by individual country.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

24. REVENUE (continued)

Disaggregation of revenue from contracts with customers (continued)

Company In RM Mil	2024	2023
Primary geographical markets		
- Asia ^a	13,081	12,894
- Malaysia	106,240	109,449
- Rest of the world ^b	3,006	3,209
	122,327	125,552
Major products/services lines		
- Crude oil and condensates	43,363	45,477
- Liquefied natural gas	8,010	8,008
- Natural and processed gas	70,954	72,067
	122,327	125,552
Revenue from contracts with customers	122,327	125,552
Dividend income	22,889	27,326
Other revenue	7,751	8,317
Total revenue	152,967	161,195

Nature of goods and services

Sales of oil and gas products

Revenue from sales of oil and gas products namely petroleum products, crude oil and condensates, liquefied natural gas ("LNG"), natural gas, processed gas and petrochemical products is recognised when control of the goods has transferred to the customers. Depending on the terms of the contract with the customer, controls transfer either upon delivery of the goods to a location specified by the customers or upon delivery of the goods on board vessels or tankers for onward delivery to the customers. There is no significant financing element present for most of the contracts, as the Group's and the Company's sales of oil and gas products are made either on cash or credit terms as per the industry practices.

In relation to sales of LNG, the Group applies judgment to determine whether contracts to buy or sell commodities meet the definition of derivatives. Specifically, contracts to buy and sell LNG are not classified as derivatives due to limited liquidity in the LNG market and the lack of a history of net settlement. As a result, LNG is classified as an illiquid commodity and is accounted for on an accrual basis, rather than as a derivative.

Where a contract to buy and sell commodities meets the definition of a derivative, the Group recognises the net trading margin and presents it separately in the statement of profit or loss.

Construction contracts

Revenue from construction contracts is recognised progressively based on percentage of completion method, determined based on either input or output method. Input method is measured based on the ratio of costs incurred to date to total estimated costs. Output method is measured by reference to the proportion of physical completion based on technical milestones defined under the contracts.

^a Excludes Malaysia.
^b Comprises revenue that is not material by individual country.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

24. REVENUE (continued)

Transaction price allocated to remaining performance obligations

The Group and the Company entered into long-term contracts for the sales of various oil and gas products with remaining tenures ranging between 1 to 24 years (2023: 1 to 19 years) for the Group and 1 to 18 years (2023: 1 to 19 years) for the Company. The future revenue of the Group and of the Company is dependent on the prevailing market price, exchange rate on the transaction date as well as production volume, which is based on contractual requirement.

In addition to the above, the Group and the Company entered into spot and short-term contracts for the sales of various oil and gas products with remaining tenures of less than one year.

The Group also entered into long-term construction contracts. The following table shows revenue expected to be recognised in the future related to performance obligations of construction contracts that are unsatisfied (or partially unsatisfied) as at 31 December 2024. The disclosure is only providing information for contracts that have a duration of more than one year.

Group In RM Mil	Under 1 year	1-5 years	Total
Construction contracts	968	2,299	3,267

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

25. OPERATING PROFIT

In RM Mil	Group		Company	
	2024	2023	2024	2023
Included in operating profit from continuing operations are the following charges:				
Auditors' remuneration				
- Audit fees				
- KPMG PLT	9	8	3	2
- Member firms of KPMG International Limited	9	7	—	—
- Other auditors	31	32	—	—
- Non audit service fees				
- KPMG PLT	1	1	1	1
- Local affiliates of KPMG PLT	1	1	1	1
- Member firms of KPMG International Limited	2	2	1	1
Amortisation of:				
- contract costs	26	16	—	—
- intangible assets	2,143	2,417	82	60
Contribution to Tabung Amanah Negara	500	500	500	500
Depreciation of:				
- investment properties	487	499	—	—
- property, plant and equipment	36,324	34,855	1,688	2,734
Loss on remeasurement/derecognition of financial assets measured at amortised cost	2,974	874	881	238
Loss on remeasurement of net assets classified as held for sale	52	—	—	—
Net impairment losses of:				
- other intangible assets	195	49	—	—
- investments in subsidiaries	—	—	80	4,971
- investment properties	78	87	—	—
- loans and advances to joint ventures	1	—	—	4
- other investment	—	1	—	—
- property, plant and equipment	948	407	77	—
- trade and other receivables:				
- contracts with customers	—	—	99	58
- joint arrangements	167	1,620	—	1,319
Net impairment/write-off of well costs	2,991	1,439	—	—
Net inventories written down to net realisable value/written off	397	133	—	*—
Net loss on disposals of:				
- investment in a subsidiary	140	—	—	—
- other investments	102	76	—	—
- property, plant and equipment	—	—	57	318

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

25. OPERATING PROFIT (continued)

In RM Mil	Group		Company	
	2024	2023	2024	2023
Included in operating profit from continuing operations are the following charges:				
Net loss on derivatives	1,953	1,355	1,701	2,487
Net loss on foreign exchange	912	–	930	–
Net write-off of:				
- intangible assets	128	9	–	–
- investment in a joint venture	24	–	–	–
- property, plant and equipment	124	3,386	8	2,082
- receivables	314	113	276	18
Research and development expenditure	167	140	1	2
Rental of facilities and equipments	217	418	76	58
Staff costs:				
- contributions to pension fund	1,643	1,548	480	423
- wages, salaries and others	16,810	15,646	3,835	3,126
and credits:				
Bad debts recovered	22	2	–	–
Interest income from:				
- fund and other investments	10,376	9,704	3,883	4,150
- others	2,306	1,810	3,231	3,322
Net change in contract liabilities	122	299	266	765
Net change in fair value of long-term receivables	–	–	2,064	1,800
Net gain on foreign exchange	–	594	–	2,050
Net gain on disposals/partial disposals of:				
- intangible assets	–	6	–	–
- investments in subsidiaries	–	24	1,791	*–
- property, plant and equipment	8	1,286	–	–
Gain on realisation of foreign currency translation reserve from disposals	1,836	445	–	–
Net impairment reversals of:				
- loans and advances to joint ventures and subsidiaries	–	11	5	12
- property, plant and equipment	–	–	–	318
- trade and other receivables:				
- contracts with customers	49	437	–	–
Rental income on land and buildings	393	379	366	352

* Amount less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

26. FINANCING COSTS

In RM Mil	Group		Company	
	2024	2023	2024	2023
Recognised in the profit or loss:				
Continuing operations				
Interest expense of financial liabilities at amortised cost	2,337	2,416	2,318	2,314
Interest expense on lease liabilities	980	838	369	381
Other finance costs ^a	2,561	2,246	1,178	1,666
	5,878	5,500	3,865	4,361
Discontinued operations				
Interest expense of financial liabilities at amortised cost	62	145	–	–
Interest expense on lease liabilities	62	146	–	–
Other finance costs	19	42	–	–
	143	333	–	–
	6,021	5,833	3,865	4,361
Capitalised into qualifying assets:				
Term borrowings	1,942	1,693	–	–
Lease liabilities	121	120	–	–
	2,063	1,813	–	–

^a Included in other finance costs is interest expense on accretion of decommissioning provision.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

27. TAX EXPENSE

In RM Mil	Group		Company	
	2024	2023	2024	2023
Tax expense from continuing operations	26,348	14,559	10,792	9,073
Tax expense from discontinued operations	326	311	–	–
Total tax expenses	26,674	14,870	10,792	9,073
Components of tax expense include:				
Current tax expenses				
Continuing operations				
Malaysia				
Current year	22,294	21,912	9,326	9,913
Prior years	(366)	(4,149)	97	158
Overseas				
Current year	2,682	2,376	–	–
Prior years	(1)	13	–	–
Discontinued operations^a	229	431	–	–
Total current tax expenses	24,838	20,583	9,423	10,071
Deferred tax expenses				
Continuing operations				
Origination and reversal of temporary differences	1,200	(5,407)	1,425	(1,000)
Under/(Over) provision in prior years	539	(186)	(56)	2
	1,739	(5,593)	1,369	(998)
Discontinued operations	97	(120)	–	–
Total deferred tax expenses/(income)	1,836	(5,713)	1,369	(998)
Total tax expenses	26,674	14,870	10,792	9,073

^a Includes over provision in prior years of RM1 million (2023: under provision in prior years of RM7 million).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

27. TAX EXPENSE (continued)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

In RM Mil	%	2024	%	2023
Group				
Profit/(Loss) before taxation from:				
- continuing operations		82,133		93,498
- discontinued operations		(367)		2,086
Profit before taxation		81,766		95,584
Taxation at Malaysian statutory tax rate	24	19,624	24	22,940
Effect of different tax rates in foreign jurisdictions	1	792	1	651
Effect of different tax rates between corporate income tax and petroleum income tax	7	5,559	5	5,237
Effect of differences in tax rates	(1)	(722)	(3)	(2,429)
Net non-deductible expenses	2	1,670	3	3,163
Tax exempt income	(3)	(2,650)	(2)	(2,131)
Tax incentives	1	(216)	(1)	(1,519)
Effect of deferred tax benefits not recognised	3	2,314	(1)	(999)
Effect of net deferred tax benefits previously not recognised	–	(89)	(7)	(6,663)
Reversal of deferred tax benefits previously recognised	–	7	1	811
Foreign exchange translation difference	–	214	–	124
	34	26,503	20	19,185
Under/(Over) provision in prior years		171		(4,315)
Tax expense		26,674		14,870
Company				
Profit before taxation		55,938		57,835
Taxation at Malaysian statutory tax rate	24	13,425	24	13,880
Effect of different tax rates between corporate income tax and petroleum income tax	6	3,291	5	3,166
Net non-deductible expenses	1	282	1	737
Tax exempt income	(12)	(6,424)	(12)	(6,933)
Effect of net deferred tax benefits previously not recognised	–	177	(3)	(1,937)
	19	10,751	15	8,913
Under provision in prior years		41		160
Tax expense		10,792		9,073

In measuring the provision for taxation and deferred taxation at reporting date, the management applied judgments and estimates in relation to certain interpretation of tax legislation in arriving at the entities’ tax position. Judgments and estimates are based on the current tax legislation and best available information as at the reporting date. The management continuously reassess its judgments and estimates whenever there is a change in circumstances.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

28. DIVIDENDS

2024 In RM Mil	Total
Dividend of RM320,000 per ordinary share	32,000
2023 In RM Mil	
Dividend of RM350,000 per ordinary share	35,000
Dividend of RM50,000 per ordinary share	5,000
Total	40,000

The Directors had on 24 February 2025 declared a dividend of RM320,000 per ordinary share amounting to RM32 billion. The dividend will be recognised and accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

29. NET CASH USED IN INVESTING ACTIVITIES

The cash used in investing activities comprise:

In RM Mil	Note	Group		Company	
		2024	2023	2024	2023
Continuing operations					
Acquisition of:					
- subsidiaries, net of cash acquired		(343)	^a (1,380)	—	—
- additional shares in subsidiaries		—	—	(25,087)	(12,851)
Disbursements from/(Contributions to)					
Decarbonisation Fund		—	—	1,936	(20,102)
Dividends received		651	669	22,889	27,326
Investments in:					
- associates and joint ventures		(1,906)	(2,905)	—	—
- securities and other investments		(14,540)	(13,955)	(7,479)	(5,553)
Long-term receivables and advances paid by/(to):					
- subsidiaries		—	—	1,432	6,368
- joint arrangements		(11,321)	(137)	(11,084)	(216)
Proceeds from disposal/partial disposal of:					
- investments in subsidiaries, net of cash disposed		2,756	593	2,064	—
- investments in a joint venture		151	—	—	—
- property, plant and equipment and intangible assets		543	1,117	—	—
- securities and other investments		4,813	5,093	1,843	2,121
Proceeds from redemption of preference shares in an associate and joint ventures		132	—	—	—
Purchase of property, plant and equipment, investment properties, land held for development and intangible assets		(51,868)	(47,933)	(405)	(644)
Redemption of preference shares in a subsidiary		—	—	182	1,254
Net cash used in investing activities from continuing operations		(70,932)	(58,838)	(13,709)	(2,297)
Net cash used in investing activities from discontinued operations	17	(78)	(458)	—	—
Net cash used in investing activities		(71,010)	(59,296)	(13,709)	(2,297)

^a Refer to Note 31.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

30. NET CASH USED IN FINANCING ACTIVITIES

The cash used in financing activities comprise:

In RM Mil	Note	Group		Company	
		2024	2023	2024	2023
Continuing operations					
Dividends paid		(32,000)	(40,000)	(32,000)	(40,000)
Dividends paid to non-controlling interests		(5,927)	(7,189)	—	—
Drawdown of:					
- term loans		7,406	8,450	—	—
- Islamic financing facilities		600	325	—	—
- revolving credits		10,445	6,121	238	1,175
- bankers’ acceptances		1,315	1,341	—	—
Payment of lease liabilities*		(7,345)	(5,671)	(946)	(896)
Repayment of:					
- term loans		(5,225)	(8,852)	—	—
- Islamic financing facilities		(2,519)	(781)	—	—
- revolving credits		(10,932)	(4,447)	(238)	(1,168)
- Notes and Bonds		(169)	—	—	—
- bankers’ acceptances		(1,232)	(1,358)	—	—
Payment to non-controlling interests on redemption of redeemable preference shares		(60)	660)	—	—
Payment to non-controlling interests on additional equity interests		(2,536)	(591)	—	—
Proceeds from partial disposal of equity interest to non-controlling interests		2,058	—	—	—
Net cash used in financing activities from continuing operations		(46,121)	(53,312)	(32,946)	(40,889)
Net cash (used in)/generated from financing activities from discontinued operations	17	(244)	214	—	—
Net cash used in financing activities		(46,365)	(53,098)	(32,946)	(40,889)

* Payment of lease liabilities comprises principal and interest paid in relation to lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

30. NET CASH USED IN FINANCING ACTIVITIES (continued)

Reconciliation of movement of liabilities to cash flows arising from financing activities:

2024 In RM Mil	Group Borrowings	Company Borrowings
Balance at 1 January 2024	111,621	64,243
Changes from financing cash flows		
Drawdown/(Repayment) of:		
- term loans	2,181	—
- Islamic financing facilities	(1,919)	—
- revolving credits	(487)	—
- Notes and Bonds	(169)	—
- bankers' acceptances	83	—
- lease liabilities	(6,182)	(946)
Total changes from financing cash flows	(6,493)	(946)
Changes arising from obtaining control of a subsidiary		
- term loans	413	—
- lease liabilities	1	—
	414	—
The effect of changes in foreign exchange rates		
- term loans	(938)	—
- revolving credits	(128)	—
- Notes and Bonds	(1,616)	(1,733)
- bankers' acceptances	(4)	—
- lease liabilities	(86)	126
	(2,772)	(1,607)
Other liability-related changes		
- acquisition of new leases	6,957	233
- changes in bank overdraft	10	—
- remeasurement of lease liabilities	(3)	—
- financing costs	1,163	395
Total other liability-related changes	8,127	628
Balance at 31 December 2024	110,897	62,318

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

30. NET CASH USED IN FINANCING ACTIVITIES (continued)

2023 In RM Mil	Group Borrowings	Company Borrowings
Balance at 1 January 2023	104,157	62,082
Changes from financing cash flows		
(Repayment)/Drawdown of:		
- term loans	(402)	–
- Islamic financing facilities	(456)	–
- revolving credits	1,674	7
- bankers’ acceptances	(17)	–
- lease liabilities	(4,567)	(896)
Total changes from financing cash flows	(3,768)	(889)
Changes arising from obtaining control of subsidiaries		
- term loans	622	–
- lease liabilities	6	–
	628	–
The effect of changes in foreign exchange rates		
- term loans	1,241	–
- revolving credits	53	(7)
- Notes and Bonds	2,622	2,297
- bankers’ acceptances	1	–
- lease liabilities	1,010	–
	4,927	2,290
Other liability-related changes		
- acquisition of new leases	4,369	163
- remeasurement of lease liabilities	204	188
- financing costs	1,104	409
Total other liability-related changes	5,677	760
Balance at 31 December 2023	111,621	64,243

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

31. ACQUISITION OF SUBSIDIARIES AND AN ASSOCIATE

Acquisition in 2024

Acquisition of Fortum Finnsurya Energy Pvt Ltd

On 3 May 2024, PETRONAS via its wholly-owned subsidiary, Gentari Renewables India Pte Ltd (“GRIPL”) had entered into a Sale and Purchase Agreement with India Sun B.V. to acquire 100% equity interest in Fortum Finnsurya Energy Pvt Ltd (“Fortum”), which operates solar assets in India. The acquisition was completed on 28 June 2024. Following the completion, Fortum which is now known as Gentari Renewables Finnsurya Energy Pvt Ltd, has become a wholly-owned subsidiary of GRIPL.

Acquisition of 30% equity interest in AM Green Ammonia B.V.

On 16 May 2024, GRIPL had completed the acquisition of 30% equity interest in AM Green Ammonia B.V. (“AM Green Ammonia”) to jointly develop green ammonia projects with AM Green Ammonia Holdings B.V.. Following the completion, AM Green Ammonia has become an associate of the Group.

The net effects arising from these acquisitions are not material in relation to the consolidated net profit of the Group.

Acquisition in 2023

Acquisition of WIRSOL entities

On 2 December 2022, PETRONAS via its wholly-owned subsidiary, Gentari Renewables Australia (Solar) Pty Ltd (“GRAS”), a wholly-owned subsidiary of Gentari Sdn. Bhd., signed a series of Share Sale Agreements for the acquisition of equity interests in WIRSOL Energy’s renewables assets (“WIRSOL entities”) from WIRCON Group of companies (“Seller”).

On 13 February 2023, GRAS has fulfilled all the required conditions precedent to complete the acquisition. Following the completion, WIRSOL entities which are now known as Gentari Solar Australia (“GSA entities”), have become subsidiaries of GRAS.

Purchase price allocation

As at 31 December 2023, a provisional purchase price allocation for the acquisition has been performed whereby the fair value of the net assets and goodwill were updated based on provisional valuation of GSA entities which resulted in the recognition of fair value for certain assets along with the corresponding deferred tax assets. The goodwill reflects the synergy that GSA entities will contribute to the Group.

The net effect arising from this acquisition is not material in relation to the consolidated net profit of the Group for the year.

The effects of acquisition on the cash flows and fair values of assets and liabilities acquired are as follows:

In RM Mil	At fair value
Property, plant and equipment	1,591
Deferred tax assets	113
Other assets	497
Deferred tax liabilities	(190)
Other liabilities	(1,061)
Net identifiable assets and liabilities	950
Add: Goodwill on acquisition (Note 9)	519
Purchase consideration	1,469
Less: Cash and cash equivalents acquired	(89)
Purchase consideration, net of cash acquired (Note 29)	1,380

The fair value of the net identifiable assets and goodwill has been finalised during the year. The net effect arising from finalisation of purchase price allocation is not material in relation to the consolidated net profit of the Group for the year.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

32. DISPOSAL OF SUBSIDIARIES AND AN ASSOCIATE

Disposal in 2024

Divestment of Engen Group

On 21 May 2024, the Group has completed the disposal of the Engen Group for a total consideration of RM3,297 million. The results and cash flows of Engen Group up to the completion date are presented as discontinued operations in Note 17.

The net effect of the disposal on the cash flow and carrying amount of the net assets and liabilities disposed are as below:

In RM Mil	Carrying amount at disposal date
Property, plant and equipment and intangible assets	4,524
Trade and other inventories	4,887
Trade and other receivables	4,036
Other assets	1,078
Borrowings	(3,702)
Trade and other payables	(4,843)
Other liabilities	(842)
Less: Non-controlling interest	(1,701)
Net assets disposed	3,437
Loss on disposal of discontinued operations	(140)
Proceeds from disposal	3,297
Less: Cash and cash equivalents in subsidiaries disposed	(541)
Net cash inflow from disposal of subsidiaries (Note 29)	2,756
Attributable to other expense	
- Loss on disposal of discontinued operations	(140)
- Realisation of foreign currency translation reserve	(2,278)
Attributable to retained profits	
- Realisation of other reserves	180

Divestment of Transasia Pipeline Pvt. Ltd.

On 1 August 2024, PETRONAS via its wholly-owned subsidiary, PETRONAS International Corporation Ltd. disposed of its entire 35% stake in Transasia Pipeline Company Pvt. Ltd. ("Transasia").

The divestment was completed in November 2024. The net effect arising from the disposal of Transasia is not material in relation to the consolidated net profit of the Group for the year.

Disposal in 2023

Divestment of Chad Entities

On 12 December 2022, PETRONAS via its wholly-owned subsidiary, PETRONAS (E&P) Overseas Ventures Sdn. Bhd. (now known as PETRONAS Carigali International Ventures Sdn. Bhd.), signed a Sales and Purchase Agreement for the sale of its entire stake in PETRONAS Carigali Chad Exploration & Production Inc. and its subsidiaries ("Chad entities").

The divestment was completed in May 2023. The net effect arising from the disposal of Chad entities is not material in relation to the net consolidated profit of the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

33. COMMITMENTS

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

In RM Mil	Group		Company	
	2024	2023	2024	2023
Capital expenditure*				
Approved and contracted for				
Less than one year	31,587	31,474	694	435
Between one and five years	40,641	35,617	672	1,011
More than five years	4,870	–	–	–
	77,098	67,091	1,366	1,446
Approved but not contracted for				
Less than one year	18,394	19,747	184	807
Between one and five years	81,390	83,539	886	2,851
More than five years	1,457	3,569	–	–
	101,241	106,855	1,070	3,658
	178,339	173,946	2,436	5,104
Share of capital expenditure of associates and joint ventures				
Approved and contracted for				
Less than one year	3,192	2,995	–	–
Between one and five years	1,410	1,396	–	–
More than five years	594	96	–	–
	5,196	4,487	–	–
Approved but not contracted for				
Less than one year	1,565	2,219	–	–
Between one and five years	6,540	18,533	–	–
	8,105	20,752	–	–
	13,301	25,239	–	–
	191,640	199,185	2,436	5,104

* Includes right-of-use assets committed but not commenced and investment in shares.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

34. CONTINGENT LIABILITIES AND INSURANCE CONTRACTS

Contingent liabilities for material litigation

In the normal course of business, the Group is subject to several contingencies arising from litigations and claims brought by various parties. The Group has no material contingent liabilities since the last audited financial statements for the year ended 31 December 2023.

Exposure to insurance contracts for non-insurer

Other than those disclosed elsewhere in the financial statements, the Group and the Company had entered into agreements which may include agreements where the Company accepts insurance risks by agreeing to compensate third party if a specified uncertain future event adversely affect the guaranteed entities in the normal and on-going business requirements, consistent with generally acceptable and recognised industry practices. The exposure of the Group and the Company is therefore triggered upon the default by the guaranteed entities’ obligations under the contracts. As at 31 December 2024, there were no exposures on the default of the guaranteed entities’ obligations under the contracts.

35. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly and an entity that provides key management personnel services to the Group and the Company. The key management personnel include all the Directors of the Company.

The Company’s related parties include key management personnel, subsidiaries, associates, joint ventures as well as the Government of Malaysia and its related entities as the Company is wholly-owned by the Government of Malaysia.

Key management personnel compensation

In RM Mil	Group and Company	
	2024	2023
Director fees, emoluments, gratuity and benefit plan	21	23

The estimated monetary value of Directors’ benefits-in-kind is RM106,000 (2023: RM104,000).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

35. RELATED PARTY DISCLOSURES (continued)

Significant transactions with related parties

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

Group In RM Mil	2024	2023
Federal and State Governments of Malaysia:		
Cash payments	(12,175)	(12,402)
Lease income	1,267	1,266
Sales of petroleum products	383	421
Sales of utilities	182	182
Project management income and building maintenance	338	339
Government of Malaysia’s related entities:		
Sales of petroleum products, petrochemical products and processed gas	13,227	12,178
Other income	228	221
Purchase of utilities	(281)	(268)
Associate companies:		
Sales of petrochemical products and processed gas	9,403	9,603
Joint arrangements:		
Sales of industrial utilities	1,775	1,922
Sales of petrochemical products and processed gas	2,235	2,299
Site services charges	773	392
Purchase of petroleum products, petrochemical products and crude oil	(13,046)	(12,278)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

35. RELATED PARTY DISCLOSURES (continued)

Significant transactions with related parties (continued)

Company In RM Mil	2024	2023
Federal and State Governments of Malaysia:		
Cash payments	(12,175)	(12,402)
Subsidiaries:		
Sales of crude oil, natural gas and processed gas	103,746	107,122
Interest income from subsidiaries	2,411	2,550
Purchase of crude oil, natural gas and liquefied natural gas	(39,206)	(37,954)
Gas processing and transportation fee	(2,020)	(2,731)
Centralised head office services charges	1,134	918
Research cess	187	193
Supplemental payments	1,528	1,890
Abandonment cess		
- net contribution	(817)	(1,166)
- net reimbursement	242	336
Decarbonisation fund		
- capital contribution	(196)	(25,000)
- reimbursement of qualifying projects	1,936	4,898
Joint ventures:		
Gas processing fee	(4)	(12)

Information regarding outstanding balances arising from related party transactions as at 31 December 2024 are disclosed in Note 10, Note 15 and Note 23.

Information regarding impairment losses on receivables and bad debts written off during the financial year are disclosed in Note 25.

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established on a commercial basis. The above has been stated at contracted amount.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

36. OPERATING SEGMENTS, PRODUCTS AND SERVICES AND GEOGRAPHICAL INFORMATION

As at 31 December 2024, the Group’s reportable segments comprise Upstream, Gas & Maritime and Downstream. Each reportable segment offers different products and services and are managed separately because they require different technology and marketing strategies. Effective 1 July 2024, MISC Berhad Group of companies which was reported under Corporate and Others segment is now managed and reported under Gas segment. As a result, Gas segment is now known as Gas & Maritime. Accordingly, the Group has restated the operating segment information for the prior periods.

The following summary describes the operations in each of the Group’s reportable segments:

- Upstream - activities include oil and natural gas exploration, development and production, together with related pipeline and transportation activities.
- Gas & Maritime - gas activities include purchase of natural gas from Upstream, liquefaction and processing of natural gas, transportation of processed gas, regasification of LNG, as well as manufacturing, marketing and supplying of industrial utilities. Maritime activities include ship owning, ship operating, provision of integrated marine and shipping-related services, operating of offshore assets as well as marine repair, marine conversion and construction works.
- Downstream - activities include the supply and trading, refining, manufacturing, marketing and transportation of crude oil, petroleum and petrochemical products..

Corporate and others comprise primarily property segment, clean energy solutions segment as well as central treasury, project delivery and technology functions.

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

There are varying levels of integration between Upstream segment, Gas & Maritime segment, Downstream segment and others. This integration includes transfers of products and services between segments.

Inter-segment pricing is established on a commercial basis.

Inter-segment revenues include sales of crude oil and condensates, petroleum products, gas and shipping services between business segments. These transactions are eliminated on consolidation.

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 Executive Leadership Team believes that such information is the most relevant in evaluating the results of the segments.

Segment assets are measured based on total assets (including goodwill) of a segment, as included in the internal management reports and are used to measure the return of assets of each segment.

Segment liabilities information is neither included in the internal management reports nor provided regularly to the PETRONAS Executive Leadership Team. Hence, no disclosure is made on segment liability.

Segment capital expenditure is the total cost incurred during the financial year to acquire non-current assets other than financial instruments and deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

36. OPERATING SEGMENTS, PRODUCTS AND SERVICES AND GEOGRAPHICAL INFORMATION (continued)

Group 2024 <i>In RM Mil</i>	Upstream	Gas & Maritime	Downstream	Corporate and others	Consolidation adjustments and eliminations	Total
Revenue						
Continuing operations						
Third parties	43,451	115,474	135,522	10,684	–	305,131
Inter-segment	96,507	15,619	3,597	3,324	(119,047)	–
	139,958	131,093	139,119	14,008	(119,047)	305,131
Discontinued operations	–	–	14,826	–	–	14,826
Total revenue	139,958	131,093	153,945	14,008	(119,047)	319,957
Reportable segment profit/(loss) from:						
Continuing operations	34,898	19,887	(29)	(773)	1,802	55,785
Discontinued operations	–	–	(693)	–	–	(693)
	34,898	19,887	(722)	(773)	1,802	55,092
Included in the measure of segment profit/(loss) from continuing operations are:						
Depreciation and amortisation	(23,655)	(7,812)	(5,991)	(1,622)	100	(38,980)
Net impairment (losses and write-off)/reversals of assets and well costs ^a	(3,460)	(2,032)	(2,748)	(459)	826	(7,873)
Interest income	2,067	1,950	1,580	10,205	(3,120)	12,682
Financing costs	(4,063)	(1,782)	(915)	(3,286)	4,168	(5,878)
Share of profit/(loss) after tax and non-controlling interests of equity accounted associates and joint ventures	–	529	92	(40)	–	581
Tax expense	(17,812)	(6,894)	(575)	(1,287)	220	(26,348)

^a Includes loss on remeasurement of financial assets measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

36. OPERATING SEGMENTS, PRODUCTS AND SERVICES AND GEOGRAPHICAL INFORMATION (continued)

Group 2023 Restated ^a <i>In RM Mil</i>	Upstream	Gas & Maritime	Downstream	Corporate and others	Consolidation adjustments and eliminations	Total
Revenue						
Continuing operations						
Third parties	41,577	111,367	142,150	10,661	–	305,755
Inter-segment	100,269	16,074	5,422	3,675	(125,440)	–
	141,846	127,441	147,572	14,336	(125,440)	305,755
Discontinued operations	–	–	37,842	–	–	37,842
Total revenue	141,846	127,441	185,414	14,336	(125,440)	343,597
Reportable segment profit from:						
Continuing operations	39,578	31,859	5,322	2,289	(109)	78,939
Discontinued operations	–	–	1,775	–	–	1,775
	39,578	31,859	7,097	2,289	(109)	80,714
Included in the measure of segment profit/(loss) from continuing operations are:						
Depreciation and amortisation	(23,501)	(7,361)	(5,386)	(1,615)	76	(37,787)
Net impairment (losses and write-off)/reversals of assets and well costs ^b	(4,523)	(285)	(2,433)	1,205	(1,499)	(7,535)
Interest income	2,009	2,059	816	9,304	(2,674)	11,514
Financing costs	(4,174)	(1,782)	(758)	(2,818)	4,032	(5,500)
Share of profit/ (loss) after tax and non-controlling interests of equity accounted associates and joint ventures	–	618	275	(12)	(9)	872
Tax (expense)/ credit	(16,599)	(2,373)	4,779	(208)	(158)	(14,559)

^a Certain prior year information has been restated to conform with current year presentation.

^b Includes loss on derecognition of financial assets measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

36. OPERATING SEGMENTS, PRODUCTS AND SERVICES AND GEOGRAPHICAL INFORMATION (continued)

Group 2024 <i>In RM Mil</i>	Upstream	Gas & Maritime	Downstream	Corporate and others	Consolidation adjustments and eliminations	Total
Segment assets	225,600	208,400	162,814	253,690	(83,831)	766,673
Included in the measure of segment assets are:						
Investments in associates and joint ventures	1	4,199	3,772	4,247	–	12,219
Additions to non-current assets other than financial instruments and deferred tax assets	27,979	11,750	4,680	9,816	–	54,225
2023 Restated ^a Segment assets	231,564	212,498	167,950	253,619	(92,330)	773,301
Included in the measure of segment assets are:						
Investments in associates and joint ventures	1	3,905	4,134	2,328	–	10,368
Additions to non-current assets other than financial instruments and deferred tax assets	27,105	11,873	5,753	8,034	–	52,765

^a Certain prior year information has been restated to conform with current year presentation.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

36. OPERATING SEGMENTS, PRODUCTS AND SERVICES AND GEOGRAPHICAL INFORMATION (continued)

Products and services information

The following are revenue from external customers by products and services:

Group <i>In RM Mil</i>	2024	2023
Continuing operations		
Petroleum products	89,320	94,953
Crude oil and condensates	35,794	38,727
Liquefied natural gas	76,447	74,055
Natural and processed gas	39,960	38,203
Petrochemical products	29,505	27,522
Shipping services	5,698	4,394
Interest income	10,376	9,704
Others	18,031	18,197
	305,131	305,755
Discontinued operations		
Petroleum products	14,541	37,502
Petrochemical products	285	340
	319,957	343,597

Geographical information

Geographical revenue is determined based on location of customers. The amounts presented in non-current assets are based on the geographical location of the assets and do not include financial instruments, investments in associates and joint ventures nor deferred tax assets.

Group <i>In RM Mil</i>	Revenue	
	2024	2023
Continuing operations		
Asia ^a	136,135	134,942
Malaysia	112,225	107,768
Rest of the world ^b	56,771	63,045
	305,131	305,755
Discontinued operations		
Africa	14,826	37,842
	319,957	343,597

^a Excludes Malaysia.
^b Comprises revenue that is not material by individual country.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

36. OPERATING SEGMENTS, PRODUCTS AND SERVICES AND GEOGRAPHICAL INFORMATION (continued)

Geographical information (continued)

Group <i>In RM Mil</i>	Non-current assets	
	2024	2023
Malaysia	240,284	234,734
Rest of the world	134,964	135,841
	375,248	370,575

Major customers

As at 31 December 2024 and 31 December 2023, there are no major customers that contribute to more than 10 percent of the Group’s revenue.

37. PETROLEUM ARRANGEMENTS

The Petroleum Development Act, 1974 vests the entire ownership, rights, powers, liberties and privileges of exploiting petroleum resources on land and offshore Malaysia in PETRONAS. In addition, the Group via its subsidiaries participated in various petroleum arrangements outside Malaysia as contractors.

Production Sharing Contracts (“PSCs”)

Malaysia

The monetisation of petroleum resources is carried out primarily by means of PSCs between PETRONAS, its subsidiaries and other oil and gas companies (“PSC Contractors”). Under the terms of the various PSCs, the PSC Contractors shall bear all the costs and may recover their costs in barrels of crude oil or gas equivalent in accordance with the terms of their respective PSCs.

Certain terms of the PSCs are:

- (i) Research cess, supplemental payments and crude oil or gas entitlement

The determination of research cess, supplemental payments and PETRONAS’ and the PSC Contractors’ entitlements to crude oil or gas produced is based on the method of valuation of crude oil or gas and the quantum of costs incurred and claimed by contractors subject to the maximum rate provided under the respective PSCs. PETRONAS’ entitlements to crude oil and natural gas are taken up as income on the basis of liftings and sales respectively made by the Company. Research cess and supplemental payment are not applicable for certain PSCs that are reaching tail-end of production life cycle.

- (ii) Property, plant and equipment and intangible assets

Title to all equipment and other assets purchased or acquired by PSC Contractors exclusively for the purpose of petroleum operations, and which costs may be recoverable in barrels of cost oil or gas equivalent, is vested with PETRONAS. However, the values of these assets are not taken up in the financial statements of the Group other than:

- the property, plant and equipment of a subsidiary which is also a contractor to PETRONAS under certain PSCs; and
- the estimated costs of decommissioning and removing the assets and restoring the site on which they are located where there is an obligation to do so.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

37. PETROLEUM ARRANGEMENTS (continued)

Production Sharing Contracts (“PSCs”) (continued)

Malaysia (continued)

- (iii) Abandonment

The PSCs stipulate the rights and obligations of PETRONAS and the PSC Contractors in relation to the abandonment of the oil and gas properties. The PSC Contractors have the obligation to undertake abandonment activities during and pursuant to the PSCs.

In addition, the PSC Contractors are also required to make abandonment cess contribution to the Abandonment Cess Fund via PETRONAS in accordance with the terms of the PSCs. The PSC Contractors have the right to request PETRONAS to reimburse the abandonment cess up to the cumulative amount paid by them or the actual costs, whichever is lower, in accordance with the terms of the PSC.

Outside Malaysia

The international PSC arrangements, where the Group acts as a contractor, has largely similar arrangements as per Malaysia PSCs subject to the relevant laws and regulations in the respective countries. In respect of abandonment for most of the countries, the Group makes contribution into escrow accounts/any other approved accounts.

Service contracts

Development and Production Service Contracts (“DPSCs”)

Under the terms of DPSCs, the subsidiaries of the Group act as contractors that provide services for development and production of oil and gas resources on behalf of host authority.

Certain terms of DPSCs are:

- (i) Crude oil and gas entitlement

DPSC contractors shall incur all upfront costs during the initial period of investment and will be reimbursed once the contractual obligation upon production of crude oil and gas is met. Under the terms of DPSCs, the host authority owns the title to all equipment and other assets acquired by the contractors during the contractual period of the DPSCs.

Contractors are entitled to recover their expenditure incurred in relation to the petroleum operations of the DPSCs, based on the provisions stipulated in the DPSCs.

Contractors are also entitled to remuneration fees which commensurate with their performance as stipulated in the provision of the DPSCs.

All barrels of crude oil and gas produced belong to the host authority. The Group’s entitlements to oil and gas are recognised as revenue based on two elements; costs reimbursement and remuneration fees.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

37. PETROLEUM ARRANGEMENTS (continued)

Service contracts (continued)

Development and Production Service Contracts (“DPSCs”) (continued)

(ii) Intangible assets and other financial assets

Title to all equipment and other assets constructed belong to the host authority and contractually, the contractors acquire the right to use these assets for the duration specified under the DPSCs. The right to use these assets is recognised in the financial statements of the Group as intangible assets, as per accounting policies set out in Note 2.7.

In circumstances where the contractors have the right to receive cash or other financial assets for their services from or at the discretion of the host authority, these assets are recognised as trade receivables.

Concession Agreements

Under the terms of Concession Agreements, the subsidiaries of the Group participate in Consortium Agreements for the rights to carry out exploration and exploitation activities. The consortium bears all costs as outlined in the Annual Work Program and Budget. Title to all equipment and other assets purchased and acquired by the consortium for the purpose of petroleum operations will remain with the consortium for the duration of the Concession Agreements and the equity value of the assets is recognised in the financial statements of the relevant subsidiaries of the Group as property, plant and equipment as per accounting policies set out in Note 2.4.

Upon production, the title to the crude oil and gas produced to which the consortium is entitled to, shall pass to the consortium at the point of production at the wellhead. Each member of the consortium shall own and may separately take or dispose of its own share of the crude oil.

The consortium shall pay the host authority a royalty on the consortium’s total production of the crude oil and gas for each calendar month in-kind or in-cash. By virtue of its petroleum operations, the consortium is subject to direct tax on profits, where each member of the consortium shall separately calculate its taxable income and shall remain responsible for its own corporate income tax return.

38. FINANCIAL INSTRUMENTS

Categories of financial instruments

The following table provides an analysis of financial instruments categorised as follows:

- (i) Fair value through profit or loss (“FVTPL”)
– Mandatorily required by MFRS 9
– Designated upon initial recognition
– Derivatives designated as hedging instruments
- (ii) Fair value through other comprehensive income (“FVOCI”)
– Equity instrument designated upon initial recognition (“EIDUIR”)
- (iii) Amortised cost

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments (continued)

Group 2024 In RM Mil	Note	FVTPL	FVOCI - EIDUIR	Derivatives designated as hedging instruments	Amortised cost	Total carrying amount
Financial assets						
Long-term receivables	*	–	–	850	22,408	23,258
Fund and other investments	11	15,463	1,572	–	15,296	32,331
Trade and other receivables	*	671	–	655	68,436	69,762
Cash and cash equivalents	16	–	–	–	188,476	188,476
		16,134	1,572	1,505	294,616	313,827
Financial liabilities						
Borrowings	*	–	–	–	(91,657)	(91,657)
Other long-term liabilities	*	–	–	–	(6,346)	(6,346)
Trade and other payables	*	(257)	–	(1,016)	(52,993)	(54,266)
		(257)	–	(1,016)	(150,996)	(152,269)
2023						
Financial assets						
Long-term receivables	*	–	–	776	26,778	27,554
Fund and other investments	11	11,655	1,820	–	8,923	22,398
Trade and other receivables	*	778	–	702	49,382	50,862
Cash and cash equivalents	16	–	–	–	208,492	208,492
		12,433	1,820	1,478	293,575	309,306
Financial liabilities						
Borrowings	*	–	–	–	(94,580)	(94,580)
Other long-term liabilities	*	(4)	–	(9)	(5,816)	(5,829)
Trade and other payables	*	(198)	–	(154)	(57,505)	(57,857)
		(202)	–	(163)	(157,901)	(158,266)

* These balances exclude non-financial instruments balances.

Certain fund and other investments have been designated at fair value through profit or loss upon initial recognition as management internally monitors these investments on fair value basis.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments (continued)

Company 2024 <i>In RM Mil</i>	Note	FVTPL	FVOCI - EIDUIR	Derivatives designated as hedging instruments	Amortised cost	Total carrying amount
Financial assets						
Long-term receivables	*	54,817	—	—	46,874	101,691
Fund and other investments	11	9,339	73	—	6,824	16,236
Trade and other receivables	*	31	—	503	40,457	40,991
Cash and cash equivalents	16	—	—	—	52,033	52,033
		64,187	73	503	146,188	210,951
Financial liabilities						
Borrowings	*	—	—	—	(55,486)	(55,486)
Other long-term liabilities	*	—	—	—	(15,635)	(15,635)
Trade and other payables	*	(35)	—	—	(18,996)	(19,031)
		(35)	—	—	(90,117)	(90,152)
2023						
Financial assets						
Long-term receivables	*	53,492	—	—	55,948	109,440
Fund and other investments	11	6,698	73	—	3,796	10,567
Trade and other receivables	*	151	—	632	27,022	27,805
Cash and cash equivalents	16	—	—	—	75,160	75,160
		60,341	73	632	161,926	222,972
Financial liabilities						
Borrowings	*	—	—	—	(57,192)	(57,192)
Other long-term liabilities	*	—	—	—	(14,300)	(14,300)
Trade and other payables	*	(143)	—	—	(21,536)	(21,679)
		(143)	—	—	(93,028)	(93,171)

* These balances exclude non-financial instruments balances.

Certain fund and other investments have been designated at fair value through profit or loss upon initial recognition as management internally monitors these investments on fair value basis.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Financial risk management

As an integrated oil and gas company, the Group and the Company are exposed to various risks that are particular to its core business operations. These risks, which arise in the normal course of the Group’s and of the Company’s business, comprise counterparty credit risk, liquidity risk and market risk relating to interest rates, foreign exchange risk and price risk.

The Group has policies, standards and guidelines in place that sets the foundation for a consistent approach towards establishing an effective integrated financial risk management across the Group.

Risk taking activities are undertaken within acceptable level of risk or risk appetite, whereby the risk appetite level reflects business considerations and capacity to assume such risks. The risk appetite is established at Board level, where relevant, based on defined methodology and translated into operational thresholds.

The Group’s and the Company’s goal in risk management are to ensure that the management understands, measures, monitors and reports the financial risks that arise in connection with their operations. The policies, standards and guidelines have been developed to identify, analyse, appraise, monitor and report the dynamic risks facing the Group and the Company. Based on this assessment, each business unit adopts appropriate measures to mitigate these risks in accordance with the business unit’s view of the balance between risk and reward.

Credit risk

Counterparty credit risk refers to risk of loss resulting from a counterparty failing to perform its contractual financial obligation or making payment for goods and services, due to circumstances such as bankruptcy, financial constraints, political restrictions and government directives.

The Group’s and the Company’s exposures to credit risk arise principally from their receivables from third party customers, fund and other investments and financial guarantees given to financial institutions for credit facilities granted to subsidiaries, joint arrangements and associates. Credit risks are controlled in accordance with PETRONAS’ policies, standards and guidelines implemented across PETRONAS Group.

(i) Receivables and contract assets

Risk management objectives, policies and processes for managing the risk

The Group and the Company minimise credit risk by ensuring that all potential third party counterparties are assessed prior to registration and entering into new contracts. Existing third party counterparties are also subject to regular reviews, including reappraisal and approval of granted limits where applicable. The creditworthiness of counterparties is assessed based on an analysis of all available quantitative and qualitative data regarding business risks and financial standing, together with the review of any relevant third party and market information. Reports are prepared and presented to the management that cover the Group’s overall credit exposure against portfolio level risk appetite.

Depending on the types of transactions and counterparty creditworthiness, the Group and the Company further mitigate credit risk by requiring collateral or other credit enhancements such as cash deposits, letter of credit and bank guarantees.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values.

At each reporting date, the Group and the Company assess whether any of the receivables and contract assets are credit impaired.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Receivables and contract assets (continued)

Risk management objectives, policies and processes for managing the risk (continued)

The gross carrying amounts of credit impaired receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables and contract assets that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables and contract assets are represented by the carrying amounts in the statement of financial position.

At each reporting date, the Group and the Company assess whether financial assets are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- (i) significant financial difficulty of the customer; or
- (ii) a breach of contract such as a default; or
- (iii) it is probable that the customer will enter bankruptcy or other financial reorganisation.

Concentration of credit risk

Exposure to losses increases with concentrations of credit risk which may exist when a number of counterparties are involved in similar activities or operate in the same industry sector or geographical area, which may result in their ability to meet contractual obligations being impacted by changes in economic, political or other conditions. The Group’s principal customers with which it conducts business are located globally and there is no significant concentration of credit risk at reporting date.

Recognition and measurement of impairment losses

In managing credit risk of receivables and contract assets, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group and the Company perform credit rating assessment of all its counterparties in order to measure Expected Credit Loss (“ECL”) of receivables for all segments using the PETRONAS Credit Risk Rating system. This credit rating assessment considers quantitative assessment using the counterparties’ financial statements or a qualitative assessment of the counterparties which includes but is not limited to their reputation, competitive position, industry and geopolitical outlook.

In determining the ECL, the probability of default assigned to each counterparty is based on their individual credit rating. This probability of default is derived by benchmarking against available third party and market information, which also incorporates forward looking information.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

Loss given default is the assumption of the proportion of financial assets that cannot be recovered by conversion of collateral to cash or by legal process, and is assessed based on the Group’s and the Company’s historical experience.

The following table provides information about the exposure to credit risk and ECL for trade receivables, amounts due from associates and joint arrangements, loans and advances due from subsidiaries, associates and joint ventures, contract assets, finance lease receivables and derivative financial assets as at the reporting date which are grouped together as they are expected to have similar risk nature.

Group 2024 <i>In RM Mil</i>	Note	Gross carrying amount	Allowance for impairment losses	Net balance
Credit Risk Rating				
Sovereign		203	–	203
Excellent		4,462	–	4,462
Good		44,362	(90)	44,272
Fair		41,324	(1,320)	40,004
		90,351	(1,410)	88,941
Credit impaired				
Individually impaired		604	(604)	–
		90,955	(2,014)	88,941
Representing				
Trade receivables	15	31,496	(637)	30,859
Amounts due from associates and joint arrangements	10,15	26,741	(1,235)	25,506
Loans and advances due from associates and joint ventures	10	9,722	(56)	9,666
Contract assets	10,15	204	–	204
Finance lease receivables	10,15	20,616	(86)	20,530
Derivative financial assets	12	2,176	–	2,176
		90,955	(2,014)	88,941

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

Group 2023 <i>In RM Mil</i>	Note	Gross carrying amount	Allowance for impairment losses	Net balance
Credit Risk Rating				
Sovereign		258	–	258
Excellent		3,741	–	3,741
Good		45,348	(116)	45,232
Fair		28,012	(2,738)	25,274
		77,359	(2,854)	74,505
Credit impaired				
Individually impaired		2,146	(2,146)	–
		79,505	(5,000)	74,505
Representing				
Trade receivables	15	30,802	(855)	29,947
Amounts due from associates and joint arrangements	*	14,388	(2,406)	11,982
Loans and advances due from associates and joint ventures	10	9,699	(1,266)	8,433
Contract assets	10,15	9,166	–	9,166
Finance lease receivables	10,15	13,194	(473)	12,721
Derivative financial assets	12	2,256	–	2,256
		79,505	(5,000)	74,505

* These balances exclude non-financial instruments balances.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

Company 2024 <i>In RM Mil</i>	Note	Gross carrying amount	Allowance for impairment losses	Net balance
Credit Risk Rating				
Sovereign		113	–	113
Excellent		857	*–	857
Good		68,052	(127)	67,925
Fair		17,945	(112)	17,833
		86,967	(239)	86,728
Representing				
Trade receivables	15	2,168	(3)	2,165
Amounts due from subsidiaries	10,15	30,147	(59)	30,088
Amounts due from joint arrangements	10,15	9,261	(66)	9,195
Loans and advances due from subsidiaries and a joint venture	10	44,857	(111)	44,746
Derivative financial assets	12	534	–	534
		86,967	(239)	86,728

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is equal to the carrying amount.

* Amount less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

Company 2023 <i>In RM Mil</i>	Note	Gross carrying amount	Allowance for impairment losses	Net balance
Credit Risk Rating				
Sovereign		140	–	140
Excellent		738	* –	738
Good		73,579	(120)	73,459
Fair		7,913	(61)	7,852
		82,370	(181)	82,189
Credit impaired				
Individually impaired		1,319	(1,319)	–
		83,689	(1,500)	82,189
Representing				
Trade receivables	15	2,065	(7)	2,058
Amounts due from subsidiaries	10,15	26,098	(46)	26,052
Amount due from joint arrangements	10,15	1,441	(1,331)	110
Loans and advances due from subsidiaries and a joint venture	10	53,302	(116)	53,186
Derivative financial assets	12	783	–	783
		83,689	(1,500)	82,189

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is equal to the carrying amount.

* Amount less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

The ageing of trade receivables, amounts due from associates and joint arrangements, loans and advances due from subsidiaries, associates and joint ventures, contract assets and derivative financial assets net of impairment amount as at the end of the reporting period is analysed below:

<i>In RM Mil</i>	Group		Company	
	2024	2023	2024	2023
At net				
Not past due	51,174	57,352	76,074	81,277
Past due 1 to 30 days	1,414	507	163	102
Past due 31 to 60 days	691	263	185	72
Past due 61 to 90 days	1,761	251	189	135
Past due more than 90 days	13,371	3,411	10,117	603
	68,411	61,784	86,728	82,189

The Group and the Company have not recognised any loss allowance for trade receivables, amounts due from subsidiaries, associates and joint arrangements, loans and advances due from subsidiaries, associates and joint ventures, contract assets and finance lease receivables that are secured by collateral and/or other credit enhancements such as cash deposits, letter of credit, bank guarantees and trust funds.

The movements in the allowance for impairment losses of trade receivables, amounts due from subsidiaries, associates and joint arrangements, loans and advances due from subsidiaries, associates and joint ventures and finance lease receivables during the year are as follows:

<i>In RM Mil</i>	Group		Company	
	2024	2023	2024	2023
Opening balance	5,000	3,302	1,500	184
Impairment:				
(Reversals)/Losses recognised	(361)	1,457	58	1,316
Write-off	(2,331)	–	(1,319)	–
Translation exchange difference	(294)	241	–	–
Closing balance	2,014	5,000	239	1,500

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(ii) Other receivables

There are no significant concentrations of credit risk in any particular counterparty. The credit risk associated with these other receivables is low, as the majority of amounts are amounts due from Government authorities and joint operating partners. The Group and the Company do not expect any material defaults or losses in the foreseeable future.

The movements in the allowance for impairment losses of other receivables during the year are as follows:

In RM Mil	Group		Company	
	2024	2023	2024	2023
Opening balance	1,385	1,760	318	290
Impairment:				
Losses/(Reversals) recognised	480	(274)	(291)	28
Write-off	(167)	(53)	–	–
Translation exchange difference	(90)	(48)	–	–
Closing balance	1,608	1,385	27	318

(iii) Fund and other investments

Risk management objectives, policies and processes for managing the risk

The Group and the Company are also exposed to counterparty credit risk from financial institutions, government and corporate counterparties through fund and other investment activities comprising primarily money market placements and investments in bonds. These exposures are managed in accordance with existing policies and guidelines that define the parameters within which the investment activities shall be undertaken in order to achieve the Group’s investment objective of preserving capital and generating optimal returns above appropriate benchmarks within allowable risk parameters.

Investments are only made with approved counterparties who met the appropriate rating and other relevant criteria, and within approved credit limits, as stipulated in the policies and guidelines.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

The credit risk on a financial instrument is considered low, if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

As at the reporting date, the Group and the Company have invested significantly in domestic market.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(iii) Fund and other investments (continued)

Recognition and measurement of impairment loss

The fund and other investments are unsecured. However, in view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligation and no impairment loss was recognised.

(iv) Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide financial guarantees to banks in respect of banking facilities granted to certain subsidiaries, joint arrangement and associates (“Group entities”). The Group and the Company monitor on an ongoing basis, the results of the Group entities and repayments made by the Group entities.

Exposure to credit risk, credit quality and collateral

In connection to the project financing facility undertaken by a joint operation entity and joint venture entity of the Group (the “Borrowers”) under an integrated borrowing structure.

Prior to the project completion date, the Group and the Company provided a completion guarantee as disclosed in Note 21.

After project completion, each Borrower provides a cross-guarantee to the lenders for each other’s outstanding loan. The outstanding loan balances as at financial year end for the joint operation entity and the joint venture entity based on the Group’s shareholdings are RM1,607 million (2023: RM1,798 million) and RM14,837 million (2023: RM15,301 million) respectively.

The Group’s share of maximum exposure on the credit risk relating to the cross-guarantee provided by the Borrowers upon enforcement are limited to the value of assets securitised to lenders upon enforcement.

The maximum exposure to credit risk for the Company amounted to RM8,943 million (2023: RM6,014 million), which represents the outstanding banking facilities of the Group’s entities as at reporting date. As at reporting date, there was no indication that any entities would default on repayment. The fair value of the financial guarantee recognised is disclosed in Note 22.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will have insufficient funds to meet financial commitments in a timely manner. The Group’s and the Company’s exposure to liquidity risk arises principally from its trade and other payables, and borrowings. In managing its liquidity risk, the Group and the Company maintains sufficient cash and liquid marketable assets. The Company’s current credit rating enables it to access banking facilities in excess of current and immediate future requirements of the Group and the Company. The Group’s and the Company’s borrowing power is not limited by its Articles of Association. However, certain covenants included in agreements impose limited restrictions on some of the debt level of PETRONAS’ subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Maturity analysis

The following table summarises the maturity profile of the Group’s and of the Company’s financial liabilities as at the reporting date based on undiscounted contractual payments:

Group 2024 In RM Mil	Carrying amount	Contractual interest/profit rates per annum %	Contractual cash flows
Amortised cost			
Lease liabilities	19,240	1.14 - 10.34	20,537
Secured term loans			
USD floating rate loans	6,300	3.47	6,518
USD fixed rate loans	5,562	2.90	5,723
INR floating rate loans	2,803	8.78	3,049
EUR floating rate loans	1,663	3.18	1,716
Other fixed rate loans	1,849	3.56	1,931
Other floating rate loans	393	4.91	413
Unsecured term loans			
USD floating rate loans	4,452	5.26	4,686
Other fixed rate loans	440	1.91	448
Unsecured Notes and Bonds			
USD Guaranteed Notes	60,536	3.90	101,788
USD Bonds	2,230	7.63	2,570
Unsecured revolving credits			
USD floating revolving credits	615	5.19	647
SEK floating revolving credits	604	3.54	625
Other floating revolving credits	48	4.88	50
Unsecured bankers’ acceptances			
RM fixed bankers’ acceptances	286	3.56	287
INR floating bankers’ acceptances	69	7.83	70
Unsecured bank overdrafts			
INR bank overdrafts	5	7.65	5
SEK bank overdrafts	5	3.80	5
Secured Islamic financing facilities			
RM Islamic financing facilities	2,782	3.77	2,887
Unsecured Islamic financing facilities			
RM Islamic financing facilities	1,015	4.09	1,057
Other long-term liabilities	6,346	—	8,663
Financial guarantee	—	—	^a 13,673
Trade and other payables	56,084	—	56,084
Fair value through profit or loss			
Derivative financial liabilities ^b	257	—	257
	173,584		233,689

continue to next page

^a Limited to the value of asset securitised to lenders upon enforcement.
^b Excludes derivative financial liabilities designated as hedging instruments as disclosed in cash flow hedge (Note 38).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Maturity analysis (continued)

Group 2024 In RM Mil	Within 1 year	1-2 years	2-5 years	More than 5 years
Amortised cost				
Lease liabilities	4,186	3,025	5,891	7,435
Secured term loans				
USD floating rate loans	842	600	2,198	2,878
USD fixed rate loans	696	696	2,605	1,726
INR floating rate loans	1,861	638	266	284
EUR floating rate loans	—	1,716	—	—
Other fixed rate loans	866	147	554	364
Other floating rate loans	413	—	—	—
Unsecured term loans				
USD floating rate loans	72	67	3,786	761
Other fixed rate loans	304	—	5	139
Unsecured Notes and Bonds				
USD Guaranteed Notes	10,621	1,828	10,983	78,356
USD Bonds	170	2,400	—	—
Unsecured revolving credits				
USD floating revolving credits	647	—	—	—
SEK floating revolving credits	332	293	—	—
Other floating revolving credits	50	—	—	—
Unsecured bankers’ acceptances				
RM fixed bankers’ acceptances	287	—	—	—
INR floating bankers’ acceptances	70	—	—	—
Unsecured bank overdrafts				
MYR bank overdrafts	5	—	—	—
SEK bank overdrafts	5	—	—	—
Secured Islamic financing facilities				
RM Islamic financing facilities	776	257	762	1,092
Unsecured Islamic financing facilities				
RM Islamic financing facilities	599	406	52	—
Other long-term liabilities	485	667	1,956	5,555
Financial guarantee	^a 13,673	—	—	—
Trade and other payables	56,084	—	—	—
Fair value through profit or loss				
Derivative financial liabilities ^b	257	—	—	—
	93,301	12,740	29,058	98,590

continued from previous page

^a Limited to the value of asset securitised to lenders upon enforcement.
^b Excludes derivative financial liabilities designated as hedging instruments as disclosed in cash flow hedge (Note 38).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Maturity analysis (continued)

Group 2023 In RM Mil	Carrying amount	Contractual interest/profit rates per annum %	Contractual cash flows
Amortised cost			
Lease liabilities	17,041	0.91 - 8.5	17,325
Secured term loans			
USD floating rate loans	6,772	3.61	7,102
USD fixed rate loans	6,839	3.79	7,016
INR floating rate loans	2,823	8.65	2,962
EUR floating rate loans	2,103	4.53	2,293
Other fixed rate loans	1,483	4.06	1,579
Other floating rate loans	414	3.96	496
Unsecured term loans			
USD floating rate loans	1,220	2.80	1,521
Other fixed rate loans	520	1.85	620
Unsecured Notes and Bonds			
USD Guaranteed Notes	62,239	3.73	107,449
USD Bonds	2,300	7.63	2,825
Unsecured revolving credits			
USD floating revolving credits	230	2.19	235
USD fixed revolving credits	1,268	0.30	1,271
Other floating revolving credits	384	3.15	401
Unsecured bankers' acceptances			
RM fixed bankers' acceptances	248	3.46	256
INR floating bankers' acceptances	28	8.20	29
Secured Islamic financing facilities			
RM Islamic financing facilities	3,031	4.45	3,158
Unsecured Islamic financing facilities			
RM Islamic financing facilities	2,678	3.96	2,782
Other long-term liabilities	5,816	–	8,051
Financial guarantee	–	–	^a 15,301
Trade and other payables	57,505	–	57,505
Fair value through profit or loss			
Derivative financial liabilities ^b	202	–	202
	175,144		240,379

continue to next page

^a Limited to the value of asset securitised to lenders upon enforcement.
^b Excludes derivative financial liabilities designated as hedging instruments as disclosed in cash flow hedge (Note 38).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Maturity analysis (continued)

Group 2023 In RM Mil	Within 1 year	1-2 years	2-5 years	More than 5 years
Amortised cost				
Lease liabilities	3,486	2,351	3,975	7,513
Secured term loans				
USD floating rate loans	784	785	3,046	2,487
USD fixed rate loans	858	955	2,986	2,217
INR floating rate loan	2,023	429	170	340
EUR floating rate loans	63	63	2,167	–
Other fixed rate loans	622	74	686	197
Other floating rate loans	52	42	402	–
Unsecured term loans				
USD floating rate loans	123	95	90	1,213
Other fixed rate loans	75	9	218	318
Unsecured Notes and Bonds				
USD Guaranteed Notes	2,354	10,946	11,538	82,611
USD Bonds	175	175	2,475	–
Unsecured revolving credits				
USD floating revolving credits	235	–	–	–
USD fixed revolving credits	1,271	–	–	–
Other floating revolving credits	401	–	–	–
Unsecured bankers' acceptances				
RM fixed bankers' acceptances	256	–	–	–
INR floating bankers' acceptances	29	–	–	–
Secured Islamic financing facilities				
RM Islamic financing facilities	1,375	611	458	714
Unsecured Islamic financing facilities				
RM Islamic financing facilities	1,773	139	519	351
Other long-term liabilities	438	197	2,460	4,956
Financial guarantee	^a 15,301	–	–	–
Trade and other payables	57,505	–	–	–
Fair value through profit or loss				
Derivative financial liabilities ^b	198	4	–	–
	89,397	16,875	31,190	102,917

continued from previous page

^a Limited to the value of asset securitised to lenders upon enforcement.
^b Excludes derivative financial liabilities designated as hedging instruments as disclosed in cash flow hedge (Note 38).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Maturity analysis (continued)

Company 2024 <i>In RM Mil</i>	Contractual interest/profit rates per annum %	Contractual cash flows
Amortised cost		
Lease liabilities	6,832	7,175
Unsecured Notes and Bonds		
USD Guaranteed Notes	53,256	94,282
USD Bonds	2,230	2,570
Other long-term liabilities	15,401	21,527
Financial guarantees	—	^a 8,943
Trade and other payables	18,996	18,996
Fair value through profit or loss		
Derivative financial liabilities ^b	35	35
	96,750	153,528

continue to next page

2023 <i>In RM Mil</i>		
Amortised cost		
Lease liabilities	7,051	7,964
Unsecured Notes and Bonds		
USD Guaranteed Notes	54,892	99,276
USD Bonds	2,300	2,825
Other long-term liabilities	14,184	20,177
Financial guarantees	—	^a 6,014
Trade and other payables	21,536	21,536
Fair value through profit or loss		
Derivative financial liabilities ^b	143	143
	100,106	157,935

continue to next page

^a Limited to the value of asset securitised to lenders upon enforcement.
^b Excludes derivative financial liabilities designated as hedging instruments as disclosed in cash flow hedge (Note 38).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Maturity analysis (continued)

Company 2024 <i>In RM Mil</i>	Within 1 year	1-2 years	2-5 years	More than 5 years
Amortised cost				
Lease liabilities	700	444	1,103	4,928
Unsecured Notes and Bonds				
USD Guaranteed Notes	8,613	1,828	5,485	78,356
USD Bonds	170	2,400	—	—
Other long-term liabilities	566	422	4,729	15,810
Financial guarantees	^a 8,943	—	—	—
Trade and other payables	18,996	—	—	—
Fair value through profit or loss				
Derivative financial liabilities ^b	35	—	—	—
	38,023	5,094	11,317	99,094

continued from previous page

2023 <i>In RM Mil</i>				
Amortised cost				
Lease liabilities	675	717	1,218	5,354
Unsecured Notes and Bonds				
USD Guaranteed Notes	2,127	8,881	5,657	82,611
USD Bonds	175	175	2,475	—
Other long-term liabilities	993	240	4,871	14,073
Financial guarantees	^a 6,014	—	—	—
Trade and other payables	21,536	—	—	—
Fair value through profit or loss				
Derivative financial liabilities ^b	143	—	—	—
	31,663	10,013	14,221	102,038

continued from previous page

^a Limited to the value of asset securitised to lenders upon enforcement.
^b Excludes derivative financial liabilities designated as hedging instruments as disclosed in cash flow hedge (Note 38).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Market risk

Market risk is the risk or uncertainty arising from change in market prices and their impact on the performance of the business. The market price changes that the Group and the Company are exposed to include interest rates, foreign currency exchange rates, commodity prices, equity prices and other indices that could affect the value of the Group’s and the Company’s financial assets, liabilities or expected future cash flows.

Interest rate risk

The Group’s and the Company’s investments in fixed rate debt securities and fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group’s variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.

All interest rate exposures are monitored and managed proactively in line with PETRONAS’ policies and guidelines. The Group enters into hedging transactions with respect to interest rate on certain long-term borrowings and other debts where necessary and appropriate, in accordance with policies and guidelines.

The Group and the Company are also exposed to the ongoing interbank offered rates (“IBOR”) reforms on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

The Group’s and the Company’s main IBOR exposures were indexed to USD LIBOR which was discontinued on 30 June 2023.

As at reporting date, the Group’s and the Company’s transitional activities have been completed, with the exception of certain number of contracts for which the transition to alternative benchmark rate are still ongoing. The Group and the Company have applied the practical expedients to negotiated contracts for which the benchmark rate had been replaced to SOFR.

Contracts that have yet to transition to SOFR as at 31 December 2023 are relying on synthetic USD LIBOR rates until the contracts are transitioned prior to the cessation of synthetic USD LIBOR on 30 September 2024. As at 31 December 2024, the exposure referencing the synthetic USD LIBOR is immaterial.

The completed negotiated contracts for which alternative benchmark rate had been replaced to SOFR are fully economically equivalent with no profit or loss impact upon initial transition.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Interest rate risk (continued)

The carrying amount of the Group’s and the Company’s interest-bearing financial instruments as at reporting date is as follows:

<i>In RM Mil</i>	Group		Company	
	2024	2023	2024	2023
Fixed rate instruments				
Financial assets	240,059	242,892	71,948	95,988
Financial liabilities	(99,461)	(100,576)	(77,719)	(78,426)
	140,598	142,316	(5,771)	17,562
Floating rate instruments				
Financial assets	14,745	12,731	38,544	39,447
Financial liabilities	(17,781)	(16,869)	–	–
	(3,036)	(4,138)	38,544	39,447

Since most of the Group’s and the Company’s financial assets and liabilities are fixed rate instruments measured at amortised cost, a change in interest rate is not expected to have material impact on the Group’s and the Company’s profit or loss.

Foreign exchange risk

The Group and the Company are exposed to varying levels of foreign exchange risk when they enter into transactions that are not denominated in the respective companies’ functional currencies and when foreign currency monetary assets and liabilities are translated at the reporting date. The main underlying economic currencies of the Group’s cash flows are Ringgit Malaysia and US Dollars.

The Group’s and the Company’s foreign exchange management policy are to minimise economic and significant transactional exposures arising from currency movements. The Group coordinates the handling of foreign exchange risks centrally typically by matching receipts and payments for the same currency.

For major capital projects, the Group performs assessment of potential foreign exchange risk exposure at the investment decision phase to determine the appropriate foreign exchange risk management strategy. Residual net positions are actively managed and monitored against prescribed policies and control procedures. When deemed necessary and appropriate, the Group will enter into derivative financial instruments to hedge and minimise its exposures to the foreign currency movements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Foreign exchange risk (continued)

The Group’s and the Company’s significant exposure to foreign currency risk based on carrying amounts as at the reporting date is as follows:

Group In RM Mil	2024	2023
Denominated in USD		
Financial assets		
Loan and advances to subsidiaries and a joint venture	39,899	50,526
Cash and cash equivalents	16,756	30,822
Trade and other receivables	38,742	17,379
Long-term receivables	25,659	25,222
Fund and other investments	3,947	61
Derivative financial assets	831	699
	125,834	124,709
Financial liabilities		
Loan and advances from holding company	(22,151)	(19,631)
Borrowings	(61,700)	(60,002)
Trade and other payables	(14,602)	(11,520)
Other financial liabilities	(817)	(995)
	(99,270)	(92,148)
Net exposure	26,564	32,561
Denominated in RM		
Financial assets		
Loan and advances to a subsidiary	–	151
Cash and cash equivalents	8	1,786
Trade and other receivables	6,738	6,014
Derivative financial assets	–	1
	6,746	7,952
Financial liabilities		
Borrowings	(16)	(339)
Trade and other payables	(9,901)	(4,679)
	(9,917)	(5,018)
Net exposure	(3,171)	2,934

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Foreign exchange risk (continued)

Company In RM Mil	2024	2023
Denominated in USD		
Financial assets		
Loan and advances to subsidiaries and a joint venture	23,847	31,232
Long term receivables	20,201	21,655
Cash and cash equivalents	63,963	72,306
Trade and other receivables	31,669	14,060
Derivative financial assets	503	632
	140,183	139,885
Financial liabilities		
Cash and cash equivalents - subsidiaries’ cash with PETRONAS		
Integrated Financial Shared Service Centre	(47,790)	(41,663)
Borrowings	(55,486)	(57,192)
Trade and other payables	(7,828)	(5,613)
Other financial liabilities	(271)	(407)
	(111,375)	(104,875)
Net exposure	28,808	35,010

Sensitivity analysis for a given market variable provided in this note, discloses the effect on profit or loss and equity as at 31 December 2024 assuming that a reasonably possible change in the relevant market variable had occurred at 31 December 2024 and been applied to the risk exposures in existence at that date to show the effects of reasonably possible changes in price on profit or loss and equity to the next annual reporting date. Reasonably possible changes in market variables used in the sensitivity analysis are based on implied volatilities, where available, or historical data for equity and commodity prices and foreign exchange rates. Reasonably possible changes in interest rates are based on management judgment and historical experience.

The sensitivity analysis is hypothetical and should not be considered to be predictive of future performance because the Group’s actual exposure to market prices is constantly changing with changes in the Group’s portfolio of among others, commodity, debt and foreign currency contracts. Changes in fair values or cash flows based on a variation in a market variable cannot be extrapolated because the relationship between the change in market variable and the change in fair value or cash flows may not be linear. In addition, the effect of a change in a given market variable is calculated independently of any change in another assumption and mitigating actions that would be taken by the Group. In reality, changes in one factor may contribute to changes in another, which may magnify or counteract the sensitivities.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Foreign exchange risk (continued)

The following table demonstrates the indicative pre-tax effects on the profit or loss and equity of applying reasonably foreseeable market movements in the following currency exchange rates:

In RM Mil	Appreciation in foreign currency rate %	Equity	Group Profit or loss	Equity	Company Profit or loss
2024					
USD	10	821	1,835	50	2,830
MYR	10	–	(317)	–	–
2023					
USD	10	809	2,447	63	3,438
MYR	10	–	293	–	–

A depreciation in foreign currency rate above would have had equal but opposite effect, on the basis that all other variables remain constant.

Equity price risk

Equity price risk arises from the Group’s and the Company’s investments in equity securities. Exposures to equity price risk are managed in accordance with the Group’s existing policies and guidelines. The Group and the Company monitor the equity investments on a portfolio basis and a performance benchmark is established for each investment portfolio giving consideration to portfolio objectives and return expectation. All buy and sell decisions are monitored by the Group Treasury Department.

The Group and the Company also hold equity investments for strategic purposes, that are classified as FVTPL and FVOCI financial assets. Reports on the equity portfolio performance are submitted to the Group’s and the Company’s senior management on a regular basis.

The Group’s and the Company’s exposure to equity price risk based on carrying amounts as at the reporting date is as follows:

In RM Mil	Group		Company	
	2024	2023	2024	2023
Local equities	4,447	2,438	1,552	204
Foreign equities	135	270	–	–
	4,582	2,708	1,552	204

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Equity price risk (continued)

The following table demonstrates the indicative pre-tax effects on the profit or loss and equity of applying reasonably foreseeable market movements in the following equities:

In RM Mil	Increase in price based on average change in index rate %	Equity	Group Profit or loss	Equity	Company Profit or loss
2024					
Local equities	10	–	445	–	155
Foreign equities	15	–	20	–	–
2023					
Local equities	10	–	244	–	20
Foreign equities	15	25	16	–	–

A decrease in price based on average change in index rate above would have had equal but opposite effect, on the basis that all other variables remain constant.

Commodity price risk

The Group faces exposure to fluctuations in commodity prices resulting from its involvement in the marketing and trading of commodities such as crude oil, gas, LNG and petroleum products. The fluctuations in prices may affect the value of the Group’s financial assets, liabilities and expected future cash flows.

In minimising the financial impact from changes in commodity prices, the Group utilises various derivative instruments e.g. forwards, futures and swaps to manage and mitigate the exposures arising from commodity prices fluctuations in line with risk appetite, policies, guidelines and procedures. A risk management department conducts and reports mark-to-market assessments of all exposures from both the underlying assets and derivative instruments to key stakeholders on a daily basis.

Cash flow hedge

In the normal course of business, the Group and the Company enter into derivative financial instruments to manage their normal business exposures in relation to commodity prices, interest rates and foreign currency exchange rates, including management of the balance between floating rate and fixed rate debt, consistent with risk management policies and objectives.

The Group and the Company have entered into commodity derivatives to manage the volatility attributable to price fluctuations of crude oil and gas by hedging the price volatility of forecasted crude oil and gas sales in accordance with the Group’s risk management strategy.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Cash flow hedge (continued)

There is an economic relationship between the hedged items and the hedging instruments as the terms of the commodity derivatives match the terms of the expected highly probable forecast transactions (i.e. nominal amount and expected payment date). The Group and the Company have established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity derivatives are identical to the hedged risk components. To test the hedge effectiveness, the Group and the Company compare the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from any of the followings:

- changes in economic relationship between the hedged items and the hedging instruments; or
- change in the nominal value of the hedged items; or
- change in settlement dates or terms; or
- change in credit risk whereby the counterparty may not be able to deliver on their financial obligation.

As at 31 December 2024, the Group and the Company held commodity swaps and options contracts to hedge the price of crude oil and gas of highly probable forecast transactions. The Group also held other forward contracts to hedge other prices of highly probable transactions.

The Group has also entered into an interest rate swap to hedge the cash flow risk in relation to the floating interest rate of the borrowings. The interest rate swap is settled on every specified period, consistent with the interest repayment schedule of the borrowings.

The Group determines the existence of an economic relationship between hedged items and the hedging instruments based on the reference interest rates, tenure, maturities and the nominal amounts. If a hedging relationship is directly affected by uncertainty arising from IBOR reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

The Group uses derivative financial instruments such as forward foreign exchange contracts to manage the impact of fluctuation in foreign currency rate to certain exposures.

The Group ensures that the critical terms of the forward foreign exchange contracts align with the hedged items. The Group determines the existence of an economic relationship between the hedging instruments and the hedged items based on the currency, amount and timing of the respective cash flows.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Cash flow hedge (continued)

The Group held the following instruments to hedge exposures to changes in interest rates, foreign currency exchange rates and prices.

Group 2024 <i>In RM Mil</i>	Nominal amount	Net carrying amount	Maturity				
			Total	Within 1 year	1-2 years	2-5 years	More than 5 years
Interest rate risk							
Interest rate swaps	13,830	594	594	–	206	338	50
Average hedged interest rate (%)				–	1.35	1.68	2.15
Foreign currency risk							
Forward foreign exchange contracts	7,635	232	232	(20)	54	198	–
Average forward rate (USD/CAD)			1.10 - 1.34	1.06	1.33		–
Average forward rate (USD/EUR)			0.88	–	–	–	–
Average forward rate (USD/JPY)			129.84	–	–	–	–
Average forward rate (USD/CNY)			6.92	–	–	–	–
Average forward rate (USD/AUD)			0.67	–	–	–	–
Average forward rate (RM/USD)			4.57	–	–	–	–
Price risk							
Commodity derivatives	11,554	(381)	(381)	(381)	–	–	–
Average crude oil and gas prices (in USD/ boe)				77	–	–	–
Other forward contracts	191	27	27	27	–	–	–
Average utility prices (in USD/MWh)				95	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Cash flow hedge (continued)

Group 2023 <i>In RM Mil</i>	Nominal amount	Net carrying amount	Maturity				
			Total	Within 1 year	1-2 years	2-5 years	More than 5 years
Interest rate risk							
Interest rate swaps	10,721	710	710	–	14	298	398
Average hedged interest rate (%)				–	1.73	1.86	2.02
Foreign currency risk							
Forward foreign exchange contracts	5,148	21	21	(29)	1	49	–
Average forward rate (USD/CAD)				1.28 - 1.32	1.28 - 1.32	1.30	–
Average forward rate (USD/EUR)				0.86	0.84	–	–
Average forward rate (USD/JPY)				110.84	109.75	–	–
Average forward rate (USD/CNY)				6.69	6.66	–	–
Average forward rate (USD/AUD)				0.67	–	–	–
Average forward rate (RM/USD)				4.55	–	–	–
Price risk							
Commodity derivatives	14,357	540	540	540	–	–	–
Average crude oil and gas prices (in USD/ boe)				76	–	–	–
Other forward contracts	286	37	37	37	–	–	–
Average utility prices (in USD/MWh)				71	–	–	–

Net carrying amounts comprise derivative financial assets and derivative financial liabilities for the respective hedging instruments.

As at 31 December 2024, the Group held net commodity derivative financial liabilities amounting to RM361 million and financial assets amounting to RM540 million in prior year.

The Company held net derivative financial assets amounting to RM503 million (2023: RM632 million). The hedging instruments mainly mature within 12 months from the relevant financial year end.

The maximum expected commodity derivatives loss to the Group and the Company are RM1,566 million (2023: RM709 million) and RM702 million (2023: RM624 million) respectively.

The Group's and the Company's contract prices for commodity derivatives are based on prices negotiated with the respective counterparties at the inception of the hedging instruments.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Cash flow hedge (continued)

The amounts relating to hedging instruments, hedged items, hedge effectiveness and the effect of the cash flow hedge in the statement of profit or loss and OCI are as follows:

Group 2024 <i>In RM Mil</i>	Carrying amount		Change in fair value (loss)/gain used for measuring ineffectiveness	Hedging Reserve
	Assets	Liabilities		
	Note 12	Note 12		
Interest rate risk				
Interest rate swaps	594	–	(45)	262
Floating interest rate term loans			45	
Foreign currency risk				
Forward foreign exchange contracts	310	(81)	191	(145)
Expected future receipts and payments			(191)	
Price risk				
Commodity derivatives	574	(935)	(1,073)	(1,119)
Forecast sales and purchases			1,073	
Other forward contracts	27	–	3	37
Expected future receipts and payments			(3)	
	1,505	(1,016)		(965)

Group 2024 <i>In RM Mil</i>	Movement of cash flow hedge attributable to shareholders of the Company			Movement of cash flow hedge attributable to Non- controlling Interests	Total movement of cash flow hedge
	Total hedging (loss)/gain recognised in OCI	Amount reclassified from hedging reserve to profit or loss	Total		
Interest rate risk					
Interest rate swaps	(45)	–	(45)	(48)	(93)
Foreign currency risk					
Forward foreign exchange contracts	191	(302)	(111)	–	(111)
Price risk					
Commodity derivatives	(2,967)	2,048	(919)	–	^(919)
Other forward contracts	3	–	3	–	3
	(2,818)	1,746	(1,072)	(48)	(1,120)

^ Includes addition to the cost of hedging reserve of RM23 million and hedging reserve amounting to a reduction of RM157 million.

Hedge ineffectiveness and reclassifications from hedging reserve to profit or loss are recognised in revenue, cost of revenue, financing costs and other income or expenses respectively depending on the nature of transactions.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Cash flow hedge (continued)

Group 2023 <i>In RM Mil</i>	Carrying amount		Change in fair value (loss)/gain used for measuring ineffectiveness	Hedging Reserve
	Assets	Liabilities		
	Note 12	Note 12		
Interest rate risk				
Interest rate swaps	717	(7)	(122)	307
Floating interest rate term loans			122	
Foreign currency risk				
Forward foreign exchange contracts	77	(56)	(237)	(34)
Expected future receipts and payments			237	
Commodity price risk				
Commodity derivatives	647	(100)	849	(200)
Forecast sales and purchases			(849)	
Other forward contracts	37	–	34	34
Expected future receipts and payments			(34)	
	1,478	(163)		107

Group 2023 <i>In RM Mil</i>	Movement of cash flow hedge attributable to shareholders of the Company			Movement of cash flow hedge attributable to Non- controlling Interests	Total movement of cash flow hedge
	Total hedging (loss)/gain recognised in OCI	Amount reclassified from hedging reserve to profit or loss	Total		
Interest rate risk					
Interest rate swaps	(122)	–	(122)	(117)	(239)
Foreign currency risk					
Forward foreign exchange contracts	(237)	81	(156)	–	(156)
Commodity price risk					
Commodity derivatives	(1,749)	1,237	(512)	–	^(512)
Other forward contracts	34	–	34	–	34
	(2,074)	1,318	(756)	(117)	(873)

^ Includes addition to the cost of hedging reserve of RM319 million.

Hedge ineffectiveness and reclassifications from hedging reserve to profit or loss are recognised in cost of revenue, financing cost and other income or expenses respectively depending on the nature of transactions.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Cash flow hedge (continued)

Company 2024 <i>In RM Mil</i>	Carrying amount		Hedging Reserve
	Assets	Liabilities	
	Note 12	Note 12	
Commodity price risk			
Commodity derivatives	503	—	(288)

Company 2024 <i>In RM Mil</i>	Total hedging loss recognised in OCI	Amount reclassified from hedging reserve to profit or loss	Total movement of cash flow hedge
Commodity price risk			
Commodity derivatives	(1,859)	1,725	^(134)

Company 2023 <i>In RM Mil</i>	Carrying amount		Hedging Reserve
	Assets	Liabilities	
	Note 12	Note 12	
Commodity price risk			
Commodity derivatives	632	—	(154)

Company 2023 <i>In RM Mil</i>	Total hedging loss recognised in OCI	Amount reclassified from hedging reserve to profit or loss	Total movement of cash flow hedge
Commodity price risk			
Commodity derivatives	(2,622)	2,918	^296

^ The amount relates to cost of hedging amounting to an increase of RM23 million (2023: RM319 million) and hedging reserve amounting to a reduction of RM157 million (2023: RM24 million).

Hedge ineffectiveness and reclassifications from hedging reserve to profit or loss are recognised in cost of revenue.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Cash flow hedge (continued)

The following table provides reconciliation of hedging reserves by risk category and analysis of other comprehensive income items, net of tax, resulting from cash flow of hedge accounting:

<i>In RM Mil</i>	Group Hedging reserve	Company Hedging reserve
As at 1 January 2023	863	(450)
Changes in fair value:		
- Interest rate risk	(122)	–
- Foreign currency risk	(237)	–
- Commodity price risk*	(1,715)	(2,622)
Amount reclassified to profit or loss	1,318	2,918
As at 1 January 2024	107	(154)
Changes in fair value:		
- Interest rate risk	(45)	–
- Foreign currency risk	191	–
- Commodity price risk*	(2,964)	(1,859)
Amount reclassified to profit or loss	1,746	1,725
As at 31 December 2024	(965)	(288)

* Included in changes in fair value of commodity price risk is loss on the portion which was excluded from the designated hedging instrument of RM2,352 million (2023: RM2,598 million) as it relates to the time value of commodity derivatives. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the cash flow hedge reserve.

Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings, reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

It was not practicable to estimate the fair value of the Group’s investment in unquoted shares due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Fair value information (continued)

Group 2024 <i>In RM Mil</i>	Fair value of financial instruments carried at fair value			
	Level 1	Level 2	Level 3	Total
Financial assets				
Quoted shares	3,981	–	–	3,981
Quoted securities	–	601	–	601
Unquoted shares	–	–	1,808	1,808
Malaysian Government Securities	–	2,033	–	2,033
Corporate Bonds and Sukuk	–	8,612	–	8,612
Forward foreign exchange and other contracts	–	572	–	572
Commodity derivatives	48	962	–	1,010
Interest rate swaps	–	594	–	594
	4,029	13,374	1,808	19,211
Financial liabilities				
Forward foreign exchange contracts	–	(152)	–	(152)
Commodity derivatives	(186)	(935)	–	(1,121)
	(186)	(1,087)	–	(1,273)

Group 2024 <i>In RM Mil</i>	Fair value of financial instruments not carried at fair value			Carrying amount
	Level 2	Level 3	Total	
Financial assets				
Unquoted securities	–	1,020	1,020	1,020
Malaysian Government Securities	7,647	–	7,647	7,429
Corporate Bonds and Sukuk	6,729	–	6,729	6,847
Long-term receivables	–	22,440	22,440	22,440
Finance lease receivables	–	19,178	19,178	19,178
	14,376	42,638	57,014	56,914
Financial liabilities				
Notes and Bonds	(47,009)	–	(47,009)	(54,143)
Term loans	(11,864)	(5,817)	(17,681)	(18,665)
Islamic financing facilities	(1,283)	(1,090)	(2,373)	(2,479)
Other long-term liabilities	–	(6,346)	(6,346)	(6,346)
	(60,156)	(13,253)	(73,409)	(81,633)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Fair value information (continued)

Group 2023 <i>In RM Mil</i>	Fair value of financial instruments carried at fair value			
	Level 1	Level 2	Level 3	Total
Financial assets				
Quoted shares	2,181	–	–	2,181
Quoted securities	–	527	–	527
Unquoted shares	–	–	1,783	1,783
Malaysian Government Securities	–	2,085	–	2,085
Corporate Bonds and Sukuk	–	6,899	–	6,899
Forward foreign exchange and other contracts	–	275	–	275
Commodity derivatives	317	947	–	1,264
Interest rate swaps	–	717	–	717
	2,498	11,450	1,783	15,731
Financial liabilities				
Forward foreign exchange contracts	–	(164)	–	(164)
Commodity derivatives	(79)	(115)	–	(194)
Interest rate swaps	–	(7)	–	(7)
	(79)	(286)	–	(365)

Group 2023 <i>In RM Mil</i>	Fair value of financial instruments not carried at fair value			Carrying amount
	Level 2	Level 3	Total	
Financial assets				
Unquoted securities	–	500	500	500
Malaysian Government Securities	5,774	–	5,774	5,736
Corporate Bonds and Sukuk	2,705	–	2,705	2,687
Long-term receivables	–	26,952	26,952	26,778
Finance lease receivables	–	11,466	11,466	11,466
	8,479	38,918	47,397	47,167
Financial liabilities				
Notes and Bonds	(58,956)	–	(58,956)	(64,539)
Term loans	(10,725)	(6,834)	(17,559)	(17,935)
Islamic financing facilities	(1,169)	(1,414)	(2,583)	(2,684)
Other long-term liabilities	–	(5,816)	(5,816)	(5,816)
	(70,850)	(14,064)	(84,914)	(90,974)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Fair value information (continued)

Company 2024 <i>In RM Mil</i>	Fair value of financial instruments carried at fair value			
	Level 1	Level 2	Level 3	Total
Financial assets				
Quoted shares	1,552	–	–	1,552
Unquoted shares	–	–	73	73
Malaysian Government Securities	–	1,647	–	1,647
Corporate Bonds and Sukuk	–	6,140	–	6,140
Forward foreign exchange contracts	–	31	–	31
Commodity derivatives	–	503	–	503
Long-term receivables	–	–	54,817	54,817
	1,552	8,321	54,890	64,763
Financial liabilities				
Forward foreign exchange contracts	–	(35)	–	(35)

Company 2024 <i>In RM Mil</i>	Fair value of financial instruments not carried at fair value			Carrying amount
	Level 2	Level 3	Total	
Financial assets				
Long-term receivables	–	46,511	46,511	46,874
Malaysian Government Securities	3,876	–	3,876	3,787
Corporate Bonds and Sukuk	2,999	–	2,999	3,037
	6,875	46,511	53,386	53,698
Financial liabilities				
Notes and Bonds	(48,254)	–	(48,254)	(55,486)
Other long-term liabilities	–	(15,635)	(15,635)	(15,635)
	(48,254)	(15,635)	(63,889)	(71,121)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Fair value information (continued)

Company 2023 <i>In RM Mil</i>	Fair value of financial instruments carried at fair value			
	Level 1	Level 2	Level 3	Total
Financial assets				
Quoted shares	204	–	–	204
Unquoted shares	–	–	73	73
Malaysian Government Securities	–	1,667	–	1,667
Corporate Bonds and Sukuk	–	4,827	–	4,827
Forward foreign exchange contracts	–	151	–	151
Commodity derivatives	–	632	–	632
Long-term receivables	–	–	53,492	53,492
	204	7,277	53,565	61,046
Financial liabilities				
Forward foreign exchange contracts	–	(143)	–	(143)

Company 2023 <i>In RM Mil</i>	Fair value of financial instruments not carried at fair value			Carrying amount	
	Level 2	Level 3	Total		
Financial assets					
Malaysian Government Securities	2,814	–	2,814	2,775	
Long-term receivables	–	58,678	58,678	55,948	
Corporate Bonds and Sukuk	1,038	–	1,038	1,021	
	3,852	58,678	62,530	59,744	
Financial liabilities					
Notes and Bonds	(52,497)	–	(52,497)	(57,192)	
Other long-term liabilities	–	(14,306)	(14,306)	(14,300)	
	(52,497)	(14,306)	(66,803)	(71,492)	

Derivative financial instruments

The calculation of fair value for derivative financial instruments depends on the type of instruments. The fair value of interest rate swap agreements are estimated by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the instrument. The fair value of forward foreign exchange contracts is based on the fair value difference between forward exchange rates and the contracted rate. The fair value of commodity options, commodity swap and commodity forward contracts is based on the fair value difference between the market price at the date of measurement and the contracted price.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Fair value information (continued)

Non-derivative financial instruments

For non-derivative financial liabilities, 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 market rate of interest at the end of the reporting period. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For other borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Income/(expense) and net gains/(losses) arising from financial instruments*

Group 2024 <i>In RM Mil</i>	Interest income	Interest expense	Net impairment losses/ write-off	Others	Total
Financial assets at fair value:					
- through profit or loss	622	–	–	300	922
- through OCI	–	–	–	(136)	(136)
Financial assets at amortised cost:					
- recognised in profit or loss	12,060	–	(3,385)	559	9,234
- recognised in equity	–	–	–	(231)	(231)
Financial liabilities at amortised cost	–	(2,337)	–	(1,471)	(3,808)
Derivatives designated as hedging instruments	–	–	–	(3,228)	(3,228)
	12,682	(2,337)	(3,385)	(4,207)	2,753

2023					
Financial assets at fair value:					
- through profit or loss	406	–	–	(435)	(29)
- through OCI	–	–	–	(128)	(128)
Financial assets at amortised cost:					
- recognised in profit or loss	11,108	–	(2,157)	2,831	11,782
- recognised in equity	–	–	–	305	305
Financial liabilities at amortised cost	–	(2,416)	–	(2,237)	(4,653)
Derivatives designated as hedging instruments	–	–	–	(1,725)	(1,725)
	11,514	(2,416)	(2,157)	(1,389)	5,552

* The amounts exclude discontinued operations.

Others relate to gains and losses arising from financial instruments such as realised and unrealised foreign exchange gains or losses, dividend income and fair value gains or losses.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Income/(expense) and net gains/(losses) arising from financial instruments (continued)

Company 2024 In RM Mil	Interest income	Interest expense	Net impairment losses/ write-off	Others	Total
Financial assets at fair value through profit or loss	303	—	—	2,089	2,392
Financial assets at amortised cost	6,811	—	(1,251)	(2,611)	2,949
Financial liabilities at amortised cost	—	(2,318)	—	1,681	(637)
Derivatives designated as hedging instruments	—	—	—	(1,835)	(1,835)
	7,114	(2,318)	(1,251)	(676)	2,869
2023					
Financial assets at fair value through profit or loss	276	—	—	1,801	2,077
Financial assets at amortised cost	7,196	—	(1,625)	4,375	9,946
Financial liabilities at amortised cost	—	(2,314)	—	(2,325)	(4,639)
Derivatives designated as hedging instruments	—	—	—	(2,191)	(2,191)
	7,472	(2,314)	(1,625)	1,660	5,193

Others relate to gains and losses arising from financial instruments such as realised and unrealised foreign exchange gains or losses, dividend income and fair value gains or losses.

39. CAPITAL MANAGEMENT

The Group, as an essential part of its capital management strategy, is committed towards achieving financial resilience and ensuring long-term business sustainability as outlined in the PETRONAS Financial Policy. The Group’s capital structure consists of consolidated equity plus debt, defined as the current and long-term portions of the Group’s debt.

The objective of the Group’s capital management is to maintain an optimal capital structure and ensure availability of funds in order to meet financial obligations, support business growth and maximise shareholders’ value. The Group monitors and maintains a prudent level of total debt to total assets.

There were no changes in the Group’s approach to capital management during the year.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

40. PRONOUNCEMENTS ISSUED BY MASB Adoption of revised pronouncements

During the financial year, the Group and the Company adopted the following pronouncements that have been issued by the MASB and are applicable as listed below:

Effective for annual periods beginning on or after 1 January 2024

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

The initial application of the above-mentioned pronouncements did not have any material impact to the financial statements of the Group and the Company.

Pronouncements yet in effect

The following pronouncements that have been issued by the MASB will become effective in future financial reporting periods and have not been adopted by the Group and the Company in these financial statements:

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)*

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures (Amendments to the Classification and Measurement of Financial Instruments)*
Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*, MFRS 7 *Financial Instruments: Disclosures*, MFRS 9 *Financial Instruments*, MFRS 10 *Consolidated Financial Statements* and MFRS 107 *Statement of Cash Flows (Annual Improvements to MFRS Accounting Standards)*
Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures (Contracts Referencing Nature-dependent Electricity)*

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 *Presentation and Disclosure in Financial Statements*

Effective for a date yet to be confirmed

Amendments to MFRS 10 *Consolidated Financial Statements (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)*
Amendments to MFRS 128 *Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)*

The Group and the Company are expected to apply the above-mentioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the above-mentioned pronouncements are not expected to have any material impact to the financial statements of the Group and the Company, except for MFRS 18 pronouncement, which impact on initial application is currently being assessed. Further details on MFRS 18 pronouncement are discussed below.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

40. PRONOUNCEMENTS ISSUED BY MASB (continued)

Pronouncements yet in effect (continued)

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*, which retains majority of the requirements of MFRS 101 and complementing them with new requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 introduces new key requirements as follows:

- i. **Statement of Profit or Loss and Other Comprehensive Income:**

The standard requires reclassification of all income and expenses within the statement of profit or loss into five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. The standard also requires to present a newly-defined operating profit subtotal, and the net profit will not change.
- ii. **Statement of Cash Flows:**

The standard requires to disclose the starting point for cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and the optionality around classification of cash flows from dividends and interest are removed.
- iii. **Management-defined Performance Measures (“MPMs”) and guidance on Aggregation and Disaggregation:**

The standard requires MPMs are disclosed in a single note in the financial statements and enhanced guidance is provided on aggregation and disaggregation of financial information.

The Group and the Company are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group and the Company are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

New and revised pronouncement not applicable to the Group and the Company

The MASB has issued new pronouncements which are not relevant to the Group and the Company and hence, no further disclosure is warranted.

Effective for annual periods beginning on or after 1 January 2027

MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

41. KEY SUBSIDIARIES AND ACTIVITIES

		Effective ownership interest and voting interest		Country of incorporation	Principal activities
		2024 %	2023 %		
^*	PETRONAS Carigali Sdn. Bhd.	100	100	Malaysia	Petroleum exploration, development and production
	PETRONAS Carigali Nile Ltd	100	100	Republic of Mauritius	Petroleum exploration, development and production
	PETRONAS Energy Canada Ltd.	100	100	Canada	Petroleum exploration, development and production
	PETRONAS E&P Argentina S.A.	100	100	Argentina	Petroleum exploration, development and production
	PETRONAS Carigali (Turkmenistan) Sdn. Bhd.	100	100	Malaysia	Petroleum exploration, development and production
	PETRONAS Petróleo Brasil Ltda.	100	100	Brazil	Petroleum exploration, development and production
^	PETRONAS Australia Pty Limited	100	100	Australia	Exploration, production and marketing of hydrocarbons; operation of gas transmission pipeline & LNG plants
∞	PETRONAS LNG Ltd	100	100	Malaysia	Trading of LNG and marketing services
*	Malaysia LNG Sdn. Bhd.	90	90	Malaysia	Purchase and liquefaction of natural gas and marketing of LNG
*	Malaysia LNG Tiga Sdn. Bhd.	65	75	Malaysia	Purchase and liquefaction of natural gas and marketing of LNG
*	PETRONAS Energy & Gas Trading Sdn. Bhd.	100	100	Malaysia	Trading and marketing of processed gas

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

41. KEY SUBSIDIARIES AND ACTIVITIES (continued)

		Effective ownership interest and voting interest		Country of incorporation	Principal activities
		2024 %	2023 %		
^	Engen Limited	—	74	South Africa	Refining of crude oil and marketing of refined petroleum products
^*@	PETRONAS Dagangan Berhad	63.9	63.9	Malaysia	Domestic marketing of petroleum products and non-fuel business
^*	PETRONAS Refinery and Petrochemical Corporation Sdn. Bhd.	100	100	Malaysia	Development and management of Pengerang Integrated Complex
^*	PETRONAS Trading Corporation Sdn. Bhd.	100	100	Malaysia	Marketing of crude oil, trading in crude oil and petroleum products and investment holding
^*@	PETRONAS Chemicals Group Berhad	64.3	64.3	Malaysia	Investment holding, production and sale of petrochemicals and specialty products
^*	PETRONAS Lubricants International Sdn. Bhd.	100	100	Malaysia	Manufacturing and trading of lubricant products and trading of base oil
^*@	MISC Berhad	51	51	Malaysia	Shipping and shipping related activities
^*	KLCC (Holdings) Sdn. Bhd.	100	100	Malaysia	Investment holding, property development management and provision of management services
	Putrajaya Holdings Sdn. Bhd.	64.4	64.4	Malaysia	Property development and investment holding
^*	Gentari Sdn. Bhd.	100	100	Malaysia	Investment holding and clean energy solutions

^ Holding company of group of entities.
* Subsidiaries held directly by the Company.
∞ Company incorporated under the Labuan Companies Act 1990.
@ The shares of these subsidiaries are quoted on the Main Market of Bursa Malaysia Securities Berhad.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

42. KEY ASSOCIATES AND ACTIVITIES

		Effective ownership interest and voting interest		Country of incorporation	Principal activities
		2024 %	2023 %		
	BASF PETRONAS Chemicals Sdn. Bhd.	25.7	25.7	Malaysia	Purchases propylene and n-butane feedstock from the Group for production, marketing and sale of acrylic, oxo and butanediol products
	Bintulu Port Holdings Berhad	29.7	29.7	Malaysia	Port management

43. KEY JOINT ARRANGEMENTS AND ACTIVITIES

		Effective ownership interest and voting interest		Country of incorporation	Principal activities
		2024 %	2023 %		
	INEOS PCG Acetyls Sdn. Bhd.	19.3	19.3	Malaysia	Manufacture, sell and distribute acetic acid
	Trans Thai-Malaysia (Thailand) Limited	50	50	Thailand	Gas pipeline transportation and gas separation services
	Trans Thai-Malaysia (Malaysia) Sdn. Bhd.	50	50	Malaysia	Transporting and delivering gas products
	Indianoil PETRONAS Private Limited	50	50	India	Manufacture and bottling services of Liquid Petroleum Gas

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

43. KEY JOINT ARRANGEMENTS AND ACTIVITIES (continued)

		Effective ownership interest and voting interest		Country of incorporation	Principal activities
		2024 %	2023 %		
∞	Malaysia Deepwater Floating Terminal (Kikeh) Limited	26	26	Malaysia	Floating production storage and off-loading owner
	Pengerang Terminals (Two) Sdn. Bhd.	40	40	Malaysia	Undertake activities related to terminal storage facilities for petroleum and petrochemical products
	Pengerang Refining Company Sdn. Bhd.	50	50	Malaysia	Undertake blending, processing or cracking of crude, condensates, feedstock or intermediate feedstock
	Pengerang Petrochemical Company Sdn. Bhd.	32	32	Malaysia	Sales of products within ethane, propane chains and ethane derivatives to the joint operators
	NP Hai Long Holdings B.V.	49	49	Netherlands	Investment holding
	NP Taiwan Project NorthWind Holdings B.V.	49	49	Netherlands	Investment holding
	NP Taiwan Project CanWind Holdings B.V.	49	49	Netherlands	Investment holding

∞ Company incorporated under the Labuan Companies Act 1990.

INDEPENDENT AUDITORS’ REPORT

To the members of Petroliam Nasional Berhad (PETRONAS)
(Company No. 197401002911 (20076-K)) (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Petroliam Nasional Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 166.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our auditors’ report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



INDEPENDENT AUDITORS’ REPORT

To the members of Petroliam Nasional Berhad (PETRONAS) (continued)
(Company No. 197401002911 (20076-K)) (Incorporated in Malaysia)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment or reversal of impairment consideration of property, plant and equipment (“PPE”) and intangible assets (“IA”)	
Refer to Note 3 - Property, Plant and Equipment and Note 9 - Intangible Assets.	
The key audit matter	How the matter was addressed in our audit
<p>The Group and the Company operate in the oil and gas industry, which is impacted by fluctuating demand and price forecasts for oil and gas products. This creates a risk that the carrying amounts of the Group’s PPE and IA (consisting of goodwill, exploration expenditures, and other intangible assets) and the Company’s PPE may exceed their recoverable amounts, requiring impairment testing in accordance with MFRS 136, Impairment of Assets (“MFRS 136”). Similarly, an assessment of reversal of impairment must be performed when indicators support reversal of impairment for previously impaired assets (other than goodwill).</p> <p>In assessing impairment or reversal of impairment, PPE and IA (together with other relevant assets) are grouped into relevant cash generating units (“CGU”).</p> <p>The Group has estimated the recoverable amounts for each CGU based on either its value in use or at its fair value less cost to sell, whichever is higher. As a result, a net impairment losses of RM948 million (2023: a net impairment losses of RM407 million) for PPE and a net impairment losses of RM195 million (2023: a net impairment losses of RM49 million) for IA (refer to Note 25) were recognised in the current financial year.</p> <p>We have identified the evaluation of the carrying amount of the Group’s PPE and IA of RM327,356 million (2023: RM326,398 million) (refer Note 3) and RM31,175 million (2023: RM31,902 million) (refer Note 9) respectively as of 31 December 2024 as a key audit matter because:</p> <ul style="list-style-type: none">it is material in the consolidated financial statements and represents 47% (2023: 46%) of the Group’s total assets; andthe estimation of recoverable amounts involves a significant degree of judgment exercised and assumptions made by the Group. Key judgmental aspects include assumptions of oil and gas prices, expenditures, oil and gas reserves profile and the use of an appropriate discount rate.	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none">i) Assessed the design and implementation of the controls over impairment and reversal of impairment of assets process.ii) Considered the appropriateness of management’s determination of CGUs to which an asset belongs.iii) Evaluated management’s assessment on indicators of impairment and reversal of impairment for relevant CGUs and individual assets.iv) Verified the accuracy of management’s calculations for CGUs subject to impairment (or reversal of impairment) testing including the underlying data used, and considered whether the list of assets/CGUs tested are complete.v) Evaluated and challenged key assumptions used in the estimation of recoverable amount, among others:<ul style="list-style-type: none">Oil and gas reserves production profile - assessed whether the production profile is within the field/ reserve lives;long term outlook of prices - compared to information published by external analysts;operational and capital expenditures - compared to information included in the Group’s approved budget and actual historical information; anddiscount rate - challenged the appropriateness of the discount rate used.vi) Performed stress test over the projected oil and gas prices, expenditures and discount rates.vii) Evaluated the completeness, accuracy and relevance of disclosures required by MFRS 136, including disclosures about sensitivities and major sources of estimation uncertainty.

INDEPENDENT AUDITORS’ REPORT

To the members of Petroliam Nasional Berhad (PETRONAS) (continued)
(Company No. 197401002911 (20076-K)) (Incorporated in Malaysia)

Key Audit Matters (continued)

Measurement of provision for decommissioning, dismantling, removal and restoration (“DDRR”)	
Refer to Note 22 - Other Long-term Liabilities and Provisions.	
The key audit matter	How the matter was addressed in our audit
<p>The measurement of the provisions for DDRR for the Group and the Company requires a significant degree of judgment because of the inherent complexities in estimating future costs of DDRR activities. These costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The provisions for DDRR are subject to the effects of any changes in oil and gas reserves profile, technology, regulations, the Group’s and the Company’s expected approach to DDRR activities, inflation, and discount rates, along with the effects of changes in exchange rates.</p> <p>These factors increase the degree of complexity in estimating the DDRR provision in accordance with MFRS 137, Provisions, Contingent Liabilities and Contingent Assets (“MFRS 137”).</p> <p>We have identified the measurement of the provision outstanding for DDRR of the Group and the Company amounts of RM49,692 million (2023: RM49,567 million) and RM23,353 million (2023: RM24,532 million) (refer Note 22) respectively as of 31 December 2024 as a key audit matter because:</p> <ul style="list-style-type: none">the balance represents 29% (2023: 28%) and 23% (2023: 22%) of the Group’s and Company’s non-current liabilities; andthe estimation of DDRR provision involves significant degree of judgments, complex calculations, and estimation uncertainties.	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none">i) Assessed the design and implementation of the controls over the DDRR provision estimation process.ii) Assessed the appropriateness of data used in the calculation of the DDRR provision to the originating source.iii) Evaluated and challenged key assumptions used in the DDRR provision calculation, among others:<ul style="list-style-type: none">interest and inflation rates - compared to information from external sources; andexpected future costs - verified against contracts, market survey and rationalisation formula.iv) Performed consistency testing on the application of key assumptions to respective assets.v) Re-performed the calculation of the DDRR provision for mathematical accuracy.vi) Assessed the adequacy of the disclosures in the financial statements.

Information Other than the Financial Statements and Auditors’ Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors’ Report, but does not include the financial statements of the Group and of the Company and our auditors’ report thereon, which are obtained prior to the date of this auditors’ report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the Directors’ Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors’ Report and, in doing so, consider whether the Directors’ Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors’ Report, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

INDEPENDENT AUDITORS’ REPORT

To the members of Petroliam Nasional Berhad (PETRONAS) (continued)
(Company No. 197401002911 (20076-K)) (Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS’ REPORT

To the members of Petroliam Nasional Berhad (PETRONAS) (continued)
(Company No. 197401002911 (20076-K)) (Incorporated in Malaysia)

Auditors’ Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors’ report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Appendix I.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Malaysia
Date: 24 February 2025

Ameenuddin bin Khali Kasman
Approval Number: 03470/11/2025 J
Chartered Accountant



APPENDIX I

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS

KLCC (Holdings) Sdn. Bhd. and its subsidiaries:

- Arah Moden Sdn. Bhd.
 - Arena Johan Sdn. Bhd.
 - Arena Merdu Sdn. Bhd.
 - Asas Klasik Sdn. Bhd.
 - Cititower Sdn. Bhd.
 - Convex Malaysia Sdn. Bhd.
 - Gagasan Ria Sdn. Bhd.
 - Gas District Cooling (Holdings) Sdn. Bhd.
 - Gas District Cooling (KLIA) Sdn. Bhd.
 - Gas District Cooling (M) Sdn. Bhd.
 - Gas District Cooling (Putrajaya) Sdn. Bhd.
 - Gas District Cooling (UTP) Sdn. Bhd.
 - Gilang Cendana Sdn. Bhd.
 - Hasrat Intisari (M) Sdn. Bhd.
 - Heritage Lane Sdn. Bhd.
 - Idaman Putrajaya Sdn. Bhd.
 - Ilham Merpati Sdn. Bhd.
 - Impian Cemerlang Sdn. Bhd.
 - Impian Moden Sdn. Bhd.
 - Indah Putrajaya Sdn. Bhd.
 - Kelana Perkasa Sdn. Bhd.
 - Kenyalang Murni Sdn. Bhd.
 - KLCC Development Sdn. Bhd.
 - KLCC Parking Management Sdn. Bhd.
 - KLCC Projek Sdn. Bhd.
 - KLCC Projek Services Sdn. Bhd.
 - KLCC Properties Sdn. Bhd.
 - KLCC Property Holdings Berhad (@)
 - KLCC Real Estate Investment Trust (REIT) (@)
 - KLCC REIT Management Sdn. Bhd.
 - KLCC Urusharta Sdn. Bhd.
- Kompleks Dayabumi Sdn. Bhd.
 - Komponen Abadi Sdn. Bhd.
 - Kuala Lumpur City Park Berhad
 - Kuala Lumpur Convention Centre Sdn. Bhd.
 - Layar Intan Sdn. Bhd.
 - Lembah Putrajaya Sdn. Bhd.
 - Menara Putrajaya Sdn. Bhd.
 - Metro Kemasik Sdn. Bhd.
 - Midciti Resources Sdn. Bhd.
 - Midciti Sukuk Berhad
 - Pedoman Semarak Sdn. Bhd.
 - Purnama Sepi Sdn. Bhd.
 - Putrajaya Bina Sdn. Bhd.
 - Putrajaya Development Sdn. Bhd.
 - Putrajaya Group Sdn. Bhd.
 - Putrajaya Holdings Sdn. Bhd.
 - Putrajaya Homes Sdn. Bhd.
 - Putrajaya Management Sdn. Bhd.
 - Putrajaya Projects Sdn. Bhd.
 - Putrajaya Properties Sdn. Bhd.
 - Putrajaya Resources Sdn. Bhd.
 - Putrajaya Ventures Sdn. Bhd.
 - Quantum Panorama Sdn. Bhd.
 - Rantau Homes Sdn. Bhd.
 - Rantau Land Sdn. Bhd.
 - Rantau Properties Sdn. Bhd.
 - Rantau Recreation Sdn. Bhd.
 - Senandung Asli Sdn. Bhd.
 - Serba Harapan (M) Sdn. Bhd.
 - Suria KLCC Sdn. Bhd.
 - Tapak Senja Sdn. Bhd.

Marmel Incorporated and its subsidiaries:

- Darton Ltd.
 - Darton U.S. Holdings, Inc.
 - GCB Associates, LLC
- Paterson Management, LLC
 - Sparknight, LLC
 - World Gateway Investments, Inc.

APPENDIX I (continued)

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS (continued)

MISC Berhad and its subsidiaries:

- AET Agencies Inc.
 - AET Azerbaijan Limited
 - AET Bermuda Holdings Limited
 - AET Bermuda One Limited
 - AET Brasil Servicos Maritimos Ltda,
 - AET Brasil Servicos STS Ltda
 - AET DP Shuttle II Pte. Ltd.
 - AET DP Shuttle Pte. Ltd.
 - AET DP Shuttle Tankers Sdn. Bhd.
 - AET Holdings (L) Pte. Ltd.
 - AET Inc. Limited
 - AET Labuan One Pte. Ltd.
 - AET Labuan Pte. Ltd.
 - AET Lightering Services LLC
 - AET Malaysia One Sdn. Bhd.
 - AET MCV Alpha L.L.C.
 - AET MCV Beta L.L.C.
 - AET MCV Delta Sdn. Bhd.
 - AET MCV Gamma L.L.C.
 - AET Norway AS
 - AET Offshore Services Inc.
 - AET Petroleum Tanker (M) Sdn. Bhd.
 - AET Product Tankers Sdn. Bhd.
 - AET Pte. Ltd.
 - AET Sea Shuttle AS
 - AET Sea Shuttle II AS
 - AET Shuttle Tankers II Pte. Ltd.
 - AET Shuttle Tankers III Pte. Ltd.
 - AET Shuttle Tankers Sdn. Bhd.
 - AET Singapore Holding Pte. Ltd.
 - AET Singapore One Pte. Ltd.
 - AET STS Limited Inc.
 - AET Tanker Holdings Sdn. Bhd.
 - AET Tankers (Suezmax) Pte. Ltd.
 - AET Tankers India Private Limited
 - AET Tankers Pte. Ltd.
 - AET Tankers VLCC II Sdn. Bhd.
 - AET Tankers VLCC III Pte. Ltd.
 - AET Tankers VLCC IV Pte. Ltd.
 - AET Tankers VLCC Pte. Ltd.
- AET Tankers VLCC V Pte. Ltd.
 - AET UK Limited
 - Asia LNG Transport Dua Sdn. Bhd.
 - Asia LNG Transport Sdn. Bhd.
 - Atenea Services S.A.
 - CHORD X Pte. Ltd.
 - Eaglestar Marine B.V.
 - Eaglestar Marine India Private Limited
 - Gas Asia Terminal (L) Pte. Ltd.
 - Gumusut-Kakap Semi-Floating Production System (L) Limited
 - Hendham Enterprises Ltd.
 - Horizon LNG 1 (L) Pte. Ltd.
 - Horizon LNG 2 (L) Pte. Ltd.
 - M.I.S.C. Nigeria Limited.
 - Magellan X Holdings (L) Pte Ltd
 - Magellan X Pte. Ltd.
 - Malaysia Marine and Heavy Engineering Holdings Berhad (@)
 - Malaysia Marine and Heavy Engineering Saudi Limited
 - Malaysia Marine and Heavy Engineering Sdn. Bhd.
 - Malaysia Offshore Mobile Production (Labuan) Ltd.
 - Malaysia Offshore Mobile Production Dua (Labuan) Ltd.
 - Malaysian Maritime Academy Sdn. Bhd.
 - Mekar Bergading Offshore Floating (L) Limited
 - MGLNX India Private Limited
 - MHS Integrated Engineering Sdn. Bhd.
 - MISC AET Holdings (L) Pte. Ltd.
 - MISC Agencies (Netherlands) B.V.
 - MISC Agencies Sdn. Bhd.
 - MISC Assets Holdings (L) Pte. Ltd.
 - MISC Berhad (UK) Limited
 - MISC Capital (L) Limited
 - MISC Capital Two (Labuan) Limited
 - MISC Crewing Pte. Ltd. (f.k.a. ES Crewing Pte. Ltd.)
 - MISC do Brasil Servicos de Energia Ltda
 - MISC Ferry Services Sdn. Bhd.
 - MISC GAS Holdings (L) Pte. Ltd.
 - MISC GAS Tankers One (L) Pte. Ltd.
 - MISC GAS Tankers Two (L) Pte. Ltd.
 - MISC International (L) Limited
 - MISC Marine (Malaysia) Sdn. Bhd. (f.k.a. Eaglestar Marine (Malaysia) Sdn. Bhd.)



APPENDIX I (continued)

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS (continued)

MISC Berhad and its subsidiaries (continued):

- MISC Marine (Singapore) Pte. Ltd. (f.k.a. Eaglestar Marine (S) Pte. Ltd.)
- MISC Marine Holdings (L) Pte. Ltd. (f.k.a. Eaglestar Marine Holdings (L) Pte. Ltd.)
- MISC Marine Services Holdings (L) Pte. Ltd. (f.k.a. MISC Strategic Services Holdings (L) Pte. Ltd.)
- MISC Marine Services Pte. Ltd. (f.k.a. ES Marine Pte. Ltd.)
- MISC Marine Servicos (Brazil) Ltda. (f.k.a. ES Marine Servicos (Brazil) Ltda.)
- MISC Maritime Education Group Sdn. Bhd.
- MISC Maritime Services Sdn. Bhd.
- MISC OBU Holdings (L) Pte. Ltd.
- MISC OBU One (L) Pte. Ltd.
- MISC OBU Two (L) Pte. Ltd.
- MISC Offshore (Americas) Holdings Pte. Ltd.
- MISC Offshore (Singapore) Pte. Ltd.
- MISC Offshore (USA) LLC
- MISC Offshore Floating Terminals (L) Ltd.
- MISC Offshore Floating Terminals Dua (L) Ltd.
- MISC Offshore Holdings (Brazil) Sdn. Bhd.
- MISC Offshore Services Pte. Ltd.
- MISC PNG Shipping Limited
- MISC Serviços de Petróleo do Brasil Ltda.
- MISC Ship Management Sdn. Bhd.
- MISC Shipmanagement (L) Pte. Ltd. (f.k.a. Eaglestar Shipmanagement (L) Pte. Ltd.)
- MISC Shipmanagement (S) Pte. Ltd. (f.k.a. Eaglestar Shipmanagement (S) Pte. Ltd.)
- MISC Shipmanagement (USA) LLC (f.k.a. Eaglestar Shipmanagement (USA) LLC)
- MISC Shipmanagement GAS (S) Pte. Ltd. (f.k.a. Eaglestar Shipmanagement GAS (S) Pte. Ltd.)
- MISC Shipmanagement Ventures (S) Pte. Ltd. (f.k.a. Eaglestar Shipmanagement Ventures (S) Pte. Ltd.)
- MISC Tanker Holdings (Bermuda) Ltd.
- MISC Tanker Holdings Sdn. Bhd.
- MISC Tankers Sdn. Bhd.
- MMHE EPIC Marine & Services Sdn. Bhd.
- MMHE International Sdn. Bhd.
- MMHE LNG Sdn. Bhd.
- Oasis LNG Destiny Pte. Ltd.
- Odley Worldwide Inc.
- Oldson Ventures Ltd.
- Paramount Tankers Corp.
- Polaris LNG Five Pte. Ltd.
- Polaris LNG Four Pte. Ltd.
- Polaris LNG One Pte. Ltd.
- Polaris LNG Seven Pte. Ltd.
- Polaris LNG Six Pte. Ltd.
- Polaris LNG Three Pte. Ltd.
- Polaris LNG Two Pte.Ltd.
- Polestar One (S) Pte. Ltd.
- Portovenere and Lerici (Labuan) Private Limited
- Portovenere and Lerici (Singapore) Pte. Ltd.
- Puteri Delima (L) Pte. Ltd.
- Puteri Delima Satu (L) Private Limited
- Puteri Delima Sdn. Bhd.
- Puteri Firus Satu (L) Private Limited
- Puteri Firus Sdn. Bhd.
- Puteri Intan (L) Pte. Ltd.
- Puteri Intan Satu (L) Private Limited
- Puteri Intan Sdn. Bhd.
- Puteri Mutiara Satu (L) Private Limited
- Puteri Nilam (L) Pte. Ltd.
- Puteri Nilam Satu (L) Private Limited
- Puteri Nilam Sdn. Bhd.
- Puteri Zamrud (L) Pte. Ltd.
- Puteri Zamrud Satu (L) Private Limited
- Puteri Zamrud Sdn. Bhd.
- Seri Camar (L) Private Limited
- Seri Camellia (L) Private Limited
- Seri Cemara (L) Private Limited
- Seri Cempaka (L) Private Limited
- Seri Cenderawasih (L) Private Limited
- Seri Elbert (Singapore) Pte. Ltd.
- Seri Emei (Singapore) Pte. Ltd.
- Seri Emory (Singapore) Pte. Ltd.
- Seri Emperor (Singapore) Pte. Ltd.
- Seri Erlang (Singapore) Pte. Ltd.
- Seri Everest (Singapore) Pte. Ltd.
- Southern Gas Terminal (L) Private Limited
- Spares CNX Pte. Ltd.
- Sungai Udang Port Sdn. Bhd.
- Techno Indah Sdn. Bhd.
- Twyford International Business Corp.
- Zangwill Business Corp.

APPENDIX I (continued)

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS (continued)

PETRONAS Carigali Sdn. Bhd. and its subsidiaries:

- E&P Malaysia Venture Sdn. Bhd.
- E&P Venture Solutions Co Sdn. Bhd.
- PC JDA Limited.
- PETRONAS Carigali (Surumana) Ltd.
- PETRONAS Carigali (West Glagah Kambuna) Ltd.
- PETRONAS Carigali Overseas Sdn. Bhd.
- PETRONAS Carigali White Nile (5B) Ltd.
- Vestigo Petroleum Sdn. Bhd.

PETRONAS Lubricants International Sdn. Bhd.’s subsidiaries:

- Arexons S.p.A. (a)
- FL Nominees Ltd.
- PETRONAS International Marketing (Thailand) Company Limited
- PETRONAS Lubricants (India) Private Limited (a) (Y)
- PETRONAS Lubricants Africa Limited (a)
- PETRONAS Lubricants Argentina S.A. (a)
- PETRONAS Lubricants Belgium N.V. (a)
- PETRONAS Lubricants China Company Limited (a)
- PETRONAS Lubricants Deutschland Gmbh (a)
- PETRONAS Lubricants France S.a.s. (a)
- PETRONAS Lubricants Great Britain Limited (a)
- PETRONAS Lubricants International (China) Company Limited (formerly known as PETRONAS Lubricants Shandong Company Limited) (a)
- PETRONAS Lubricants Italy S.p.A (a)
- PETRONAS Lubricants Poland Sp. Zo.o (a)
- PETRONAS Lubricants Spain S.L.U. (a)
- PETRONAS Lubrificantes Brasil S.A. (a)
- PETRONAS Madeni Yaglar TIC Limited STI (a)
- PETRONAS Marketing China Company Limited (a)
- PL NA Mexico S de RL de CV
- PLAL DMCC
- PLAL Egypt LLC
- PLB Solution Ltda (a)
- PLI (Netherlands) B.V.
- PLI Australia Pty. Limited (Y)
- PT PLI Indonesia
- Viscosity Oil Co.

PETRONAS International Corporation Ltd. and its subsidiaries:

- Japan Malaysia LNG Co. Ltd.
- Labuan Energy Corporation Ltd.
- LEC Ireland Employment Ltd.
- LNG Investments Europe Limited
- MITCO Labuan Co Limited
- Nada Properties Company Ltd.
- PAPL (Downstream) Pty Limited
- PAPL (Upstream II) Pty Limited
- PAPL (Upstream) Pty Limited
- PAPL Services Pty Limited
- PC (Myanmar) Holdings Limited (Y)
- PC Mauritania 1 Pty Ltd (a)
- PC Mauritania II B.V. (a)
- PC Muriah Ltd
- PC Myanmar (Hong Kong) Limited
- PCM Chemical India Private Limited
- PETRONAS Carigali International Ventures Sdn. Bhd. (Formerly known as PETRONAS (E&P) Overseas Ventures Sdn. Bhd.)
- PETRONAS (Thailand) Co., Ltd. (a)
- PETRONAS Australia Pty Limited
- PETRONAS Carigali Myanmar III Inc
- PETRONAS Carigali Nile Ltd
- PETRONAS Energy (India) Private Limited
- PETRONAS Energy Trading Limited
- PETRONAS LNG Ltd.
- PETRONAS LNG Sdn. Bhd.
- Petronas Management Services DMCC
- PETRONAS Philippines Inc. (a) (Y)
- PICL (Egypt) Corporation Ltd.
- PICL Marketing Thailand Ltd.
- PSE Ireland Limited
- PSE Kinsale Energy Limited
- WDDM Energy Ltd



APPENDIX I (continued)

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS (continued)

PETRONAS Carigali International Ventures Sdn. Bhd. (Formerly known as PETRONAS (E&P) Overseas Ventures Sdn. Bhd.) and its subsidiaries:

- Garraf Technical Services Ltd.
- Natuna 1 B.V.
- North Montney LNG Ltd. Partnership
- PC Carigali Mexico Oil and Gas Holding S.A. de C.V.
- PC Carigali Mexico Operations S.A. de C.V.
- PC Gabon Upstream S.A.
- PC Gambia Ltd
- PC Ketapang II Ltd
- PC Madura Ltd
- PC North Madura II Ltd
- PC Oman Ventures Ltd
- PC Sakakemang B.V.
- PC Senegal Ltd.
- PC Vietnam Limited
- Petroliam Manpower Services Mexico S.A. de C.V.
- Petroliam Manpower Support Service Mexico S.A. de C.V.
- PETRONAS Abu Dhabi Sdn. Bhd.
- PETRONAS Andaman III Indonesia B.V.
- PETRONAS Angola E&P Ltd
- PETRONAS Aru Indonesia B.V.
- PETRONAS Azerbaijan (Shah Deniz) S.à r.l.
- PETRONAS Azerbaijan Upstream Sdn. Bhd.
- PETRONAS Brasil E&P Limitada
- PETRONAS Canada LNG Ltd.
- PETRONAS Carigali (Australia) Pty Ltd.
- PETRONAS Carigali (Jabung) Ltd.
- PETRONAS Carigali (Ketapang) Ltd.
- PETRONAS Carigali (Turkmenistan) Sdn. Bhd.
- PETRONAS Carigali Brunei Ltd.
- PETRONAS Carigali Canada B.V.
- PETRONAS Carigali International E&P B.V.
- PETRONAS Carigali Iraq Holding B.V.
- PETRONAS E&P Argentina S.A.
- PETRONAS E&P Bobara Sdn. Bhd.
- PETRONAS Energy Canada Ltd. (a)
- PETRONAS Energy Guyana Sdn. Bhd.
- PETRONAS Energy PNG Sdn. Bhd.
- PETRONAS Iraq (Garraf) Ltd.
- PETRONAS Masela Sdn. Bhd.
- PETRONAS North Ketapang Sdn. Bhd.
- PETRONAS Petróleo Brasil Ltda
- PETRONAS South Caucasus S.à r.l.
- PETRONAS Suriname E&P B.V.
- Progress Resources Gulf of Mexico LLC
- Progress Resources USA Ltd
- PSE Seven Heads Limited

PETRONAS Marketing International Sdn. Bhd. and its subsidiaries:

- PETRONAS Mobility Lestari Sdn. Bhd.

PETRONAS Assets Sdn. Bhd. and its subsidiaries:

- PETRONAS Digital Sdn. Bhd.
- Petrofibre Network (M) Sdn. Bhd.

PETRONAS Trading Corporation Sdn. Bhd.’s subsidiaries:

- Arbitra Energy Asia Pte Ltd
- PETCO Trading (UK) Limited (a)
- PETCO Trading DMCC (a)
- PT PETRONAS Niaga Indonesia

APPENDIX I (continued)

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS (continued)

PETRONAS Technical Services Sdn. Bhd.’s subsidiaries:

- PIV Fund I, L.P. (a)
- PIV Fund II, L.P. (a)
- Piva Capital, Inc.
- PTSSB DMCC
- PTV International Ventures Ltd
- TTV Fund II LP (a)
- Twin Tower Ventures Pte. Ltd. (a)
- Twin Towers Ventures Fund 2 Pte. Ltd. (a)
- Twin Towers Ventures GP Pte. Ltd. (a)
- Virtus IP Sdn. Bhd.

PETRONAS Chemicals Group Berhad’s subsidiaries:

- Da Vinci Group B.V.
- PCM (China) Company Limited
- PCM (Thailand) Company Limited (Y)
- Perstorp Holding AB
- PT PCM Kimia Indonesia

Da Vinci Group B.V. and its subsidiaries:

- BRB Central Eastern Europe Sp. z.o.o.
- BRB Hong Kong Limited
- BRB International B.V.
- BRB LAC Invest B.V.
- BRB LAC Singapore Pte. Ltd.
- BRB Lube Oil Additives & Chemicals B.V.
- BRB Malaysia Sdn. Bhd.
- BRB North America, Inc.
- BRB SIL Invest B.V.
- BRB Silicones South Africa Pty Ltd.
- BRB Silicones UK Ltd.
- BRB Singapore Pte Ltd.
- BRB Singapore Pte. Ltd. (DMCC Branch) (Dubai)
- BRB South America Representacao Commercial Ltda.
- BRB South Korea Limited
- BRB ST Kimyasal Sanayi ve Ticaret A.S.
- CSL Silicones Inc. (a)
- Qingdao BRB Trading Co. Ltd.
- Viscotech Asia Pte. Ltd.

Perstorp Holding AB and its subsidiaries:

- Perstorp (Shanghai) Chemical Trading Co. Ltd
- Perstorp AB
- Perstorp Amsterdam B.V.
- Perstorp Chemicals (Malaysia) Sdn. Bhd.
- Perstorp Chemicals Asia PTE Ltd
- Perstorp Chemicals GmbH
- Perstorp Chemicals India Private Ltd
- Perstorp Chemicals Korea Co. Ltd
- Perstorp East Asia Ltd.
- Perstorp Equipment S.r.l.
- Perstorp Fastighets AB
- Perstorp Financial Services AB
- Perstorp Formulas AB
- Perstorp Holding (U.S.) Inc.
- Perstorp Holding B.V.
- Perstorp Holding GmbH
- Perstorp Iberica SL
- Perstorp India Private Ltd
- Perstorp Industries India Private Ltd
- Perstorp Japan Co. Ltd
- Perstorp Kimya Sanayi ve Ticaret Ltd St
- Perstorp Oxo AB
- Perstorp Polyols Inc.
- Perstorp Quimica do Brasil Ltda
- Perstorp S.p.A.
- Perstorp Sales France Sas
- Perstorp Service GmbH
- Perstorp Services AB
- Perstorp Services UK Ltd
- Perstorp Specialty Chemicals AB
- Perstorp Specialty Chemicals B.V.
- Perstorp Specialty Chemicals Holding B.V.
- Perstorp Specialty Fluids AB
- Perstorp Storitve d.o.o.
- Perstorp Waspik B.V.
- Shandong Perstorp Chemical Co. Ltd (f.k.a Shandong Fufeng Perstorp Chemical Co.Ltd)



APPENDIX I (continued)

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS (continued)

Gentari Sdn. Bhd. and its subsidiaries:

- Gentari Global Business Services Private Limited
- GENTARI Green Mobility Sdn. Bhd.
- Gentari Hydrogen Sdn. Bhd.
- Gentari International Renewables Pte. Ltd.
- Gentari Management Service Sdn. Bhd.
- Gentari Suria Resi Sdn. Bhd.
- Gentari Suria SV Sdn. Bhd.

GENTARI Green Mobility Sdn. Bhd.’s subsidiaries:

- Gentari Green Mobility Charge (Thailand) Ltd.
- Gentari Green Mobility India Private Limited (f.k.a. Amplus Power Supply Private Limited) (a)

Gentari International Renewables Pte. Ltd.’s subsidiaries:

- Amplus Active Private Limited (a)
- Amplus Ages Private Limited (a)
- Amplus Alpha Solar Private Limited (a)
- Amplus Ampere Private Limited (a)
- Amplus Andhra Power Private Limited (a)
- Amplus Arjas Solar Private Limited (fka Amplus Fortuna Private Limited) (a)
- Amplus Athena Energy Private Limited (a)
- Amplus Beat Energy Private Limited (a)
- Amplus Centaur Solar Private Limited (a)
- Amplus Ceres Solar Private Limited (a)
- Amplus Coastal Power Private Limited (a)
- Amplus Dakshin Private Limited (a)
- Amplus Energy One Private Limited (a)
- Amplus Energy Solution Pte. Ltd. (Singapore)
- Amplus Energy Solutions (Thailand) Co. Ltd.
- Amplus Energy Solutions FZE (a)
- Amplus Energy Solutions Private Limited (India) (a)
- Amplus EON Private Limited (a)
- Amplus Everest Solar Private Limited (a)
- Amplus Ganges Solar Private Limited (a)
- Amplus GJ One Energy Private Limited (a)
- Amplus Green One Power Private Limited (a)
- Amplus Green Power Private Limited (a)
- Amplus Helios Private Limited (a)
- Amplus IIFA Solar Private Limited (a)
- Amplus IRU Private Limited (a)
- Amplus Jyotimangal Energy Private Limited (a)
- Amplus Kaveri Solar Private Limited (a)
- Amplus Kemet Solar Private Limited (a)
- Amplus KN One Power Private Limited (a)
- Amplus KN Solar Private Limited (a)
- Amplus Management Services Private Limited (a)
- Amplus MH One Energy Private Limited (a)
- Amplus Omega Solar Private Limited (a)
- Amplus Pavagada Solar Energy Two Private Limited
- Amplus Phoenix Energy Private Limited (a)
- Amplus Poorva Private Limited (a)
- Amplus Power Solutions Private Limited (a)
- Amplus RJ One Energy Private Limited (a)
- Amplus RJ Solar Private Limited (a)
- Amplus RJ Three Energy Private Limited (a)
- Amplus RJ Two Energy Private Limited (a)
- Amplus Shams Private Limited (a)
- Amplus Solar Power MH Private Limited (a)
- Amplus Solar Power Private Limited (a)
- Amplus Solar Shakti Private Limited (a)
- Amplus Solar Solutions Private Limited (a)
- Amplus Sun Beat Private Limited (a)
- Amplus Sun Solutions Private Limited (a)
- Amplus Sunlight Private Limited (a)
- Amplus Sunshine Private Limited (a)
- Amplus Superior Solar Private Limited (a)
- Amplus Theta Energy Private Limited (a)
- Amplus TN One Energy Private Limited (a)
- Amplus TN Two Energy Private Limited (a)
- Amplus Tumkur Solar Energy One Private Limited
- Amplus Tungabhadra Private Limited (a)
- Amplus Venus Private Limited (a)
- Amplus Vidyut Power Private Limited (a)
- Amplus Virgo Solar Private Limited (a)

APPENDIX I (continued)

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS (continued)

Gentari International Renewables Pte. Ltd.’s subsidiaries: (continued)

- Ananth Solar Power Maharashtra (a)
- Barnawartha HoldCo Pty Ltd
- Barnawartha Solar Pty Ltd
- Bright Acre Energy Pty Ltd
- Clermont Asset Co Pty Ltd
- Clermont Solar Unit Trust
- Fourvolt Solar Private Limited (a)
- Gannawarra Solar Farm Pty Ltd
- Gentari Renewables Australia (Solar) Pty Ltd
- Gentari Renewables Australia Pty Ltd
- Gentari Renewables Finnsurya Energy Private Limited (fka Fortum Finnsurya Energy Private Limited) (a)
- Gentari Renewables India Castor One Private Limited (fka Amplus Cenedus Solar Private Limited) (a)
- Gentari Renewables India Management Pvt Ltd (Amplus Uttar Private Limited) (a)
- Gentari Renewables India Pte Limited
- Gentari Renewables India Utilities 2 Private Limited (a)
- Gentari Renewables India Utilities 3 Private Limited (a)
- Gentari Renewables India Utilities One Private Limited (a)
- Gentari Renewables Taiwan Co., Ltd
- Gentari Renewables Vietnam Pty Ltd
- Grian Energy Private Limited (a)
- Hamilton Solar Farm Pty Ltd
- Maryvale HoldCo Pty Ltd
- Maryvale Solar Farm Pty Ltd
- Nay Energy Private Limited (a)
- Onevolt Energy Private Limited (a)
- Solbridge Energy Private Limited (a)
- Sungaze Power Private Limited (a)
- Sunroot Energy Private Limited (a)
- Sunterrace Energy One Private Limited (a)
- W&C Finco Pty Ltd
- Wattvolt Energy Private Limited (a)
- Wednesday Solar Private Limited (a)
- WEL 1 Pty Ltd
- Welee Australia HoldCo Pty Ltd
- Welee Australia SubHoldCo Pty Ltd
- Wemen Asset Co Pty Ltd
- Wemen East Sun Farm Pty Ltd
- Wemen Solar Unit Trust
- Wemen West Sun Farm Pty Ltd
- Whitsunday Solar Farm Pty Ltd
- Wirsol Energy Pty Ltd
- YABULU BESS Asset Co Pty Ltd

Institute of Technology PETRONAS Sdn. Bhd. and its subsidiaries:

- UTP Futuretech Sdn. Bhd.

Subsidiaries held directly by the Company:

- Energas Insurance (L) Limited
- PETRONAS NGV Sdn. Bhd.
- PETRONAS Management Training Sdn. Bhd.
- PETRONAS Global Sukuk Limited
- PETRONAS International Power Corporation BV (a)
- PETRONAS CCS Ventures Sdn. Bhd.
- PETRONAS Capital Limited
- PETRONAS Hartabina Sdn. Bhd.
- PETRONAS Technical Training Sdn. Bhd.
- Yayasan UTP
- PING23 Sdn. Bhd.
- PETRONAS CCS Solutions Sdn. Bhd.

a Audited by affiliates of KPMG.
@ The shares of this subsidiary are quoted on the Main Market of Bursa Malaysia Securities Berhad.
Y Consolidated based on management financial statements.



PETRONAS

Petroleum Nasional Berhad (PETRONAS)

197401002911 (20076-K)

Tower 1, PETRONAS Twin Towers, Kuala Lumpur City Centre,
50088 Kuala Lumpur, Malaysia

www.petronas.com