



FUELLING PROGRESS SUSTAINING GROWTH

2024 Annual Report & Accounts

Fuelling Progress Sustaining Growth

For over a decade, Petron Malaysia has played a vital role in driving Malaysia's progress, powering industries, businesses, and everyday journeys. As we grow, we remain committed to responsible and sustainable practices that create long-term value for our stakeholders.

Guided by our three key focus areas – advancing ethical business growth, protecting the environment and nature, and fostering societal well-being – we continue to expand our network, enhance operational excellence, and innovate for a sustainable future. Our cover reflects the collective strength of our people, partners, and communities, working together to shape Malaysia's growth.

As we move forward, we remain steadfast in our mission to fuel progress while sustaining growth, ensuring that every step we take strengthens our business and the communities we serve.

Navigation Icons



Tells you where you can find more information within this report



OUR VISION

As a progressive oil company in Malaysia, we aspire towards a sustainable energy-secured nation where everyone's journey is fueled by opportunities for meaningful experiences.

OUR MISSION

We will achieve this by:

- Reliably providing premium products and services that exceed customers' expectations.
- Ensuring excellent customer experience enabled by technology and adapted to local communities.
- Developing and strengthening relationships with our stakeholders and partners towards shared growth and success.
- Enhancing our retail, distribution and refining facilities to achieve competitive advantage, sustainable supply chain and long-term viability.
- Managing business and operational risks effectively and reducing our impact on the environment.
- Creating an inclusive, nurturing, and purposeful work environment.

OUR VALUES



66th

ANNUAL GENERAL MEETING



VENUE

Ballroom, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.



DATE & TIME

17 June 2025 (Tuesday)
2:00 p.m.



2024 Annual Report & Accounts



2024 Sustainability Report

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Scan this QR code to view a PDF version of our 2024 Annual Report online
<https://www.petron.com.my/investor-relations/our-annual-reports/>.

OUR MARINE TRANSPORT

From Port Dickson Refinery and product suppliers, we deliver world-class and high-quality petroleum products to our terminals across the country via vessels and multi-products pipeline. We partner with leading marine transport firms to ensure the quality and continuity of our primary distribution. This allows us to supply fuels to demand centres efficiently and safely.

OUR ROAD TRANSPORT

From our terminals across the country, Petron premium fuels are transported by land via tank trucks and delivered to our service stations and commercial clients in essential industries.

To ensure seamless delivery, our tank trucks are equipped with the latest technology, enhanced safety features, and robust security measures to ensure that our quality products reach you in excellent condition and on time.

HOW OUR PRODUCTS REACH YOU



CRUDE/PRODUCT IMPORT

Crude Oils

Discharge via Single Buoy Mooring (SBM)

REFINERY

Port Dickson Refinery

Refinery Capacity

88,000 barrels per day

Refined Products

- Gasoline 100, 97, 95 RON
- Automotive Diesel Oil (ADO)
- Liquefied Petroleum Gas (LPG)
- Jet Fuel
- Naphtha
- Low Sulfur Waxy Residue (LSWR)

TRANSPORTATION, STORAGE, LOGISTICS

Terminal

Our Facilities in Malaysia

- Port Dickson Terminal, Negeri Sembilan
- Bagan Luar Terminal, Penang
- Lumut PME Plant, Perak
- Kuantan Terminal, Pahang*
- Westport Terminal (JV-BHP), Selangor*
- KLIA Aviation Depot, Selangor
- Klang Valley Distribution Terminal (JV-Petronas/Shell), Selangor
- Pasir Gudang Terminal (JV-Chevron), Johor*
- Sepangar Bay Terminal, Sabah*
- Sandakan Terminal, Sabah*
- Tawau Terminal, Sabah*

* Petron Malaysia Refining & Marketing Bhd (PMRMB)'s sister companies' facilities

END USERS

Retail

800 retail service stations nationwide provide a delightful and rewarding one-stop experience to cater to customer needs.

Commercial

Petron Malaysia supplies a wide range of industrial fuels including ADO, Gasoline and Jet Fuel to industries powering the Malaysian economy.

A Aviation

Our jet fuel is a kerosene-type aviation fuel used by commercial aircraft.

B Gasul

Our efficient and clean-burning Petron Gasul LPG comes in 12 kg, 14 kg and 50 kg variants.



2024 SIGNIFICANT EVENTS

The past year has been a defining period for Petron Malaysia, marked by continued network expansion, enhanced product offerings, an elevated customer service experience, and the successful implementation of projects aligned with our sustainability frameworks.

This achievement reflects our unwavering commitment to our ExCITES values — Excellence, Customer Focus, Innovation, Teamwork, Ethics, and Safety, positioning us for continued success in the evolving market landscape.

Our ability to navigate challenges, seize opportunities, and drive meaningful growth underscores the resilience and dedication of our team. As we move forward, we remain focused on delivering value to our stakeholders, strengthening our market presence, and building a sustainable future.

We are excited about the opportunities ahead and are confident that this milestone will serve as a catalyst for even greater achievements in the coming years. Let us take a look at our key achievements in 2024.



Petron's Annual Back-To-School Programme
Petron Malaysia employees, provided essential educational support to 140 underprivileged students in schools across the Klang Valley and Port Dickson under our Back-to-School initiative. Each student received SSPN-Prime deposits, MYDIN vouchers, and Popular Bookstore vouchers to help meet their schooling needs. In addition to financial assistance, the programme offered educational activities to enhance their learning experience. This initiative is part of the employee-led Volunteerism in Action programme.



Earth Hour Celebration with Petron Employees and Service Station Dealers
As part of our commitment to energy efficiency and sustainability, approximately 518 Petron Malaysia service stations, along with teams from the Refinery, Terminals, and Lumut PME Plant, participated in Earth Hour 2024. By switching off non-essential lights, this initiative collectively reduced energy consumption by 2,447.36 kWh per year (1.7 MTCO₂e/year).



Hand Over of Fleet Card to Subsidised Diesel Control Scheme (SKDS) 2.0 Customers by Government Ministry
On 23 May 2024, the Ministry of Domestic Trade and Cost of Living (KPDN) officiated the SKDS 2.0 Fleet Card handover ceremony at the Klang North Rest Area. The event brought together 15 transportation companies and oil industry representatives. Petron Malaysia's Head of Retail Business, Shaliza Mohd Sidek, received the SKDS 2.0 Fleet Card on behalf of Petron.

JAN FEB MAR APR MAY JUN



Collaboration with Klean Malaysia to Install its First Reverse Vending Machine
In partnership with Klean Malaysia, Petron Malaysia installed its first AI-powered reverse vending machine at the Petron Lebuh Bandar Utama service station. This initiative encourages recycling and supports the United Nations Sustainable Development Goals (SDGs) 11 and 12, as well as the agenda of the Malaysia Plastics Sustainability Roadmap 2021-2030 to strengthen efforts towards plastic circularity.



Collaboration with Government Departments and Local Partners to Promote Road Safety Awareness
In partnership with the Royal Malaysia Police, the Road Transport Department Malaysia, and other key local partners, Petron Malaysia's Hari Raya Road Safety Campaign was launched at Petron MRR2 Safari to raise awareness of children's road safety and advocate for safer journeys, especially during Hari Raya. Through this initiative, we aim to enhance road safety education and encourage responsible driving practices.



Launch of the First E-Waste Collection Drive at Petron Rinchng
In collaboration with the Selangor Department of Environment (DOE), Petron Malaysia successfully launched its first e-waste collection drive at Petron Rinchng, collecting a total of 647 kg of e-waste. This initiative promotes responsible disposal and recycling while fostering greater environmental awareness within the community.

2024 SIGNIFICANT EVENTS



Hari Raya Aidiladha Road Safety Programme
In conjunction with Hari Raya Aidiladha, Petron Malaysia partnered with the Road Transport Department to promote road safety at six service stations in Terengganu. The programme focused on preventing microsleep and encouraging safe travel. As part of the initiative, motorists were offered free drinks, snacks, and helmets.



Closing Ceremony of Jelajah Aspirasi Malaysia
Held in Sabah, the closing ceremony of Jelajah Aspirasi Malaysia highlighted Petron's CSR initiatives for FY2024 which provided crucial support to more than 3,000 individuals nationwide. These include the restoration of essential water systems that benefited 400 villagers in Ranau.

JUL

AUG

SEP

OCT



Launch and Flag-Off of Jelajah Aspirasi Malaysia
In partnership with RTM, Petron Malaysia participated in the flag-off ceremony for Jelajah Aspirasi Malaysia, a nationwide road tour promoting sustainability and community engagement across 14 destinations. Held in conjunction with National Day and Malaysia Day celebrations, this initiative reinforces our commitment to developing a more sustainable and connected community.



Strategic Partnerships with Tenaga Nasional Berhad (TNB) to Launch its First Electron EV Charging Station
Petron Malaysia became the first oil and gas company to collaborate with Tenaga Nasional Berhad (TNB) to deploy the TNB Electron EV Charging Station at Petron Selising, Kelantan. This milestone strengthens Petron's commitment to establishing a comprehensive one-stop centre for customers, with plans to expand EV infrastructure across the East Coast region, thus supporting Malaysia's goal of achieving net-zero emissions by 2050.

OCT

NOV



First Win at the 4th Misha National Excellence Awards on OSH Principle of Prevention (OSHPop) 2024
Petron Malaysia celebrated a significant achievement as our Port Dickson Terminal and Pasir Gudang JV Terminal received the prestigious Diamond Award, the second-highest level of recognition at MiSHA. This honour reflects our commitment to safety, seamless operations with zero Loss Time Injury (LTI), and a strong culture of excellence in occupational health and safety.



Annual Go-To-Safety-Point (GTSP) State Event
We hosted our Penang State-Level GTSP event at Petron Juru Ramp (FI), attracting over 100 attendees, including the Royal Malaysia Police, service station dealers, and local community members. The event featured a video simulation on emergency response, introduced a de-stress corner, and included a talk on first aid and medical assistance with the aim of reinforcing safety awareness and preparedness.

DEC



Historic Win at 42nd Malaysian Society for Occupational, Safety, and Health Award (MSOSH) Award 2024
As testament to our dedication to ensuring excellence and safety in our operations, Petron Malaysia achieved a remarkable milestone at the 42nd MSOSH Award 2024, securing 15 awards, including the prestigious Platinum Award for Kuantan Terminal and the High Achiever Award for Bagan Luar Terminal. The recognitions also include five Grand Awards, two Gold Merit Awards, five Gold Class 1 Awards, and one President Award.



Grand Opening of Petron's 800th Service Station
As part of its commitment to serving more motorists, Petron Malaysia celebrated the opening of its 800th service station, Petron Pedas-Linggi Layby Southbound, marking a significant milestone in fuelling the nation with quality and convenience. This service station is also the first Petron service station to feature a Quick Treats booth, enabling customers to conveniently grab snacks and beverages from their vehicles.

CORPORATE PROFILE



WE ARE PETRON

Petron Corporation entered Malaysia’s dynamic and progressive market in 2012 with the acquisition of ExxonMobil’s downstream businesses. As an Asian company with a global mindset, we are proud to be an integral part of every Malaysian’s journey, dedicated to fuelling the nation’s growth and progress.

OUR STRUCTURE

Petron Malaysia Group comprises **Petron Malaysia Refining & Marketing Bhd** a public-listed company on Bursa Malaysia Securities Berhad’s Main Board and its sister companies, **Petron Fuel International Sdn. Bhd.** and **Petron Oil (M) Sdn. Bhd.** As Malaysia’s third-largest downstream oil and gas player, we are committed to delivering quality fuels and innovative solutions nationwide.

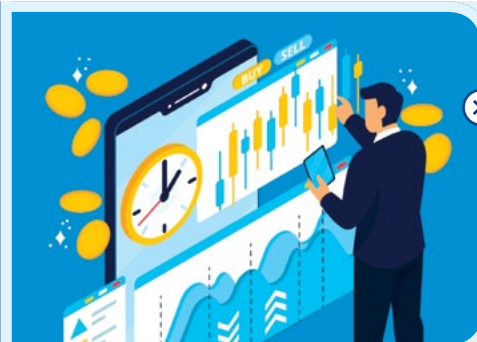


CORPORATE PROFILE

Our Businesses and Facilities	We Create Value by
<p>» Refinery</p> <ul style="list-style-type: none">• Possesses a crude distillation capacity of 88,000 barrels per day• Produces a wide range of petroleum products that includes Gasoline, Jet Fuel, Automotive Diesel Oil, LPG, Naphtha and Low-Sulphur Waxy Residue	<ul style="list-style-type: none">• Providing a sustainable supply of quality, cleaner fuel and value-added petroleum products to domestic, and global markets, supporting essential industries and the nation.
<p>» Terminals</p> <div><ul style="list-style-type: none">• Port Dickson Terminal, Negeri Sembilan• Bagan Luar Terminal, Penang• Lumut PME Plant, Perak• Kuantan Terminal, Pahang*• Westport Terminal (JV-BHP), Selangor*• KLIA Aviation Depot, Selangor<ul style="list-style-type: none">• Klang Valley Distribution Terminal (JV-Petronas/Shell), Selangor• Pasir Gudang Terminal (JV-Chevron), Johor*• Sepangar Bay Terminal, Sabah*• Sandakan Terminal, Sabah*• Tawau Terminal, Sabah*</div> <p><small>* PMRMB's sister companies' facilities</small></p>	<ul style="list-style-type: none">• Maintaining our reliable, top-of-the-line fuels and LPG.• Maintaining award-winning terminals that are vital for ensuring the safety, stability and efficiency of the supply chain.• Ensuring flawless operations – in 2024, we achieved a significant milestone of 37.82 million injury-free man-hours and extended our Loss Time Injury (LTI)-free record to 27.82 years.
<p>» Retail</p> <ul style="list-style-type: none">• 800 retail service stations nationwide• More than 200 allied businesses at retail service stations	<ul style="list-style-type: none">• Providing reliable and quality top-of-the-line fuels: Blaze 97 RON Euro 4M, Blaze 95 RON, Turbo Diesel Euro 5 and Diesel Max.• Maintaining our position as the only player in the market that provides the Blaze 100 RON fuel for our customers.• Ensuring our chain of Treats one-stop convenience stores delivers unique experiences that cater to diverse customer needs.• Delivering a consistent customer experience through quality products, innovative and excellent customer services as well as convenient non-fuel offerings.
<p>» LPG</p> <ul style="list-style-type: none">• More than 200 retail service stations offer cash and carry LPG• Our efficient and clean burning LPG comes in 12 kg, 14 kg, and 50 kg variants	<ul style="list-style-type: none">• Providing efficient energy with the blue flame from Gasul – an indication that your gas appliance is in good working order for Malaysian households and eateries for cooking, lighting, etc.
<p>» Industrial</p> <ul style="list-style-type: none">• Supplies fuel to unbranded mini stations, transportation, power plants, plantations, airlines and lube workshops	<ul style="list-style-type: none">• Providing a range of clean and high-quality industrial products to fuel the Malaysian economy.

CORPORATE PROFILE

OUR COMPETITIVE ADVANTAGE

**Resilient Financial Position**

Our strong financial foundation is built on a stable financial base, robust sales performance, and a healthy financial track record. Reinforced by prudent risk management and an unwavering commitment to operational excellence, we remain a resilient and dependable industry leader.

**+ This financial strength enables us to:**

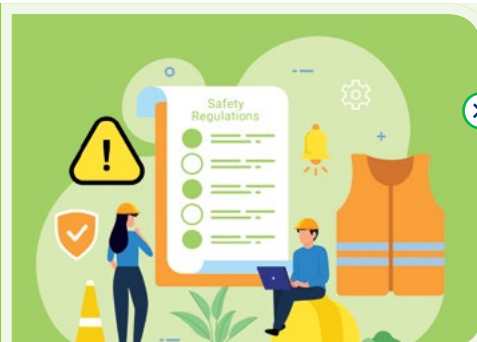
- Sustain business continuity even in volatile market conditions;
- Invest in growth opportunities that drive long-term profitability;
- Enhance shareholder value through strategic decision-making; and
- Support impactful CSR initiatives that contribute to economic, environmental and social progress.

**Robust Distribution Network**

As an Asian company with a global perspective, we strive to be an integral part of every Malaysian's journey. Our network of 800 service stations is supported by 10 strategically located depots and terminals and 1 Lumut PME plant nationwide, enabling us to efficiently distribute world-class fuels produced by our oil refinery at Port Dickson.

**+ Our distribution excellence is driven by:**

- Nationwide reach that allows us to serve diverse customer segments, from urban centres to rural communities;
- Strategic logistics that optimise fuel delivery, minimising delays and maximising availability; and
- Continuous expansion and modernisation of our service stations to enhance customer experience.

**Safe, Efficient, and Sustainable Operations**

At Petron Malaysia, safety, efficiency, and sustainability are at the core of our operations. Our distribution and terminal facilities operate with precision, achieving zero unplanned downtime and ensuring on-time delivery throughout the year, which are vital for maintaining customer satisfaction and our brand reputation.

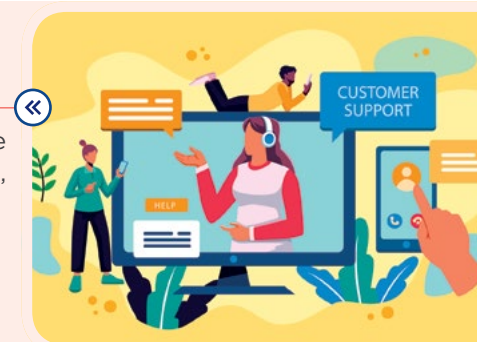
**+ Our strong operational performance reflects our commitment to:**

- Workplace safety and regulatory compliance, ensuring a risk-free environment for employees and partners;
- Technological advancements that improve process efficiency and reduce operational costs;
- Sustainable energy solutions, integrating eco-friendly practices to minimise our carbon footprint; and
- Crisis management, safeguarding business continuity under all circumstances.

CORPORATE PROFILE

**Exceptional Customer Service and Innovative Products**

Excellence in service is synonymous with the Petron brand. We continuously innovate to deliver cutting-edge products and services, ensuring a rewarding experience for our customers.

**Our competitive edge in customer satisfaction is achieved through:**

- Premium fuel offerings that enhance vehicle performance and efficiency;
- Personalised loyalty programmes providing added value to customers;
- Seamless digital integration, allowing for convenient and secure transactions; and
- A customer-centric approach, ensuring prompt response to feedback and continuous service improvement.

**A Strong Workforce and Strategic Partnerships**

At Petron, our people are our greatest asset. Their expertise, dedication, and passion drive our success. We also recognise the invaluable support of our stakeholders – customers, investors, partners, and communities – whose collaboration fuels our mission and strengthens our corporate responsibility efforts.

**Our strength lies in:**

- A skilled and diverse workforce, equipped with industry-leading knowledge and expertise;
- A positive work environment with comprehensive training and career development programmes that empower employees to excel;
- Strong partnerships with local and global stakeholders, fostering mutual growth and innovation; and
- A corporate culture rooted in integrity, inclusivity, and teamwork, driving long-term success.

**A Long-Term Commitment to Sustainability**

Sustainability is more than a commitment – it is deeply ingrained in our culture and values. Through eco-friendly initiatives and impactful community programmes, we are actively shaping a greener, more sustainable future.

**Our sustainability efforts focus on:**

- Renewable energy solutions that contribute to a cleaner, low-carbon economy;
- Waste reduction and responsible resource management such as circular economy practices, aligning with global environmental goals;
- Community engagement programmes, promoting environmental education and awareness; and
- Long-term conservation efforts, including tree planting programmes.

2024 KEY HIGHLIGHTS

AS AT 31 DECEMBER 2024

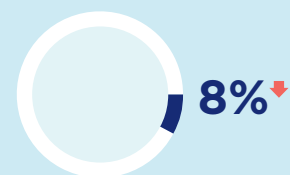
FINANCIAL HIGHLIGHTS



REVENUE

RM15.8 billion

(FY2023 RM17.2 billion)



TOTAL SALES VOLUME

35.8 million barrels

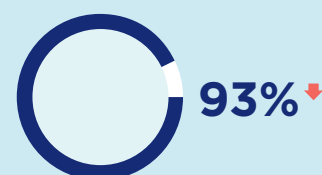
(FY2023 37.2 million barrels)



PROFIT FOR THE YEAR

RM18.0 million

(FY2023 RM272 million)



BUSINESS HIGHLIGHTS



27 new retail service stations*
with 800 service stations* nationwide



Expanded cash and carry LPG to
21 retail service stations*
with more than 200 service stations
nationwide



1st time winning the
Malaysian Industrial Safety
and Health Association (MiSHA) Award



Achieved **37.82** million
injury-free man-hours and
extended our Loss Time Injury (LTI)-free
record to **27.82** years



2 facilities*
received ISO Integrated Management
System Certification



716 employees*
under Petron Malaysia Group
66:34 male to female ratio



Secured a record-breaking
15 awards* at the Malaysian Society
for Occupational Safety and Health
(MSOSH) Award



1st time included in the
FTSE4Good Bursa Malaysia Index**
in 2024

2024 KEY HIGHLIGHTS

AS AT 31 DECEMBER 2024

SUSTAINABILITY HIGHLIGHTS

ECONOMIC & GOVERNANCE



Increased local community investment
by **62%** and number
of beneficiaries by **300%**

(FY2023 RM1.2 million invested for 7,000 beneficiaries)

RM9.9 billion
spent on **local** products and services

Maintained zero
reported incidents of corruption

ENVIRONMENTAL



Reduced total group
Scope 1 and 2 GHG Emissions by **15%**

(FY2023 262 ktCO₂e)

Increased total group hazardous
waste diverted from disposal by **50%**

(FY2023 400 tonnes)

Reduced total
group water consumption by **20%**

(FY2023 150 ML)

Planted 1,400 trees under the National
100 Million Tree Planting Campaign

SOCIAL



Increased employment and
career opportunities to **716** employees

(FY2023 660 employees)

152% increase in employees
trained on Sustainability, with an average
of **25 training hours**

(FY2023 28.8 hours, 50 employees)

Maintained zero
LTI and zero Fatalities

* Petron Malaysia Group

** FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Petron Malaysia Refining & Marketing Bhd has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

AWARDS AND CERTIFICATIONS

AS AT 31 DECEMBER 2024

AWARDS

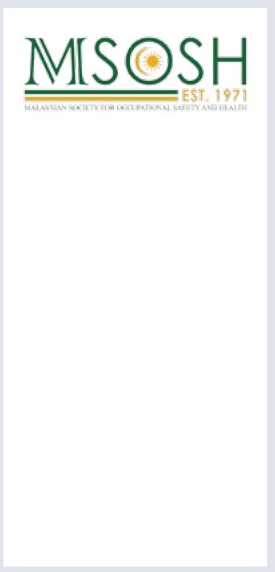
Putra Brand Awards 2024

- ★ **Bronze Award**
Automotive – Fuel, Lubricants & Accessories



Malaysian Society for Occupational, Safety and Health Awards (MSOSH) 2024

- ★ **President Award**
Pn. Faridah Ali, General Manager of Petron Malaysia
- ★ **Platinum Award**
Kuantan Terminal*
- ★ **High Achiever Award**
Bagan Luar Terminal
- ★ **Grand Award**
Port Dickson Refinery, Port Dickson Terminal, Sepang Bay Terminal*, Bagan Luar Terminal, Pasir Gudang JV Terminal*
- ★ **Gold Merit**
Sandakan Terminal*, Tawau Terminal*
- ★ **Gold Class 1**
KLIA Aviation Depot, Petron Jalan Meru 3, Petron Skudai Toll Northbound, Petron Grand Saga Southbound, Petron BKE



MiSHA National Excellence Awards on OSH Principle of Prevention (OSHPOP) 2024

- ★ **Diamond Award**
Pasir Gudang JV Terminal*, Port Dickson Terminal



GRADUAN Brand Awards 2024

- ★ **1st Runner Up**
Malaysia's Most Preferred Employer 2023 - Energy Sector



Malaysia's 100 Leading Graduate Employers 2024

- ★ **2nd Runner Up**
Energy, Oil & Gas, Utilities category



Employees Provident Fund (EPF)

- ★ **Best Employer Award**
Petron Fuel International Sdn. Bhd.*



National Energy Awards 2024

- ★ **Runner-Up**
Energy Management in Large Industry category - Lumut PME Plant



AWARDS AND CERTIFICATIONS

AS AT 31 DECEMBER 2024

CERTIFICATIONS

★ Integrated Management System (ISO 9001, ISO 14001, ISO 45001)

Bagan Luar Terminal, Kuantan Terminal*, Port Dickson Terminal, Pasir Gudang JV Terminal*, Sepang Bay Terminal*, Sandakan Terminal*, Tawau Terminal*, Port Dickson Refinery

★ Quality Management System (ISO 9001)

KLIA Aviation Depot, Lumut PME Plant

★ Malaysian Sustainable Palm Oil (MSPO) Certification

Bagan Luar Terminal, Lumut PME Plant

★ HALAL Certification from JAKIM

Lumut PME Plant

★ KOSHER Certification from Orthodox Jewish Community of Singapore

Lumut PME Plant

* PMRMB's sister companies' facilities



FIVE-YEAR SUMMARY CHARTS

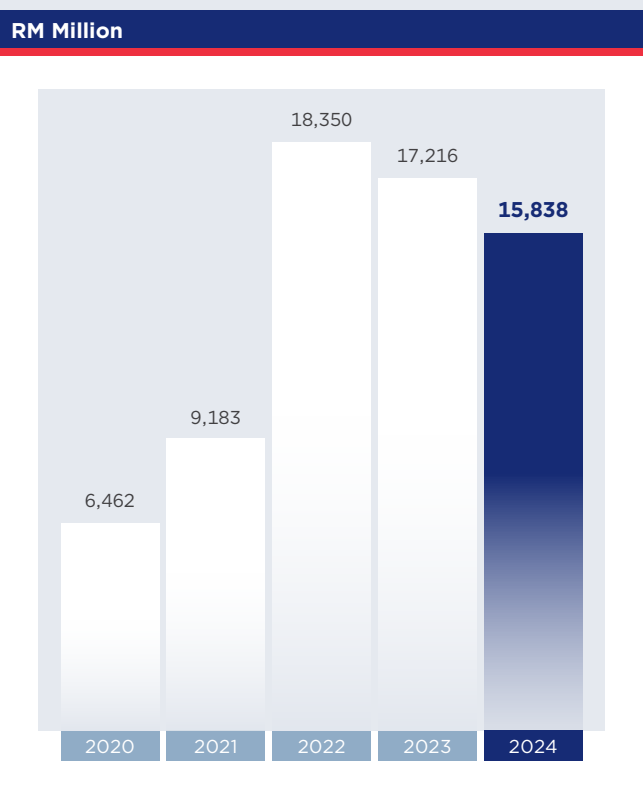
» Financial Highlights

RM Million	2020	2021	2022	2023	2024
Revenue	6,462	9,183	18,350	17,216	15,838
(Loss)/Profit for the year	(13)	238	301	272	18
Total assets employed	2,978	4,295	4,764	4,697	4,653
Total equity	1,742	1,969	2,217	2,421	2,365
Sales volume (million barrels)	28.6	26.4	33.8	37.2	35.8

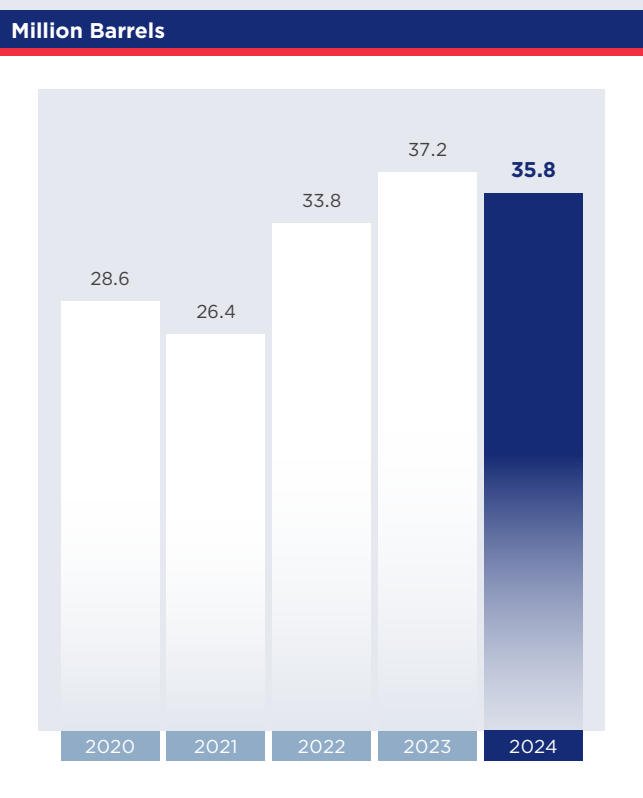
» Shareholders' Information

	2020	2021	2022	2023	2024
(Loss)/Earnings per ordinary share (sen)	(4.9)	88.3	111.3	100.8	6.7
Dividends per ordinary share (sen)	5.0	20.0	25.0	23.0	10.0
Dividend yield (%)	1.2	4.4	5.1	5.1	2.2
Share Price (RM)					
- Highest	6.75	5.41	7.73	5.16	5.23
- Lowest	2.49	4.05	4.18	4.30	4.07
- Average	4.03	4.52	4.92	4.55	4.53
Number of employees at year-end	341	241	265	258	275

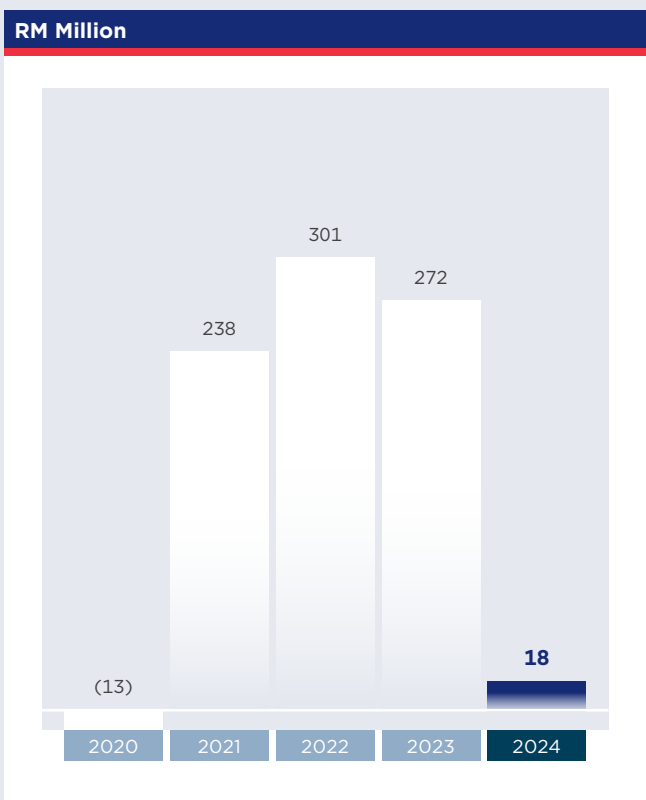
» Revenue



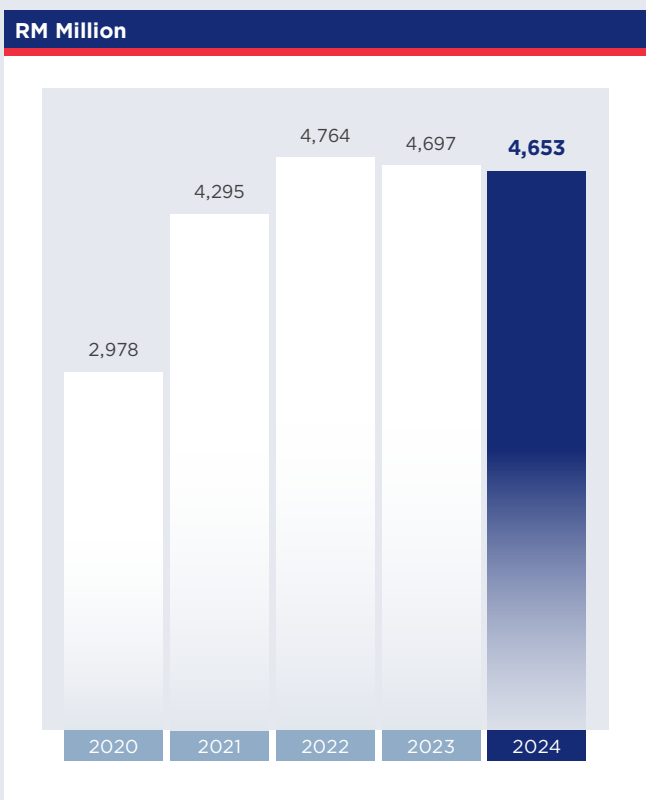
» Sales Volume



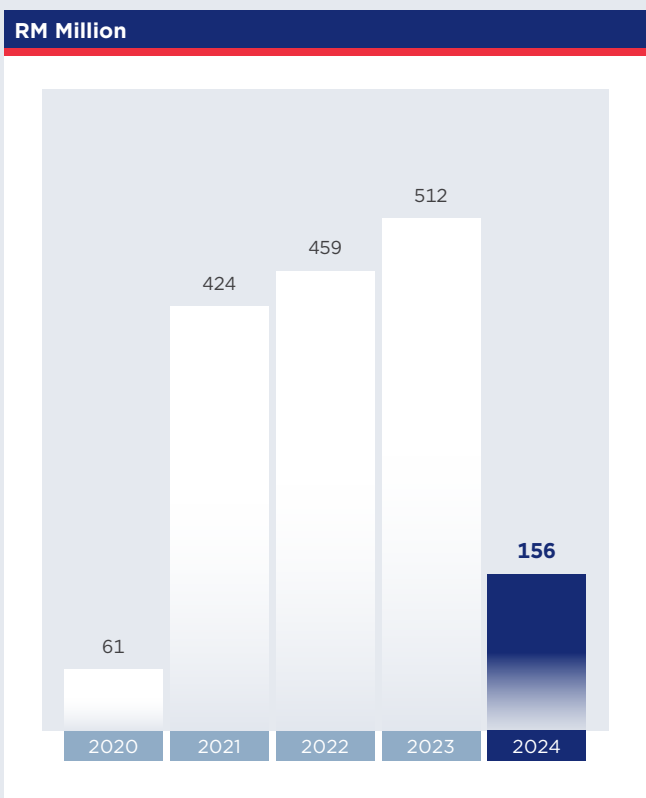
» (Loss)/Profit for the year



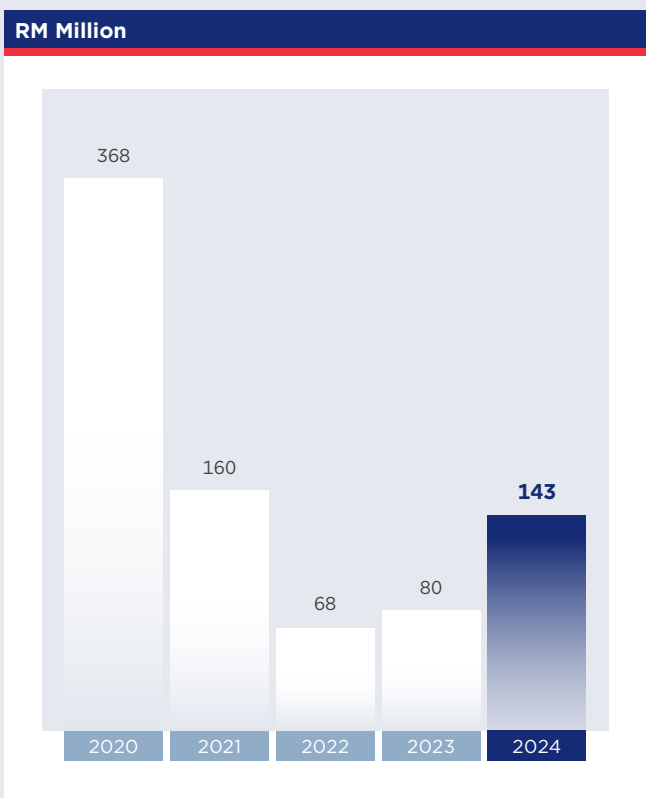
» Total Assets Employed



» EBITDA



» Capital Expenditure



FIVE-YEAR SUMMARY CHARTS

CHAIRMAN'S STATEMENT

“

DEAR SHAREHOLDERS,

We are pleased to share the continued progress of our company despite a challenging 2024. In a dynamic business environment and amid confronting market conditions, we remained steadfast in delivering long-term, sustainable growth and value to all our stakeholders. We are equally proud of our role in supporting the nation's efforts toward economic prosperity and energy security.

Ramon S. Ang
RAMON S. ANG
Chairman



CHAIRMAN'S STATEMENT

CONFRONTING A VOLATILE INDUSTRY LANDSCAPE

In 2024, the oil industry continued to be volatile due to geopolitical conflicts and the economic performance and policies of major economies. While Dated Brent crude averaged US\$81 per barrel in 2024, almost at par with US\$83 in 2023, prices continued to decline, falling from its peak of US\$90 in April to just US\$74 per barrel in December. Likewise, regional refining cracks significantly declined from their steep 2023 level.

This price downtrend reflected market sentiments on global demand, driven mainly by China's tepid economy, lingering inflationary pressures in advanced economies, and shifting US policies. Geopolitical conflicts in the Middle East and Europe further heightened market volatility, compounded by both Organisation of the Petroleum Exporting Countries (OPEC) and non-OPEC countries boosting their oil production.

The domestic market experienced a demand shift post-implementation of the diesel targeted subsidy programme in June 2024 where retail diesel prices rose by 56% to RM3.35 per litre effectively reducing demand in the retail sector.

NAVIGATING MARKET CHALLENGES

In response to the challenges, we strengthened our retail network to broaden our presence, boost brand visibility, and expand customer reach. As a result, we opened 27 new service stations, achieving a significant milestone with our 800th service station under the Petron Malaysia Group.

We also expanded our commercial business, with a strong focus on aviation fuel and Liquefied Petroleum Gas (LPG). Total commercial sales volume grew by 15% during the year, helping offset the temporary decline in retail sales following the implementation of the targeted diesel subsidy. We closed 2024 with a total domestic sales volume of 23.4 million barrels, slightly surpassing the previous year's level.

Apart from declining oil prices and regional refining cracks, our refining operation faced several challenges including an operational issue that led to the 76-day shutdown to repair the furnace in our Powerformer reforming unit to ensure safe and reliable operations. By early December, we had successfully restored normal refinery operations. We are also pleased to report that despite the production outage, our fuel product supply in all our retail stations and commercial accounts remained undisrupted as we remediated the situation with our Business Continuity Plan (BCP) through emergency importation of finished products with the assistance from our affiliate Petron Singapore Trading Pte. Ltd. (PSTPL).

Despite the various challenges, Petron Malaysia remained resilient in overcoming setbacks through prudent risk and resource management and a comprehensive BCP. We ended the year with an operating income of RM60 million and a net profit of RM18 million, driven by total sales of 35.8 million barrels and revenues of RM15.8 billion.



Petron marked its 800th retail service station milestone in Malaysia with the opening of the Petron Pedas-Linggi Layby Southbound

CHAIRMAN’S STATEMENT

ELEVATING CUSTOMER EXPERIENCE

At Petron, we remain committed to innovation and customer satisfaction, continuously adapting to meet the diverse needs of our customers. In 2024, we enhanced customer experience to stay relevant and competitive in an ever-evolving marketplace.

The rollout of our Indoor-Outdoor Payment Terminal 2.0 (IOPT 2.0) system at our service stations, which was completed eight months ahead of schedule, transformed the fuelling experience with seamless, secured, and cashless payment options. This innovation facilitated better convenience while supporting our sustainability efforts by promoting paperless transactions.

Committed to delivering exceptional customer experience, we continued to transform our service stations into one-stop centres. We further diversified our non-fuel products and services while welcoming more allied partners who share our passion for excellence.

Petron became the first oil and gas company to partner with Tenaga Nasional Berhad (TNB) on an electric vehicle (EV) charging station project, expanding access to EV charging facilities in rural areas. We piloted this project in two stations in the East Coast region, marking a major step in our ongoing efforts to enhance convenience while reducing our carbon footprint.

We further strengthened our community engagement by partnering with Radio Televisyen Malaysia (RTM) for the ‘Jelajah Ramadan’ and ‘Jelajah Aspirasi Malaysia’ programmes. These initiatives deepened our connection with customers, addressed social needs, and reinforced the public’s trust in Petron.

BOLSTERING REFINERY AND SUPPLY CHAIN EFFICIENCY

Petron Malaysia further optimised its capabilities to produce and deliver cleaner energy reliably, efficiently, and safely.

At Port Dickson Refinery (PDR), we maximised the Diesel Hydrotreater (DHT) facility at our refinery to enhance our crude slate, allowing us to process more Malaysian Crude Oil (MCO) and reduce import reliance. This also allowed us to receive and process larger MCO parcels, improving efficiency and minimising environmental impact through lower carbon emissions from fewer vessel shipments. Our commitment to operational efficiency further resulted in a 16% reduction in the refinery’s energy consumption compared to the previous year.

Infrastructure and operational upgrades across our distribution and terminal facilities improved reliability, safety, and product quality, while efficiently meeting growing market demand. Our safety practices resulted in 37.82 million injury-free man-hours and extended

our Loss Time Injury (LTI)-free record to 27.82 years.

The Group continued to earn accolades at the 42nd Malaysian Society for Occupational Safety and Health (MSOSH) Awards, Malaysian Industrial Safety and Health Association (MiSHA) National Excellence Awards, and the National Energy Awards (NEA). These achievements underscore our commitment to maintaining a safer workplace and promoting a sustainable environment.

FUELLING SUSTAINABLE GROWTH

Sustainability remained a core pillar of our business strategy, reinforcing our commitment to responsible growth. Through our Economic, Environmental, and Social (EES) initiatives, we improved operational efficiency, reduced our carbon footprint, and made a positive impact on our communities. These efforts strengthen our resilience and reinforce our role in driving progress while creating sustainable value for our stakeholders.



Our terminals have achieved high safety standards through strict adherence to stringent safety, security, health, and environmental management systems

CHAIRMAN’S STATEMENT



Our low-carbon innovations include energy-efficient LED lighting, which makes our Treats stores eco-friendly while also creating a safer environment for customers

We continue to embed tangible EES measures in our operations and organisational culture. Our Board, supported by the Board Sustainability Committee, oversees our sustainability roadmap, ensuring our strategies, targets, and programmes deliver economic value, protect the environment, and uplift the communities we serve.

In line with the National Energy Policy 2022-2040, Petron Malaysia remains on track to reduce its greenhouse gas (GHG) emissions while supporting Malaysia’s renewable energy goals. Through our initiatives, we reaffirm our vision for a future wherein growth and sustainability complement each other. We share the details of our sustainability efforts in a separate Sustainability Report.

The ongoing construction of our second Palm Methyl Ester (PME) plant in Port Dickson, which further expands our capacity to produce PME as a renewable fuel and a

blending component for palm-based biodiesel, underscores our commitment to supporting Malaysia’s biodiesel programme and advancing the sustainability goals of the National Energy Transition Roadmap (NETR).

As we continue to strengthen our environmental, social, and governance (ESG) efforts, we proudly joined the FTSE4Good Bursa Malaysia (F4GBM) Index in 2024, ranking among the top 18% of publicly listed companies recognised for exemplary ESG practices. By the end of the year, our ESG score further improved from 3.1 to 3.4.

GOOD WORKPLACE PRACTICES

Our people are the driving force behind our growth. That is why we are committed to fostering an inclusive and dynamic organisation, empowering our workforce through talent development and retention while nurturing growth from within.

In 2024, Petron Malaysia was honoured with several prestigious awards, recognising our commitment to employee welfare as well as our reputation as an employer of choice. We were awarded the Employees Provident Fund (EPF) Best Employer Award for the Central Region for our timely and accurate EPF contributions. We also won 1st Runner-Up in the Energy Sector and grew our overall ranking to 26th amongst companies in Malaysia at the Graduan Brand Awards. Additionally, we won the M100 Leading Graduate Employer Award in the Energy, Oil, and Utility Category for the second consecutive year in recognition of our strategic recruitment efforts and strong appeal to young talent. These achievements underscore our commitment to cultivating a supportive and dynamic workplace while reinforcing our position as a preferred employer.

CHAIRMAN’S STATEMENT



At Petron, we strive to provide a positive working environment for our employees by creating opportunities for growth and fostering a culture of inclusivity

LOOKING AHEAD

As we navigate challenges, we remain confident in our strong fundamentals and ability to overcome these hurdles successfully. Moving forward, we remain focused on delivering sustainable growth through strategic expansion, sustainability measures, and increased efficiency, while ensuring that we meet evolving market needs.

After more than a decade since we first established our vision to be the leading provider of customer solutions in the oil sector and its allied industries, we have recently redefined our vision, aspiring to contribute to an energy-secure nation, where every journey is fuelled by opportunities that create memorable experiences.

Guided by this vision, we will continue to deliver premium products and services while ensuring an exceptional customer experience. We are committed to further developing and strengthening our relationships with stakeholders and

partners, enhancing our facilities to achieve competitive advantage, and effectively managing business and operational risks. Recognising our employees as our most valuable asset, we will foster an inclusive, supportive, and purposeful work environment.

Looking ahead, Petron Malaysia remains unwavering in its commitment to innovation, sustainability, and responsible growth. With our resilience and strong fundamentals, we are well-equipped to overcome challenges, seize new opportunities, and create lasting value for our stakeholders. With a clear vision for the future, we are poised to deliver meaningful progress in the years to come.

ACKNOWLEDGMENTS

On behalf of the Board of Directors, we extend our heartfelt gratitude to our shareholders, employees, customers, and partners for their unwavering trust and support in Petron Malaysia. To my fellow

Directors, your guidance and dedication have been invaluable in navigating the challenges and opportunities of another transformative year.

I also take the opportunity to welcome Datuk Prakash Chandran, who joined the Board on July 25, 2024, as a new Independent Director. The Board will undoubtedly gain valuable insights from his extensive knowledge and experience.

As we continue our journey, we reaffirm our commitment to driving sustainable growth and progress. We ask for the continued support of our valued stakeholders as we move forward to building a brighter, more sustainable future for all.

RAMON S. ANG
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

“ In 2024, the **Petron Malaysia Group**, comprising **Petron Malaysia Refining & Marketing Bhd** and its sister companies **Petron Fuel International Sdn. Bhd.** and **Petron Oil (M) Sdn. Bhd.**, continued to grow despite the challenges faced throughout the year. ”

Amid a dynamic business environment, Petron stayed committed to providing reliable fuel solutions, expanding its market presence, enhancing efficiencies, driving operational excellence, and promoting sustainability. This Management Discussion & Analysis highlights the strategies and achievements in 2024, as well as our prospects and plans moving forward.

RESILIENCE AMID A CHANGING ENERGY LANDSCAPE

Guided by our new vision, we aspire towards a sustainable and energy-secure nation where everyone’s journey is fuelled by opportunities for meaningful experiences. We have achieved key milestones and strengthened our market presence by leveraging on our strategies, adapting to market shifts, seizing new opportunities, and reinforcing our role as a trusted energy provider in Malaysia. The year’s results speak for themselves:



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS SEGMENT REVIEWS

RETAIL



Petron's Quick Treats booth is located in the forecourt area of the Petron Pedas-Linggi Layby Southbound service station, offering grab-and-go snacks and drinks

Staying Resilient in a Dynamic Market

In 2024, Malaysia's retail fuel market experienced a demand shift. Despite changing consumer preferences for specific brands, domestic demand remained strong during the festive period in the first half. However, in the second half, local demand declined due to shifts in purchasing patterns and the rise in diesel pump prices following the government's targeted subsidy programme in Peninsular Malaysia.

We responded to the external pressures with strategic marketing and consumer engagement programmes, effectively mitigating the impact of market forces while reinforcing our position as a trusted fuel brand.

Driving Growth with Innovation and Customer Engagement

To stay competitive in a dynamic market, we expanded our retail network by adding 27 new service stations under the Group, reaching a total of 800 service stations nationwide by the end of the year.

We proudly opened our 800th service station at the Pedas-Linggi Layby Southbound in December 2024, further reinforcing our commitment to ensuring that a Petron station is always within reach. This is also our first station to have a Quick Treats booth at the forecourt, allowing customers to purchase selected snacks and beverages on the go.

One of the key highlights of the year was the successful rollout of the Indoor-Outdoor Payment Terminal 2.0 (IOPT 2.0) in April 2024 which was completed eight months ahead of schedule. This improved the fuelling experience by offering cashless payment options, with 20% of our customers choosing paperless transactions and opting not to print receipts.

The PMiles loyalty programme, supported by the Petron Mobile App (PMA), continues to deliver value to customers through exclusive rewards not only from the Company but also from our strategic partners. Our long-term partnership with Malaysia Airlines Enrich and AirAsia BIG allow our

PMiles members to earn points for redemptions. Klook has also recently offered discounts for PMA users.

In 2024, we rewarded our loyal PMA customers with various exciting deals, including the much-talked about 'Mobile Legends 1,000 Diamonds Flash Deal'. This was our first venture into e-sport, demonstrating Petron's commitment to connect with customers across age groups. The flash deal not only strengthened brand loyalty among existing users but also captured the interest of new customers, reinforcing Petron's appeal among the younger generation. With our marketing and promotion efforts during the year, we continued to boost PMA registration by 51% versus the prior year.

We also drove customer engagement and loyalty by offering free food and beverages, windscreen cleaning, and other exclusive rewards at our stations. We celebrated major Malaysian festivals with special promotions, giving away limited-edition festive bags to customers spending RM50 or more. Reinforcing our sustainability commitment, our 'No Plastic Bag Days/Merdeka dari Plastik' initiative was joined by 95% of our service stations.

These efforts, among others, showcased Petron Malaysia's ability to deliver value and meaningful experiences to our customers, promote sustainability, sustain competitiveness, and above all, strengthen our ties with our communities.

MANAGEMENT DISCUSSION AND ANALYSIS



Our VIA volunteers are spreading joy at 'Jelajah Ramadan RTM Bersama Petron' by participating in the distribution of 'bubur lambuk'

Enriching Communities, Driving Sustainable Change

At Petron, it has become our tradition to celebrate the month of Ramadan with our customers and local communities. Every year, Petron employees and service station dealers work together and volunteer for CSR activities with the goal of helping those in need during this special season. In 2024, we strengthened our community engagement efforts towards the environment, education and the socio-economy, all of which are part of Petron's sustainability agenda.

In March 2024, the 'Jelajah Ramadan RTM Bersama Petron' campaign marked our maiden collaboration with RTM. The programme was more than just a marketing initiative as it enabled us to reach out to underserved communities in rural areas. Our employees, service station dealers, and partners from the Government and private sectors worked together to provide aid to about 20,000 beneficiaries across 13 states nationwide. Activities include distributing porridge or 'bubur lambuk,' sponsoring Raya clothes for the poor or 'Asnaf', and breaking fast or 'Iftar' together with the underserved communities.

Following the success of 'Jelajah Ramadan', we collaborated again with RTM for the 'Jelajah Aspirasi Malaysia' during the National Month celebration. We were able to connect with people of different races, religions, ages, and backgrounds through the 28-day convoy across 14 locations nationwide with the programme benefitting over 3,000 individuals throughout the country. Petron, in partnership with our service station dealers and other business partners, raised over RM600 thousand in cash and in-kind contributions to fund various community-based projects such as greenhouse development,

gravity-fed water systems, business initiatives for single mothers, and facility upgrades for an Orang Asli school. Together, these initiatives reflected Petron Malaysia's commitment in creating meaningful impact while fostering resilience and sustainability in local communities.

Fuelling a Sustainable Retail Customer Experience

Petron Malaysia enhanced the retail experience by incorporating sustainable and innovative design elements into its network of industrial-style service stations. To reduce reliance on grid electricity, solar panels have been installed at 35 stations. Energy-efficient LED lights have also been installed across the Group's facilities. Moreover, rainwater harvesting systems at 24 stations promote water conservation, while the KLEAN AI-driven reverse vending machine programme at five of our stations supports recycling and contributes to our circular economy approaches.

We have also introduced more efficient designs at our stations, including the Cabin Design Treats concept, food counter upgrades, and Quick Treats layouts. These innovations are aimed at optimising



Petron employees and service station dealers worked hand in hand to plant Berembang trees and contributed to funding the construction of a nursery greenhouse and a rainwater harvesting system

MANAGEMENT DISCUSSION AND ANALYSIS



A strategic collaboration with Tenaga Nasional Berhad to officiate the launch of the TNB Electron charger at Petron Selising, Kelantan

space, enhancing convenience, and increasing revenue. Further upgrades, such as solar hybrid yard lights and red carpet line improvements, have enhanced functionality while minimising maintenance needs. Our Petron Mambau is the first Petron service station certified by the GreenRE¹ in silver category, meeting the Green building sustainability standard. These initiatives highlight Petron Malaysia's focus on sustainability and operational efficiency while creating a seamless, customer-centric experience.

From the socio-economic perspective, the 'Sapot Lokal' campaign continued to draw traffic to our stations while supporting local entrepreneurs. In 2024, we expanded the initiative to 60 additional sites, bringing the total to 101 stations. Two new vendors, who are single mothers, joined the programme as a testament to our commitment to support small and medium local businesses.

We also continued to diversify our non-fuel business, further enhancing customer experience through strengthened partnerships in convenience retailing. We welcomed new partners, including ZUS Coffee, and expanded collaborations with established brands, introducing three new Dunkin' outlets and additional car wash facilities to further enrich Treats' offerings.

We remain dedicated to offering a wide range of services at our stations to meet the diverse needs of our customers. Currently, we have approximately 200 allied businesses across our retail service station network, making them convenient 'one-stop centres.' This reflects our commitment to enhancing our customers' journeys with meaningful experiences.

In collaboration with TNB, we launched electric vehicle (EV) charging stations at two locations: Selising, Kelantan, and Gemuruh, Terengganu. This initiative supports

the nation's goal of reducing carbon emissions and improving accessibility for EV owners in rural areas. These two stations help expand EV infrastructure beyond major cities, with more locations planned for the future.

Upholding Consistent Service Excellence

Maintaining our high standards in customer service remains our core priority. In line with the United Nations Sustainable Development Goal 6, our 'Tandas Kita Bersih' programme ensures the cleanliness and functionality of restrooms across our retail network. In 2024, approximately 82% of restrooms at our service stations were rated with 4 and 5 stars, with seven stations receiving recognitions from local councils and authorities. Additionally, 272 prayer facilities ('Surau') were 'Qibla'-certified, providing peace of mind and enhancing convenience for Muslim travellers.

¹ The GreenRE was formed by Malaysia's Real Estate and Housing Developers Association (REHDA) in 2013 to promote sustainability in Malaysia's property sector

MANAGEMENT DISCUSSION AND ANALYSIS



The provision of a surau has been recognised as an integral part of public facilities at Petron service stations

Safety across our retail network was further strengthened through dealer training on the Department of Occupational Safety & Health (DOSH) self-regulated audit checklist, resulting in over 55% of our stations achieving a 'Grade A' rating. In partnership with the Royal Malaysia Police (PDRM), our Go-To-Safety-Point programme remains dedicated to enhancing community safety by converting 800 of our service stations into emergency assistance hubs. These initiatives reflect Petron Malaysia's unwavering commitment to championing service excellence and safeguarding the well-being of the communities we serve.

Recognised for Our Commitment to Excellence

The awards we receive underscore our commitment to customer satisfaction, safety, and operational excellence. In 2024, we celebrated our ninth consecutive win at the Putra Brand Awards, reaffirming our reputation as a trusted brand in the fuel and lubricants sector.

At the Malaysian Society for Occupational Safety and Health (MSOSH) Awards, four of our retail service stations received the

prestigious Gold Class 1 recognition for showcasing exemplary safety practices and adherence to occupational safety and health standards. In addition, two of our stations were recognised in the National Council for Occupational Safety & Health (NCOSH) 2024 awards under the 'Pemborong and Runcit' category.

As first-time participants, these stations passed a rigorous audit by DOSH Kedah and represented the state in the national competition, reflecting our unwavering focus on workplace safety. These accolades

We achieved a remarkable milestone by securing a record-breaking 15 awards across our operations

highlight Petron Malaysia's dedication to delivering a superior customer experience while fostering safety and maintaining operational excellence across its retail network.

Supporting Targeted Subsidy Programmes

Petron Malaysia played a pivotal role in the Malaysian Government's implementation of the targeted subsidy for retail diesel or 'Sistem Kawalan Diesel Bersubsidi' (SKDS) 2.0, a national programme ensuring equitable subsidy allocation and preventing misuse among diesel consumers. In support of this initiative, Petron enhanced its fleet card system, introduced an online application form, and further streamlined the process via the Petron Fleet Card portal.

We also participated extensively in Ministry of Domestic Trade and Cost of Living (KPDN) roadshows across Peninsular Malaysia, promoting SKDS 2.0 sign-ups at our service stations. Through these efforts, Petron Malaysia solidified its support to the nation's targeted subsidy programme while continuing to provide value and convenience to our customers.



We achieved a remarkable milestone by securing a record-breaking 15 awards across our operations

MANAGEMENT DISCUSSION AND ANALYSIS

COMMERCIAL



The expansion of our bulk LPG loading facility and the injection of more cylinders, supports our growing business with a focus on key growth areas

Adapting to Shifting Market Dynamics

In 2024, our Group's Commercial sales volume achieved a commendable 15% growth compared to the previous year. The Industrial and Commercial segment maintained strong relationships with key accounts, focusing on the plantation, fishery, and power sectors. This underscores our commitment to supporting industries that are vital to the country's progress and energy security. As a result of the targeted diesel subsidy programme in retail, which shifted demand to the wholesale sector, Petron seized this opportunity by optimising our diesel production yield at the refinery, ensuring our competitiveness and a reliable supply to the wholesale market.

In addition, Petron optimised its jet fuel production, allowing us to nearly double our Aviation Fuel sales compared to the previous year, while also focusing on key growth areas for our Liquefied Petroleum Gas (LPG) business.

A Stronger LPG Business

In 2024, Petron strengthened its LPG business by expanding its market presence and introducing more innovative campaigns. The Cash and Carry service, which has reached more than 200 service stations in Peninsular Malaysia, continued to reflect our desire to make our Gasul LPG products readily available anytime at the regulated price without any add-on for delivery charges.

Key campaigns and customer engagements reinforced Petron Gasul's position as a trusted and preferred LPG brand. The 'Gasul X Sinar Harian Bazar Ramadan Takeover' offered free LPG cylinder exchange at Ramadan bazaars in Melaka and Ipoh, boosting brand visibility and fostering community ties. Meanwhile, the 'Gasul @ SS X Red Chef Instant Noodles Redemption Promotion' incentivised purchases with free noodles. These initiatives, alongside community-focused CSR activities such as 'bubur lambuk' distribution during Ramadan, demonstrated Petron Gasul's commitment to innovation, strategic collaboration, and delivering value to customers.

Exceptional Growth in the Aviation Business

Our aviation business delivered remarkable growth in 2024, driven by the recovery of the tourism sector. We successfully secured new accounts and renewed existing ones, significantly expanding our aviation fuel sales volume by 93% compared to 2023. These efforts solidified Petron Malaysia's position as a trusted partner in the aviation industry both locally and internationally. Our commitment to operational excellence not only allows us to produce world-class products that meet the growing fuel demands of our airline accounts, but also positions us as a key contributor to supporting the nation's aviation mobility needs and tourism industry.



Petron Gasul sponsored LPG cylinder exchanges at the 'Gasul X Sinar Harian Bazar Ramadan Takeover' to enhance brand visibility and connect with local communities



We expanded and grew our aviation business by securing new accounts and strengthening existing partnerships

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

SUPPLY, REFINERY
AND DISTRIBUTION

Kuantan Terminal received the Platinum Award, the highest category of the MSOSH Awards — a testament to our commitment to safety excellence, operational efficiency, and industry best practices

Petron continued to optimise its supply chain operations and refining processes, further strengthening its role as a reliable provider of high-quality fuel products. As we fuel the nation's growth, we continuously assess and upgrade our facilities, particularly Port Dickson Refinery (PDR). A new Variable Frequency Drive (VFD) for the gas compressors in PDR reforming unit was installed and commissioned in June 2024. This enhancement enables the refinery to operate at variable speeds, optimising crude feed rates and boosting the production of higher-value products like gasoline. Additionally, it helps reduce low-value by-products such as naphtha, ultimately improving our refining profitability.

The crude diversification strategy allowed us to avail co-loading opportunities for various grades such as Kimanis, Kikeh, and Tapis crude. This reduces freight cost, streamlines logistics operations, and improves efficiency. We also replaced a new Single Buoy Marine (SBM) for crude receiving to

ensure uninterrupted supply of our feedstock into the refinery. Since its commissioning in 2021, the Diesel Hydrotreater (DHT) facility has continued to enable the processing of nearly 100% Malaysian Crude Oil (MCO). This highlights our commitment to supporting the local economy while also reducing our carbon footprint due to shorter transport distances and less frequent crude oil shipments.

In September, PDR underwent a shutdown due to an operational issue in the furnace. This was necessary to conduct repairs and to ensure the safety and reliability of our operations. Through our Business Continuity Plan (BCP) and the support of external partners, we restored normal operations by early December, reducing downtime by two weeks from the original restart schedule.

During the production outage, supply to all our retail stations and commercial accounts remained uninterrupted. In particular, Petron Singapore Trading Pte Ltd (PSTPL)

went the extra mile in assisting Petron Malaysia to immediately source replacement products. This partnership with PSTPL fortified our supply chain by providing lower importation costs, better logistics, and greater operational flexibility. This is a strong testament to our operational resilience and commitment to provide an uninterrupted supply of fuel products at all times.

Prioritising Safety and Operational Excellence

Petron Malaysia prioritises operational safety and strives for excellence in all aspects of its operations. In 2024, we achieved zero unplanned equipment downtime across our distribution and terminal operations, demonstrating our commitment to seamless delivery and maintaining stringent product quality standards, underpinned by our robust safety protocols.

Notably, we sustained an impressive 37.82 million man-hours without Lost Time Injury (LTI) across our terminals, leading to 27.82 years of LTI-free operations. This achievement underscores our ability to maintain an impeccable safety record while managing growing operational demands.

Our refinery and terminal facilities retained their Integrated Management System (IMS) certifications under ISO 9001, ISO 14001, and ISO 45001, validated by rigorous Standards and Industrial Research Institute of Malaysia (SIRIM) audits. These certifications reaffirm our adherence to global safety, quality, and environmental standards.

In recognition of our exceptional safety practices, the Group was honoured with a historic achievement, securing 15 awards across its operations. These include one Platinum Award (the highest category of the MSOSH Awards), one President Award, one High Achiever Award, five Grand Awards, two Gold Merit Awards, and five Gold Class 1 Awards in the Petroleum, Gas, and Petrochemical Sectors category. Additionally, PDR was honoured with the Superior Performance Award, while Bagan Luar Terminal was honoured with the Superior Performance, Best Workplace Health Promotion and Most Valuable Practitioner Awards, highlighting their commitment to fostering a safe and efficient working environment.

For the first time in the Company's history, our Port Dickson Terminal and our sister company's Pasir Gudang JV Terminal were also awarded the Diamond recognition under the 4th Malaysian Industrial Safety and Health Association (MiSHA) National Excellence Awards. These awards, among others, highlight Petron Group's commitment to fostering a culture of safety and operational excellence at every level of the organisation.

Advancing Renewable Energy with Biodiesel

The Lumut PME Plant (LPP) produces high-quality, sustainably sourced Palm Methyl Ester (PME), which is blended for our biodiesel products at the Bagan Luar and KVDT terminals, serving northern and central Peninsular Malaysia. Certified by the Malaysia Sustainable Palm Oil (MSPO) Council, the LPP operates under a Preferential Certificate of Origin (PCO) issued by the Ministry of International Trade and Industry (MITI), in accordance with regional trade agreements, including the ACFTA, AIFTA, and ATIGA.

In 2024, the LPP earned the runner-up position at the National Energy Awards for energy management in large industries and renewed its Halal and Kosher certifications, reaffirming its commitment to sustainability and excellence.

To address the growing demand of biodiesel in Malaysia, Petron is in the process of constructing another PME plant located beside PDR. The Port Dickson PME (PDPME) plant project is also progressing smoothly, and once operational, the facility will produce PME to

meet the biodiesel requirements of our central and southern Peninsular Malaysia terminals. This supports Malaysia's biodiesel programme and aligns with national energy transition goals to reduce greenhouse gas emissions and enhance sustainability.

Our achievements during the year reflect the Group's dedication towards operational optimisation, cost efficiency, and sustainable practices across our supply chain and refining operations. These efforts reinforce Petron's position as a trusted energy provider in support of the nation's thrust in achieving affordable energy security which is necessary for achieving sustainable and inclusive progress for all Malaysians.

Furthermore, this year, we joined the United Nations Global Compact (UNGC), the world's largest corporate responsibility initiative, alongside over 20,000 participants from 160 countries. This underscores our commitment to conducting business in alignment with core corporate responsibilities in the areas of human rights, labour, environment, and anti-corruption.



Lumut PME Plant secured the runner-up position at the National Energy Awards 2024

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

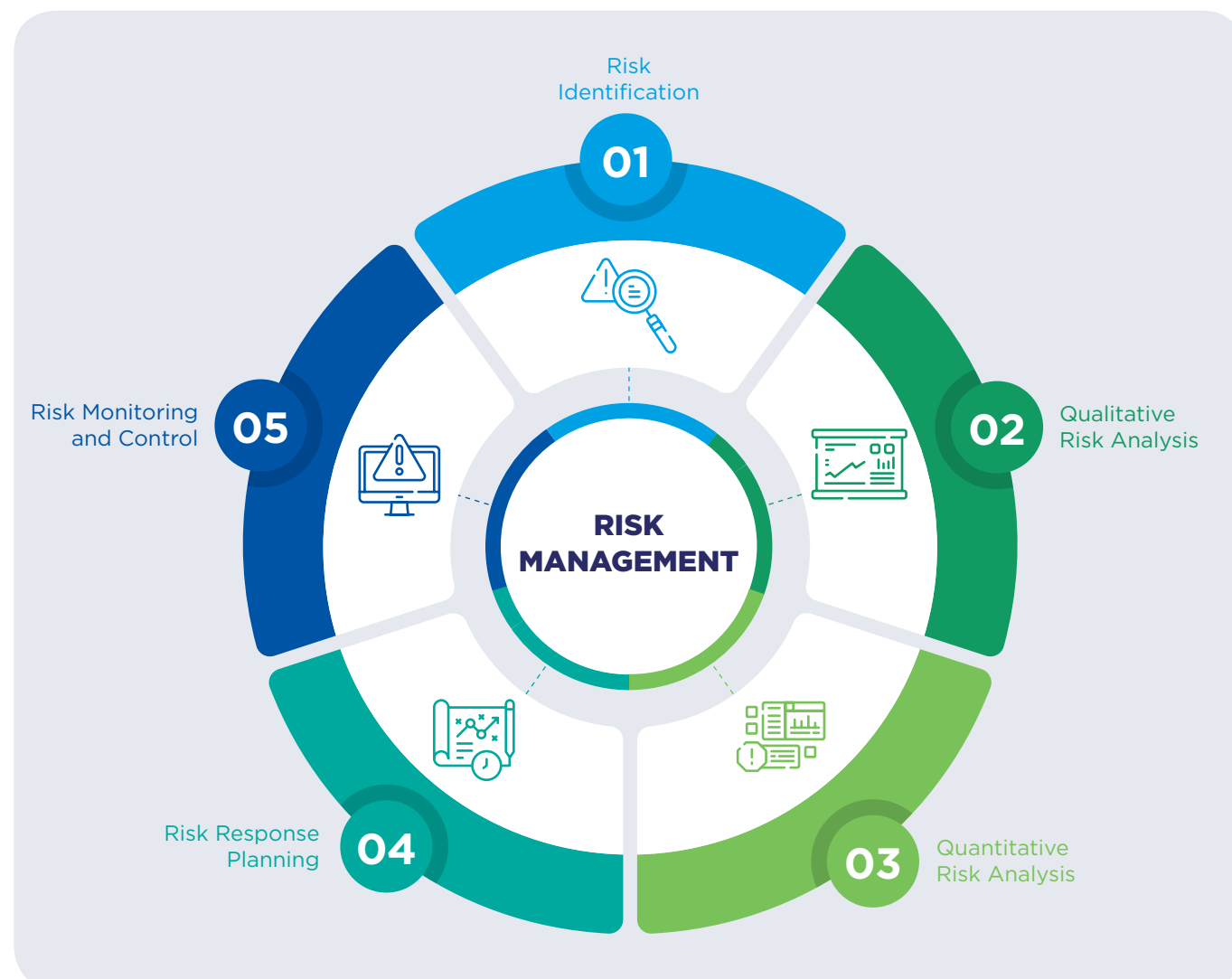
RISK MANAGEMENT

Petron Malaysia is deeply dedicated to upholding safe, reliable and sustainable operations by leveraging effective risk management principles across our business. We prioritise risk identification and mitigation by proactively embedding robust processes, policies, practices, and management systems into every aspect of our operations. Our skilled workforce plays a crucial role by diligently adhering to these frameworks, ensuring consistent compliance and upholding the highest standards of operational excellence.

The Board Audit & Risk Management Committee is tasked with overseeing the wide range of risks and challenges associated with the downstream oil and gas sector. These encompass crude price volatility, foreign exchange fluctuations, regulatory compliance, supply chain reliability, environmental sustainability, workplace safety, and workforce management, among others. By strategically managing such risks, Petron Malaysia is able to remain agile and responsive in a dynamic industry.

The Group's comprehensive management integrity framework combines rigorous risk management processes with robust internal controls, enabling Petron Malaysia to anticipate and mitigate principal risks effectively. This approach ensures uninterrupted operations, sustains business momentum, and drives long-term sustainable growth.

Our Risk Management Strategy is depicted in the following diagram:



MANAGEMENT DISCUSSION AND ANALYSIS

Any condition or situation with the potential to impede or damage the Group's performance is considered a risk. The following narrative outlines the four categories of risk most likely to impact Petron Malaysia's business as well as the proactive risk mitigation strategies we have adopted to counter these risks.

Operational Risk

Disruptions in refinery and terminal operations, equipment failures, cyber threats, and oil spills can significantly impact the Group's supply chain reliability and operational efficiency. To address these challenges, we focus on maintaining the operational integrity of all our facilities, including PDR, LPP and fuel terminals.

While the Group's facilities have been constructed in line with stringent industry standards and regulatory requirements, incidents such as process equipment failures and fire breakouts may still occur, leading to unplanned shutdowns or facility inoperability. By prioritising operational excellence across all our facilities, we are mitigating disruptions to our supply chain and ensuring uninterrupted operations.

To mitigate operational risks, all the Group's operating sites are mandated to conform to the stringent requirements of Petron's Operations Integrity Management System or POIMS. As a member of the Petroleum Industry of Malaysia Mutual Aid Group (PIMMAG) and Oil Spill Response Limited (OSRL), we are always ready to handle oil spill incidents, both in Malaysian or international waters.

Today, most of the Group's business processes, systems, and operations are dependent on and interlinked with information technology (IT). Our growing dependence on IT means we face increasing cybersecurity threats which we mitigate with robust IT security measures, including firewalls, anti-malware software, and cyber-attack prevention tools and management systems.

We actively safeguard our operations against cybersecurity risks through a tailored Information Security Management System (ISMS) based on our parent company's model but adapted for Petron Malaysia. The ISMS incorporates comprehensive policies, procedures, and system changes to safeguard our data, systems, and operations ensuring the integrity and reliability of our operations.

Recognising that sustainability risks can impact operations, we address key governance, environmental, and social risks by embedding the relevant sustainable practices throughout our operations. Further details of our sustainability risks can be found in the "Risks and Opportunities" section within our 2024 Sustainability Report.

Financial Risk

Crude oil price volatility, foreign exchange fluctuations, and delays in government subsidy reimbursements present challenges that could affect the Group's cash flow and profitability. Proactive financial management plays a key role in mitigating these risks.

Our Commodity Risk Management Committee meets regularly on a weekly basis to develop strategies for managing price volatility through inventory management decisions and hedging practices. Similarly, we address foreign exchange risks by hedging US dollar-denominated assets and liabilities with trusted counterparty banks.

Delays or non-receipt of government subsidies can strain our operational cash flow and working capital. To address this, we proactively engage with government agencies to secure timely reimbursements and ensure the accuracy and completeness of our reports and submissions. The Group also maintains robust borrowing facilities with partner banks to bridge any funding gaps when necessary. By maintaining constant dialogue with regulators about impending regulatory changes, we are able to adapt quickly to any policy shifts, such as subsidy adjustments or market deregulation.

MANAGEMENT DISCUSSION AND ANALYSIS

Strategic and Market Risk

Shifts in market dynamics, evolving regulatory requirements, and changing customer demands require us to consistently uphold product quality, environmental compliance, and competitive positioning. Our ability to adapt to these changes ensures we remain relevant and resilient in the marketplace.

To address these risks, we employ a comprehensive product quality management system that ensures stringent controls, minimises adverse incidents, and resolves quality-related complaints efficiently. These measures safeguard our reputation while meeting customer expectations.

Our refinery and fuel terminal operations in Peninsular Malaysia operate under a unified Integrated Management System or IMS which aligns with global standards to ensure excellence across multiple areas. This IMS encompasses ISO 9001:2015 for Quality Management, to ensure consistent product and service delivery; ISO 14001:2015 for Environmental Management, to minimise environmental impacts, and ISO 45001:2018 for Occupational Health and Safety, to promote safer workplaces. Annual audits by SIRIM, the ISO certification body, confirm our compliance with these global standards, while our sister company's terminals in Sabah also hold ISO 9001:2015 certification.

We strictly adhere to environmental regulations by embedding protective measures into daily operations to reduce reliance on non-renewable energy and treated water, to minimise waste and ensure safe disposal practices. Additionally, we actively engage with local communities near our operations, reflecting our commitment to sustainable and socially responsible practices.

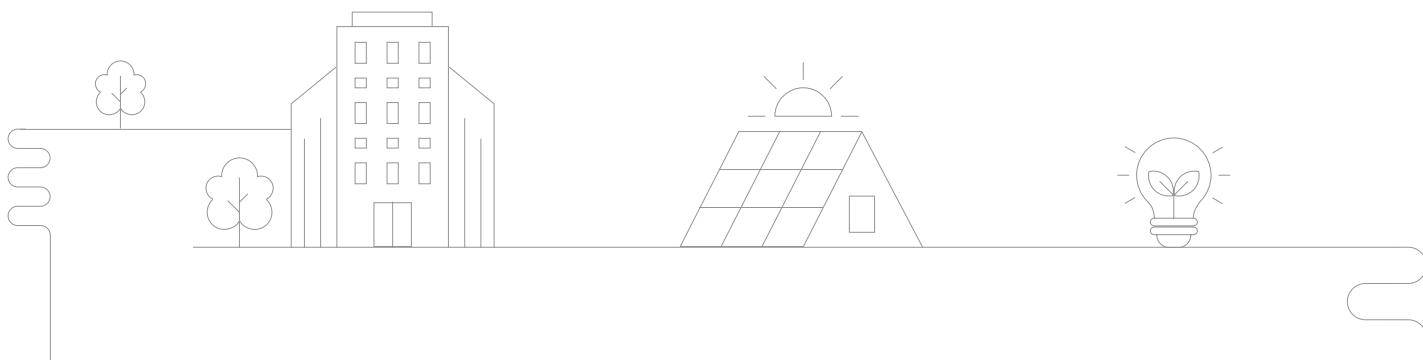
Hazard Risk

Workplace incidents, environmental hazards, and emergencies necessitate comprehensive safety measures and preparedness plans to protect employees, assets, and surrounding communities. We ensure readiness through proactive planning and continuous improvement of our safety frameworks.

By proactively implementing a comprehensive Emergency Response Plan (ERP) and Business Continuity Plan (BCP), we enhance our ability to handle disruptions, including workplace hazards and cyber threats. These measures ensure that our employees, assets, and surrounding communities remain protected during potential crises. Our Business Units regularly conduct drill exercises at their operating sites to ensure their teams are prepared to handle disruptions. Our safety protocols focus on eliminating workplace injuries or illnesses, preventing third-party liabilities, and safeguarding property.

We continue to prioritise employee health and safety by adhering to rigorous protocols, including vaccination requirements and preventive health measures. Each Business Unit tests the effectiveness of their plans, ensuring ongoing readiness to manage and respond to any incidents effectively. Through conducting annual reviews and refinement of our ERP and BCP, we maintain a high level of preparedness to address potential crises.

By proactively and efficiently addressing diverse risks, Petron Malaysia is safeguarding its operations and reinforcing its reputation as a trusted energy provider. This approach strengthens our ability to navigate challenges in the downstream oil and gas industry, ensuring we continue to deliver value to stakeholders while driving long-term business sustainability and operational excellence.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

Petron Malaysia navigated a challenging year influenced by volatile international oil market prices amidst narrowed regional refining cracks. The average price of benchmark Dated Brent crude in 2024, while only 2% lower compared to 2023, continued to show volatility due to geopolitical tensions in the Middle East and Europe. Dated Brent fell as much as 18% to US\$74 per barrel in December from its US\$90 per barrel peak in April, as weak China economic data dampened market sentiment, resulting in inventory holding costs.

Total domestic sales volume in 2024 reached 23.4 million barrels, slightly higher than 23.1 million barrels in 2023, mainly driven by Commercial sales growth of 15%, offsetting the temporary decline in retail diesel demand following the implementation of the targeted subsidy. With lower refinery production during the year as a result of the repair shutdown, intercompany and exports sales were also reduced, bringing total sales volume to 35.8 million barrels in 2024, a dip from 37.2 million barrels in the prior year. The overall decline in oil prices and reduction in sales volume resulted in RM15.8 billion of revenue compared with RM17.2 billion in the prior year.

Gross profit ended 51% lower at RM274 million mainly driven by the downtrend in prices resulting in inventory holding losses, as well as from the contraction in regional refining cracks — a reflection of market sentiments on the global economy, and it is affecting the oil supply and demand balance.

Nevertheless, the Company continued to employ its comprehensive risk and sound resource management strategies, which helped mitigate the adverse effects of challenging market conditions, enabling PMRMB to still close the year with positive operating income and net profit of RM60 million and RM18 million, respectively.

Financial Position

The Company concluded 2024 with total assets of RM4.65 billion, slightly lower compared to 2023's RM4.70 billion. Receivables decreased by RM353 million mainly due to reduced subsidy claims after the diesel targeted subsidy implementation by the government, partly offset by a higher level of inventories at year end.

The Company's liabilities remained flat at RM2.3 billion as higher short-term bank loans to finance working capital requirements were offset by lower trade payables.

Capital Expenditure

With the continued spending on refinery and terminal facilities upgrades, as well as retail network expansion, the Company's total capital expenditures (CAPEX) for the year reached RM143 million or 78% higher compared to RM80 million in 2023. These investments support PMRMB's long-term growth targets and operational resilience initiatives.

Shareholders' Equity

The Company's share capital remained unchanged at RM143 million. Retained earnings declined by 2% to RM2.2 billion, from RM2.3 billion in 2023, due to the RM62 million in dividends paid during the year, net of the RM18 million net profit.

Dividends

At the Annual General Meeting held in June 2024, shareholders approved a dividend payout of 23 sen per share for the financial year 2023. In respect of financial year 2024, the Company is recommending a dividend payout of 10 sen per share, equivalent to a 150% payout from 2024 net profit, after considering cash flow, working capital, and capital expenditure requirements.

Forward-Looking Statement

Despite a challenging market, PMRMB remains committed to pursuing sustainable growth through investments in retail network expansion and operational efficiencies in the refinery and terminal operations. The Company will also continue pursuing supply chain optimisation and sustainability initiatives to reinforce its commitment to long-term value creation. The ongoing project of constructing a second PME plant in Port Dickson — the PDPME — highlights Petron's commitment to supporting Malaysia's National Energy Transition Roadmap (NETR), particularly in the production of sustainable energy such as PME for biodiesel products. Moving forward, Petron is steadfast in maintaining a proactive stance on sustainable operations for the benefit of its stakeholders, aiming to reduce its carbon footprint while supporting Malaysia's thrust towards becoming a sustainable and energy-secure nation.



SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

This sustainability statement outlines Petron Malaysia's initiatives and performance for the financial year ending 31 December 2024. It provides an update on our progress in addressing Material Matters and highlights the ongoing efforts to integrate sustainability into our operations.



Reporting Period, Scope and Boundaries

This sustainability statement encompasses the operations of Petron Malaysia Group, which includes Petron Malaysia Refining & Marketing Bhd, Petron Fuel International Sdn. Bhd., and Petron Oil (M) Sdn. Bhd., covering the period from 1 January to 31 December 2024, unless stated otherwise.

Reporting Framework and Standards

This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards and GRI 11: Oil and Gas Sector 2021 as well as the following reporting frameworks:

- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Malaysian Code on Corporate Governance (MCCG) of Securities Commission Malaysia
- United Nations Sustainable Development Goals (UN SDGs)

Assurance

To ensure the accuracy and transparency of our disclosures, this report has been internally reviewed on key Environmental data below by Petron Corporation's Internal Audit.

- Climate Change and GHGs
- Air Emissions and Pollution Management
- Waste and Circular Economy
- Water Management
- Natural Resources
- Biodiversity

We shall continue to further enhance our data accuracy and quality to strengthen our disclosures moving forward. In addition, we plan to expand the scope of the review.

Board of Directors' Approval

The performance of our Material Matters was presented to the Board of Directors on 20 March 2025.

Feedback

We value input from our stakeholders and encourage feedback. For any comments or enquiries, please contact us at corporate.sustainability@petron.com.my.

SUSTAINABILITY FRAMEWORK

Petron Malaysia operates within a structured sustainability framework designed to create long-term value for our stakeholders. As part of San Miguel Corporation, we align with its commitment to achieving net zero emissions by 2050, supporting Malaysia's broader ambition of becoming carbon neutral within the same timeframe.

Our sustainability framework is structured around three pillars — Economic, Environmental, and Social (EES) considerations — which guide our decision-making and initiatives. To strengthen this approach, we have embedded Petron Malaysia's core values — Excellence, Customer Focus, Innovation, Teamwork, Ethics, and Safety — into our sustainability efforts. This ensures that responsible business practices are integrated across our operations, reinforcing our commitment to delivering sustainable value while addressing evolving stakeholder expectations.

OUR VISION

As a progressive oil company in Malaysia, we aspire towards a sustainable energy-secured nation where everyone's journey is fueled by opportunities for meaningful experiences.

OUR MISSION

We will achieve this by:

- Reliably providing premium products and services that exceed customers' expectations.
- Ensuring excellent customer experience enabled by technology and adapted to local communities.
- Developing and strengthening relationships with our stakeholders and partners towards shared growth and success.
- Enhancing our retail, distribution and refining facilities to achieve competitive advantage, sustainable supply chain and long-term viability.
- Managing business and operational risks effectively and reducing our impact on the environment.
- Creating an inclusive, nurturing, and purposeful work environment.

OUR VALUES



OUR FOCUS AREAS



ECONOMIC

Advancing Ethical Business Growth

To stay **CUSTOMER FOCUSED** and promote work **EXCELLENCE** towards **ETHICAL** business growth by giving due regards to sustainability impacts of business activities

- » Generating Economic Benefits
- » Ethical Business Practices



ENVIRONMENTAL

Protecting The Environment and Nature

To adopt **INNOVATIONS** to promote responsible use of resources, reduce GHG emissions, minimise adverse environmental impacts and transition to low carbon operations

- » Climate Change and GHGs
- » Air Emissions and Pollution Management
- » Waste and Circular Economy
- » Water Management
- » Natural Resources
- » Biodiversity
- » Sustainable Supply Chain



SOCIAL

Fostering Societal Well-Being

To promote **TEAMWORK** and **SAFETY** at all times whilst creating a balanced co-existence with all stakeholders

- » Agile, Diverse and Thriving Workforce
- » Safety
- » Customer Data Protection



SUSTAINABILITY STATEMENT

OUR APPROACH TO SUSTAINABILITY

Petron Malaysia acknowledges that our operations have far-reaching effects on both the environment and communities. As such, we have integrated sustainability principles into our decision-making processes at every level of our organisation, ensuring environmental, social, and governance (ESG) considerations are balanced alongside our strategic objectives.



ECONOMIC – ADVANCING ETHICAL BUSINESS GROWTH

» Generating Economic Benefit

Why it Matters?

Driving economic value is fundamental to our business, enabling us to contribute directly and indirectly to Malaysia's economy. Our operations support this through tax payments, wages, local procurement, and job creation across our supply chain. These contributions play a critical role in strengthening public infrastructure and fostering social development in the communities where we operate.

Our Approach

We generate economic value through:

- Strengthening Petron Malaysia's brand equity, leading to increased sales, profit, and wealth distribution.
- Expanding product and service visibility to reinforce organisational growth.
- Enhancing transparency to build investor and lender confidence, ensuring long-term financial stability.

Moving Forward

We are committed to responsibly managing the impacts arising from our business activities as we focus on delivering high-quality products and services in our aim to generate sustainable growth and contribute positively to Malaysia's economic progress.

» Ethical Business Practices

Why it Matters?

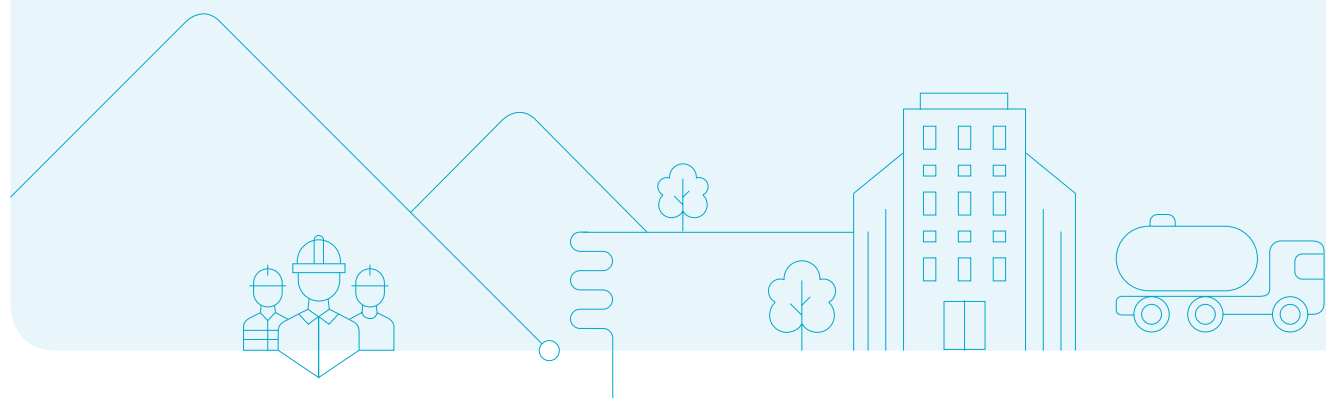
We uphold high standards of integrity across all our operations and expect our supply chain partners to adhere to the same ethical principles. Petron Malaysia advocates fair business conduct and firmly rejects practices such as corruption, fraud, embezzlement, child/forced labour and false representation. Such unethical behaviour not only exacerbates economic inequality but also contributes to environmental harm and human rights violations.

Our Approach

We uphold ethical business conduct through our Ethics and Business Integrity Policy, as outlined in our Standards of Business Conduct. This commitment ensures full compliance with all applicable regulations, including the Anti-Money Laundering, Anti-Terrorism Financing, and Proceeds of Unlawful Activities Act (AMLA) 2001.

Moving Forward

We remain committed to maintaining ethical business practices and strong corporate governance across our operations while ensuring compliance with evolving regulatory requirements.



SUSTAINABILITY STATEMENT

ENVIRONMENTAL - PROTECTING THE ENVIRONMENT AND NATURE



» Climate Change & GHGs

Why it Matters?

The combustion of fossil fuels results in greenhouse gas (GHG) emissions, which drive global warming and contribute to climate change. These environmental changes have far-reaching impacts on ecosystems, economies, and societal structures. Climate change also presents operational and supply chain risks that can affect business continuity. As an energy provider, we recognise our responsibility in addressing this global challenge and remain committed to mitigating our environmental impact.

Our Approach

We are dedicated to managing climate-related risks within our operations and supply chain by embedding sustainability into our business practices. Our approach includes improving operational efficiency, strengthening stakeholder engagement, and diversifying our product offerings to support the transition to a lower-carbon future. By focusing on reducing greenhouse gas emissions, expanding our portfolio of low-carbon products and services, and integrating climate resilience into our business strategy, we enhance our competitiveness while contributing to global climate goals. This commitment is further reinforced through advancements in renewable energy, supply chain optimisation, and data-driven decision-making, ensuring transparency and accountability in our sustainability efforts.

Moving Forward

Petron Malaysia continues to strengthen its strategic response to climate change, guided by our Climate Action Guide which was established to steer our long-term sustainability planning. This guide enables us to develop clear strategies and targeted actions to manage climate-related impacts effectively. Building upon our initial steps, we are progressively incorporating the National Sustainability Reporting Framework (NSRF), including IFRS S1 and S2 guidelines into our operational frameworks.

» Air Emissions & Pollution Management

Why it Matters?

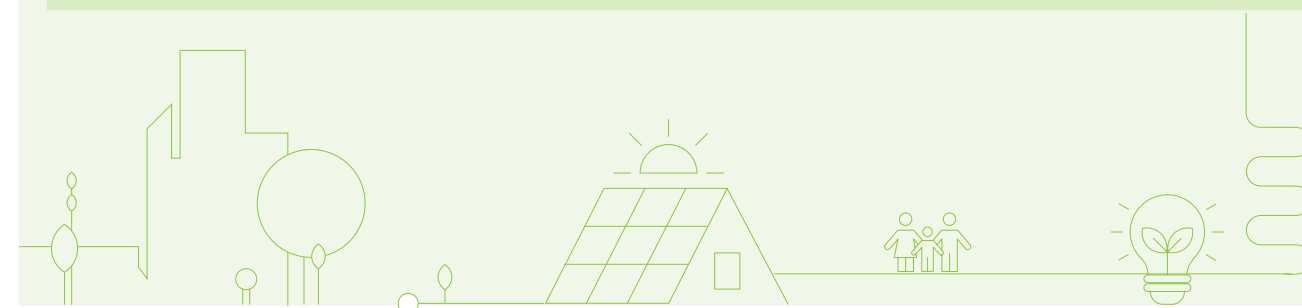
Beyond greenhouse gas emissions, we acknowledge that our operations and products may have environmental impacts in other areas, including air, soil, water, noise, and light pollution. In line with our commitment to responsible operations, we continuously work to minimise these impacts by adhering to all applicable environmental standards and regulatory requirements. Through stringent controls and ongoing improvements, we strive to uphold high environmental performance across our business activities.

Our Approach

We continuously assess and enhance the environmental performance of our products and operations to mitigate pollution and minimise associated treatment and remediation costs. In addition, we actively monitor and address community concerns related to pollution incidents, ensuring prompt resolution. Clear targets are set for response times to ensure that all grievances are addressed efficiently and effectively.

Moving Forward

We remain dedicated to reducing air emissions and pollution associated with our operations and products, ensuring compliance with environmental standards and implementing measures to mitigate our impact.



SUSTAINABILITY STATEMENT



ENVIRONMENTAL - PROTECTING THE ENVIRONMENT AND NATURE

» Waste & Circular Economy

Why it Matters?

The conventional linear approach of resource consumption—where materials are taken, used, and discarded—poses significant environmental challenges and is not a viable long-term strategy. Recognising this, we are committed to minimising waste across our operations and supply chain by integrating circular economy principles. This includes optimising resource use, reducing waste generation, and promoting sustainable waste management practices to support long-term environmental sustainability.

Our Approach

We are strengthening our research and development initiatives to integrate circular economy principles into our products and services. This involves enhancing scheduled waste recovery processes, repurposing non-scheduled waste for alternative uses, and exploring sustainable packaging solutions to minimise environmental impact.

Moving Forward

We will continue to broaden our initiatives to reduce waste and incorporate circular principles throughout our operations.

» Water Management

Why it Matters?

Water is a vital resource for both our operations and the communities we serve. Recognising its shared importance, we are committed to responsible water management by optimising consumption and ensuring proper wastewater treatment across our operations and supply chain.

Our Approach

We continue to incorporate advanced water treatment and recycling technologies to enhance water conservation, ensure supply resilience during disruptions, and manage long-term costs effectively. Additionally, we promote rainwater harvesting across our facilities, including retail service stations, for non-potable uses such as landscaping and toilet flushing.

Moving Forward

We remain focused on preserving and safeguarding water resources, which are vital not only for our operations but also for local communities and natural habitats. Our commitment involves adopting sustainable water management strategies, optimising water use, and ensuring the quality of treated effluent released back into the environment. By partnering with NGOs, government agencies, and community groups, we aim to exchange expertise and collaborate on effective solutions to water-related challenges.

» Natural Resources

Why it Matters?

Our operations depend on raw materials such as crude oil and minerals, a reliance that can contribute to resource depletion. Recognising this, we prioritise managing these resources responsibly to minimise our impact on their availability. At the same time, we remain focused on delivering our products and services without compromising long-term resource sustainability.

Our Approach

We support the nation's economic growth and mobility by delivering energy solutions while prioritising resource sustainability. Our approach includes incorporating renewable biodiesel, integrating solar energy into our operations, adopting chemical-free processes, and using recycled or biobased materials for packaging. By leveraging advanced technologies and sustainable raw materials, we aim to reduce reliance on non-renewable resources. At the same time, we remain focused on maintaining a responsible balance between business growth and long-term sustainability.

Moving Forward

We will continue to enhance operational efficiency by expanding the use of renewable energy, incorporating sustainable raw materials, and leveraging advanced technologies to reduce dependence on non-renewable resources. Through these efforts, we aim to drive long-term sustainability while maintaining business resilience.



SUSTAINABILITY STATEMENT

ENVIRONMENTAL - PROTECTING THE ENVIRONMENT AND NATURE



» Biodiversity

Why it Matters?

Accidental releases of waste, including hazardous spills or leaks, can pose risks to land and water quality, potentially harming local ecosystems and wildlife. Similarly, construction activities, such as facility development or infrastructure projects, alongside certain supply chain processes like crude oil extraction, may disrupt habitats. As such, we remain dedicated to safeguarding biodiversity by minimising our environmental footprint and taking proactive steps to protect natural habitats in the regions where we operate.

Our Approach

Petron remains committed to protecting ecosystems by investing in biodiversity conservation initiatives that focus on areas of high ecological value. These efforts are a core part of our environmental stewardship strategy, ensuring that we actively manage and minimise the impact of our operations on biodiversity.

Moving Forward

Petron continues to protect biodiversity through ongoing conservation and restoration efforts, while working with partners to reduce environmental impacts and enhance natural habitats.

» Sustainable Supply Chain

Why it Matters?

Governments and stakeholders are placing greater emphasis on supply chain accountability in the oil and gas sector, reflecting heightened expectations for responsible operations. As a responsible industry player, we acknowledge that every aspect of our end-to-end supply chain can influence productivity and potentially contribute to negative environmental or social outcomes, such as pollution or human rights violations.

Our Approach

Our approach prioritises sustainable procurement and supply chain management to effectively mitigate risks and leverage opportunities. This includes enforcing strict anti-corruption measures and integrating environmentally responsible practices to ensure compliance and long-term resilience across our supply chain.

Moving Forward

We remain dedicated to minimising environmental and social risks across our supply chain by implementing responsible sourcing practices and continuous monitoring to uphold sustainability standards.



SOCIAL - FOSTERING SOCIETAL WELL-BEING



» Agile, Diverse & Thriving Workforce

Why it Matters?

We recognise that our employees are fundamental to achieving the Company's vision and mission. As part of our commitment to fostering an inclusive and fair workplace, we uphold the principles of diversity, equity, and inclusion (DEI), ensuring all individuals are treated with respect and provided with equal opportunities.

Our Approach

We implement workforce development programmes to equip our employees with the skills needed to adapt to an evolving industry landscape, including the shift towards a low-carbon future. At the same time, we focus on talent retention by maintaining a safe and inclusive work environment that encourages innovation and career advancement while upholding principles of fairness and equal opportunity.

Moving Forward

Our focus remains on cultivating a workforce that is both agile and resilient, ensuring employees are equipped with the necessary skills to navigate an evolving business landscape.



SUSTAINABILITY STATEMENT



SOCIAL - FOSTERING SOCIETAL WELL-BEING

» Safety

Why it Matters?

It is our responsibility to address the inherent health and safety risks associated with our operations and products, which include potential injuries or health issues that could impact employees, contractors, customers and surrounding communities. Our commitment to safety encompasses rigorous risk management practices across all operational activities, as well as throughout our broader supply chain network, to safeguard all stakeholders involved.

Our Approach

We are dedicated to fostering a strong safety culture across all operations, prioritising the well-being of employees, contractors, and communities. Our approach aligns with our Safety, Security, Health, and Environment (SSHE) Policy, embedded within our Standards of Business Conduct. To mitigate health and safety risks, we conduct continuous risk assessments, provide comprehensive training, and enforce strict safety protocols.

Additionally, we leverage innovative technologies and solutions to enhance workplace safety, while actively participating in national occupational safety initiatives to reinforce best practices industry-wide.



Moving Forward

We will continue to cultivate a robust safety culture that extends beyond our workforce and contractors to the communities in which we operate. Safety is a core value, and by consistently implementing rigorous practices, we protect our employees, assets, and the environment, while also contributing to the well-being of society.

» Customer Data Protection

Why it Matters?

Safeguarding customer data is a priority for Petron Malaysia, and we remain committed to upholding stringent standards in data collection, usage, and protection. By implementing best practices, we work to prevent data breaches and ensure privacy rights are respected. Maintaining the confidentiality and integrity of customer information is essential to strengthening trust and reinforcing our commitment to responsible data management.

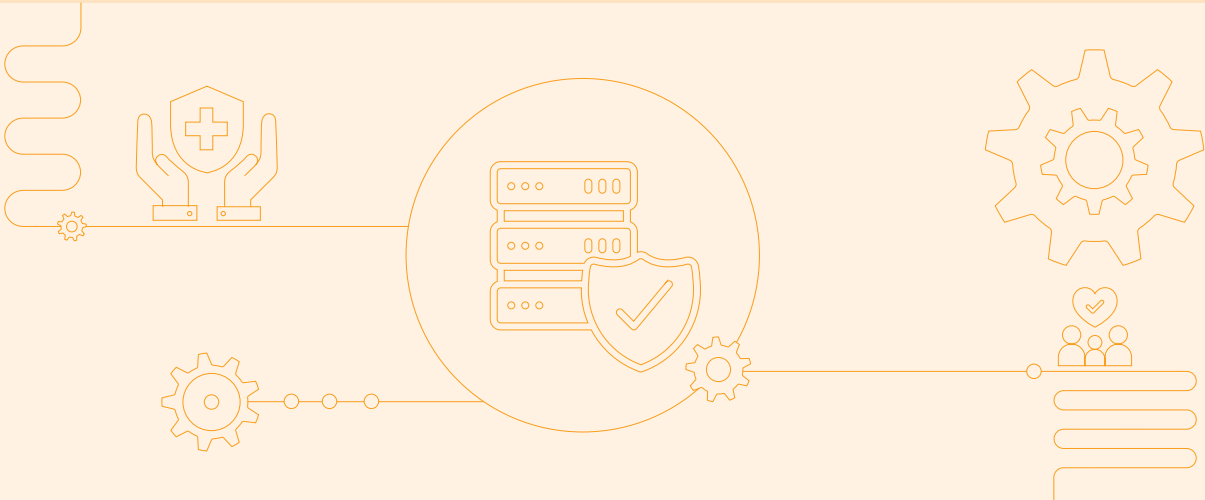
Our Approach

In adherence to the Personal Data Protection Act (PDPA) 2010, we continuously assess and refine our data protection protocols to safeguard customer information. We remain vigilant in monitoring cyber threats, ensuring robust security measures that uphold trust and confidence in our data management practices.



Moving Forward

Looking ahead, we will continuously strengthen our cybersecurity measures, enhance data protection protocols, and maintain strict compliance with relevant regulations. By prioritising data security, we reinforce the trust of our customers, employees, and stakeholders while upholding our responsibility to protect sensitive information.



SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE

As a listed issuer on Bursa Malaysia's Main Market, Petron Malaysia Refining & Marketing Bhd is committed to providing the mandated environmental, social, and governance (ESG) disclosures. These obligations align with the latest recommendations outlined in Bursa Malaysia's Sustainability Reporting Guide (3rd Edition). The following performance data — drawn from the ESG Reporting Platform — captures our targets and progress across the 11 Common Sustainability Matters identified by Bursa Malaysia:



To ensure the accuracy and transparency of our disclosures, key Environmental data indicated in the table below have been internally reviewed by Petron Corporation's Internal Audit.

Additionally, plans are underway to further expand our internal review processes, strengthening the accuracy, comprehensiveness, and reliability of the data presented.

Indicator	Measurement Unit	2022	2023	2024	Target
Bursa (Community/Society)					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	608,315.59	1,153,727	1,870,439	By 2025, increase amount invested in the community by 5% from 2022
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	5,245	7,763	28,534	By 2025, increase number of beneficiaries by 5% from 2022
Bursa (Anti-corruption)					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Management	Percentage	56.00	47.00	11.90	By 2025, increase number of employees trained on Standards of Business Conduct to 100%
Non-Management	Percentage	22.00	64.00	11.00	
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	0.00	0.00	By 2025, 100% of operations assessed for corruption-related risks
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2022	2023	2024	Target
Bursa (Energy management)					
Bursa C4(a) Total energy consumption	Megawatt	984,406.00	980,753.00	819,914.00	
Bursa (Emissions management)					
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	181,916.00	190,607.00	164,627.00	By 2025, reduce GHG emissions intensity by 4% from 2022 (Scope 1 & 2)
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	74,370.00	70,971.00	59,092.00	
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	1,083.00	
Bursa (Waste management)					
Bursa C10(a) Total waste generated	Metric tonnes	3,048.00	449.00*	972.00	
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	2,916.00	400.00*	600.00	
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	132.00	49.00*	372.00	By 2025, reduce intensity of hazardous waste sent to disposal by 2% from 2022
Bursa (Water)					
Bursa C9(a) Total volume of water used	Megalitres	234.00*	150.00*	120.00	By 2025, reduce water consumption intensity by 2% from 2022
Bursa (Supply chain management)					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	46.00	69.00*	63.00*	
Bursa (Labour practices and standards)					
Bursa C6(a) Total hours of training by employee category					
Management	Hours	11,757	16,694	17,860	By 2025, increase average training hours by employee category 32 hours (Management) 15 hours (Non-Management)
Non-Management	Hours	3,726	2,338	3,365	
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	19.00	4.00	3.00	
Bursa C6(c) Total number of employee turnover by employee category					
Management	Number	53*	50*	31	
Non-Management	Number	12*	15*	10	
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2022	2023	2024	Target
Bursa (Diversity)					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Management Under 30	Percentage	18.00	17.00	17.00	
Management Between 30-50	Percentage	70.00	73.00	75.00	
Management Above 50	Percentage	12.00	11.00	12.00	
Non-Management Under 30	Percentage	24.00	25.00	27.00	
Non-Management Between 30-50	Percentage	61.00	62.00	63.00	
Non-Management Above 50	Percentage	15.00	13.00	9.00	
Gender Group by Employee Category					
Management Male	Percentage	57.00	57.00	59.00	
Management Female	Percentage	43.00	43.00	44.00	
Non-Management Male	Percentage	96.00	94.00	92.00	
Non-Management Female	Percentage	4.00	6.00	7.00	
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	67.00	56.00	67.00	
Female	Percentage	33.00	44.00	33.00	
Under 30	Percentage	0.00	0.00	0.00	
Between 30-50	Percentage	0.00	11.00	11.00	
Above 50	Percentage	100.00	89.00	89.00	
Bursa (Health and safety)					
Bursa C5(a) Number of work-related fatalities	Number	0	0	0	By 2025, zero work-related fatalities
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	0	By 2025, zero Lost Time Injury Rate
Bursa C5(c) Number of employees trained on health and safety standards	Number	281	369	485	By 2025, 100% of employees (in Operations) attend mandatory training on health & safety
Bursa (Data privacy and security)					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	
<div>Internal assurance</div> <div>External assurance</div> <div>No assurance</div> <div>(*) Restated</div>					

CORPORATE INFORMATION

PETRON MALAYSIA REFINING & MARKETING BHD
Registration No. 196001000260 (3927-V)

DIRECTORS		
Mr. Ramon S. Ang <i>Chairman, Executive Director</i>	Mr. Antonio M. Cailao <i>Independent Director</i>	Mr. Lubin B. Nepomuceno <i>Chief Executive Officer, Executive Director</i>
Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff <i>Independent Director</i>	Y. Bhg. Dato’ Noorizah Binti Hj Abd Hamid <i>Independent Director</i>	Ms. Aurora T. Calderon <i>Executive Director</i>
Mr. Fong Seow Kee <i>Independent Director</i>	Y. Bhg. Datuk Prakash Chandran Madhu Sudanan <i>Independent Director (appointed with effect from 25 July 2024)</i>	Ms. Jacqueline L. Ang <i>Executive Director</i>

COMPANY SECRETARY Mr. Manoj Devadasan SSM PC No. 202008001784 LS 0006885	SHARE REGISTRAR Tricor Investor & Issuing House Services Sdn. Bhd. (11324-H) Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia Tel : +603-2783 9299 Fax : +603-2783 9222 Email : is.enquiry@vistra.com
ASSISTANT COMPANY SECRETARY Datin Shahidah Binti Aris SSM PC No. 202008001658 ACIS 7070727	Customer Service Centre Unit G-3, Ground Floor, Vertical Podium Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia
AUDITORS PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) Chartered Accountants Kuala Lumpur	REGISTERED OFFICE Office of the Secretary Petron Malaysia Refining & Marketing Bhd Level 12A, Menara I&P 1 No. 46, Jalan Dungun, Damansara Heights 50490 Kuala Lumpur, Malaysia Tel : +603-2082 8400 Fax : +603-2082 8578 Website : www.petron.com.my
SOLICITORS Messrs Raja, Darryl & Loh, Kuala Lumpur Messrs Shamsul Sulaiman, Putrajaya Messrs Rajasekaran, Kuala Lumpur	
STOCK EXCHANGE LISTING Main Board of Bursa Malaysia Securities Berhad Stock Code: 3042 (Syariah-compliant Securities)	

PROFILE OF BOARD OF DIRECTORS



Age **71**

Gender **M**

Nationality 

MR. RAMON S. ANG
Chairman, Executive Director

1

Mr. Ramon S. Ang was appointed as a Director of Petron Malaysia on 30 March 2012 and then as Chairman/Chief Executive Officer on 2 April 2012. On 20 November 2013, Mr. Ang relinquished the position of Chief Executive Officer in adherence to the Malaysian Code on Corporate Governance 2012. He has served as the Chief Executive Officer and Executive Director of Petron Corporation in the Philippines since 8 January 2009 and as the President of Petron Corporation since 10 February 2015. Mr. Ang is also the Chairman of several of Petron Corporation’s subsidiaries, including its Malaysian subsidiaries, Petron Fuel International Sdn. Bhd. and Petron Oil (M) Sdn. Bhd., while he is a Director of Petron Oil & Gas International Sdn. Bhd. Additionally, he is the Chairman and Chief Executive Officer of Petron Corporation’s parent company, San Miguel Corporation, and serves on the Boards of several of its subsidiaries including as Chairman of San Miguel Food and Beverage, Inc., and Chairman & CEO, President, and COO of San Miguel Global Power Holdings Corp. Mr. Ang holds a Bachelor of Science degree in Mechanical Engineering from the Far Eastern University, Philippines. He also holds a doctoral degree in Business Engineering (Honoris Causa, 2018) from the Far Eastern University, and a Ph.D. in Humanities (Honoris Causa, 1 October 2006) from the National University (Philippines).

PROFILE OF BOARD OF DIRECTORS

Legend: **A&R** Audit & Risk Management Committee **N** Nominating Committee **S** Sustainability Committee **Chairman**

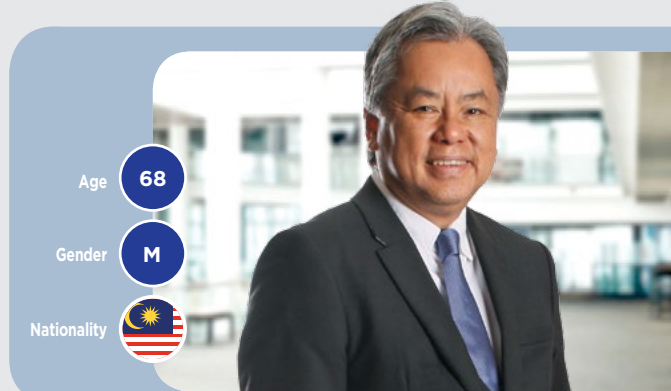


Y. BHG. DATUK NIK MOHD HASYUDEEN BIN YUSOFF

Independent Director

A&R **N** **S** **2**

Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff was appointed to the Board as an Independent Director on 1 February 2022. On 15 January 2025, he was appointed as a board member of the Securities Commission Malaysia. Datuk Nik Mohd Hasyudeen is also presently a member and trustee of the board of Program Pertukaran Fellowship Perdana Menteri Malaysia, a Non-Independent and Non-Executive Director of Bank Islam Malaysia Berhad, and a board member of Lembaga Tabung Haji, USAS Berhad, and the Malaysia Professional Accountancy Centre. His extensive corporate experience includes roles as Group Managing Director and CEO of Lembaga Tabung Haji, Independent Non-Executive Chairman of Cagamas Holdings Berhad, and Independent Non-Executive Chairman of BMB Investment Management Berhad. He also served as a Public Interest Director at the Federation of Investment Managers Malaysia, a board member of Universiti Utara Malaysia, and a member of the Corporate Debt Restructuring Committee of Bank Negara Malaysia. His tenure as the Executive Director in charge of Market and Corporate Supervision at the Securities Commission Malaysia, Executive Chairman of the Audit Oversight Board, member of the Bursa Malaysia Listing Committee, and member of the Operational Review Panel of the Malaysian Anti-Corruption Commission, all reflect his regulatory experience. In the accounting profession, Datuk Nik Mohd Hasyudeen has held key leadership roles, including that of President of the Malaysian Institute of Accountants, Vice-President of the ASEAN Federation of Accountants, and member of the Executive and Strategy Committees of the Confederation of Asian and Pacific Accountants. He graduated with a Degree in Accountancy from Curtin University of Technology, Australia and is a Fellow of CPA Australia.



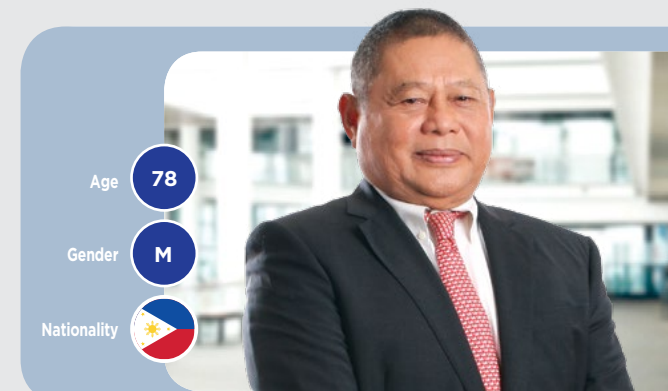
MR. FONG SEOW KEE

Independent Director

A&R **N** **S** **3**

Mr. Fong Seow Kee was appointed as a Director of the Company on 18 August 2016. With a career spanning more than 40 years in the finance and investment industry, he worked in investment banking in Malaysia, Hong Kong and Singapore before joining a venture capital group in Singapore where he was responsible for technology investments. In 2000, Mr. Fong co-founded an investment management and advisory firm and managed a technology-focused venture capital fund owned by the Ministry of Finance, Malaysia. He has been actively involved in the development of Malaysia's Capital Markets Industry, serving as a member of several regulatory industry working groups. He was previously the Chairman of the Malaysian Venture Capital & Private Equity Association and played a key role in establishing the Fintech Association of Malaysia as its founder President and is currently an Advisor. In 2017, he was invited to be a member of the Advisory Committee on Technology for Finance established by Bank Negara Malaysia. Since 2018, he has been an adjunct faculty member coordinating the fintech segment in the Financial Institutions Directors' Education programme (FIDE) under the ICLIF Leadership and Governance Centre at the Asia School of Business. Throughout his career, Mr. Fong has held several senior board positions, and is currently the Chairman of Bond Pricing Agency Malaysia Sdn. Bhd., Independent Non-Executive Director of RAM Rating Services Bhd, and Non-Independent Non-Executive Director of Generali Life Insurance Malaysia Bhd. Mr. Fong graduated with a B.A. (Hons) in Economics and Social Studies from the University of Manchester, England. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.

PROFILE OF BOARD OF DIRECTORS

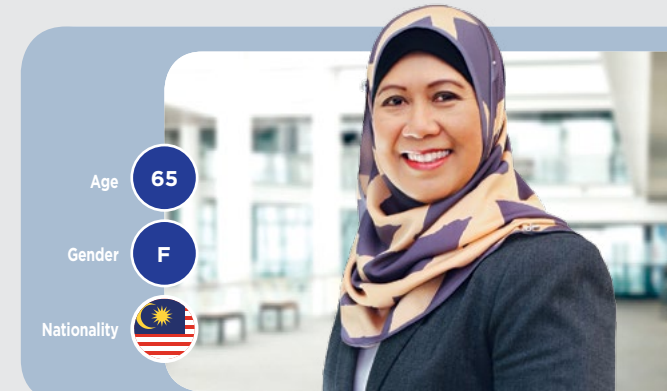


MR. ANTONIO M. CAILAO

Independent Director

A&R **N** **S** **4**

Mr. Antonio M. Cailao was appointed to the Board on 23 November 2017. He is currently a Faculty Lecturer at the Institute of Corporate Directors (Philippines) and an Accredited Speaker recognised by the Security and Exchange Commission Philippines. Mr. Cailao began his career at Citibank in 1973 through its Executive Trainee Development programme and went on to serve Citibank in various capacities and positions of increasing responsibility. He served with Citibank in Manila, Hong Kong, Korea, Venezuela, Vietnam (where he established Citibank's presence) and Singapore. His last position with Citibank (from 1997-2001) was as its Asia Regional Head (Pan Asian Corporations) based in Singapore and Hong Kong. From 2001 to 2013, Mr. Cailao was Managing Director of Asian Region and Head (e-banking and Commercial Banking) for Fleet Bank of Boston in Singapore. From 2003-2005, he served as the Senior Executive Vice-President/Chief Operating Officer of United Coconut Planters Bank (Philippines) where he initiated and led its financial rehabilitation. From 2007 to 2016, Mr. Cailao was the President and CEO of the Philippine National Oil Company, during which time the government utilised his financial competence in the two biggest landmark privatisation exercises. Mr. Cailao holds a Bachelor of Business Administration (1968) and an MBA (1973) from the University of the Philippines. He has also completed the Executive Development Programme from Columbia University, New York, USA (1989) and the Professional Directors Programme - Certified Independent Directors by the Institute of Corporate Directors (2007).



Y. BHG. DATO' NOORIZAH BINTI HJ ABD HAMID

Independent Director

A&R **N** **S** **5**

Y. Bhg. Dato' Noorizah Binti Hj Abd Hamid was appointed to the Board as an Independent Director on 27 February 2020. She previously served as Non-Executive Chairperson and Managing Director/Chief Executive Officer of PLUS Expressways International Berhad, as well as Managing Director of PLUS Malaysia Berhad and PLUS Expressways Berhad. Currently, she sits on the Board of Directors of Scientex Berhad and Land & General Berhad. She is also a Non-Executive Director of Mass Rapid Transit Corporation Sdn. Bhd. (a wholly owned subsidiary of Minister of Finance Incorporated Malaysia) and its subsidiary Malaysia Rapid Transit System Sdn. Bhd., as well as PNB Merdeka Venture Sdn. Bhd. Dato' Noorizah Binti Hj Abd Hamid graduated with a Diploma in Accountancy from MARA Institute of Technology in 1980, as well as a Bachelor of Science Degree in Business Administration (Finance) and a Master of Business Administration (Finance and Management) from Central Michigan University, USA in 1982 and 1984 respectively.

PROFILE OF BOARD OF DIRECTORS



Y. BHG. DATUK PRAKASH CHANDRAN MADHU SUDANAN
Independent Director

A&R N S 6

Y. Bhg. Datuk Prakash Chandran was appointed to the Board on 25 July 2024. He is currently an Independent Non-Executive Director of Malakoff Corporation Berhad. He began his career as a Project Engineer at Crompton Greaves Ltd, India in 1986, before joining ABB Industrial & Building Systems Sdn. Bhd. in Malaysia as General Manager, holding various roles from 1990 to 1996. Datuk Prakash Chandran then joined Siemens Malaysia Sdn. Bhd. (Siemens Malaysia) in 1996 as Senior Vice President, Power Transmission & Distribution (PTD) and held various positions within the PTD business until 2008. He also served as the Executive Vice President and Head of Siemens Energy Sector, ASEAN from August 2008 to July 2011. In 2009, he became the first Asian to be appointed President & CEO of Siemens Malaysia, a position he held until January 2018. Datuk Prakash Chandran then assumed the position of President Director & CEO of PT. Siemens Indonesia from October 2017 to September 2021. He was also a director of Siemens Limited Thailand from 2009 to 2012 and a member of the Board of Commissioners of PT. Java Power Indonesia and PT. Siemens Mobility Indonesia during his tenure in Indonesia. Datuk Prakash Chandran received the Malaysian Leadership Excellence Award from the Malaysian Institute of Management (MIM) in 2016, the Brand Laureate Brand ICON Leadership Award as 'Transformational Corporate Leader' in 2014, and the 'Life at Work' Organisational Award from Talent Corporation Malaysia in 2014. Datuk Prakash Chandran holds a Bachelor of Technology in Electrical Engineering from the University of Kerala, India (1985) and is certified as a Professional Electrical Engineer in Australia by ENGINEERS Australia. In 2017, he was admitted into the Court of Emeritus Fellows of the MIM.



MR. LUBIN B. NEPOMUCENO
Chief Executive Officer,
Executive Director

A&R N S 7

Mr. Lubin B. Nepomuceno was appointed to the Board of the Company on 30 March 2012. On 20 November 2013, he was also appointed as Chief Executive Officer following the separation of the offices of the Chairman and Chief Executive Officer in line with the recommendations of the Malaysian Code on Corporate Governance 2012. Effective 10 February 2015, Mr. Nepomuceno was appointed as General Manager of Petron Corporation. He also serves as Director and Chief Executive Officer of several of Petron Corporation's subsidiaries, including its Malaysian subsidiaries, Petron Fuel International Sdn. Bhd. and Petron Oil (M) Sdn. Bhd., while he is a Director of Petron Oil & Gas International Sdn. Bhd. Mr. Nepomuceno holds a Bachelor of Science degree in Chemical Engineering and a master's degree in Business Administration from the De La Salle University. He has also attended the Advanced Management Program at the University of Hawaii, University of Pennsylvania and Japan's Sakura Bank Business Management.

PROFILE OF BOARD OF DIRECTORS



MS. AURORA T. CALDERON
Executive Director

A&R N S 8

Ms. Aurora T. Calderon was appointed to the Board of the Company on 30 March 2012. She has served as a Director of Petron Corporation since 13 August 2010 and sits on the Boards of several Petron Corporation subsidiaries, including Petron Oil & Gas International Sdn. Bhd. She also serves as Senior Vice President and Senior Executive Assistant to the Chairman and Chief Operating Officer of San Miguel Corporation and sits on the Board of San Miguel Corporation and several of its subsidiaries, including San Miguel Global Power Holdings Corp. Effective 24 February 2025, Ms. Calderon was appointed a Non-Executive Director of San Miguel Brewery Hong Kong Limited, a company listed on the Hong Kong Stock Exchange. She has previously served as a Director of Manila Electric Company-MERALCO (January-May 2009), Senior Vice President of Guoco Holdings (1994-1998), Chief Financial Officer and Assistant to the President of PICOP Resources (1990-1998), and Assistant to the President and Strategic Planning at the Elizalde Group (1981-1989). A certified public accountant, Ms. Calderon graduated magna cum laude from the University of the East in 1973 with a degree in Business Administration, major in Accounting. She earned her master's degree in Business Administration from the Ateneo de Manila University in 1980. She is a member of the Financial Executives Institute of the Philippines or FINEX's Capital Market Development Committee, Director of the Market Governance Board of the Philippine Dealing System Holdings, and a member of the Philippines Institute of Certified Public Accountants.



MS. JACQUELINE L. ANG
Executive Director


A&R N S 9

Ms. Jacqueline L. Ang was appointed to the Board on 2 August 2023. She has served as Assistant Vice President for Procurement of Petron Corporation since 1 March 2018, and was promoted to Vice President for Procurement on 21 May 2024. Prior to this, she worked in the Procurement Division of Petron Corporation in 2015 and held roles at San Miguel Corporation, the ultimate holding company of Petron Malaysia, in Mergers and Acquisitions (2010-2014) and Corporate Finance (2009). Ms. Ang holds a Bachelor of Arts in Economics from the Ateneo De Manila University, Philippines. She is the daughter of Mr. Ramon S. Ang, the Executive Director and Chairman of Petron Malaysia.

PROFILE OF MANAGEMENT COMMITTEE

74

M



1

MR. LUBIN B. NEPOMUCENO

Chief Executive Officer and Executive Director/Chairman of the Management Committee

Qualifications:

- B.Sc. (Chemical Engineering), De La Salle University.
- M.B.A. (Hons.), De La Salle University.

Working Experience:

- Mr. Lubin B. Nepomuceno was appointed as the Chairman of the Management Committee and has held the position since the 2012 takeover of ExxonMobil's downstream businesses in Malaysia by Petron Corporation.
- He is an Executive Director on the Board of Directors of the Company.

57

M



2

EN. MOHD NIZAM MANSOR

General Manager

Qualifications:


- B.Sc. (Hons.) (Actuarial Science), University of Kent at Canterbury, United Kingdom.

Working Experience:

- En. Mohd Nizam Mansor was appointed the General Manager of Petron Malaysia effective 1 January 2025. He has also served as an Executive Director of Petron Fuel International Sdn. Bhd. and Petron Oil (M) Sdn. Bhd., since 10 January 2025.
- Prior to this role, he was Head of Supply & Distribution at Petron Malaysia (effective 1 January 2022) and was later appointed Deputy General Manager on 1 June 2024, until he assumed his current position.
- He has held various other roles, including that of Refinery Coordination & Business Support Manager, member of the Global Marine Transportation Optimisation Group, and Planning Associate.

42

M



3

MR. MARK TRISTAN D. CAPARAS

Chief Finance Officer

Qualifications:

- B.Sc. in Business Administration & Accountancy (Magna Cum Laude), University of the Philippines.
- Master of Business Administration (Hons.), Ateneo Graduate School of Business.
- Certified Public Accountant, 17th place in 2004 CPA Licensure Examination (Philippines).


Working Experience:

- Mr. Mark Tristan D. Caparas has served as the Chief Finance Officer ("CFO") of Petron Malaysia since July 2019.
- He is also the CFO of the other subsidiaries of Petron Corporation in Malaysia.
- He was the Assistant Controller of Petron Corporation from November 2015 to June 2019.
- Mr. Caparas has been with Petron Corporation since 2006 when he joined the Controllers Division as a Credit Analyst. Over time, he was appointed to various positions of increasing responsibility within Controllers, including the areas of Finance, Treasury and Compliance.

PROFILE OF MANAGEMENT COMMITTEE

61

M



4

MR. MANOJ DEVADASAN

General Counsel/Company Secretary/Compliance Officer/Advisor to Human Resource

Qualifications:


- B. Soc. Sc. (Hons.) (Law/Politics), University of Keele, United Kingdom.
- Barrister-at-Law (Lincoln's Inn, United Kingdom).
- Master in Law (LL.M), University of Malaya, Malaysia.
- Licensed Company Secretary.
- Advanced Certification in Anti-Money Laundering and Counter Financing of Terrorism.

Working Experience:

- Mr. Manoj Devadasan has held the position of General Counsel/Company Secretary of Petron Malaysia since 2012.
- He also serves as the General Counsel/Company Secretary of the other subsidiaries of Petron Corporation in Malaysia. He was appointed as Compliance Officer effective 2021.
- He has also served as the Company Secretary of the ExxonMobil subsidiaries in Malaysia (including the then Esso Malaysia Berhad) from 2006.

59

M



5

Y. BHG. DATO' RAJA SALLEHUDIN RAJA LOPE AHMAD

Head of Refinery

Qualifications:

- B. Eng (Hons.), (Chemical Engineering), University of Monash, Australia.
- Master of Business Administration, University of Malaya, Malaysia.

Working Experience:

- Dato' Raja Sallehudin Raja Lope Ahmad was appointed the Head of Port Dickson Refinery on 1 November 2021.
- Prior to this role, he was the Technical/Deputy Refinery Manager at the Port Dickson Refinery.
- Over the years, he has held various positions, including that of Process Manager, Mechanical & Construction Manager, Distribution & Pipeline Manager, and Malaysia Terminals Country Manager.

53

F



6

PN. SHALIZA MOHD. SIDEK

Head of Retail Business

Qualifications:

- Bachelor of Laws, Nottingham Trent University, United Kingdom.

Working Experience:

- Pn. Shaliza Mohd. Sidek was appointed as the Head of Retail Business effective 1 September 2022.
- Prior to this role, she was the Retail Sales Manager.
- She has held various roles within Retail Business and Retail Network Expansion.

PROFILE OF MANAGEMENT COMMITTEE

51M

EN. MOHD ASRI BIN IBRAHIM

Head of Commercial Business

Qualifications:

- Bachelor of Business in Economics & Finance, University of Hartford, USA.
- Master of Business Administration, Universiti Utara Malaysia.

Working Experience:

- En. Mohd Asri Ibrahim was appointed as the Head of Commercial Business, effective 1 September 2022.
- Prior to this role, he was the Commercial Fuels Manager.
- He has held various roles within Industrial & Wholesale and Commercial Business.

43M

MR. PAUL TEH OU YANG


Head of Supply

Qualifications:

- Bachelor of Engineering (Hons) in Civil Engineering, Universiti Sains Malaysia.
- Master of Science in Economics, University of Essex, United Kingdom.

Working Experience:

- Mr. Paul Teh Ou Yang was appointed as the Head of Supply effective 1 January 2025.
- Before this, he was the Supply Manager of Petron Malaysia.
- He has held various roles of increasing responsibility within Commercial Business, Retail Business and Supply Department.

59M

MR. GEORGE ZACHARIAH

Head of Distribution & Terminal Operations

Qualifications:

- Bachelor of Engineering (Hons.) in Civil Engineering, Universiti Teknologi Malaysia.
- Master of Business Administration, University of Hull, United Kingdom.

Working Experience:

- Mr. George Zachariah was appointed as the Head of Distribution & Terminal Operations effective 1 January 2025.
- Prior to this, he was the Distribution & Terminal Operations Manager of Petron Malaysia.
- He has held various roles of increasing responsibility, including Terminal Manager, Asia-Pacific Training Manager, Supply Logistics Manager, Supply Trading Manager and Terminal Operations Manager.

None of the Management Committee members have any family relationship with any Director and/or major shareholder of Petron Malaysia Refining & Marketing Bhd. They also do not have any conflicts of interest or potential conflicts of interest, including interests in any competing business with Petron Malaysia Refining & Marketing Bhd. Furthermore, none have been convicted of any offences within the past five (5) years, nor have they been subjected to any penalties by the relevant regulatory bodies during the financial year 2024.

The disclosure of the particulars of the above Management Committee members of Petron Malaysia Refining & Marketing Bhd is made in compliance with the requirements under Appendix 9C of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This is a Corporate Governance Overview Statement relating to Petron Malaysia Refining & Marketing Bhd (“PMRMB” or “the Company”). The full report on the compliance status of the Company’s adherence to the Malaysian Code on Corporate Governance 2021 (“CG Code 2021”), as submitted to Bursa Malaysia Securities Berhad (“Bursa Malaysia”) in accordance with the Main Market Listing Requirements (“MLLR”), can be accessed at www.petron.com.my.

This Corporate Governance Overview Statement will highlight the following:



Part A BOARD LEADERSHIP AND ITS EFFECTIVENESS

General

As at 31 December 2024, the Board had nine (9) members, with five (5) Independent Directors and four (4) Executive Directors (including the Chairman). This composition ensures a majority of Independent Directors on the Board.

Independent Directors on the Board

The Company recognises the value of having a majority of Independent Directors on the Board as their diverse qualifications, experiences, skills and ability to provide a ‘cold-eye’ critical review of Management’s proposals and presentations, will help the overall management of the Company and allow the Company’s strong governance process to continue improving. As at the end of 2024, the Board comprised a majority of Independent Directors as well as met the minimum requirement for thirty per cent (30%) women Directors on the Board, thus meeting the recommendations of the CG Code 2021 in regard to Board composition.

Independent Director, Ms. Chua See Hua, who had exceeded a tenure of twelve (12) years on the Board at the date of the 2024 Annual General Meeting (“AGM”), retired from the Board at the conclusion of the said AGM. On 25 July 2024, Y. Bhg. Datuk Prakash Chandran Madhu Sudanan was appointed as an Independent Non-Executive Director and a member of the Board Audit & Risk Management Committee.

“EACH INDEPENDENT DIRECTOR BRINGS INVALUABLE JUDGMENT AND SKILLS TO BEAR ON ISSUES OF STRATEGY, PERFORMANCE, RESOURCE ALLOCATION, RISK MANAGEMENT AND STANDARDS OF CONDUCT.”

The Nominating Committee, based on its annual evaluation of the Board, individual directors and Board Committee, considers the possible re-election of Directors who will be retiring, but being eligible, will seek re-election at the AGM. A comprehensive survey carried out as part of the evaluation and ratings assists the Nominating Committee in considering if the Committee should endorse a re-election and make a recommendation to the Board to support such a re-election. The Committee also considers factors such as recent other directorships or other interests of the said Directors attained or gained in the past year that may place too heavy a burden on a Director to discharge his or her duty towards the Company. The issue of any conflict of interest is also assessed.

The tenure of Independent Directors is limited in the Board Charter and is in line with the limitations on the tenure of Independent Directors as recommended by the CG Code 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board Charter

The Company has a Board Charter that has been in place since 1974 and is periodically updated. In 2016, to communicate the Company’s approach to important governance practices, the Company formalised its Board Charter and made it public by providing access to it on the Company’s website. The most recent update to the Board Charter was on 26 August 2021 to incorporate CG Code 2021 recommendations in relation to the tenure of Independent Directors. In 2018, the Board Charter was revised to meet the requirements of the CG Code 2017.

The Board Charter deals with the purpose, authority, role of the Board, the Board Committees, the relationship between the Board and Management, the responsibilities specifically reserved for the Board, and the Board’s other responsibilities. It also covers the Board’s composition, the individual roles of the Chairman and the Chief Executive Officer, the annual assessment of the Board, Board Committees and individual Directors, the tenure of Independent Directors, the annual election/re-election of Directors, Directors’ responsibilities in relation to the Board and Board Committees, meetings of the Board, minutes, and the review of the Board Charter. Whilst the Board has not appointed a Senior Independent Director, relevant provisions were incorporated into the Board Charter as part of the 2018 review.

Recognising that the Board cannot manage day-to-day operational matters, the necessary delegation of authority by the Board (as is permitted by law and the constitution of the Company) is in place. Such delegation of authority, as adopted by the Board, acts to identify the roles and responsibilities of the Management Committee and individual Management personnel, as well as the relevant levels of authority that have been delegated by the Board. The Board Charter and the Management Committee Charter are reviewed periodically by the Board and updated as necessary.

The Management Committee Charter was last reviewed in 2018. An internal review in 2021 concluded that there was no need for any amendments to the Management Committee Charter for the time being. Another review will be conducted in 2025 to determine if any amendments are necessary. Changes to the delegation of authority to individual Management personnel are reviewed at quarterly meetings by the Board Audit & Risk Management Committee and approved by the Board.

The Board’s Management of the Company

The Board forms the mind and management of the Company and leads the Company. To ensure that it is able to fulfil its obligations to the Company and to ensure proper management of the Company, the Board

meets at least five (5) times a year, with additional matters resolved by way of circular resolutions as and when required. Special meetings of the Board may be called as and when necessary. Each Independent Director brings invaluable judgment and skills to bear on issues of strategy, performance, resource allocation, risk management and standards of conduct. Balance in the Board is achieved and maintained through the composition of Executive, Non-Executive and Independent Directors.

Recognising that the Independent Directors have a primary role in providing unbiased and independent views, the Company has selectively appointed highly qualified individuals of integrity and character, broad experience, and proven business and management expertise. Mr. Fong is the most senior Independent Director and shareholders are at liberty to approach him, or any of the other Independent Directors, to seek clarification should they have any queries or concerns relating to the Company and its Management. This would be in addition to the ability of the shareholders and other stakeholders to contact the Executive Directors or Senior Management directly.

By engaging the Independent Directors, the Management is able to elicit their views and benefit from the Independent Directors’ vast experience and expertise in various fields of business, including the downstream oil and gas business. The engagement with Independent Directors also enables the Company to manage Minority Shareholders’ expectations that their rights continue to be protected.

The strategic plans of the Company and the annual operating plans to grow the business, including the key factors taken into consideration in the determination of the plans, are considered and approved by the Board. Approval by the Board is also obtained for the Company’s budget. The progress of the approved plans and budget are reviewed mid-year (following an internal mid-year review at the Senior Management level), with adjustments made where deemed necessary. Adherence to the budget is also monitored in conjunction with the periodic review of the financials. The key to the strategic plans of the Company is long-term sustainability. The success of the Company (and indeed its rate of expansion in the downstream oil and gas business in Malaysia) since Petron acquired the business in 2012 is reflected by:

- » The Company’s rapid growth in the highly competitive Malaysian market whereby it is today recognised as a major downstream oil and gas company. (In 2024, Petron Malaysia Group opened its 800th service station);

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- » The successful establishment of the Petron brand in the Malaysian market, leading to the Company winning multiple national awards;
- » The introduction of innovative products such as the RON 100 gasoline (the highest octane-rated gasoline in Malaysia) and the high-end Turbo Diesel Euro 5 fuel;
- » The commissioning of the Diesel Hydrotreater (“DHT”) and Marine Import Facility 2 (“MIF2”) projects. The DHT enables Euro 5 quality fuels to be produced by the refinery, thereby reducing reliance on imports and at the same time, meeting stricter environmental requirements and regulations. The MIF2, with a 7 km sub-sea pipeline and single buoy mooring system, enables the berthing of larger vessels, thus reducing supply costs. At the same time, the Company’s carbon footprint is reduced as a smaller number of vessels are used. The MIF2 also reduces demurrage costs due to vessel berthing congestion;
- » The strong financial position of the Company; and
- » The Company’s consistent market capitalisation and healthy dividend payouts that benefit the shareholders of the Company via healthy investment yields.

All this was done whilst maintaining an impeccable safety record with the Company’s terminals having operated for over twenty-five (25) years without any lost time injury (“LTI”). In 2024, we achieved a significant milestone of 37.82 million injury-free man-hours, equivalent to 27.82 years without Loss Time Injury, demonstrating our unwavering commitment to operational excellence and a safe working environment for our employees.

Sustainability

 Please refer to the Sustainability Statement on pages 36 to 45 and the Sustainability Report 2024.

Management continues to adopt a structured approach in terms of data compilation to ensure systematic reporting. The Company publishes a comprehensive and transparent standalone Sustainability Report as part of its sustainability reporting efforts. In 2024, in line with the enhanced Bursa Malaysia Sustainability Reporting Guide, the Company once again published a performance data table in full compliance with the mandatory ESG disclosures on the Bursa Malaysia ESG Reporting Platform.

The Manager of the Corporate Affairs Department is the person identified to manage day-to-day sustainability-related matters. This includes, among other things, the implementation of sustainability strategies and the provision of advice on integrating sustainability strategies and plans in the Company’s operations.

In line with the CG Code 2021, a Board Sustainability Committee was established to focus on the role of the Board and Senior Management in addressing the Company’s sustainability risks and opportunities. The Sustainability Committee comprises two (2) Independent Directors and two (2) Executive Directors. The Sustainability Committee is supported by a Sustainability Council headed by the General Manager and comprising Senior Management personnel. A Technical Working Group represented by personnel from the relevant Departments provides feedback to the Sustainability Council.

The Company’s Vision and Mission Statement (first drafted in 2012) was updated in 2025 to align with the Vision and Mission Statement of the parent company and to incorporate sustainability elements. Moreover, to drive growth, the Company issued its Value Handbook in 2016. Titled ‘ExCITES’, it incorporates key values that will ensure the Company’s success and long-term sustainability. Petron’s ExCITES stresses six (6) key values namely:



While the ExCITES project was driven by Management, it was the employees who formed, planned and executed the project as part of a cross-functional departmental effort. This move has empowered employees and is ensuring that they take ownership of and are helping drive the ExCITES values. The ExCITES programme has since been refreshed with the infusion of an additional emphasis on ‘teamwork’ to strengthen camaraderie in the workforce to enable the Company to achieve its long-term goals and ambitions. As the Company moves towards embracing the new post-pandemic norms and its forward-looking plans, the ExCITES values will again be brought to the fore to ensure that the Company maintains a focus on continued and sustainable success.

The Board recognises that the business of the Company is one that has a moderate to high level of risk in terms of business, financial, economic outlook, environmental,

CORPORATE GOVERNANCE OVERVIEW STATEMENT

safety and community/social risks. These risks are at all times kept in mind when planning and executing any venture that is to be undertaken by the Company. The Board nevertheless acknowledges that it is there to manage a business and that risks (as in all businesses) are an inherent part of the business.

The Board recognises that identifying and adopting solutions to manage those risks is imperative in business and that finding a successful balance between managing risks and promoting the business objectives of the Company is a necessary consideration for its sustainability. The matters pertaining to risk management can be further viewed under the Statement of Risk Management and Internal Controls on pages 74 to 77, as well as the Board Audit & Risk Management Committee Report on pages 78 to 82. An overview of the Company’s risk management is also stated below in Part B of this Corporate Governance Overview Statement.

The Chairman of the Board

The Chairman of the Board, Mr. Ramon S. Ang, was appointed by the Board on 2 April 2012 upon Petron Corporation’s takeover of the Company on 31 March 2012, a takeover that he was instrumental in driving.

Mr. Ang is the Chairman and Chief Executive Officer of the ultimate holding company, San Miguel Corporation, and is also the President and Chief Executive Officer of the parent company, Petron Corporation. With his senior executive positions at the Group level, he has provided, and continues to provide, the vision and executive leadership that, since the takeover, have led the Company to its present success as a major downstream oil and gas company in Malaysia.

Mr. Ang continues to be the driving force behind Petron’s plans to further strengthen its market position in Malaysia. In his capacity as Chairman of the Board, Mr. Ang reviews and approves the Agenda for every Board meeting. Similarly, all Board papers and Board resolutions (including those completed via circulars) are reviewed and approved so that the papers and resolutions meet the needs of the Board in relation to information necessary for the Board to make a decision. With the assistance of the Company Secretary, the Chairman ensures that the relevant Board papers are disseminated to the Directors in advance of the Board meetings to enable the Directors to read, understand, evaluate and raise issues for discussion or clarification before a determination is made by the Board.

As a general rule, the Board papers are disseminated at least five (5) days before a meeting. The Chairman chairs meetings of the Board and leads the Board at the

AGM. The Chairman seeks input from members of the Board and encourages members of the Board to express their views, even where the views may be divergent to the proposal moved by Management with the support of the Executive Directors.

The Chairman strongly believes in unanimous decisions by the Board as Directors take collective responsibility for decisions. As a general practice, where there are divergent views, the matter will be referred by the Chairman to the Management for further review (to take into consideration views expressed by Board members) and for the Board to make a determination at a later date. As a further measure to encourage active discussions in a candid manner (without the presence of the Chairman at such discussions), as a general practice, matters that are referred to the Board (be it for approval or notation) are first reviewed by either the Board Audit & Risk Management Committee (or where within its purview, the Nominating Committee or the Sustainability Committee). Discussions and views expressed at these meetings are then shared with the Board.

The Chairman, in his capacity as an Executive Director (along with the other Executive Directors), is actively involved in the day-to-day management issues, especially where they relate to strategic acquisitions or disposals, major procurement issues and plans for business development. The Chairman, apart from receiving daily updates, is also provided an extensive management and business update monthly by Management, from which Management receives instructions from the Chairman on his expectations.

The Chairman reviews plans by Management to engage stakeholders and shareholders. Communication plans and proposed meetings (for example, with potential investors, plant visit requests, visits by regulators and other government officials, etc.), including plans on any discussion and presentation to shareholders during general meetings, are reviewed with the Chairman. The aim is to provide meaningful information to the shareholders and stakeholders whilst seeking to avoid providing information that may be confidential or business-sensitive and could prejudice the Company and its interests.

To ensure adherence with governance requirements, the Chairman ensures that the Board is provided updates on all new laws and regulations pertaining to corporate matters, including governance. In turn, this enables the Directors to ensure that the Company and Management not only adhere to governance requirements but also continue to practise the well-entrenched principles and policies of its Code of Conduct in managing the Company as a well-managed and sustainable business entity.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors are also encouraged to attend additional training programmes, the details of which can be viewed in Part D of this Corporate Governance Overview Statement. The Chairman of the Board is neither the Chairman nor a member of the Board Audit & Risk Management Committee, the Nominating Committee, or the Board Sustainability Committee.

The Chairman and the Chief Executive Officer

The positions of Chairman and Chief Executive Officer are held by different persons. Mr. Ramon S. Ang is the Chairman of the Board. He is also an Executive Director.

The Chairman of the Board is neither the Chairman nor a member of the Board Audit & Risk Management Committee, the Nominating Committee, or the Board Sustainability Committee.

Mr. Lubin B. Nepomuceno is the Chief Executive Officer. He is also an Executive Director and the Chairman of the Management Committee that is tasked with the day-to-day operational management of the Company.

The separation was implemented in 2013 as recommended by the then Malaysian Corporate Governance Code 2012. The Company and the Board will continue with this practice. The separation of offices is also expressly stated in the Board Charter. The Board Charter further specifies the separate roles and responsibilities of the Chairman and the Chief Executive Officer.

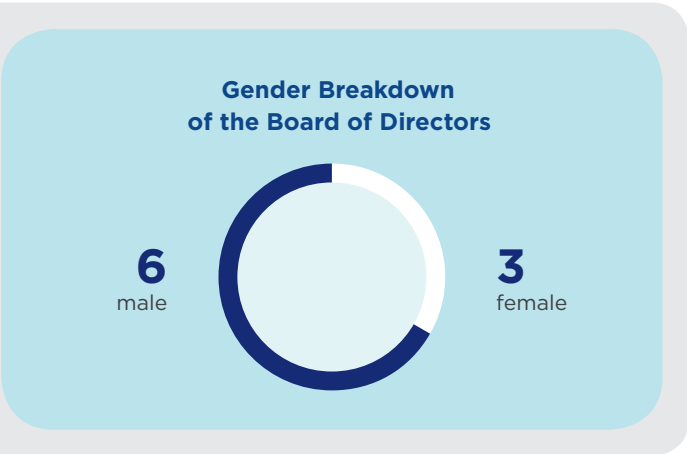
Diversity on the Board

The Board Charter specifies that the Board will at all times endeavour to ensure that at least thirty per cent (30%) of the Directors of the Company are women. The Company has practised the same for many years. The Company also does not seek to look at the thirty per cent (30%) as a target but a minimum number and when considering appointment of new Directors, also seeks to give preference to women directors. Since 2012 the Company has inducted seven (7) new Independent Directors; one (1) of whom resigned in 2019 and another retired in 2024.

The Board of Directors currently comprises persons with a diverse range of qualifications, experiences and skills. They include qualified engineers, accountants and a banker with diverse experience, including in the downstream oil and gas industry, banking, corporate advisory, finance and venture capital work. This diverse pool of highly talented individuals are able to critically review and provide the Board and Senior Management with candid views and advice on the strategy, business

plans, operations, finance, products, and other areas, including customer relations and marketing. Their diverse cultural backgrounds – Malaysian and Filipino – provide the Board with a well-rounded perspective, enabling a balanced approach to managing stakeholders’ expectations while strategically aligning with the Company’s business needs.

As at 31 December 2024, the Board comprised nine (9) members, three (3) of whom were women Directors. Of the three (3) women Directors, one (1) is an Independent Director (and also the Chairperson of the Nominating Committee), while the other two (2) are Executive Directors.



With regard to the selection of candidates for Board appointments, the Board does not rely only on the Board members but also on external consultants to recommend potential candidates for appointment to the Board. Of the seven (7) Directors appointed to the Board since 2012, three (3) were proposed by Directors, one (1) was proposed by the Management and three (3) by consultants. In each case, an extensive review is undertaken (including interviews) before the candidate is proposed for consideration.

When seeking candidates for appointment, potential candidates are sought from existing Directors as well as external consultants. From these candidates, a selection is made based on the specific skill sets required – in this case, in accounting/finance and exposure to high-level regulatory work, as well as managing a large public company. Another factor was the ability of the selected candidate to work closely with other Independent Directors in discharging their collective duties.

Nominating Committee

Independent Director Y. Bhg. Dato’ Noorizah Hj Abd Hamid is the Chairperson of the Nominating Committee.

 The Nominating Committee’s Report can be found on pages 83 to 86.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Remuneration Committee

The Company ceased to have a Remuneration Committee in 2014. The reason for this is due to the fact that:

- 1

The Chairman and three (3) Executive Directors (which includes the Chief Executive Officer) of the Company, do not receive any remuneration from the Company; and
- 2

As the (then) Remuneration Committee comprised only Independent Directors and would only be reviewing and recommending their own remuneration, the Remuneration Committee members opined that there was a conflict of interest.

The Remuneration Committee also played no role in relation to the remuneration received by Senior Management personnel. Each Senior Management personnel on the Management Committee are regular employees who individually undergo an annual performance appraisal conducted by their superiors. These appraisals, determination of ratings and the resulting level increments and performance bonuses (if any) are conducted and determined independent of the said Senior Management personnel. This process includes reviews by the Chairman and Executive Directors. Each Senior Management personnel has no control over the determination of the appraisal results or changes in their remuneration following the said appraisal process.

As such, the Remuneration Committee was dissolved and the Board took charge of the erstwhile Committee's functions. Today, there are policies in place with regard to the determination of the Independent Directors' remuneration. These are as stated in the Board Charter.

Independent Directors on the Board may provide their input to the Board on any proposal regarding their benefits, but shall otherwise abstain from the decision-making process at the relevant Board meeting that determines the recommendations to be made to shareholders for approval.


The Board and Management

The Board, in ensuring the success of the Company's plans and operations, has in place a highly energetic and motivated team of Senior Management personnel (that form the Management Committee). This Committee is led by the Chief Executive Officer and supported by the General Manager of Petron in Malaysia.

The Management Committee comprises a mix of Malaysian personnel as well as senior personnel seconded from the parent company (Petron Corporation), each of whom has impeccable qualifications, vast experience in the industry and the management skills necessary to deliver on the plans and objectives of the Company.

Each key department is headed by a Head of Department with personnel identified and groomed to eventually succeed the Head of Department as part of the succession plan. This is part of an ongoing review, and the plans include rotation of the personnel's assignment to various functions within the Company to gain experience and exposure to the overall business and management of the Company.

In line with the succession plan, following the retirement of Pn. Faridah Ali on 31 December 2024, a new General Manager, En. Mohd Nizam Mansor, was appointed effective 1 January 2025. Similarly, with the said appointment and vacancy created thereof, two (2) Senior Management personnel were inducted into the Management Committee as the Head of Supply and Head of Distribution & Terminal Operations effective 1 January 2025.



The details of the Management Committee members can be found on pages 52 to 54.

Diversity in Senior Management

The Company's Code of Conduct, called the Standards of Business Conduct, specifies that the Company is an equal opportunity employer and does not discriminate on gender, race or religion in relation to employees, including in relation to hiring and promotions.

The Company operates purely on a merit-based process in determining hiring and promotions. Gender plays no role whatsoever in the process. For instance in 2018, the Company engaged a woman manager to replace a man in the key position of General Manager of Petron in Malaysia, as was the case with the Head of Department (Retail) in 2022. Senior Management is currently made up of eight (8) Heads of Department/Managers that are in charge of key Departments. These are the Chief Executive Officer (who is also the Chairman of the Management Committee), the General Manager, the Chief Finance Officer, Head of Retail Business, Head of Commercial Business, Head of Refinery, Head of Supply, Head of Distribution & Terminal Operations, and the General Counsel/Company Secretary/Compliance Officer.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

These Heads of Department and Managers form the Management Committee of the Company. They are each professionally qualified (with many having postgraduate qualifications), and each has decades of experience in the downstream oil and gas business and in their respective fields of expertise. All these attributes help the Board in implementing the Company's strategies and managing the day-to-day business and operations.

In 2024, among the nine (9) members of the Management Committee, a woman held the key portfolio of Head of Retail Business.

As part of the Company's (and Petron Malaysia's) succession plans, the next line of Managers has been identified. These include women managers identified to be part of the succession plan and to take up key positions in Petron Malaysia. They are currently taking on assignments with increasing responsibility and are undergoing mentoring with a view to being appointed to their identified Senior Management roles one day.

Effective Stakeholder Communications

The Company has written guidelines on shareholder communications that are incorporated in the Company's Corporate Communication and Disclosure Guidelines and which can be accessed on the Company's website. The guidelines also incorporate the parent company's best practices on all matters pertaining to communications, be it with shareholders or other stakeholders.

Code of Conduct

The Code of Conduct has been communicated to the Company's employees, contractors and vendors so that they have a clear understanding of the Company's requirements. These include policies on business ethics, conflicts of interest, alcohol and drug use, gifts and entertainment, harassment in the workplace and employees' outside directorships. The Code of Conduct was updated in 2017 and 2022 to incorporate revised guidelines issued by the parent company in relation to enhanced restrictions on the receipt of gifts. Periodic training is also carried out for employees, contractors and vendors to ensure understanding of the requirements.

Standard contracts of the Company (including employment contracts and contracts with third-party vendors/contractors), also incorporate key provisions of the Code of Conduct as standard terms in such contracts, thus ensuring the Code of Conduct will be adhered to at all times. All employees of the Company have undergone training on the Standards of Business Conduct, and new hires are required to undergo comprehensive and compulsory training on the Standards of Business Conduct. Such training for new hires is conducted twice yearly.

Commencing in 2018, a periodic refresher training course on the Code of Conduct was implemented for all employees. This is done once every two (2) years. The next training session is scheduled for 2025. In the interim, as part of the induction training for new employees, a session on the Code of Conduct is also provided. At the end of each year, all employees are required to submit a declaration form on their training and understanding of the Code of Conduct, including making annual declarations on any conflicts of interest.

In 2022, Internal Audit completed a review of the Company's Anti-Corruption and Anti-Money Laundering compliance programmes. Internal Audit found the compliance programmes in place were in line with the requirements of the relevant regulators. Following the above, an audit by the central bank – Bank Negara Malaysia – on Petron Malaysia's compliance with anti-money laundering was also conducted, and the recommendations therefrom were duly implemented.

A key factor toward ensuring the effectiveness of the Code of Conduct is the flow of information to Management of any violations or purported violations. The Code of Conduct also provides for whistle-blower protection. In line with global sustainability requirements, the Code of Conduct will be updated in 2025 to incorporate not only a Human Resource policy against human trafficking, indentured and child labour, but also the reporting of such instances within the whistle-blower policy framework.

In order for such information to be forthcoming, employees (as part of their training on the Code of Conduct) are provided guidance on how they should report violations and are given assurance of the protection of whistle-blowers. All investigations are carried out expeditiously and confidentially by the relevant Head of Department, and all such investigations are conducted with the support of the offices of the General Counsel and the Human Resources Department. The process for any investigations on purported misconduct will be carried out in accordance with the Company's written guidelines on managing misconduct. Where there is any conflict of interest that may impact an independent investigation, the services of the Internal Audit Department can be sought.

The policies on the protection of whistle-blowers and conveying the assurance of whistle-blower protection were reinforced during the refresher training programme for employees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

It is to be highlighted that a revised Code of Conduct that includes revised policies on sexual harassment, anticorruption, anti-money laundering and whistleblower protection was approved and implemented effective 2022. The Code of Conduct is available on the Company's website at www.petron.com.my.

In relation to the enforcement of the Code of Conduct, Petron Malaysia has a comprehensive set of written guidelines on managing and implementing disciplinary action for violations of the Code of Conduct.

Anti-Corruption Initiatives

As part of the Company's efforts to address its corporate liability for bribery and corruption offences under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, PMRMB and its sister companies in Malaysia have undertaken the following steps:

1 The commencement (in December 2019) of a series of training sessions to inform the employees of the impact of the new law, not only on employees but also the corporate liability risk to the Company and its Directors and Senior Management. The training continued in 2020 to ensure all employees were trained on what was expected of them in helping to implement the Company's requirements and the expected behaviour from each employee.

2 The adoption of the ultimate parent company, San Miguel Corporation's policy on gifts and entertainment. This is to be read together with the existing provisions contained in the Company's Standard of Business Conduct.

3 The implementation of a manual to include the Company's policy, action plan, implementation processes flow, and approval processes for exceptions.

4 The enforcement of a Petron Malaysia-based declaration and a review/approval process in relation to minor exceptions (for reasonable business-related entertainment and low-value festive gifts).

5 The preparation of a manual to include the Company's policy, action plan, implementation processes flow, and approval processes for exceptions.

6 In light of the revised 2022 Standards of Business Conduct, training nationwide for all employees commenced in 2022 and was completed in 2023. This included a refresher for the Company's Board of Directors. In 2025, a refresher training programme will be conducted on the Code of Conduct that will include anti-corruption.

7 The Company also conducted a training and compliance programme for employees to ensure a better understanding of their responsibilities as well as to ensure strict compliance with applicable laws and regulations relating to anti-money laundering and counter-financing of terrorism.

8 Background checks during recruitment of employees were performed, particularly for employees in management positions and tasked with decision-making obligations.

9 The Company also performed know-your-client/risk assessments, whereby Customer Due Diligence ("CDD") measures were taken to ascertain customers' identities and establish beneficiaries via documentary evidence prior to undertaking any business engagements to assess the integrity of counterparties.

Whilst the Company (and its sister companies) have an excellent record for their zero-tolerance stance on corruption and strict adherence to the policies on gifts and entertainment, the continued reinforcement of the Company's policy and expectation through regular training and reminders will be conducted periodically and especially during festive seasons.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Part B

EFFECTIVE AUDIT AND RISK MANAGEMENT

The report of the Board Audit & Risk Management Committee (including its composition, role and activities) can be found on pages 78 to 82. As the Board Audit & Risk Management Committee is comprised solely of Independent Directors and the Board prohibits the appointment of any partner of an audit firm prior to a 'cooling off period' of three (3) years since last serving the Company, the recommendation of the CG Code 2021 in this respect has always been adhered to.

Permanent agenda items for the Board Audit & Risk Management Committee's quarterly meetings include:

- » Review and endorsement of the financials that are to be tabled to the Board for approval;
- » Review of the related party transaction;
- » Review of contracts exceeding RM5 million that are not in the ordinary course of business;
- » Accounts receivables written off;
- » Compliance updates, including anti-corruption/anti-money laundering and disciplinary matters;
- » Review of the list of the Company's authorised signatories; and
- » Risk management updates.

Both the Internal Audit Department as well as the external auditor report to the Board Audit & Risk Management Committee.

As a general practice to allow for candid discussion by (especially) the Independent Directors (usually in the absence of the Chairman and Executive Directors), matters that are to be tabled to the Board will first be raised and reviewed by the Board Audit & Risk Management Committee. The views expressed at the Board Audit & Risk Management Committee meeting will then be raised at the Board meeting. This allows the Board to have all perspectives before deciding on such matters brought to it for determination.

Diverse Skills and Experience/Financial Literacy on the Board Audit & Risk Management Committee

Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff, an accountant, was the past President of the Malaysian Institute of Accountants and past Chairman of the Audit Oversight Board of the Securities Commission. Mr. Fong Seow Kee is a chartered accountant and was also the Chairman of the audit committee of another public listed company. Mr. Antonio M. Cailao is a former senior banker in an international banking group and later headed the

Philippine National Oil Company. Y. Bhg. Dato' Noorizah Binti Hj Abd Hamid is qualified in the field of finance and was the Managing Director of a major infrastructure company. Y. Bhg. Datuk Prakash, who was appointed to the Board on 25 July 2024, brings to the Board his experience as a certified professional electrical engineer. Datuk Prakash is also currently an independent director and member of the audit committee in another listed company in the power generation industry.

Apart from their financial literacy, each member of the Board Audit & Risk Management Committee brings her/his ability to grasp and understand complex business and financial-related issues that are to be considered by the Board Audit & Risk Management Committee and the Board. They also have considerable experience dealing with management (in various other companies) and possess the necessary ability and independence to probe and seek clarification on the financials, as well as on progress made and weaknesses detected in any financial or business matters or transactions presented by Management.

The Independent Directors are presented with the financials in considerable detail at all quarterly meetings. Much time is spent discussing questions on the financial and operations issues (and their impact on the financials) and actions taken by Management to address matters of concern.

The Board Audit & Risk Management Committee also has the ability to request the presence of the internal and external auditors to provide independent advice whenever deemed necessary and appropriate.

Chairman of the Board Audit & Risk Management Committee

In compliance with the CG Code 2021, the offices of the Chairman of the Board and the Chairman of the Board Audit & Risk Management Committee are separate.

Relationship with the External Auditor

As a rule, the external auditor reports to the Board Audit & Risk Management Committee on all audit-related matters, be it routine statutory audits or special audits (if any) for which it is engaged. The Audit Plan is also reviewed annually and approved by the Board Audit & Risk Management Committee. The Board Audit & Risk Management Committee further ensures that it has private discussions with the external auditor in the absence of Management/Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The external auditor's fees are reviewed and endorsed by the Board Audit & Risk Management Committee before being tabled to the Board for approval. Similarly, the Board Audit & Risk Management Committee reviews the suitability of the external auditor and recommends appointment or re-appointment (as the case may be) to the Board, before being tabled for approval at the AGM.

The policy on the assessment of the external auditor is stated in the Board Audit & Risk Management Committee Charter. The assessment although practised at all times, is now expressly mentioned in the Board Audit & Risk Management Committee Charter as part of the amendments to the Board Charter arising from the CG Code 2021.

In evaluating the suitability of the external auditor, the Board Audit & Risk Management Committee, with input from Management, considers the following:

- » The external auditor's reputation, resources and quality of audit;
- » The nature and extent of non-audit services and the level of fees; and
- » The external auditor's independence and continued independence.

This process includes obtaining assurances from the external auditor that each of its partners and personnel is free from any conflict or potential conflict of interest that may impair their judgment or objectivity. The external auditor further provides the Board Audit & Risk Management Committee with an assurance that the external audit staff undergoes stringent reviews based on their global practices to ensure that personnel assigned to audit the Company are indeed free from any conflicts or potential conflicts of interest.

Relationship with the Internal Auditor

The Company's internal audit function is undertaken by an internal audit group based in Manila, at Petron Corporation, which also undertakes audit work for all Petron Corporation companies in the region. The internal audit group, which reports directly to the Board Audit & Risk Management Committee, also receives functional guidance from Petron Corporation's internal audit function. This structure allows the Company to benefit from the application of Petron Corporation's internal audit best practices and assures the Company of internal audit independence.

The current arrangement ensures that the Management of the Company has no control over the internal audit function. To ensure independence from the

Management, the internal audit personnel assigned to the Company's internal audit function are not subject to any determination of their assignments, promotions or remuneration (or increase thereto) by the Company's Management. To maintain total independence from the Company's Management, their remuneration is not set or paid by the Company. The cost incurred for the internal audit function in 2024 was RM172,660.64.

The internal audit function undertakes independent, regular and systematic audit reviews of the Company's system of internal controls to assess the adequacy and effectiveness of those controls and the overall control environment. This is to provide reasonable assurance that such systems are operating effectively. The internal audit process covers the audit of selected units and operations based on risk assessment. Internal Audit has a mid-year and annual review with the Board Audit & Risk Management Committee on all audits carried out, including the results/findings. Follow-up action plans arising from the audits, as well as recommendations by Internal Audit, are also reviewed.

The Board Audit & Risk Management Committee also reviews and approves the audit plan for the subsequent year. Any amendments to the approved audit plan will require approval from the Board Audit & Risk Management Committee.

The Board Audit & Risk Management Committee has reviewed the internal audit findings for 2024, along with the closure of recommendations made by the internal audit team. The Board Audit & Risk Management Committee has also acknowledged the Audit Rating System, implemented in 2017, which aligns with the system adopted by the parent company.

With effect from 2018, as per the revisions made to the Board Audit & Risk Management Committee Charter in light of the then CG Code 2017, the Board Audit & Risk Management Committee will:

- » Satisfy itself of the independence of the internal audit function;
- » Satisfy itself that the resources allocated to the internal audit function are adequate; and
- » Identify the name of personnel assigned to undertake an internal audit of the Company and their qualification and experience, and ascertain if the internal audit is carried out in accordance with the recognised standards framework.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This will be in addition to the review and approval of the annual internal audit plan, as well as the mid-year review of the audits carried out, the follow-through actions, and the closeout of audit issues.

It is to be noted that a key function of internal audit is to not only identify weaknesses and recommend improvements but also to be mindful of new concepts and techniques used in the industry and at Petron Corporation, as well as to suggest improvements and seek process and control synergy. This has been an important focus area for the internal audit function since 2012.

Risk Management Committee

The Board Audit & Risk Management Committee is the Board Committee responsible for overseeing the Company's risk management framework and policies. Risk management is a regular agenda item at its quarterly meetings, facilitating continuous monitoring and oversight. As part of its special engagement, the external auditor reviews the Company's Statement of Risk Management and Internal Controls and reports its findings to the Board Audit & Risk Management Committee, thereby strengthening transparency and governance in risk management.

The Company's Statement of Risk Management and Internal Control ("SORMIC") can be found on pages 74 to 77. The SORMIC has been reviewed by the external auditor, PricewaterhouseCoopers PLT (PwC).

Controls and Management System

The management systems that are in place are designed to achieve high standards of performance in the areas of safety, operational integrity, internal control and legal and environmental compliance. As these management systems were previously adopted by the Board and were used by the Company for many years, their continued usage was deemed suitable upon the takeover of the Company by Petron Corporation in 2012.

Employees, contractors and vendors will continue to be guided by these same systems until such a time that they are revised. As the systems involve employees, contractors and vendors whose engagement spanned the takeover, it was recognised that a sudden change in the systems (and the consequential need to provide fresh training to employees, contractors and vendors) would cause undue strain on the Company's resources. In this regard, the Company has opted to gradually change the systems (where necessary) by introducing new or revised sets of management systems to govern the Company that are in line with the policies and systems of the parent company.

The Board and the Board Audit & Risk Management Committee, with the assistance of an independent internal audit function, help ensure that the policies and the management systems are fully implemented and consistently enforced.

To manage risk, the Company's risk matrix (based on a likelihood/impact analysis) is reviewed annually to establish risks based on existing and projected factors. The risks identified are those which may have a high financial risk or a non-financial risk such as health and safety, environmental, regulatory and reputation risks.

Key risks are identified, and the processes to manage them risks are established, including business recovery measures. The review of risk management issues is a permanent agenda item at Board Audit & Risk Management Committee meetings.

These were the key risks identified to be managed in 2024:

- 1 Commodity Price volatility (Crude/Finished Product);
- 2 Forex volatility;
- 3 Crude/product supply disruption;
- 4 Change in Government policy (price deregulation, subsidy rationalisation, tax);
- 5 Delay in Government's subsidy reimbursement;
- 6 Major incidents rendering facilities inoperable (Port Dickson Refinery and Terminal);
- 7 Major incidents rendering facilities inoperable (LPP);
- 8 Shipping incidents resulting in major oil spills;
- 9 Competition; and
- 10 IT system and infrastructure safety, including the risk of cyber security threats.

Since 2022, considering the importance of ESG, Management has opted to place the non-adherence to ESG requirements – along with its reporting and impact on the Company – as a key risk factor.

For all of the above, the Company has plans in place to manage such risks, be it navigating the Company through the many operational and business disruptions caused by global geopolitical issues impacting the supply of petroleum products or managing ESG compliance and

CORPORATE GOVERNANCE OVERVIEW STATEMENT

reporting. Apart from the various control processes in place to ensure financial matters are properly managed, the Board regularly reviews the necessary delegation of authority in the Company to various functions, including the formulation and designation of authorised signatories in respect of various business and functional matters based on the value of any given transaction.

Controls are also incorporated to ensure that each approval goes through a strict process and various levels of independent ‘cold eye’ reviews prior to approval, thus preventing any abuse of authority and ensuring thorough review prior to any decision being taken.

The powers of the Management Committee are spelt out in the Management Committee Charter. The Management Committee Charter can be viewed on the Company’s website. All matters that are not within the purview of the Management Committee (per the Management Committee Charter) are powers specifically reserved for the Board.

The following sums up the process of how the Company’s risk controls are reviewed and managed:

- » Controls are formulated, implemented and enforced strictly at each function and process. This ensures that all matters, including day-to-day operations, procurement of materials and supplies and financial transactions, follow set protocols and levels of independent verification. This includes set authority levels for independent verification and independent approvals.
- » The controls are applicable to all Departments, be they a business or support function.
- » As regulatory compliance is key to ensuring the continued operations of the Company, all corporate regulatory matters are reviewed by the Law Department, Controllers Division and the Tax Division. Matters pertaining to safety, security, health and environment (“SSHE”) are managed by the respective Departments, which have SSHE controls and processes in place that are strictly followed.
- » The Management Committee and other Heads of Department meet weekly to review the business and the control issues or any non-compliance (if any). The formulation and recommendation of solutions to address any control issues form part of these discussions.

These processes and controls are also subjected to reviews by Internal Audit, which identifies any deficiencies and highlights them to the department concerned with recommendations for improvement. Internal Audit then monitors the implementation of

the recommended improvements in the processes and controls to ensure audit issues are resolved.

This structured approach establishes a clear framework for reporting on internal controls and compliance, enabling members of the Management Committee to review all compliance matters – covering both legal requirements, including the MMLR, and the Company’s policies on the expected conduct of the Company and its employees.

Any issue of non-compliance can also be referred to the Company’s independent Internal Audit group for review and investigation, with the necessary actions taken where recommended. Additionally, the review highlights process gaps that must be addressed to prevent recurrence. The Company’s established whistleblower protection system, outlined in its Standards of Business Conduct, safeguards employees from any recriminations for highlighting any non-compliance by any employee (including by a Director).

Where it involves a disciplinary issue, the matter of purported misconduct may be dealt with using the Company’s internal guidelines for managing misconduct.

RISK MANAGEMENT GROUP

- » Each Department has a risk management process specific to that Department’s business and a business recovery process in the event of a business disruption.
- » In some high-risk areas, especially when there could be high financial impact, there are interdepartmental groups tasked with evaluating risk-seeking solutions. Such solutions could include weekly meetings on hedging (on both commodities and crude and finished products as well as foreign exchange risk associated with the Company’s business).
- » The Management Committee that meets weekly also reviews risks in each Department.
- » The Risk Management Group then meets once every two (2) to three (3) months to review the updates and findings. The Risk Management Group also reviews the risk matrix for the year and considers any updates that need to be done.
- » The Board Audit & Risk Management Committee is then updated every quarter on risk management issues.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Part C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Integrity in Reporting

The Board and Management uphold a zero-compromise approach to factual accuracy in all stakeholder reporting, requiring that all such reporting be made in a timely and transparent manner. To this end, all reporting requirements such as financial reporting (both quarterly and at financial year end), disclosures to the stock exchange and the Securities Commission, reporting to the Companies Commission, regulatory reporting, and responses to requests for information to the regulators (collectively, “Reports”), are:

- » Prepared by the relevant Department charged with preparing the Report;
- » Reviewed by other Departments that have an interest in the Report;
- » Reviewed independently by the Law Department/ Controllers Division, as appropriate; and
- » Approved for release (for example, by the Board or by Senior Management).

This process ensures that Reports submitted meet the necessary factual and disclosure integrity required.

In 2024, the Company was not subjected to any sanction or fines by the Securities Commission, Bursa Malaysia, the Companies Commission or other regulatory authority.

Stakeholder Engagement

The Board recognises the need to engage stakeholders and maintain a healthy line of communication with them. The Board is also mindful that:

- 1 The downstream oil and gas business in Malaysia is highly competitive, and much of the information (especially on strategy and business plans and investment) is highly confidential in nature; and
- 2 There are no other publicly listed integrated downstream oil and gas companies in Malaysia, combining both a refinery and a retail/commercial operations like PMRMB, that are subject to stakeholder engagement recommendations under the CG Code 2021. Non-listed industry competitors are not bound by these disclosure requirements.

As such, in order to be a sustainable business, and in the best overall interests of the Company, the Board and Management recognise the need for transparency to be tempered with discretion.

Nevertheless, the Board and Management also recognise the need to communicate effectively with shareholders. The Board values and encourages dialogue with the shareholders to establish a better understanding of the Company’s objectives and performance. To this end, suggestions made by shareholders have been incorporated, where appropriate, including the improvement of financial presentations at general meetings, as well as enabling shareholders to visit the office for dialogue or clarification on matters disclosed or pertaining to the Company.

The Annual General Meeting or AGM provides a suitable forum for the shareholders to hold dialogues with the Board. Additionally, queries from investors and potential investors are dealt with by our Investor Relations team.

At the AGM, a Management presentation will be made on the Company’s performance for the year under review. Some information may also be provided about plans going forward. As a general rule, the Company does not make or disclose any future financial performance estimates. The AGM allows shareholders to ask questions and seek clarification on the Company, including on its financials, business, operations and governance matters. Shareholders are also allowed to submit written questions in advance, and these will be addressed at the AGM.

Since 2013, all AGM resolutions of the Company have been voted on by poll as recommended by the then Malaysian Corporate Governance Code 2012. This practice continues today. Since the 2017 AGM, voting has been fully electronic. To ensure the efficiency and accuracy of vote tabulation, an independent scrutineer monitors the entire proxy submission and poll voting process, verifies the results, and announces the final outcome.

The Company’s website has a Management Committee member as its named contact person with contact details to ensure that shareholders’ queries are promptly addressed. The Company holds open discussions with investors and analysts upon request. Material information relating to the Company is disclosed to the public by way of announcements to Bursa Malaysia, as required by the MMLR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A summary of the key stakeholder engagement and communication is as follows:

SHAREHOLDERS

The AGM forms the most important avenue for shareholders to question/seek clarification from the Board and Management. The Company receives questions in advance in writing from shareholders, including the Minority Shareholders' Watchdog Group, all of which are addressed at the AGM.

The AGM also provides the Board and Management a platform to update shareholders on the year's business and financial developments as well as offer them insights into the oil and gas industry and business outlook.

In addition, there are questions that are directed to the Company via the Company Secretary as the lead for investor relations. Where the information sought is not unpublished price-sensitive information, written responses or verbal responses are provided.

Furthermore, the Company ensures that all disclosure requirements mandated by the MMLR, as well as voluntary disclosures (where necessary), are made to provide the investing public with relevant information.

At the AGM, shareholders and proxies present are also instructed on the voting process and arrangements via specific announcements by the Company Secretary.

The Company is aligned with the direction from Securities Commission Malaysia (announced in August 2024) for all public listed companies on Bursa Malaysia to hold hybrid or physical general meetings from 1 March 2025. Whilst the use of virtual systems to enable remote participation has been helpful, especially during the movement restrictions required due to the Covid-19 pandemic, when considering the internet and system stability issues that are outside the control of the Company and its share registrar (such as that which caused an outage during the 2021 AGM), the preferred option for AGMs will continue to be in-person meetings. This, in the Company's opinion, allows for better interaction and fuller and more meaningful discourse between the Board, Management and shareholders.

The summary of the proceedings and questions and answers to the AGM held in 2024 was posted on the Company website within thirty (30) days of the Meeting.

EMPLOYEES

Effective communication with employees is key to aligning them with the Company's plans and goals, ensuring they understand their role in driving business growth. To this end, the various Departments hold annual kick-off sessions to fully engage personnel, reinforce key objectives, and foster a shared commitment to ensure the Company's success.

POTENTIAL INVESTORS

Management regularly engages with investment banks upon request to provide briefings for them or their major clients who are interested in investing in the Company.

REGULATORS

Engaging with regulators is an important facet of the Company's stakeholder communication. Over the years, the Company has maintained close rapport with its regulators as we believe a good working partnership with the relevant agencies is synonymous and interlinked with the successful realisation of both the Company's business objectives and the growth of Malaysia's downstream oil and gas industry.

CUSTOMERS

Customers are crucial to the success of the Company's business, and effective communication via various means (including print and social media and in collaboration with other partners), ensures that current and potential customers know and appreciate the Petron brand's products and services as well as the benefits of being a Petron customer. This is in line with the Company's 'Customer Focus' values.

DEALERS

As the Company's ambassadors, dealers and their frontline personnel play a key role in customer interactions. Clear communication with them on the Company's plans, aspirations, requirements and targets is essential for effective stakeholder engagement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Part D

KEY FOCUS AREAS AND FUTURE PRIORITIES IN RELATION TO CORPORATE GOVERNANCE

The following are the priority areas that the Company focuses on:

Investor Relations

The Company focuses on effectively managing requests for analyst briefings while ensuring any information disclosed meets both analysts' needs and the Company's disclosure obligations. Additionally, the Company also explores avenues to encourage analysts to issue analyst reports pertaining to the Company to support shareholders in making informed investment decisions.

The following matters are also disclosed as additional information:

The Directors' attendance at meetings of the Board of Directors, the Board Audit & Risk Management Committee, the Nominating Committee and AGM in 2024 are as follows:

Directors	Board of Directors Meeting		Board Audit & Risk Management Committee Meeting		Nominating Committee Meeting		Annual General Meeting
	Held	Attended	Held	Attended	Held	Attended	
Mr. Ramon S. Ang	5	5					
Ms. Aurora T. Calderon	5	5					
Mr. Lubin B. Nepomuceno	5	5					
Ms. Jacqueline L. Ang	2	2					
Ms. Chua See Hua (retired with effect from 13.6.2024)	3	3	3	3	1	1	
Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff	5	5	5	5	2	2	
Mr. Fong Seow Kee	5	5	5	5			
Mr. Antonio M. Cailao	5	5	5	5	2	2	
Y. Bhg. Dato' Noorizah Binti Hj Abd Hamid (appointed as Chairperson of the Nominating Committee effective 14.6.2024)	5	5	5	5	1	1	
Y. Bhg. Datuk Prakash Chandran Madhu Sudanan (appointed with effect from 25.7.2024)	2	2	2	2			

■ Attended ■ Absent

Remuneration to the Independent Directors in 2024

As approved by the Shareholders at the AGM on 13 June 2024, the benefits paid to the Independent Directors for 2024 were as follows:

- » An annual fee of RM112,320 per Independent Director;
- » An attendance allowance of RM3,000 for the Independent Directors who are Chairpersons of the Board Audit & Risk Management Committee and the Nominating Committee;
- » An attendance allowance of RM2,500 for each Independent Director. The attendance allowance is for each meeting attended by the Independent Director;
- » A fuel reimbursement of up to RM700 per month for each Independent Director; and
- » An ex-gratia payment of RM20,000 for each Independent Director who served a full term in 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Independent Directors	Directors' Fees RM	Allowance		Fuel Reimbursement RM	TOTAL RM
		Attendance Allowance RM	Ex-Gratia Benefits RM		
Ms. Chua See Hua <i>(retired with effect from 13.6.2024)</i>	51,480.00	24,000.00	20,000.00	1,747.62	97,227.62
Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff	112,320.00	42,000.00	20,000.00	7,835.43	182,155.43
Mr. Fong Seow Kee	112,320.00	40,500.00	20,000.00	3,071.19	175,891.19
Mr. Antonio M. Cailao	112,320.00	30,000.00	20,000.00	-	162,320.00
Y. Bhg. Dato' Noorizah Binti Hj Abd Hamid	112,320.00	43,500.00	20,000.00	4,134.02	179,954.02
Y. Bhg. Datuk Prakash Chandran Madhu Sudanan <i>(appointed with effect from 25.7.2024)</i>	49,236.16	12,500.00	-	1,192.65	62,928.81

Remuneration Paid to Senior Management in 2024

The top six (6) Senior Management personnel covered in this report are:

1 MR. LUBIN B. NEPOMUCENO	4 MR. MARK TRISTAN D. CAPARAS
2 PN. FARIDAH ALI <i>(retired with effect from 1.1.2025)</i>	5 MR. MANOJ DEVADASAN
3 MR. MOHD. NIZAM B. MANSOR	6 Y. BHG. DATO' RAJA SALLEHUDIN B. RAJA LOPE AHMAD

In 2024, the total remuneration for these top six (6) Senior Management (attributable to the Company) was RM4,169,032.75. Two of them, namely the Chief Executive Officer and Chief Finance Officer, are employees of Petron Corporation, with the Chief Finance Officer seconded to Petron in Malaysia. Due to privacy requirements, the Company has opted not to disclose the components of their remuneration.

In relation to the above total remuneration paid to the said Senior Management personnel, the following is to be noted:

- » Like all staff, the top six (6) Senior Management personnel may be employees of the parent company or a sister company that provides services to PMRMB via agreements to share resources. The sum stated above is attributable to PMRMB. The percentage employed is based on a pre-determined service-sharing ratio that would vary depending on the function that they serve. This service-sharing ratio may be updated as needed for changes in activity level within each affiliated company.
- » The sum is inclusive of salaries, fixed allowances and bonuses paid in 2024. The Company does not provide any share option scheme for Senior Management personnel.
- » The total bonuses paid in 2024 comprised a two-month (2) contractual bonus as per the regular employment terms for Senior Management personnel.

Training Attended by Directors in 2024

Directors	Date
MR. RAMON S. ANG	
• Corporate Governance Seminar	15 November 2024
• Mandatory Accreditation Programme Part II : Leading For Impact (Lip) By Institute Of Corporate Directors Malaysia	22 – 23 January 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors	Date
MR. LUBIN B. NEPOMUCENO	
• Economic Briefing For Y2025 Budget	24 June 2024
• Disaster Resilience Forum	29 July 2024
• Corporate Governance Seminar	26 September 2024
• Sustainability Forum	29 October 2024
• Mandatory Accreditation Programme Part II : Leading For Impact (LIP) By Institute Of Corporate Directors Malaysia	22 – 23 January 2025

MS. AURORA T. CALDERON	
• GSMI Leadership Conference	19 January 2024
• Trailblazer/Trendsetter Inspiring Women Leaders	15 March 2024
• AMLA/CTFP Course For BOC Directors	18 June 2024
• Anti-Money Laundering Seminar (Petrogen)	10 September 2024
• Corporate Governance Seminar	26 September 2024
• Sustainability Masterclass Forum	29 October 2024
• Petron Environment Summit	27 November 2024
• Mandatory Accreditation Programme Part II : Leading For Impact (LIP) By Institute Of Corporate Directors Malaysia	22 - 23 January 2025

MS. JACQUELINE L. ANG	
• INSEAD Negotiation Fundamentals	March 2024
• INSEAD Negotiation Dynamics Programme	21 – 23 May 2024
• Corporate Governance Seminar	26 September 2024
• Mandatory Accreditation Programme Part II : Leading For Impact (LIP) By Institute Of Corporate Directors Malaysia	22 – 23 January 2025

Y. BHG. DATUK NIK MOHD HASYUDEEN YUSOFF	
• Mandatary Accreditation Programme II : Leading For Impact	6 & 7 March 2024
• The Dark Pattern, How Big Corporate Scandals Happen And What Boards Can Do To Prevent It	5 April 2024
• The Group Summit 2024 – Business Transformation Towards Sustainability	7 May 2024
• BNM's Hajah And Darurah Policy Document	5 July 2024
• Compliance Excellence : A Fireside With Tan Sri Abu Kasim And Datuk Nik Hasyudeen	19 July 2024
• AML/CFT/CPF And TFS : Key Challenges And Trend Updates 2024	9 August 2024
• Directors' Conference Bank Islam Malaysia Berhad And Subsidiaries 2024 “Navigating Through The Uncertainties In The Digital Frontier”	1 October 2024
• Update On Technology And Cybersecurity Risk	18 October 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors	Date
MR. FONG SEOW KEE	
• BNM-FIDE Forum : Responsibility Mapping Engagement With Directors Of Financial Institutions	24 April 2024
• Mandatory Accreditation Programme Part II : Leading For Impact (LIP) By Institute Of Corporate Directors Malaysia	12 – 13 February 2025
MR. ANTONIO M. CAILAO	
• ACGS Workshop For PLCs	12 – 13 March 2024
• Distinguished Corporate Governance Speaker Series Episode 1 : ESG - Related Risks And Opportunities Into Enterprise Risk Management	30 August 2024
• Distinguished Corporate Governance Speaker Series Episode 2 : Climate Scenario Analysis As An ESG Risk Management Tool	6 September 2024
• Distinguished Corporate Governance Speaker Series Episode 3 : HRDD As A Sustainability Strategy	13 September 2024
• Distinguished Corporate Governance Speaker Series : Enabling Sustainability Culture	27 June 2023
• Distinguished Corporate Governance Speaker Series - AI In Governance And Leadership	16 September 2024
• Mandatory Accreditation Programme Part II : Leading For Impact (LIP) By Institute Of Corporate Directors Malaysia	13 – 14 November 2024
Y. BHG. DATO' NOORIZAH BINTI HJ. ABD HAMID	
• Transparency Matters – An Approach To Handling Conflict Of Interest (ICDM)	12 March 2024
• Mandatory Accreditation Programme Part II : Leading For Impact (LIP) By Institute Of Corporate Directors Malaysia	20 – 21 May 2024
• Executive Talk On AMLATPUAA 2001 (Money Laundering Offences, Investigation & Prosecution) (MACC)	17 October 2024
• E-Invoicing Training (Crowe K1 Tax Sdn. Bhd.)	26 November 2024
Y. BHG. DATUK PRAKASH CHANDRAN MADHU SUDANAN	
• Mandatory Accreditation Programme Part II : Leading For Impact (LIP) By Institute Of Corporate Directors Malaysia	22 – 23 July 2024
• Building Sustainable Credibility : Assurance, Greenwashing And The Rise Of Green-Hushing	24 September 2024
• Integrity Ethics And Irar Bebas Rasuah Programme	27 September 2024
• The Securities Commission Malaysia's Audit Versight Board Conversation With Audit Committees	19 November 2024

Statement of Directors’ Responsibility for Preparing the Financial Statements

The Directors are required by the Companies Act 2016 and the MMLR to confirm that the financial statements for each financial year have been made in accordance with the applicable approved accounting standards and that they give a true and fair view of the results of the business and state of affairs of the Company for the financial year.

The Directors have carried out their responsibilities by:

- Selecting suitable accounting policies and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Ensuring that all applicable accounting standards have been adhered to; and
- Basing the financial statement on a going concern basis, as the Directors have reasonable expectation, after having made enquiries, that the Company has adequate resources to continue in operational existence for the foreseeable future.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Directors are responsible for ensuring that the Company keeps such accounting and other records which will sufficiently explain the transactions and give a true and fair view of the financial position of the Company, enabling the Directors to ensure that the financial statements comply with the Companies Act 2016 and to safeguard the assets of the Company.

Material Contracts

The Company is not and was not a party to any material contracts involving the Directors’ interests during the year. Furthermore, the Company is not and was not a party to any material contracts that are not in its ordinary course of business. All new contracts in 2024 that are of a related party nature have been duly disclosed to Bursa Malaysia during the year.

Non-Audit Fees

No non-audit fees were paid or are payable to the external auditor, PwC, by the Company for the financial year ended 31 December 2024.

OTHER INFORMATION

Family Relationship

Ms. Jacqueline L. Ang is the daughter of Mr. Ramon S. Ang, Executive Director and Chairman of the Company. None of the other Directors have any family relationship with any other Director(s) and/or major shareholder(s) of the Company.

Conflicts of Interest

None of the Directors have any conflicts of interest or potential conflict of interest, including interests in any competing business, with the Company that had not been disclosed to the Board.

Conviction for Offences (excluding Traffic Offences)

None of the Directors have been convicted for any offences within the past five (5) years.

Sanctions and/or Penalties

No sanction or penalty has been imposed on the Company, or the Directors or the Management, by the relevant regulatory bodies.

This Statement is made in accordance with the resolution of the Board dated 20 March 2025.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises that managing a publicly listed downstream oil and gas company has many challenges and inherent risks. These risks include financial, foreign exchange, legal compliance, crude and product supply, distribution, environment issues, industrial requirements, safety and managing the human resources of the Company.

To this end, the Board had previously put in place a management integrity system that over the years, proved to be highly effective. Recognising that the parent company, Petron Corporation, too is in the downstream oil and gas business and the management integrity systems it has in place, the Company has opted to align or adopt, where possible, best practices from Petron Corporation's own systems. In this regard, the Company continues to receive technical advice and support from Petron Corporation. The Company also receives technical support via formal arrangements with ExxonMobil.

The Board recognises that risks can be mitigated (and even eliminated) by having in place an effective system of internal controls. Key elements of the Company's internal controls include:

1 The alignment or adoption of best practices from Petron Corporation. These not only assist the Company in identifying the principal risks faced by the Company, but also prescribe the appropriate systems to manage these risks that include the overall control framework, the required control checks and the required assessment of the system's effectiveness.

2 A defined organisational structure with clear lines of accountability and delegation of authority. This includes a quarterly review by the Board Audit & Risk Management Committee and the Board of Directors of the delegation to the authorised signatories list.

3 Reviews of controls, including through internal audits being performed periodically, and financial audits are subject to annual review by the external auditor. The results are reviewed with various levels of Management and any major concerns are raised to Senior Management and the Board Audit & Risk Management Committee.

4 Key policies covering, among others, business ethics, conflicts of interest, alcohol and drug use, gifts and entertainment, harassment in the workplace and employees' outside directorships are

in place in the form of Petron Malaysia's Standards of Business Conduct ("Code of Conduct"). These include requirements to comply with all applicable laws and regulations. The Code of Conduct has been communicated to employees, vendors and contractors. Effective from 2014, training is provided periodically to employees, whilst vendors and contractors are reminded of the need to comply with the Code of Conduct. From 2018, the frequency of refresher training of Code of Conduct was set at between two (2) to three (3) years. In this regard, the last refresher training was completed in 2023 and the next refresher programme is set for 2025. All new employees are required to undergo mandatory training/refresher training on the Code of Conduct. Where there are any violations, a 'controls stand-down' with employees will be carried out to reinforce the need for adherence to internal guidelines. Revised guidelines on receiving gifts were implemented in 2017 and the requirement for declaration/review and approval are strictly enforced.

5 The Company further provided its employees with training on Anti-Money Laundering as well as measures that have been put in place to meet the requirements of the relevant law(s) and minimise risks associated with movement of funds involving the Company.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

6 A management integrity system based on Petron Corporation's best practices to assess and sustain the effectiveness of the organisation's system of controls.

7 The effective lines of communications within the Management with regular Management Committee meetings where all matters pertaining to each business unit and function are reviewed, this way any controls related issues are highlighted weekly and the action plans on any identified gaps are dealt with immediately.

The last risk-evaluation exercise on all the departments relating to anti-money laundering and anti-corruption management was conducted in 2022/2023. The next risk evaluation will be conducted in 2025.

Currently, three (3) personnel of the Company achieved professional qualification from International Compliance Association ("ICA")/Asian Institute of Chartered Bankers ("AICB") Advanced Certification in Anti-Money Laundering/Counter Financing in Terrorism ("ACAML") to manage matters in relation to anti-money laundering/counter-financing of terrorism compliance.

The Board Audit & Risk Management Committee (a Committee comprised solely of Independent Directors) has oversight of the Company's Risk Management framework and policies. Apart from the weekly Management Committee Meeting where potential business-related risks are discussed, a risk management working group comprised of key senior personnel, meets quarterly to review risks and from that meeting, provides updates to the Board Audit & Risk Management Committee. There is a specific fixed agenda in the quarterly Board Audit & Risk Management Committee Meetings on Risk Management.

It should be noted that systems of internal controls and risk management are designed to manage or mitigate rather than eliminate the risk of failure to achieve business objectives. Any system can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company's risk management is managed by employing Petron Corporation's Enterprise-Wide Risk Management tools. The exercise points out that the key risks previously identified continue to be the main

risks that must be managed even today. The Company, recognising that this is an evolving endeavour, will continue to revisit the risk management preparations that are already in place with the intent to update the tools and assessment, where necessary. Examples of such evolution were the evaluation of the risks of pandemic, business disruption (such as plant and/or operations downtime) as well as information technology ("IT") and cybersecurity risks.

As part of the Risk Management review, all business continuity plans ("BCP") of the Company are periodically reviewed to ensure that the business recovery process in the event of an emergency is sound and effective. The BCP proved to be effective during the unplanned maintenance shutdown of the Port Dickson Refinery in the fourth quarter of 2024.

In addition, the majority of the Company's business processes, systems and operations are dependent on and interlinked through IT. The emergence of IT cybersecurity threats may cause serious disruption or downtime to the Company's operations if not mitigated or avoided. To mitigate the cybersecurity threats, the Company has put in place the appropriate IT security measures, but not limited to system firewall, antimalware software and tools to monitor and prevent risks from cyber-attacks. Furthermore, the Company implemented a comprehensive Information Security Management System ("ISMS") which was adopted from the parent company's ISMS but localised for Petron Malaysia's requirements.

"IMPLEMENTED A COMPREHENSIVE INFORMATION SECURITY MANAGEMENT SYSTEM (ISMS), LOCALISED FOR PETRON MALAYSIA."

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

This ISMS covers an integrated set of policies, procedures, structures and system changes aimed to protect all of the Company's data, information, systems and assets, to ensure integrity and reliability of its operations. Key control-related matters in relation to the Company's Corporate Governance include:

- 1 Timely reporting of any changes to the prevailing delegation of authority that have been approved by the Board and ensuring that amendments are approved by the Board in a timely manner so as not to cause any disruption to the business;
- 2 Regular notice to all Directors and staff or Insider Trading and risks as well as restrictions on trading in the Company's shares during a 'closed period';
- 3 Quarterly reporting to the Board Audit & Risk Management Committee of all Trade Accounts Receivables that are written-off;
- 4 Review of any contracts over the value of RM5 million that were not in the ordinary course of business;
- 5 Full review with the Board Audit & Risk Management Committee on a quarterly basis of all intercompany transactions to ensure compliance with laws pertaining to Related Party Transactions including transactions under an existing recurrent related party transaction mandate;
- 6 Review of amendments to the Company's List of Authorised signatories;
- 7 Risk management updates were included as a fixed item in all Quarterly Board Audit & Risk Management Committee with effect from 2017; and
- 8 Since 2021 an overall compliance update relating to anti-corruption, anti-money laundering and disciplinary matters is presented to the Board Audit & Risk Management Committee as a quarterly update. Effective November 2023, a compliance update is also provided to Board of Directors at its quarterly meetings.

The risk management framework is developed internally based on the Company's experience in the down-stream oil and gas business requirements and honed over 50 years of experience in the business.

The Company's terminals continue to be recognised for their commitment to outstanding occupational safety and health performance.

At the 42nd Malaysian Society for Occupational Safety and Health ("MSOSH") Awards ceremony in November 2024, the Company achieved a historic milestone by securing a record-breaking eight awards across the Company's (and its sister companies') operations.

This remarkable feat reflects the Company's (and its sister companies') unwavering dedication to upholding the highest standards of safety and health. Among the accolades, the Bagan Luar Terminal was honoured with the distinguished High Achiever Award in recognition of its excellence in detailed and transparent audited results. It is also noteworthy that the sister company, Petron Fuel International Sdn. Bhd., Kuantan Terminal received the prestigious Platinum Award — the highest category of the MSOSH awards, which had not been conferred since 2007. This demonstrates the integrity of not only the Company-owned terminals, but also that of its sister companies, indicating a robust supply chain network.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

“BAGGED A RECORD-BREAKING 8 AWARDS AT MSOSH 2024, INCLUDING PLATINUM AND HIGH ACHIEVER AWARDS.”

In total, the Company (and its sister companies) proudly garnered one Platinum Award, one President Award, one High Achiever Award, five Grand Awards, two Gold Merit Awards, and five Gold Class 1 Awards at the MSOSH Awards 2024. These awards highlight the Company's (and its sister companies') steadfast commitment to prioritising safety and health in daily operations, consistently striving to achieve a zero lost-time injury ("LTI") record and reinforcing the role as a leader in occupational safety and health.

Additionally, at the 4th Malaysian Society for Occupational Safety and Health ("MiSHA") National Excellence Award, the Port Dickson Terminal was honoured with the prestigious Diamond Awards for Occupational Safety and Health ("OSH") Principle of Prevention ("PoP"). This accolade, representing the second-highest level of recognition, underscores their exemplary efforts in adopting and implementing comprehensive safety and health management practices. These initiatives have not only enhanced operational efficiency but also significantly contributed to reducing workplace risks, fostering a strong culture of safety, and setting industry benchmarks for excellence in OSH standards.

A significant part of the Company's (and its sister companies') commitment to environmental stewardship is reflected in the expansion of the Integrated Management System ("IMS") certifications, which reinforce best practices in OSH, environmental management, and quality management. In 2024, the Company (and its sister companies) took key steps to strengthen the IMS framework, beginning with the rollout of the Quality Management System at Lumut PME Plant in July, with certification audits planned for late 2024 and early 2025.

Further reinforcing the commitment, SIRIM conducted IMS audits at several key locations, including the Company's (and its sister companies') terminals, between July and November 2024. These assessments focused on both recertification and new certifications for environmental and OSH standards. The process concluded successfully in November, with auditors identifying no major non-conformances and recommending IMS certification for the audited terminals with a one-year validity.

The Company's (and its sister companies') Distribution and Terminal Operations ensure reliable supply with a strong emphasis on safety. In 2024, the Company (and its sister companies) reached a significant milestone of 37.82 million injury-free man-hours and extended our LTI free record to 27.82 years, underscoring the Company's (and its sister companies') dedication to operational excellence and maintaining a safe workplace for the employees. Day-to-day operations are governed by robust controls and a structured authorisation process across various levels and departments, which mitigate the risk of authority misuse. Key areas, such as procurement approvals and land acquisition for retail expansion, are subject to stringent oversight. Additionally, critical processes undergo regular independent evaluations by Internal Audit to assess the effectiveness of these controls. The Company's risks and internal controls are not only reviewed internally but also systematically assessed by Internal Audit, with recommended improvements implemented within specified timeframes.

“THE COMPANY'S RISK MANAGEMENT IS GUIDED BY OVER 50 YEARS OF DOWNSTREAM OIL & GAS EXPERIENCE.”

The Board has also received assurance from the Chief Executive Officer and Chief Finance Officer that the Company's risk management and internal control systems (for financial year ended 2024 and up to the date of this Report) are operating adequately and effectively, in all material respects.

This Statement is dated 20 March 2025.

BOARD AUDIT & RISK MANAGEMENT COMMITTEE REPORT

As at 31 December 2024, the Board Audit & Risk Management Committee (“the Committee”) of Petron Malaysia Refining & Marketing Bhd (“Petron Malaysia” or “the Company”) comprised five (5) Independent Directors, namely:

» **Y. BHG. DATUK NIK MOHD HASYUDEEN BIN YUSOFF**


 Chairman of the Committee

» **MR. FONG SEOW KEE**

» **MR. ANTONIO M. CAILAO**

» **Y. BHG. DATO' NOORIZAH BINTI HJ ABD HAMID**

» **Y. BHG. DATUK PRAKASH CHANDRAN MADHU SUDANAN**
(appointed with effect from 25 July 2024)

 The profile of the Committee members can be found on pages 48 to 50.

The Secretary to the Committee is the General Counsel/ Company Secretary of the Company. The Committee's Terms of Reference can be found on the Company's website. The Terms of Reference were last reviewed and updated in 2019.

The Committee held five (5) regular meetings during the last financial year. The details of each Committee member's attendance have been tabulated in the Corporate Governance Overview Statement, which can be found on page 69. Executive Directors are encouraged to attend these meetings to provide guidance to the Committee. Members of the Management Committee, particularly the General Manager, Chief Finance Officer and General Counsel/Company Secretary, regularly attend the meetings by invitation to present matters for the Committee's consideration and to answer any queries.

In addition to the Committee meetings, the Committee also met privately with the External Auditor in February 2024 and February 2025. The Internal Auditor also provided updates during the Committee's May and November 2024 meetings.

Consistent with Petron's corporate governance culture and to ensure that Independent Directors are kept fully abreast of all matters pertaining to the Company, the Management has implemented a process whereby if an Independent Director is unable to attend a Committee meeting, an advance private meeting, where possible, will be held with the said Director earlier to fully brief him or her of all matters to be tabled before the Committee. The views of that Director are then relayed to the Committee at its meeting.

Similarly, where a Circular Resolution of the Committee is moved, a private meeting will be arranged with each Independent Director, where possible, for a full briefing on the proposal prior to obtaining their consent to the Circular Resolution.

SUMMARY OF ACTIVITIES

During the last financial year, the Committee discharged its functions and carried out its duties as set out in the Duties of the Committee below.

INTERNAL AUDIT

To ensure independence from the Company's Management, the internal audit function of the Company is managed by Petron Corporation's Internal Audit Department. The Internal Auditor reports directly to the Committee on all audits carried out in relation to the Company. The Internal Audit Department of Petron Corporation is highly experienced in auditing the downstream oil and gas business, enabling the Internal Auditor to conduct the audits efficiently and with minimal need for familiarisation. This expertise also positions the Internal Auditor to provide the Management with substantial insights and recommendations for process improvements within the Company's systems. More information on the internal audit function can be viewed within the Corporate Governance Statement on www.petron.com.my.

Meetings with the Internal Auditor (23 May 2024 and 21 November 2024)

Following the mid-year review with Internal Audit on 23 May 2024, the Committee reviewed the completed audit engagements (which included Internal Control Ratings) for 2024. The following engagements were executed remotely or on-site, with no major issues that had a significant impact on the Company's financial statements and business operations:

- 1
- Review of the KLIA Aviation Terminal;

BOARD AUDIT & RISK MANAGEMENT COMMITTEE REPORT

- 2
- Review of the Sustainability Report on Environmental Disclosures;

- 3
- Review of Recurring Related Party Transactions (“RRPTs”) between the Company and Petron Singapore Trading Private Limited (“PSTPL”);

- 4
- Review of the Lumut Palm Oil Methyl Ester (“POME”) Plant; and

- 5
- Review of the Tank Truck Contract Management and Bills Payment.

Status of the Audit Plan

The status of the 2024 Audit Plan follows:

- 1
- As reported during the mid-year review on 23 May 2024, seventeen (17) of the originally planned twenty-one (21) audit engagements were implemented throughout 2024, whilst the remaining four (4) items will be completed by the first quarter of 2025, due to system enhancements and departmental reorganisations.
- 2
- Internal Audit conducted and completed the following five (5) audit engagements which were conducted either remotely or on-site or both:
 - Compliance Review of RRPT between PSTPL and the Company;
 - Review of the KLIA Aviation Terminal;
 - Review of the Sustainability Report on Environmental Disclosures;
 - Review of the POME Plant; and
 - Review of the Tank Truck Contract Management and Bills Payment.

Internal Controls Assessment

There were no major issues noted that had a significant impact on the Company's financial statements and business operations.

Audit Plan for 2025

At its meeting on 21 November 2024, the Committee approved six (6) audit engagements for 2025. These will entail the following:

- 1
- Port Dickson Terminal – Review of dispatch operations, inventory management, expenditure, contract oversight and fixed asset management. The engagement will also assess controls relating to minor incidents that may render terminal facilities inoperable or disrupt product supply.
- 2
- SAP Materials Management/IS-Oil Module – Assessment of system configurations, material and vendor master data maintenance, raw materials and inventory management, production and costing processes, and access control. The engagement will extend to IT systems and infrastructure.
- 3
- Procurement Process – Evaluation of end-to-end procurement activities, including purchase requisitioning, bidding, negotiation and award processes, purchase order creation and contract management. The engagement will cover minor incidents rendering facilities inoperable, product supply disruption as well as vulnerabilities in IT systems and infrastructure.
- 4
- Service Station Maintenance and Repairs – Examination of maintenance and repair practices at Service Stations and LPG stockists and redistribution centres. The engagement will cover controls to manage minor operational incidents.
- 5
- Environmental Disclosures in the Sustainability Report – Review of environmental-related sustainability disclosures to ensure accuracy, completeness, and alignment with reporting standards.
- 6
- RRPT between PSTPL and the Company – The engagement will assess compliance with Bursa Malaysia's RRPT mandates as well as related regulatory and legal risks.

BOARD AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Committee also noted a matter arising from the recommendations of the Malaysian Code on Corporate Governance 2021:

- Whilst the internal audit function is independent of the Company, it is necessary for the Committee to be given an opportunity to evaluate the performance of the internal audit function and provide feedback as part of the Internal Audit Department's performance evaluation.
- Internal Audit would be required to provide the Committee with a written assurance of its independence and continued independence from the Management of the Company.

DUTIES OF THE COMMITTEE

A summary of the activities carried out by the Committee in discharging its duties in 2024 follows:

Review of Risk Management Matters

The Committee reviewed and provided recommendations to Management and (where necessary) approved risk management reviews and findings. The Committee also reviewed the mitigation initiatives implemented by the Company.

Since 2017, Risk Management has been included as a fixed agenda item in all quarterly meetings of the Committee. The major risks for 2024 comprised:

- Commodity Price Volatility (Crude/Finished product);
- Forex Volatility;
- Crude/Product supply disruption;
- Delay in the Government's Subsidy Reimbursements;
- Major Incidents Rendering Facilities Inoperable (Port Dickson Refinery and Terminals);
- The Pandemic;
- Sustainability (considering the importance of Environment matters);
- Access to External Financing; and
- High Staff Attrition.

For each of these identified risks, there are risk management tools and existing business continuity programmes in place. In this regard, the Committee was briefed on the review of the effectiveness of the Business Continuity Plan (relating to the Refinery Operations and the potential supply disruption). The robustness of the business continuity plans enabled the Company to manage the unprecedented issues faced by the Company relating to crude/product supply during 2024.

Review with the Internal Auditor and External Auditor

PricewaterhouseCoopers ("PwC") met with the Committee on 21 November 2024 to present and seek approval for the 2024 Audit Plan and Strategy. The matters discussed at this meeting included:

1 The scope of the audit and the fact that the audit would be conducted based on the Approved Standards on Auditing in Malaysia;

2 Assurance on the independence of PwC;

3 Understanding the changes affecting Petron Malaysia's business;

4 Risk assessment and focus areas for the 2024 audit;

5 Key audit matters;

6 Reliance on the Internal Auditors; and

7 Audit of the IT systems.

BOARD AUDIT & RISK MANAGEMENT COMMITTEE REPORT

On 26 February 2025, PwC presented the audit findings in relation to the audit for the year ended 31 December 2024 (to be included in the 2024 Annual Report) to the Committee. A summary of the discussion is as follows:

Audit Focus Areas

The key audit matters identified were:

1 Recoverability of the carrying amount of property, plant and equipment, investment properties and right-of-use assets; and

2 Accuracy and occurrence of revenue transactions.

Review of the Annual Report

As required under the auditing standards, PwC reviewed the statements in the Company's 2024 Annual Report, which were obtained after the date of the auditor's report, to identify any inconsistencies with material information that PwC was aware of, and to highlight the same to the Management.

Statement of Risk Management and Internal Control ("SORMIC")

PwC highlighted to the Committee that the purpose of its engagement was to express an independent limited assurance whether anything had come to its attention that caused PwC to believe that the SORMIC was not prepared, in all material respects, in accordance with the reporting criteria as set out in the paragraphs of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("SRMICG"), or was factually inaccurate. In this regard, PwC informed the Committee that nothing had come to its attention that the SORMIC was not prepared, in all material respects, in accordance with the SRMICG.

PwC also highlighted that the Management had been fully cooperative and had provided PwC the necessary documentation and explanations. The Committee was informed by PwC that it had not come across any offences involving fraud or non-compliance during the audit.

Ensuring that the Internal Auditor and External Auditor Receive Management's Co-operation

The Committee had sought and received confirmation at meetings with the Internal Auditor and External Auditor that the Management and the Company's employees had extended their fullest co-operation to the Internal Auditor and the External Auditor. At the Committee meeting on 21 November 2024, the Committee also received assurances from PwC that the Internal Auditor had shared its findings with PwC.

Adequacy of the Independence, Scope, Functions, Competency and Resources of the Internal Audit Function

The Committee at its meeting on 21 November 2024 had reviewed the independence, scope and functions of the internal audit function and found that it had the necessary authority to carry out its tasks. The audit findings, the follow-up action as well as audit plan for 2025, were reviewed and approved. The Committee was assured that there was no element of interference or influence by Management with its audit findings.

Reporting of Any Internal Audit Issues

There were no special internal audit programmes, processes, results of the internal audit programme, investigations undertaken, or actions that had been taken, that needed to be reported to the Board in 2024.

Endorsement of Financial Statements

The Committee reviewed and reported to the Board the quarterly results and the financial statements for the year ending 31 December 2024, including the statement of financial position and statement of profit or loss and other comprehensive income, prior to the submission of the statements to the Board for approval. The Committee also paid particular attention to ensuring compliance with changes in existing accounting policies as well as implementation of new accounting policies, and significant and unusual events (if any). The Committee also reviewed and ensured compliance with legal requirements including disclosures to the stock exchange and the relevant authorities.

BOARD AUDIT & RISK MANAGEMENT COMMITTEE REPORT

Endorsement of Major Transactions and Recurring Related Party Transactions

The Committee endorsed the Circular to Shareholders in relation to the Proposed New Shareholders' Mandate for RRPT of Revenue or a Trading Nature ("Mandate") for approval by shareholders at the 2024 Annual General Meeting. There were no undisclosed related party transactions in 2024. The Mandate was subsequently approved by the shareholders.

Review of Other Significant Matters

Apart from major transactions and related party transactions, the Committee at all quarterly meetings in 2024, reviewed:

- a All contracts (if any) with a value of over RM5 million that were not in the ordinary course of business;
- b Accounts receivables written off (if any);
- c Revisions to the List of Company's Authorised Signatories;
- d Risk management updates; and
- e Compliance reports.

Appointment of External Auditors and Fees

At its meeting on 26 February 2025 and 20 March 2025, the Committee resolved the following:

- 1 Having reviewed the fees payable to PwC, the Committee recommended to the Board that the proposed audit fees of RM470,000 be approved; and
- 2 After reviewing PwC's willingness to be reappointed, its continued independence as the external auditor, and its performance during its term, the Committee proposed to the Board that:

a) PwC be recommended to the shareholders at the Annual General Meeting for reappointment as the External Auditor for the financial year 2025; and that

b) The Board be authorised to determine the External Auditor's fees for the said audit period.
- PwC's Partner/representatives will be present at the Annual General Meeting and will be available to answer any questions shareholders may have regarding its audit.
- This report is dated 20 March 2025.
- NOMINATING COMMITTEE REPORT
- ESTABLISHMENT OF THE NOMINATING COMMITTEE
- The Nominating Committee was established by the Board of Directors in 2003 with a written charter that specifies its roles and responsibilities. The Nominating Committee Charter ("Charter") was last reviewed and approved by the Board of Directors in 2021. The Charter can be accessed on the Company's website www.petron.com.my.
- The Nominating Committee is responsible for recommending candidates for Independent Non-Executive Director and Executive Director roles, as well as Directors for Board Committee appointments, for the Board's consideration and decision. The Nominating Committee is also tasked with reviewing and recommending candidates for appointment as Chief Executive Officer, Chief Finance Officer and Company Secretary.
- The current members of the Nominating Committee are as follows:
- »
Y. BHG. DATO' NOORIZAH HJ ABD HAMID
Independent Director
Chairperson
(with effect from 14 June 2024)
- »
Y. BHG. DATUK NIK MOHD HASYUDEEN BIN YUSOFF
Independent Director
- »
MR. ANTONIO M. CAILAO
Independent Director
- The Composition of the Nominating Committee complies with the Malaysian Code on Corporate Governance 2021 ("CG Code 2021").
- ROLE OF THE NOMINATING COMMITTEE AND ACTIVITIES IN 2024
- Annual Assessment and Evaluation
- Apart from reviewing and recommending candidates to the Board, the Nominating Committee is also responsible for the annual assessments and evaluations to assess the effectiveness of the individual Directors, Board Committees and the Board as a whole on an ongoing basis. These assessments — based on a combination of qualitative and quantitative factors as determined by the Committee — were carried out by the Nominating Committee for the year.
- The findings and results of these assessments by the Nominating Committee were reported to the Board on 20 March 2025.
- Training Programmes
- The Nominating Committee can instruct the Management to organise induction training programmes for new Directors, upon request, to acquaint them with their fiduciary duties and compliance obligations under securities and corporate laws. As directed by the
- Chairperson of the Nominating Committee, all Directors are informed of available training programmes by the Company Secretary. The Company will also arrange for Directors to attend such training programmes upon request.
- In 2024, Bursa Malaysia Securities Berhad ("Bursa Malaysia") together with the Securities Commission Malaysia ("SC") announced the rollout of a new mandatory onboarding programme on sustainability for directors of public limited companies. The Mandatory Accreditation Programme ("MAP") Part II: Leading for Impact is an extension to the existing MAP under the Main Market Listing Requirements ("MMLR").
- As of this Report's date, all Independent and Executive Directors of the Company have completed the MAP Part II ensuring full compliance with Paragraph 15.08 of the MMLR.
- Board Diversity
- The Nominating Committee, in recommending candidates for the Company, places emphasis on recommending the 'best person for the job and for the Company' regardless of race, religion, gender or social background. The same principle applies to appointments to the Board. In considering candidates for Board positions, the Nominating Committee pays particular attention to their experience, qualifications,

NOMINATING COMMITTEE REPORT

character, integrity, competence and time commitment to the Company. In line with the Company’s commitment to diversity, both the Board and Nominating Committee are keen to ensure not only gender diversity but also diversity in terms of age and ethnicity.

Petron Malaysia recognises the Government’s call for diversity by ensuring that at least one-third of the Board comprises women Directors, a goal that the Nominating Committee continually strives to achieve and maintain. There are currently three (3) women Directors on the Board, one (1) of whom is an Independent Director. As such, the Board currently meets the minimum thirty per cent (30%) women representation recommended under the CG Code 2021.

Recommendation for Board Appointments

Under the Company’s Constitution, the Board can appoint any person as a Director as and when deemed necessary. However, to ensure consistency with the CG Code 2021, the Nominating Committee makes recommendations to the Board prior to such appointments. Any person so appointed shall hold office until the next Annual General Meeting (“AGM”), at which time the candidate will be subject to election by the shareholders. An election of Directors takes place every year, with each Director retiring from office at least once every three (3) years. Directors retiring by rotation are eligible for re-election by the shareholders at the AGM.

In 2024, the Nominating Committee carried out the following activities:

- a Ensured the performance evaluations of the Directors included a review of the performance of the Board in addressing the Company’s material sustainability risks and opportunities;
- b Conducted and reviewed the annual evaluation of the Directors, Board and Board Committees for the year ended 2023 and reported the same to the Board in March 2024. A report of this evaluation was reported in the 2023 Annual Report;
- c Conducted a review of the candidates to retire by rotation (i.e., Ms. Aurora T. Calderon, Mr. Fong Seow Kee and Y. Bhg. Dato’ Noorizah Hj Abd Hamid) and recommended their re-election at the 2025 AGM;

- d Reviewed the candidate proposed for appointment as an Independent and Non-Executive Director (i.e., Y. Bhg. Datuk Prakash Chandran Madhu Sudanan) who was appointed to the Board on 25 July 2024;
- e Directed the induction programmes for the new member of the Board, Y. Bhg. Datuk Prakash Chandran Madhu Sudanan, which covered, amongst other topics, the Company’s corporate information, governance framework and management information;
- f Made arrangements for all Executive Directors and Independent Directors who had not completed the MAP Part II to attend the programme within the prescribed timeline; and
- g Following the resignation of Ms. Chua See Hua from the Board of Directors and the Nominating Committee effective 13 June 2024, the Committee conducted a review of candidates proposed for membership of the Nominating Committee. Upon completing her fit and proper assessment and with the approval of the Board, Y. Bhg. Dato’ Noorizah Hj Abd Hamid was appointed as a member, and concurrently as Chairperson, of the Nominating Committee, effective 14 June 2024.

DIRECTORS’ FIT AND PROPER POLICY

In 2022, following amendments by Bursa Malaysia relating to the appointment and independence of Directors, the Board established and published a Fit and Proper Policy outlining the criteria for the appointment and re-election of its Directors. This policy can be found on the Company’s website at www.petron.com.my. The amendments introduced new requirements aimed at enhancing board quality, integrity and diversity. Among other requirements, all publicly listed companies are to appoint at least one woman Director and to adopt a Fit and Proper Policy governing the appointment and re-election of their Directors.

NOMINATING COMMITTEE REPORT

APPOINTMENT OF DIRECTOR(S) IN 2024

On 25 July 2024, Y. Bhg. Datuk Prakash Chandran Madhu Sudanan was appointed to the Board as an Independent and Non-Executive Director. Following his appointment to the Board, Datuk Prakash was then appointed as a member of the Board Audit & Risk Management Committee effective 25 July 2024.

Annual Review of Board/Committees/Directors Performance

For the annual evaluation, the Nominating Committee considers among other factors, the roles played by Directors — both individually and as a group — during the year. The Nominating Committee also considers the Directors’ role and contributions in charting the Company’s direction, setting out the strategic plans, and stewarding the implementation process. The Nominating Committee also reviews other matters such as the training sessions attended by Directors, their attendance record at meetings (including their level of participation), as well as their level of compliance with legal requirements, including the MMLR.

Since the 2023 annual evaluation, a revised and enhanced evaluation survey, as recommended by the Nominating Committee in consultation with Internal Audit, has been utilised. The survey comprises six (6) sets of questionnaires that the respective Directors are required to complete via self-assessment and/or peer assessment. They cover aspects such as (i) the independence of the Independent Directors; (ii) the performance of the Board Committees; (iii) the performance of the Board; (iv) the Board members’ skillsets; (v) the individual Directors’ performance and contributions to the Board; and (vi) the Board’s performance in addressing the Company’s material sustainability risks and opportunities. A dedicated set of questions on the Board’s role in sustainability governance-related matters is also included.

In line with the CG Code 2021, commencing from 2024, independent experts are to be engaged at least every three (3) years to facilitate objective and candid Board evaluations. The independent evaluation allows the focus on tracking actionable items and on principle of continuous improvement. The main basis for an externally facilitated board effectiveness evaluation is that an external assessment conducted by an experienced and objective independent facilitators is to provide a more balanced, impartial and comprehensive picture of the Board’s functioning and effectiveness. Following MCCG’s recommendation, in 2024, the Company engaged AscendServ Corporate Services Sdn. Bhd. (“AscendServe”) to conduct the Board evaluations.

The evaluation was conducted using customised online questionnaires to assess the Board, Board Committees and individual Directors’ performance and qualities. AscendServe also conducted one-on-one interviews with the Independent Directors, General Counsel/ Company Secretary and Chief Finance Officer to gather insights into key strengths and areas for improvement by the Board and Board Committees. The outcome of the exercise was reported to and considered by the Nominating Committee at its March 2025 meeting.

The 2024 annual evaluation was completed on 5 March 2025 and the results were presented to the Nominating Committee and the Board on 20 March 2025. A summary of the results follows:

» Board Structure

Assessed the Board’s composition, diversity, number of Independent Directors and collective skills and experience. Rating: 4.5 out of 5.0

» Board Accountability

Covered nine (9) areas including long-term strategy setting, business plan development, working with Management, risk management and internal controls, business continuity plans, sustainability/Economic, Social and Governance or ESG considerations, conflicts of interest and periodic performance updates. Rating: 4.4 out of 5.0

» Board Procedures

Included Board meetings conduct, on-boarding programmes, updates on major landscape changes, business assumption validation, number of Board meetings and stakeholder communications. Rating: 4.5 out of 5.0

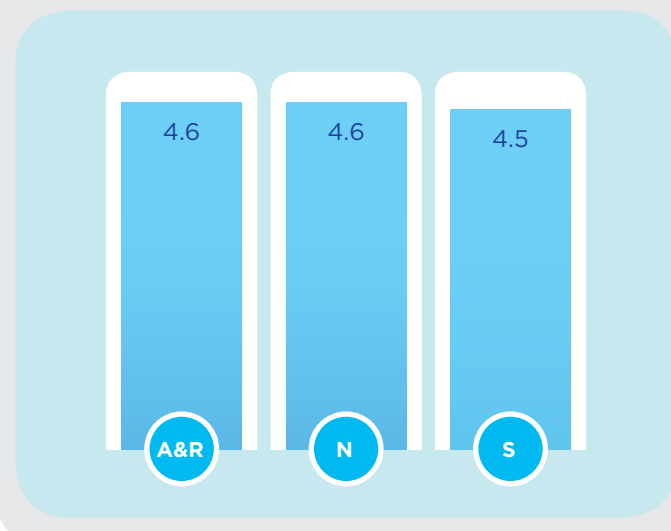
» Board Information

Included meeting agendas, Board papers, early alerts on major changes, updates on fraud risk management, Board training, meeting minutes and regulatory updates. Rating: 4.5 out of 5.0

NOMINATING COMMITTEE REPORT

» Board Committees:

Ratings achieved by the respective Committees were as follows:



The evaluation of the independence of the Independent Directors indicated that the overall results for the year 2024 were comparable with the evaluation results for 2023. Furthermore, all Independent Directors fulfilled the independence criteria set out under the MMLR.

The Board was satisfied with the results of the other evaluations, which showed that the Directors, Board Committees and the Board as a whole had achieved overall satisfactory ratings. The evaluations also confirmed that the Board's composition reflected the right mix of skills and experience as well as individuals of integrity.

The evaluation results, together with the criteria set out in the Fit and Proper Policy, were also used by the Nominating Committee in considering and determining its endorsements pertaining to the re-election of retiring Directors.

The Company's Chief Executive Officer, Chief Finance Officer, Company Secretary and other members of the Management Committee (collectively referred to as "Key Executives") all undergo a rigorous annual performance evaluation and ranking process based on set goals and Key Performance Indicators. This is conducted as part

of the Petron Group's annual employees' performance evaluation. The evaluation is done independently of each of the individual Key Executives concerned who do not have any role in determining the results of the evaluation, ranking, salary increments and other remuneration, if any.

Election/Re-election/Appointment of Directors

The Nominating Committee at its meeting on 20 March 2025, also evaluated the Directors standing for election/re-election/appointment to the Board. The Nominating Committee, having access to the evaluation results of the Directors' performance, and having assessed each Director for reappointment based on criteria set out in the Company's Fit and Proper Policy, recommended:

- a That three (3) Directors, namely Ms. Aurora T. Calderon (Executive Director), Mr. Fong Seow Kee (Independent Director), and Y. Bhg. Dato' Noorizah Hj Abd Hamid (Independent Director), shall retire by rotation at the forthcoming AGM. The Committee, having considered the excellent evaluation ratings from the Annual Evaluation of these three (3) retiring Directors and considering the time they have available to devote to Petron Malaysia, proposed that the Board to recommend the respective Directors for re-election by shareholders at the 2025 AGM; and
- b That Y. Bhg. Datuk Prakash Chandran Madhu Sudanan, an Independent Director appointed effective 25 July 2024, and who is due to retire at the upcoming AGM, is eligible for re-election to the Board. In this regard, the Committee proposed that the Board recommend to shareholders at the 2025 AGM, that Y. Bhg. Datuk Prakash Chandran Madhu Sudanan be elected to the Board.

This Report is dated 20 March 2025.

BOARD SUSTAINABILITY COMMITTEE REPORT

ESTABLISHMENT OF THE BOARD SUSTAINABILITY COMMITTEE

The Board Sustainability Committee was established by the Board of Directors in 2022 with a written Charter outlining its roles and responsibilities. The Board Sustainability Committee Charter ("Charter") was last reviewed and approved by the Board of Directors in May 2022, and subsequently reviewed again by both the Board Sustainability Committee and the Board in August 2022. The Charter can be accessed on the Company's website at www.petron.com.my.

The Board Sustainability Committee is responsible for steering the Company's sustainability efforts and for ensuring all related reporting complies with the recommendations of the Malaysian Code of Corporate Governance 2021.

With effect from 14 June 2024, Mr. David Fong Seow Kee was appointed as Chairperson of the Board Sustainability Committee, while the former Chairperson, Mr. Lubin B. Nepomuceno, remained a member of the Committee.

The current members of the Board Sustainability Committee are as follows:

» MR. DAVID FONG SEOW KEE <i>Independent Director</i> Chairman (with effect from 14 June 2024)	» Y. BHG. DATO' NOORIZAH ABDUL HAMID <i>Independent Director</i>	» MR. LUBIN B. NEPOMUCENO <i>Executive Director</i>	» MS. JACQUELINE L. ANG <i>Executive Director</i>
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The current advisors to the Board Sustainability Committee are as follows:

» MR. EMMANUEL E. ERAÑA	» MR. JAIME O. LU	» MS. MIA L. SANTOS-DELOS REYES
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ROLE OF THE BOARD SUSTAINABILITY COMMITTEE

Apart from steering the Company's sustainability efforts and reporting, the Board Sustainability Committee is responsible for assisting the Board of Directors and/or the Chairman of the Board by reviewing strategies, targets and programmes, as well as providing guidance to the Board, Chairman, and Management on all matters related to Petron Malaysia's Sustainability initiatives, including those related to the Company's Economic, Environmental, Social and Governance or EESG considerations. These efforts support the achievement of the Company's overall sustainability goals.

The Board Sustainability Committee is also tasked with seeking and ensuring alignment of the Company's sustainability efforts and reporting with those of the ultimate parent company and parent company, to the extent practicable and in compliance with Malaysian laws and regulatory directives.

The Board Sustainability Committee shall provide an annual report of its activities to the Board of Directors, and its activities shall be disclosed in either the Annual Report or Sustainability Report, as deemed appropriate.

MEETINGS

In 2024, the Board Sustainability Committee held four (4) meetings on 13 March, 10 May, 9 August and 7 November respectively.

BOARD SUSTAINABILITY COMMITTEE REPORT

2024 SUSTAINABILITY ACTIVITIES

In alignment with the Company’s commitment to sustainability, a series of initiatives have been implemented across Petron Malaysia’s operations to enhance environmental stewardship and energy efficiency. These initiatives include the installation of solar panels, solar lighting, LED lighting, and rainwater harvesting systems, underscoring our dedication to reducing environmental impact and promoting sustainable resource management.

As part of the Company’s efforts to support environmental conservation, we actively participated in the National 100 Million Tree Planting Campaign, successfully planting 1,400 trees to contribute to carbon sequestration and broader green initiatives.

In advancing sustainable mobility solutions, we have expanded our strategic partnerships to facilitate the installation of electric vehicle (“EV”) charging stations at three Petron Service Stations, fostering the adoption of cleaner transportation alternatives. Furthermore, our commitment to green energy and sustainable infrastructure was recognised through the attainment of the Green Service Station Silver certification for the Petron Mambau Service Station.

We also partnered with Radio Televisyen Malaysia (“RTM”) to strengthen community ties nationwide through the ‘Jelajah’ programme. This approach brought together charitable efforts, environmental projects, and cultural festivities under two main programmes – ‘Jelajah Ramadan’ and ‘Jelajah Aspirasi Malaysia’. By unifying our CSR agenda, we strengthened community ties nationwide while delivering a more cohesive and impactful experience for over 28,500 beneficiaries. We also went on to foster rural entrepreneurship through the ‘Sapot Lokal’ initiative which increased to 152 entrepreneurs in 2024.

As part of our efforts to promote an agile, diverse and thriving workforce, we introduced self-paced sustainability e-learning modules via the United Nations Global Compact Academy. In addition, our employee engagement programmes continue to instil Petron Malaysia’s corporate values of Excellence, Innovation, Teamwork, Ethics and Safety into our workforce culture.

Safety remains an integral component of Petron Malaysia’s operational philosophy. We continue to prioritise the health and safety of everyone involved in our operations, including the workforce at our Refinery, LPP, and Terminal sites. We have consistently maintained a strong safety record with notable achievements. Our success in garnering 15 awards at the 42nd Malaysian Society for Occupational Safety and Health (“MSOSH”) Awards attests to this. These milestones reflect the effectiveness of our proactive approach to safety and our dedication to operational excellence.

Further details of the Company’s sustainability efforts can be found in the standalone Petron Malaysia 2024 Sustainability Report.



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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 Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in manufacturing and marketing of petroleum products in Peninsular Malaysia. There has been no significant change in the nature of these activities during the financial year.

ULTIMATE HOLDING COMPANY

The Company is a subsidiary of San Miguel Corporation, which is incorporated in the Philippines and regarded by the Directors as the Company’s ultimate holding company during the financial year and until the date of this report.

RESULTS

	RM'000
Profit for the financial year	18,038

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company paid a final ordinary dividend of 23 sen per ordinary share totalling RM62,100,000 in respect of the financial year ended 31 December 2023, declared on 13 June 2024 and paid on 2 July 2024 and 4 July 2024.

The final ordinary dividend recommended by the Directors in respect of the financial year ended 31 December 2024 is 10 sen per ordinary share totalling RM27,000,000 subject to the shareholders’ approval at the forthcoming Annual General Meeting of the Company.

DIRECTORS OF THE COMPANY

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

- Mr. Ramon S. Ang
- Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff
- Mr. Fong Seow Kee
- Mr. Antonio Martin Cailao
- Y. Bhg. Dato’ Noorizah Binti Hj Abd Hamid
- Mr. Lubin B. Nepomuceno
- Ms. Aurora T. Calderon
- Ms. Jacqueline L. Ang
- Y. Bhg. Datuk Prakash Chandran Madhu Sudanan (appointed on 25 July 2024)
- Ms. Chua See Hua (resigned on 13 June 2024)

DIRECTORS’ REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

DIRECTORS’ INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and its related corporations of those who were Directors at financial year end as recorded in the Register of Directors’ Shareholdings are as follows:

	Number of ordinary shares			At 31.12.2024
	At 1.1.2024	Acquired	Sold	
Common shares of ultimate holding company (San Miguel Corporation)				
Ramon S. Ang	1,345,429	-	-	1,345,429
Lubin B. Nepomuceno	7	-	-	7
Aurora T. Calderon	22,600	-	-	22,600
Common shares of intermediate holding company (Petron Corporation)				
Ramon S. Ang	1,000	-	-	1,000
Lubin B. Nepomuceno	5,000	-	-	5,000
Aurora T. Calderon	1,000	-	-	1,000

None of the other Directors holding office as at 31 December 2024 had any interest in the 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 those fees and benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown below or the fixed salary of a full time employee of the Company or of related corporations) 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.

The Directors’ benefits are as follows:

	2024 RM'000
Non-executive independent directors	
Fees	550
Other short-term benefits	310
	860

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 AND DEBENTURES

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

There were no debentures issued during the financial year.

DIRECTORS’ REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COSTS

The indemnity insurance coverage provided for the Directors and officers of the Company is RM15,000,000. The cost of premium incurred for the financial year amounted to RM70,000. During the financial year, no indemnity claim or payment was made.

OTHER STATUTORY INFORMATION

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

- i) all known bad debts have been written off and adequate provision was made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have 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 Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities 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 Company misleading.

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

- i) any charge on the assets 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 contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company 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 Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 December 2024 has 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

AUDITORS

The auditors, Messrs PricewaterhouseCoopers PLT, have indicated their willingness to accept re-appointment.

The auditors’ remuneration in respect of the financial year ended 31 December 2024 is RM470,000.

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

Lubin B. Nepomuceno
Director

Jacqueline L. Ang
Director

Date: 04 March 2025

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
Assets			
Cash and cash equivalents	3	145,786	116,168
Derivative financial assets	4	29,468	48,126
Receivables	5	980,905	1,333,584
Inventories	6	1,269,173	1,049,135
Other current assets	7	11,255	9,233
Tax recoverable		34,406	5,731
Total current assets		2,470,993	2,561,977
Property, plant and equipment	8	1,488,942	1,442,893
Investment properties	9	632,818	635,887
Right-of-use assets	10	33,340	33,589
Long-term assets	11	26,543	21,761
Intangible assets – software	12	804	1,287
Total non-current assets		2,182,447	2,135,417
Total assets		4,653,440	4,697,394
Liabilities			
Loans and borrowings	13	1,175,125	950,000
Derivative financial liabilities	4	23,459	15,509
Payables	14	779,854	1,014,534
Retirement benefit obligations	15	3,469	1,936
Lease liabilities		8,353	17,167
Asset retirement obligations	16	3,020	2,782
Total current liabilities		1,993,280	2,001,928
Retirement benefit obligations	15	35,299	19,856
Deferred tax liabilities	17	189,911	192,923
Lease liabilities		61,856	53,010
Asset retirement obligations	16	8,115	8,427
Total non-current liabilities		295,181	274,216
Total liabilities		2,288,461	2,276,144
Equity			
Share capital	18	143,000	143,000
Retained profits		2,221,979	2,278,250
Total equity		2,364,979	2,421,250
Total equity and liabilities		4,653,440	4,697,394

The notes on pages 100 to 150 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
Revenue	19	15,837,705	17,216,282
Cost of sales		(15,563,229)	(16,652,375)
Gross profit		274,476	563,907
Other operating income		64,550	72,787
Other operating expenses	20	(247,035)	(280,521)
Administrative expenses		(32,436)	(6,890)
Results from operating activities		59,555	349,283
Finance income		6,763	6,501
Other (expense)/income		(14,244)	49,774
Finance costs	21	(38,974)	(37,905)
Profit before tax	22	13,100	367,653
Tax benefit/(expense)	23	4,938	(95,592)
Profit for the financial year		18,038	272,061
Other comprehensive (loss)/income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	24	(12,209)	50
Other comprehensive (loss)/income for the financial year, net of tax		(12,209)	50
Total comprehensive income for the financial year		5,829	272,111
Basic earnings per ordinary share (sen)	25	6.68	100.80

The notes on pages 100 to 150 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Non-distributable Share capital RM'000	Distributable Retained profits RM'000	Total equity RM'000
		Note 18		
At 1 January 2023		143,000	2,073,639	2,216,639
Remeasurement of defined benefit liability	24	-	50	50
Profit for the financial year		-	272,061	272,061
Total comprehensive income for the financial year		-	272,111	272,111
Dividends paid	26	-	(67,500)	(67,500)
At 31 December 2023/1 January 2024		143,000	2,278,250	2,421,250
Remeasurement of defined benefit liability	24	-	(12,209)	(12,209)
Profit for the financial year		-	18,038	18,038
Total comprehensive income for the financial year		-	5,829	5,829
Dividends paid	26	-	(62,100)	(62,100)
At 31 December 2024		143,000	2,221,979	2,364,979

The notes on pages 100 to 150 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
Cash flows from operating activities			
Profit before tax		13,100	367,653
Adjustments for:			
Amortisation of intangible assets	12	483	1,667
Amortisation of long-term assets	11	3,619	5,224
Depreciation of investment properties	9	33,265	33,875
Depreciation of property, plant and equipment	8	86,438	87,276
Depreciation of right-of-use assets	10	640	611
Finance costs	21	38,974	37,905
Finance income		(6,763)	(6,501)
Gain on disposal of right-of-use assets	22	(302)	-
Impairment loss on property, plant and equipment	8	-	3,855
Net (gain)/loss on disposal of property, plant and equipment	22	(655)	143
Net impairment loss/(reversal) on slow moving materials and supplies	6	12	(13)
Net impairment loss/(reversal) on trade and other receivables	28	70	(95)
Net loss on disposal of investment property	22	171	-
Net (reversal)/impairment loss on investment properties	9	(695)	356
Net (reversal)/write-down of inventories to net realisable value	6	(19,657)	2,965
Retirement benefit costs	15	2,601	2,574
Unrealised foreign exchange gain	22	(986)	(2,093)
Unrealised gain on derivatives		(6,009)	(32,617)
Write-off of investment property	9	25	-
Write-off of property, plant and equipment	8	2,865	730
Operating profit before changes in working capital		147,196	503,515
Change in inventories		(200,393)	38,384
Change in long-term assets		124	4,647
Change in trade and other payables and other financial liabilities		(269,060)	(224,121)
Change in trade and other receivables and other financial assets		398,883	(46,691)
Cash from operations		76,750	275,734
Interest paid		(33,131)	(34,637)
Interest received		6,753	6,501
Tax paid		(22,893)	(26,246)
Retirement benefits paid	15	(1,690)	(1,886)
Net cash from operating activities		25,789	219,466

The notes on pages 100 to 150 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
Cash flows from investing activities			
Acquisition of investment properties		(13,688)	(13,107)
Acquisition of property, plant and equipment		(119,276)	(53,422)
Payment for long-term assets	11	(10,473)	(13,124)
Proceeds from disposal of property, plant and equipment		661	14
Proceeds from disposal of right-of-use assets and investment property		308	-
Net cash used in investing activities		(142,468)	(79,639)
Cash flows from financing activities			
Dividends paid	26	(62,100)	(67,500)
Net drawdown/(repayment) of borrowings		225,125	(150,000)
Payment of lease liabilities		(16,717)	(6,379)
Net cash from/(used) in financing activities		146,308	(223,879)
Net change in cash and cash equivalents			
Effect of exchange rate fluctuations on cash held		(11)	(656)
Cash and cash equivalents at 1 January		116,168	200,876
Cash and cash equivalents at 31 December	3	145,786	116,168

Cash outflows for leases as a lessee

Total cash outflows for leases amounted to RM20,442,000 (2023: RM9,275,000) comprised of principal and interest payments on lease liabilities.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Loans and borrowings RM'000	Lease liabilities RM'000	Total RM'000
At 1 January 2023	1,100,000	53,324	1,153,324
Changes from financing cash flows			
Proceeds from loans and borrowings	5,329,546	-	5,329,546
Repayment of loans and borrowings	(5,479,546)	-	(5,479,546)
Payment of lease liabilities	-	(6,379)	(6,379)
Total changes from financing cash flows	(150,000)	(6,379)	(156,379)
Other changes:			
Accrued interest	-	405	405
Acquisition of new leases	-	22,749	22,749
Remeasurement of lease liabilities	-	78	78
At 31 December 2023/1 January 2024	950,000	70,177	1,020,177
Changes from financing cash flows			
Proceeds from loans and borrowings	5,753,500	-	5,753,500
Repayment of loans and borrowings	(5,528,375)	-	(5,528,375)
Payment of lease liabilities	-	(16,717)	(16,717)
Total changes from financing cash flows	225,125	(16,717)	208,408
Other changes:			
Accrued interest	-	355	355
Acquisition of new leases	-	15,900	15,900
Remeasurement of lease liabilities	-	494	494
At 31 December 2024	1,175,125	70,209	1,245,334

NOTES TO THE FINANCIAL STATEMENTS

Petron Malaysia Refining & Marketing Bhd is a public company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the registered office and principal place of business of the Company are as follows:

Registered office/Principal place of business

Level 12A, Menara I & P Tower 1
Jalan Dungun, Damansara Heights
50490 Kuala Lumpur

Principal place of business

Port Dickson Refinery
1 ½ mile, Jalan Pantai
71000 Port Dickson, Negeri Sembilan

The Company is principally engaged in manufacturing and marketing of petroleum products in Peninsular Malaysia.

The immediate, intermediate and ultimate holding companies during the financial year were Petron Oil & Gas International Sdn. Bhd. (POGI), Petron Corporation (PCOR) and San Miguel Corporation (SMC), respectively. POGI was incorporated in Malaysia while PCOR and SMC were incorporated in the Philippines. The Directors regard SMC as its ultimate holding company.

The financial statements were authorised for issue by the Board of Directors on 4 March 2025.

1. BASIS OF PREPARATION

1.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

On 1 January 2024, the Company adopted the following accounting standards, amendments and interpretations of MFRSs effective for annual periods beginning on or after 1 January 2024:

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

The adoption of the amendments listed above did not have any material financial impact on the amounts recognised in prior and current periods, and are not expected to significantly affect the financial statements of the Company in the future.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

1.1 Statement of compliance (continued)

The following are accounting standards, amendments and interpretations of the MFRSs that have been issued by the MASB but have not been adopted by the Company:

MFRSs, interpretations and amendments 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*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to the Classification and Measurement of Financial Instruments:
 - Amendments to MFRS 9, *Financial Instruments*, and
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
- Annual Improvements to MFRS Accounting Standards – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
 - Guidance on implementing MFRS 7, *Financial Instruments: Disclosures*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

The Company plans to apply the abovementioned accounting standards, amendments and interpretations when they become effective in the respective financial periods.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Company.

1.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in Note 2.

1.3 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

1.4 Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, 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 estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed below and in Note 8 – estimates of crude consumption, Note 10 – lease extension options, Note 15 – remeasurement of retirement benefit obligations, Note 16 – measurement of asset retirement obligations and Note 17 – estimates of deferred tax asset recognised arising from reinvestment allowances.

- Determining recoverable amounts of non-financial assets

MFRS 136, *Impairment of Assets* requires that an impairment review be performed on property, plant and equipment, investment properties and right-of-use assets when events or changes in circumstances indicate that the carrying amounts may not be recoverable. During the year, the Company has carried out impairment reviews of the non-financial assets which have indications of impairment in view of the carrying amount of the Company's net assets being higher than its market capitalisation.

For the purpose of assessing impairment, the Company identified its major cash generating units (CGUs) based on the nature of its trade and operations as refinery, POME plant, terminals and retail service stations. Accordingly, the carrying amounts of the property, plant and equipment, investment properties, right-of-use assets, and intangible assets in Notes 8, 9, 10 and 12, respectively, have been grouped to the respective CGUs with total carrying amounts identified for refinery of RM1,131,567,000, POME plant of RM78,433,000, terminals of RM50,726,000 and retail service stations of RM895,178,000 (2023: RM1,113,300,000, RM49,570,000, RM19,543,000 and RM931,243,000). The non-financial assets were then identified per CGU. The Company used both value in use and fair value less costs of disposal, as applicable, as the CGUs' recoverable amounts.

Determining the recoverable amount of assets based on the value in use method requires the estimation of future cash flows to be generated by the CGUs from the continued use and ultimate disposition of its assets as approved by the Company. The length of the cash flows takes into consideration the finite life of the non-financial assets and are projected based on approved long range plan for 15 years (2023: 15 years) anchored on the budget approved by the Company for financial year 2025 and extended beyond 15 years if necessary based on varying growth rates. The estimated cash flows for refinery assumed a 22-year period whereas retail service stations assumed either a 30-year period or according to the lease period. The key assumptions considered in the future cash flows are the estimates of refining and product margins, and production and sales volume. After considering historical trends, these estimates represented management's assessment of future trends in the industry available at the time of impairment review. A pre-tax discount rate of 7.56% (2023: 11.1%) has been applied which reflects market assessment of time value of money and is derived based on the weighted average cost of capital using the Capital Asset Pricing Model (CAPM).

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

1.4 Use of estimates and judgements (continued)

- Determining recoverable amounts of non-financial assets (continued)

While it is believed that the assumptions used in the estimation of recoverable amounts are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amounts and any resulting impairment loss may have a material adverse impact on financial performance.

Sensitivity analysis

There is no reasonably possible change to the key assumptions that will result in the CGUs recoverable amounts being lower than the carrying amounts.

The sensitivity of these key assumptions to the recoverable amounts of significant CGUs, holding other assumptions constant are as follows:

(a) Refinery

- 3% (2023: 3%) decrease in the refining margins will not result in the CGUs' recoverable amounts being lower than the carrying amounts.
- 5% (2023: 5%) decrease in the production volume will not result in the CGUs' recoverable amounts being lower than the carrying amounts.
- 0.5% (2023: 0.5%) increase in the pre-tax discount rate will not result in the CGUs' recoverable amounts being lower than the carrying amounts.

(b) Retail (comprised of service stations and terminals that represent individual CGU)

- 3% (2023: 2%) decrease in the product margins will not result in the CGUs' recoverable amounts being lower than the carrying amounts.
- 5% (2023: 4%) decrease in the sales volume will not result in the CGUs' recoverable amounts being lower than the carrying amounts.
- 0.5% (2023: 0.4%) increase in the pre-tax discount rate will not result in the CGUs' recoverable amounts being lower than the carrying amounts.

Based on the assessments performed, the recoverable amounts are greater than the carrying amounts for all CGUs, hence no impairment losses were recognised in 2024. Accordingly, recovery of impairment loss was recognised in 2024 as disclosed in Note 9.

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

2.1 Joint arrangements

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

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Joint arrangements (continued)

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as joint operation when the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Company accounts 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.

2.2 Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to Ringgit Malaysia at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences on retranslation are recognised in profit or loss.

2.3 Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument classification and subsequent measurement

Financial assets

Classification of financial assets is determined on initial recognition and depend on the business model followed by the Company for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Financial instruments (continued)

(ii) Financial instrument classification and subsequent measurement (continued)

Financial assets (continued)**(a) Financial assets at amortised cost**

Financial assets are measured at amortised cost if they meet both of the following conditions and are not designated as fair value through profit or loss:

- the financial assets are held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, the financial assets are subsequently measured at amortised cost using the effective interest method, less any allowance for impairment. Gains and losses are recognised in profit or loss when the financial assets are reclassified to fair value through profit or loss, impaired or derecognised.

(b) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost are measured at fair value through profit or loss. This includes all derivative financial assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

At initial recognition, the Company may irrevocably designate a financial asset through profit or loss if the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets classified as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses are recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment (see Note 2.10(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives or financial liabilities that are specifically designated into this category upon initial recognition.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Financial instruments (continued)

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

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 set off the amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Major repair and maintenance costs are capitalised as part of property, plant and equipment only when it is probable that the future economic benefits associated with the items will flow to the Company, and the cost of items can be measured reliably.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation for plant and equipment is recognised in profit or loss on a straight-line basis over the estimated useful life of each component of an item of plant and equipment from the date that they are available for use. Depreciation of refinery production assets is computed based on the unit of production method using expected refinery crude consumption over the estimated useful lives of these assets whereas other refinery plant and equipment are depreciated on a straight-line basis. Major repair and maintenance costs capitalised are depreciated on a straight-line basis over the period until the next scheduled maintenance activity. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. The estimated useful lives for the current and comparative periods are as follows:

• Buildings and improvements	20 - 50 years
• Refinery and terminal plant and equipment	5 - 30 years
• Service station and other equipment*	5 - 30 years
• Computers, office and motor equipment	4 - 20 years

* Includes IT-related assets used in service stations.

Estimates in respect of useful lives of certain items of property, plant and equipment are disclosed in Note 8.

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset which may be specified explicitly or implicitly, and should be physically distinct or represents substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- it has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- it has the right to direct the use of the asset. The Company has this right when it can make relevant decisions about how and for what purpose the asset is used throughout the period of use.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

(ii) Recognition and initial measurement

(a) As a lessee

As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, the Company's incremental borrowing rate if the implicit rate cannot be readily determined. Generally, the Company uses the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

The Company has elected not to recognise right-of-use assets and lease liabilities from short-term leases that have a lease term of twelve (12) months or less and leases of low-value assets. The payments associated with these leases are recognised as expenses on a straight-line basis over the lease term.

(b) As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Company applies MFRS 15, *Revenue from Contract with Customers*, to allocate the consideration in the contract based on the stand-alone selling prices.

(iii) Subsequent measurement

(a) As a lessee

As a lessee, the right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of right-of-use asset or to the end of the lease term. The right-of-use asset is reduced by impairment loss, if any and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Investment properties

(i) Investment properties carried at cost

Investment properties consist of land, buildings and improvements which are owned or right-of-use assets held under a lease contract 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 purposes.

Investment properties owned are initially and subsequently measured at cost. Right-of-use assets that meet the definition of investment properties are measured similarly as other right-of-use assets. Investment properties are depreciated and amortised similar to property, plant and equipment (see Note 2.4) or right-of-use assets (see Note 2.5).

Depreciation and amortisation, which commence when the investment properties are available for their intended use, are recognised in profit or loss on a straight-line basis over the estimated useful life of the properties similar to property, plant and equipment (see Note 2.4) or right-of-use assets (see Note 2.5).

The gain or loss on disposal of investment properties is determined similar to property, plant and equipment (see Note 2.4) or right-of-use assets (see Note 2.5).

(ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment properties following a change in its use, the Company accounts for transfers in accordance with recognition and measurement under property, plant and equipment up to the date of change in use.

For transfers from investment properties to property, plant and equipment, the cost of property for subsequent accounting is its carrying amount at the date of change in use.

2.7 Intangible assets

Software cost

Software cost is measured at cost less any accumulated amortisation. Computer software costs are amortised on a straight-line basis over the estimated useful life of the software, which normally falls within a range of 5 to 7 years.

2.8 Inventories

Crude oil and petroleum product inventories are stated at the lower of cost and net realisable value. Cost includes all applicable purchase costs and production overheads and is determined on the first-in first-out (FIFO) basis. Materials and supplies are valued at cost, determined on a weighted average basis, and a deduction is made for obsolete and slow-moving stocks.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, and fixed deposits with licensed banks, which have an insignificant risk of changes in fair value with original maturities of three months or less and are used by the Company in the management of their short-term commitments.

2.10 Impairment

(i) Financial assets

The Company recognises allowance for impairment losses on receivables and financial assets measured at amortised cost.

The Company recognises allowance for impairment based on either 12-month or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that are relevant and available without undue cost or effort. These include both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment as well as forward-looking information, where available.

The Company estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

(ii) Other assets

The carrying amounts of other assets (except for inventories and deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment (continued)

(ii) Other assets (continued)

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. 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 profit or loss in the financial year in which the reversals were recognised.

2.11 Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) Distributions of assets to owners of the Company

The Company measures a liability to distribute assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Company recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

2.12 Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate.

(iii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Employee benefits (continued)

(iii) Defined benefit plans (continued)

The calculation of defined benefit obligations is performed every three years by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income.

The Company determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligations at the beginning of the annual period to the net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2.13 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

2.14 Revenue and other income

The Company recognises revenue from contracts with customers when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties.

(i) Sale of goods

Revenue from the sale of petroleum products in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the control over goods has been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Revenue and other income (continued)

(i) Sale of goods (continued)

The Company participates in a loyalty program operated by its fellow subsidiary. The licensing agreement between the Company and its Dealers requires the Dealers to also participate in the loyalty program. Loyalty points are awarded by Dealers to its customers (i.e. card members) upon purchase of fuel at the service stations and these points can be redeemed with fuel products and offerings from partner merchants. Accordingly, the consideration received by the Company, i.e. revenue from Dealers for the sale of goods, is reduced by the value of loyalty points redeemed by the card members.

The Company transfers control of goods sold at a point in time unless one of the following criteria to transfer over time is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Company performs its obligation;
- (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

(ii) Service income

Revenue is recognised over time when the performance of contractually agreed service has been rendered and control over the services has been transferred to the customer.

(iii) Rental income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement. Other rent related income is recognised in the accounting period in which the service has been rendered.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

2.15 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready 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 asset 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 is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax credit will be realised.

Investment tax credits are recognised in current tax in the year when the conditions required to receive the credits are met and they are claimed in the Company's tax return. Investment tax credits that are unused are recognised as deferred tax assets to the extent that it is probable that future taxable profit will be available against which the unused investment tax credit can be utilised.

2.17 Earnings per ordinary share

The Company presents basic earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the year, adjusted for own shares held.

2.18 Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 Fair value measurement

Fair value of an asset or a liability, except for share-based payment and 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.

For non-financial asset, 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.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : unobservable inputs for the asset or liability.

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

2.20 Contingencies

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. CASH AND CASH EQUIVALENTS

	2024 RM'000	2023 RM'000
Fixed deposit	110,700	-
Cash and bank balances	35,086	116,168
	145,786	116,168

Fixed deposit with licensed bank has an average maturity of less than 30 days.

NOTES TO THE FINANCIAL STATEMENTS

4. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	2024			2023		
	Nominal value RM'000	Assets RM'000	Liabilities RM'000	Nominal value RM'000	Assets RM'000	Liabilities RM'000
Derivatives held for trading at fair value through profit or loss						
- Forward exchange contracts	73,982	-	(177)	140,065	-	(2,215)
- Commodity swaps	437,678	29,468	(23,282)	404,743	48,126	(13,294)
	511,660	29,468	(23,459)	544,808	48,126	(15,509)

Forward exchange contracts are used to manage the foreign currency exposures arising from the Company's receivables, payables and loans and borrowings denominated in currencies other than the functional currency of the Company. All forward exchange contracts have maturities of one year or less after the end of the reporting period.

Commodity swaps are used to mitigate crude and petroleum products price risks arising from volatile market prices. All commodity derivative contracts have maturities of one year or less after the end of the reporting period.

5. RECEIVABLES

	2024 RM'000	2023 RM'000
Trade receivables	341,930	341,742
Less: Impairment allowance	(27)	(20)
	341,903	341,722
Amounts due from related company	170,252	264,777
	512,155	606,499
Subsidy receivables	452,929	678,996
Other receivables	15,821	48,089
	468,750	727,085
	980,905	1,333,584

Related party balances

Trade balances due from related companies are subject to normal trade terms. Non-trade balances due from related companies are unsecured, interest free and repayable on demand.

Subsidy receivables

Subsidy receivables are amounts due from the Government of Malaysia under the Automatic Pricing Mechanism.

NOTES TO THE FINANCIAL STATEMENTS

6. INVENTORIES

	2024 RM'000	2023 RM'000
Crude oil	738,656	355,272
Petroleum products	507,428	673,155
Materials and supplies	23,089	20,708
	1,269,173	1,049,135
Recognised in profit or loss:		
Inventories recognised as cost of sales*	15,609,338	16,506,698
Included within inventories recognised as cost of sales are:		
Impairment loss on slow moving materials and supplies	22	10
Reversal of slow moving materials and supplies	(10)	(23)
Reversal of write-down to net realisable value	(21,715)	(18,750)
Write-down to net realisable value	2,058	21,715

* Inventories recognised as cost of sales include net incidental costs in reselling committed crude purchases during the shutdown repair in the Port Dickson Refinery.

7. OTHER CURRENT ASSETS

	2024 RM'000	2023 RM'000
Prepayments	11,255	9,233

NOTES TO THE FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land RM'000	Buildings and improvements RM'000	Refinery and terminal plant and equipment RM'000	Service station and other equipment RM'000	Computers, office and motor equipment RM'000	Capital projects in-progress RM'000	Total RM'000
Cost							
At 1 January 2023	23,183	78,863	1,993,589	509,777	57,495	49,508	2,712,415
Addition	-	58	20,291	16,581	456	18,152	55,538
Disposal	-	-	-	(705)	-	(53)	(758)
Write-off	-	-	-	(273)	-	(594)	(867)
Reclassification to intangible assets	-	-	-	-	-	(2,036)	(2,036)
Reclassification	-	712	5,652	10,921	221	(17,506)	-
At 31 December 2023/1 January 2024	23,183	79,633	2,019,532	536,301	58,172	47,471	2,764,292
Addition	-	2,809	61,275	24,689	1	45,648	134,422
Disposal	(2)	-	-	(17)	-	-	(19)
Write-off	-	-	(2,591)	(60,950)	-	1	(63,540)
Reclassification from investment property	-	-	-	270	-	-	270
Reclassification from long-term assets	-	-	-	751	-	-	751
Reclassification	-	1,632	36,652	5,264	594	(44,142)	-
At 31 December 2024	23,181	84,074	2,114,868	506,308	58,767	48,978	2,836,176
Accumulated depreciation							
At 1 January 2023	-	41,263	819,149	321,796	48,798	-	1,231,006
Depreciation for the year	-	2,155	58,858	23,945	2,318	-	87,276
Disposal	-	-	-	(601)	-	-	(601)
Write-off	-	-	-	(137)	-	-	(137)
Reclassification	-	-	-	(8)	8	-	-
At 31 December 2023/1 January 2024	-	43,418	878,007	344,995	51,124	-	1,317,544
Depreciation for the year	-	2,134	56,218	25,718	2,368	-	86,438
Disposal	-	-	-	(13)	-	-	(13)
Write-off	-	-	(2,591)	(58,084)	-	-	(60,675)
Reclassification from investment property	-	-	-	53	-	-	53
Reclassification from long-term assets	-	-	-	32	-	-	32
Reclassification	-	-	-	(269)	269	-	-
At 31 December 2024	-	45,552	931,634	312,432	53,761	-	1,343,379

The write-off recognised for the year pertained to assets acquired in prior years transferred to the warehouse subject to disposal, and assets determined for write-off based on the verification and tagging activities performed at the stations.

NOTES TO THE FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold Land RM'000	Buildings and improve- ments RM'000	Refinery and terminal plant and equipment RM'000	Service station and other equipment RM'000	Computers, office and motor equipment RM'000	Capital projects in- progress RM'000	Total RM'000
Accumulated impairment							
At 1 January 2023	-	-	-	-	-	-	-
Impairment during the year	-	-	-	3,855	-	-	3,855
At 31 December 2023/1 January 2024/ 31 December 2024	-	-	-	3,855	-	-	3,855
Carrying amount							
At 1 January 2023	23,183	37,600	1,174,440	187,981	8,697	49,508	1,481,409
At 31 December 2023/1 January 2024	23,183	36,215	1,141,525	187,451	7,048	47,471	1,442,893
At 31 December 2024	23,181	38,522	1,183,234	190,021	5,006	48,978	1,488,942

Acquisition of property, plant and equipment in the statement of cash flows includes payment made this year for prior years' additions.

The impairment losses provided for prior year pertained to existing indoor and outdoor payment terminals of service stations that were replaced and upgraded for better functionalities.

NOTES TO THE FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The remeasurements pertain to the change in the estimates of asset retirement obligations.

Included in the above property, plant and equipment are the net book values for the following:

- Company's 20% participating interest in the jointly-owned assets of the Multi-Product Pipeline (MPP) amounting to RM73,167,000 (2023: RM77,198,000).
- Company's 50% participating interest in the jointly-owned assets of the common carrier pipeline facilities amounting to RM38,304,000 (2023: RM19,692,000).

These rental income from certain service station equipment charged to dealers are recognised in profit or loss:

	2024 RM'000	2023 RM'000
Rental income	7,017	6,790

The operating lease income to be received are as follows:

	2024 RM'000	2023 RM'000
Less than one year	6,522	5,142
One to two years	3,210	2,650
Two to five years	6,383	5,410
More than five years	10,387	9,298
Total undiscounted lease income	26,502	22,500

Estimates

Depreciation of refinery production assets is computed based on the unit of production method using expected refinery crude consumption over the estimated useful lives of these assets. The estimated crude consumption of the Port Dickson Refinery (PDR) is dependent on refining economics. These estimates require the application of judgements and are subject to regular revision based on economic factors such as crude supply, oil prices and sales forecast.

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

- carrying amounts of refinery plant and equipment
- carrying amounts of deferred tax assets and liabilities

Total PDR crude consumption for the financial year has decreased by 27% compared to the previous estimate by management to compute depreciation. This has resulted in decrease in depreciation for the year by RM7,114,000.

NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENT PROPERTIES

	Freehold land RM'000	Leasehold land RM'000	Buildings and improve- ments RM'000	Capital project in- progress RM'000	Total RM'000
Cost					
At 1 January 2023	177,793	493,074	552,130	8,320	1,231,317
Addition	-	26,214	3,457	6,163	35,834
Reclassification	-	-	3,346	(3,346)	-
Remeasurements	-	74	25	-	99
At 31 December 2023/1 January 2024	177,793	519,362	558,958	11,137	1,267,250
Addition	-	16,988	6,158	6,550	29,696
Disposals	-	(182)	(99)	-	(281)
Write-off	-	-	(44)	-	(44)
Reclassification to property, plant and equipment	-	-	(222)	(48)	(270)
Reclassification to right-of-use assets	-	(440)	-	-	(440)
Reclassification	-	-	1,302	(1,302)	-
Remeasurements	-	540	75	-	615
At 31 December 2024	177,793	536,268	566,128	16,337	1,296,526
Accumulated depreciation					
At 1 January 2023	-	243,253	352,746	-	595,999
Depreciation for the year	-	15,436	18,439	-	33,875
At 31 December 2023/1 January 2024	-	258,689	371,185	-	629,874
Depreciation for the year	-	15,306	17,959	-	33,265
Disposals	-	(10)	(99)	-	(109)
Write-off	-	-	(19)	-	(19)
Reclassification to property, plant and equipment	-	-	(53)	-	(53)
Reclassification to right-of-use assets	-	(44)	-	-	(44)
At 31 December 2024	-	273,941	388,973	-	662,914
Accumulated impairment					
At 1 January 2023	1,133	-	-	-	1,133
Impairment for the year	-	850	-	-	850
Reversal of impairment	(494)	-	-	-	(494)
At 31 December 2023/1 January 2024	639	850	-	-	1,489
Reversal of impairment	-	(695)	-	-	(695)
At 31 December 2024	639	155	-	-	794
Carrying amount					
At 1 January 2023	176,660	249,821	199,384	8,320	634,185
At 31 December 2023/1 January 2024	177,154	259,823	187,773	11,137	635,887
At 31 December 2024	177,154	262,172	177,155	16,337	632,818

NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENT PROPERTIES (CONTINUED)

The freehold land, leasehold land and buildings and improvements are in respect of the service stations leased to the dealers.

The investment properties are reclassified to property, plant and equipment, and right-of-use assets to reflect the usage of the assets.

The remeasurements pertain to lease reassessments and the change in the estimates.

Impairment losses provided for two service stations in prior year were reversed during the year as their recoverable amounts exceeded the assets' carrying amounts.

The following profit or loss items are related to investment properties:

	2024 RM'000	2023 RM'000
Rental income	50,376	49,730
Direct expenses	38,772	36,685

The operating lease income to be received are as follows:

	2024 RM'000	2023 RM'000
Less than one year	45,441	37,223
One to two years	13,161	10,877
Two to five years	1,549	1,259
Total undiscounted lease income	60,151	49,359

Leasehold land

The extension options and significant judgements and assumptions in relation to the leases are disclosed in Note 10.

Fair value information

The fair value of investment properties as at 31 December 2024 was RM1,525,643,000 (2023: RM1,493,563,000) based on appraisals made by in-house engineers and professionals having appropriate professional qualifications, and experience in the location and category of the property being valued.

The Company could not determine the fair value of capital projects in-progress as there are uncertainties in estimating its fair value. The carrying amounts of the capital projects in-progress have been included in the impairment assessment as disclosed in Note 1.4.

NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENT PROPERTIES (CONTINUED)

Level 3 fair value

The fair market value of investment properties have been categorised as Level 3 in the fair value hierarchy.

Land

The fair value of land was arrived at using the Comparison Approach, which estimates the value of the land based on prices of similar properties recently sold in similar locations or comparable economic areas and adjusted for differences in condition, date of transaction and other relevant characteristics.

Buildings and improvements

The fair values of buildings and improvements were arrived at using the Depreciated Replacement Cost method, which estimates the current replacement cost of each of the assets and adjusted for obsolescence, including physical, functional and economic obsolescence.

10. RIGHT-OF-USE ASSETS

	2024			2023		
	Leasehold land RM'000	Service station equipment RM'000	Total RM'000	Leasehold land RM'000	Service station equipment RM'000	Total RM'000
At 1 January	30,297	3,292	33,589	30,833	3,428	34,261
Depreciation for the year	(505)	(135)	(640)	(475)	(136)	(611)
Disposal	(5)	-	(5)	-	-	-
Reclassification from investment property	396	-	396	-	-	-
Remeasurements	-	-	-	(61)	-	(61)
At 31 December	30,183	3,157	33,340	30,297	3,292	33,589

In prior year, the remeasurements pertain to lease reassessments and the change in the estimates of asset retirement obligations.

Included in the above is leasehold land amounting to RM17,973,000 (2023: RM18,217,000) for the Company's 20% participating interest in the jointly-owned assets of MPP.

Extension options

Some leases contain extension options exercisable by the Company. The Company assesses at lease commencement whether it is reasonably certain to exercise these options and reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. The Company considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken.

NOTES TO THE FINANCIAL STATEMENTS

10. RIGHT-OF-USE ASSETS (CONTINUED)

Extension options (continued)

	Lease liabilities recognised RM'000	Potential undiscounted future lease payments not included in lease liabilities* RM'000	Historical rate of extension options exercised %
2024			
Investment properties	69,057	125,807	93
Right-of-use assets	1,152	2,155	100
2023			
Investment properties	69,026	101,590	93
Right-of-use assets	1,151	2,155	100

* Pertains to leases with extension option that may be exercised in the future.

Significant judgements and assumptions in relation to leases

The leases that contain extension option are mainly lands used for retail service stations which are recognised under investment properties and lands used for terminal operations which are recognised under right-of-use assets. The Company is reasonably certain to exercise the extension option for business continuity if there is economic incentive to exercise an extension option.

The Company also applied judgement in determining the incremental borrowing rate of the respective leases, i.e. based on the closest available borrowing rate for leases with similar nature, adjusted to reflect the term of the respective leases.

Assuming the extension option for the leases with undiscounted future lease payments of RM127,962,000 (2023: RM103,745,000) as shown in the table above are exercised and the payments are made at the inception of the renewal period, the carrying amount of investment properties and right-of-use assets would increase by RM22,461,000 and RM180,000 (2023: RM17,283,000 and RM171,000), respectively.

11. LONG-TERM ASSETS

	2024 RM'000	2023 RM'000
Prepaid lease rentals	12,108	8,391
Deposits	4,375	4,244
Marketing assistance to dealers and others	10,060	9,126
	26,543	21,761

NOTES TO THE FINANCIAL STATEMENTS

11. LONG-TERM ASSETS (CONTINUED)

The movements in the long-term assets are as follows:

	2024 RM'000	2023 RM'000
At 1 January	21,761	20,872
Addition	10,473	13,124
Amortisation for the year	(3,619)	(5,224)
Reclassification to property, plant and equipment	(719)	-
Others	(1,353)	(7,011)
At 31 December	26,543	21,761

Prepaid lease rentals

Future cash outflows arising from partially paid committed leases not yet commenced that are not reflected in the measurement of lease liabilities amount to RM5,110,000 (2023: RM9,160,000).

Marketing assistance to dealers

The marketing assistance programme is provided to selected dealers to assist in the construction of the service stations in order for the Company to gain access to locations and generate future revenue streams and is amortised over the period of the agreements.

12. INTANGIBLE ASSETS - SOFTWARE

	Total RM'000
Cost	
At 1 January 2023	24,420
Reclassification from property, plant and equipment	2,036
At 31 December 2023/1 January 2024/31 December 2024	26,456
Accumulated amortisation	
At 1 January 2023	23,502
Amortisation for the year	1,667
At 31 December 2023/1 January 2024	25,169
Amortisation for the year	483
At 31 December 2024	25,652
Carrying amount	
At 1 January 2023	918
At 31 December 2023/1 January 2024	1,287
At 31 December 2024	804

NOTES TO THE FINANCIAL STATEMENTS

13. LOANS AND BORROWINGS

	2024 RM'000	2023 RM'000
Current		
Revolving credit - unsecured	1,175,125	950,000

The Company's borrowings consist of short-term bilateral loans and trade financing with various local financial institutions for working capital requirements.

14. PAYABLES

	2024 RM'000	2023 RM'000
Trade payables	619,394	864,337
Amounts due to related company	31,313	22,141
	650,707	886,478
Accrued expenses	35,981	43,405
Duties and tax payables	3,560	7,664
Amounts due to related companies	2	15
Other payables	89,604	76,972
	129,147	128,056
	779,854	1,014,534

Related party balances

Trade balances due to related company is subject to normal trade term. Non-trade balances due to related companies are unsecured, interest free and are repayable on demand.

Accrued expenses

Accrued expenses are generally non-trade in nature from transactions other than the purchase of crude and petroleum products.

15. RETIREMENT BENEFIT OBLIGATIONS

	2024 RM'000	2023 RM'000
Current	3,469	1,936
Non-current	35,299	19,856
	38,768	21,792

The Company operates an unfunded defined benefit retirement plan for its regular national employees. An actuarial appraisal was carried out in December 2024 performed by an independent actuarial.

The defined benefit plan exposes the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

NOTES TO THE FINANCIAL STATEMENTS

15. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Movement in retirement benefit obligations

The following table shows reconciliation from the opening balance to the closing balance for the retirement benefit obligations and its components:

	2024 RM'000	2023 RM'000
At 1 January	21,792	21,154
Included in profit or loss	1,581	1,565
Current service cost	1,020	1,009
Interest cost	2,601	2,574
Included in other comprehensive (loss)/income		
Remeasurement of retirement benefit obligations		
Actuarial loss/(gain) arising from experience adjustments	16,065	(50)
Others		
Benefits paid	(1,690)	(1,886)
At 31 December	38,768	21,792

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period (expressed as weighted average):

	2024 %	2023 %
Discount rate	4.3	5.0
Future salary growth	5.8	5.8

As at 31 December 2024, the weighted average duration of the defined benefit obligation was 11 years (2023: 8.64 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	Retirement benefit obligations			
	2024		2023	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
Discount rate (1% movement)	(3,173)	3,702	(1,665)	1,941
Future salary growth (1% movement)	3,777	(3,315)	2,662	(2,311)

Although the analysis does not account for the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

NOTES TO THE FINANCIAL STATEMENTS

16. ASSET RETIREMENT OBLIGATIONS

	2024 RM'000	2023 RM'000
Current	3,020	2,782
Non-current	8,115	8,427
	11,135	11,209

Movements in the asset retirement obligations are as follows:

	2024 RM'000	2023 RM'000
At 1 January	11,209	10,764
Additions	330	72
Effects of change in estimate	(717)	-
Effects of change in discount rate	-	20
Accretion	313	353
At 31 December	11,135	11,209

The Company has asset retirement obligations (ARO) arising from certain provisions of its land lease agreements for the refinery and service stations. The recognition of the obligation requires judgement in determining if a present legal enforceable obligation exists based on individual land lease agreement and the expected dismantling costs. The amount of ARO is determined based on the estimated future dismantling costs, discounted at risk-free-rate depending on the lease term. All estimates are reviewed periodically. While the estimation of such costs is based on the best estimate of future costs, significant changes in these assumptions may materially affect the recorded expense or obligation in future periods.

Sensitivity analysis

A change of 10% in the estimated future dismantling costs at the reporting date, holding other assumptions constant, would have affected the asset retirement obligations by the amount shown below.

	Asset retirement obligations			
	2024		2023	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
Increase/(Decrease) in asset retirement obligations	1,113	(1,113)	1,121	(1,121)

NOTES TO THE FINANCIAL STATEMENTS

17. DEFERRED TAX LIABILITIES

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	-	-	(216,159)	(204,235)	(216,159)	(204,235)
Investment properties	-	-	(25,536)	(18,492)	(25,536)	(18,492)
Right-of-use assets	-	-	(617)	(1,032)	(617)	(1,032)
Lease liabilities	16,850	21,095	-	-	16,850	21,095
Retirement benefit obligations	5,647	2,602	-	-	5,647	2,602
Asset retirement obligations	1,911	1,793	-	-	1,911	1,793
Capital allowances carry-forward	13,762	-	-	-	13,762	-
Reinvestment allowances carry-forward	11,970	7,534	-	-	11,970	7,534
Other items	3,982	6,990	(1,721)	(9,178)	2,261	(2,188)
Net tax assets/(liabilities)	54,122	40,014	(244,033)	(232,937)	(189,911)	(192,923)

Movement in temporary differences during the year

	At 1.1.2023	Recognised in profit or loss	At 31.12.2023/1.1.2024	Recognised in profit or loss	Recognised directly in equity	At 31.12.2024
	RM'000	(Note 23) RM'000	RM'000	(Note 23) RM'000	(Note 23) RM'000	RM'000
Property, plant and equipment	(185,200)	(19,035)	(204,235)	(11,924)	-	(216,159)
Investment properties	(18,275)	(217)	(18,492)	(7,044)	-	(25,536)
Right-of-use assets	(832)	(200)	(1,032)	415	-	(617)
Lease liabilities	20,608	487	21,095	(4,245)	-	16,850
Retirement benefit obligations	2,491	111	2,602	(811)	3,856	5,647
Asset retirement obligations	1,427	366	1,793	118	-	1,911
Capital allowances carry-forward	-	-	-	13,762	-	13,762
Reinvestment allowances carry-forward	54,770	(47,236)	7,534	4,436	-	11,970
Other items	5,236	(7,424)	(2,188)	4,449	-	2,261
Net tax liabilities	(119,775)	(73,148)	(192,923)	(844)	3,856	(189,911)

The reinvestment allowances carry-forward can be absorbed by the Company's future taxable profits up to Year of Assessment 2031 (2023: 2031).

Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

18. SHARE CAPITAL

	2024		2023	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid:				
At 1 January/31 December	270,000	143,000	270,000	143,000

Share capital

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.

19. REVENUE

Revenues are mainly derived from the sale of petroleum products to Retail and Commercial customers in various geographical locations as disclosed in Note 27 - Operating segment. Revenues are recognised when control over products has been transferred to the customers through delivery and acceptance measured at fair value of consideration received or receivable, net of applicable discounts, rebates, and subject to applicable allowances and refunds. The general payment terms with customers are combination of prepayments and credit terms from a period of 3 to 30 days from invoice date.

The Company has no significant remaining performance obligations as it recognises revenues in amounts that correspond directly to the value of completed performance obligations.

	2024	2023
	RM'000	RM'000
Revenue from contracts with customers		
Third-party sales	12,167,248	13,030,189
Sales to related companies	3,659,391	4,159,694
Other revenues	11,066	26,399
	15,837,705	17,216,282

Sales represent the value of petroleum products sold inclusive of Government subsidies and net of Government duties.

In prior year, included in other revenues are revenues from processing third-party crude oil amounting to RM16,040,000.

NOTES TO THE FINANCIAL STATEMENTS

19. REVENUE (CONTINUED)

Disaggregation of revenue from contracts with customers

Revenue is disaggregated by major trade:

	2024 RM'000	2023 RM'000
Retail	8,524,335	9,228,907
Commercial	2,069,531	1,810,525
Other	5,243,839	6,176,850
	15,837,705	17,216,282

Others include sales of petroleum products to related companies (Note 31).

20. OTHER OPERATING EXPENSES

	2024 RM'000	2023 RM'000
Purchased services and utilities	39,934	121,040
Depreciation and amortisation	79,111	78,652
Maintenance and repairs	35,444	32,483
Advertising	9,090	11,978
Employee costs	61,379	10,400
Others	22,077	25,968
	247,035	280,521

The other operating expenses mainly relate to retail service stations and terminal operations.

21. FINANCE COSTS

	2024 RM'000	2023 RM'000
Interest expense on financial liabilities measured at amortised cost		
- loans and borrowings	30,091	29,944
Interest expense on lease liabilities	4,081	3,301
Interest expense on asset retirement obligations	313	353
Other finance costs	4,489	4,307
	38,974	37,905
Recognised in profit or loss	38,974	37,905
Capitalised into property, plant and equipment:		
Interest expense on financial liabilities measured at amortised cost		
- loans and borrowings	430	-
	39,404	37,905

NOTES TO THE FINANCIAL STATEMENTS

22. PROFIT BEFORE TAX

	2024 RM'000	2023 RM'000
Profit before tax is arrived at after charging:		
Amortisation of intangible assets	483	1,667
Audit fees	470	436
Depreciation on right-of-use assets	640	611
Foreign exchange – realised loss	-	26,101
Impairment loss on slow moving materials and supplies	22	10
Impairment loss on receivables	107	42
Investment properties		
- Depreciation	33,265	33,875
- Impairment loss	-	850
- Loss on disposal	171	-
- Write-off	25	-
Long-term assets		
- Amortisation		
- Prepaid lease rentals	1,886	3,905
- Marketing assistance to dealers	1,116	369
- Others	617	950
Personnel expenses (including key management personnel)		
- Contributions to Employees' Provident Fund	4,935	4,924
- Retirement benefits	2,601	2,574
- Wages, salaries and others	55,606	45,705
Property, plant and equipment		
- Depreciation	86,438	87,276
- Impairment loss	-	3,855
- Loss on disposal	20	157
- Write-off	2,865	730
Property rental – short-term leases	4,930	5,600
Maintenance and repairs	60,647	57,306
Trucking cost	57,638	55,804
Write-down of inventories to net realisable value	2,058	21,715
and after crediting:		
Finance income	6,763	6,501
Foreign exchange – unrealised gain*	986	2,093
Gain on derivatives*	62,443	31,093
Gain on disposal of property, plant and equipment	675	14
Gain on disposal of right-of-use assets	302	-
Gain on realised foreign exchange	26,182	-
Rental income^	57,393	56,521
Reversal of impairment loss on investment properties	695	494
Reversal of impairment loss on slow moving materials and supplies	10	23
Reversal of impairment loss on receivables	37	137
Reversal of write-down of inventories to net realisable value	21,715	18,750

^ included in other operating income

* included in other income

NOTES TO THE FINANCIAL STATEMENTS

23. TAX EXPENSE

Recognised in profit or loss

	2024 RM'000	2023 RM'000
Current tax (benefit)/expense		
- Current year	1,265	21,449
- (Over)/Under provision in prior years	(7,047)	995
Total current tax recognised in profit or loss	(5,782)	22,444
Deferred tax expense		
- Origination of temporary differences	5,607	72,464
- (Over)/Under provision in prior years	(4,763)	684
Total deferred tax recognised in profit or loss	844	73,148
Total income tax (benefit)/expense	(4,938)	95,592
Reconciliation of tax (benefit)/expense		
Profit before tax	13,100	367,653
Income tax calculated using Malaysian tax rate of 24% (2023: 24%)	3,144	88,237
Non-deductible expenses	3,728	5,782
Recognition of reinvestment allowance	-	(106)
(Over)/Under provision of current tax expense in prior years	(7,047)	995
(Over)/Under provision of deferred tax expense in prior years	(4,763)	684
	(4,938)	95,592
Income tax recognised directly in equity		
Deferred tax		
- Retirement benefit obligations	(3,856)	-

While total income tax benefit during the year was RM4,938,000 (2023: Tax expense of RM95,592,000), the Company paid income taxes of RM22,893,000 (2023: RM26,246,000).

The overprovision of current tax expense in prior years includes the recognition of tax credit amounting to RM6,692,000 arising from the Company's successful tax appeal in the Court of Appeal.

The overprovision of deferred tax expense in prior years includes the overutilisation of deferred tax assets from reinvestment allowances.

NOTES TO THE FINANCIAL STATEMENTS

24. OTHER COMPREHENSIVE INCOME

	2024 RM'000	2023 RM'000
Item that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit liability		
Before tax	(16,065)	50
Tax benefit	3,856	-
Net of tax	(12,209)	50

25. EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share at 31 December 2024 was based on the profit attributable to ordinary shareholders and the number of ordinary shares in issue, calculated as follows:

	2024 RM'000	2023 RM'000
Net profit attributable to shareholders (RM'000)	18,038	272,061
Number of ordinary share units in issue ('000)	270,000	270,000
Basic earnings per ordinary share (sen)	6.68	100.80

Diluted EPS is not presented as the Company has no potential shares or other instruments with dilutive effects.

26. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
2024			
Final 2023 ordinary	23.0	62,100	2 July 2024 and 4 July 2024
2023			
Final 2022 ordinary	25.0	67,500	30 June 2023 and 4 July 2023

The Directors recommended that a final dividend of 10.0 sen per ordinary share amounting to RM27,000,000 be paid in respect of the financial year ended 31 December 2024, subject to shareholders' approval at the forthcoming Annual General Meeting in June 2025.

NOTES TO THE FINANCIAL STATEMENTS

27. OPERATING SEGMENT

The Company is organised as one integrated business segment which operates to manufacture and sell petroleum products. These integrated activities are known across the petroleum industry as the Downstream segment. As such, the assets and liabilities are disclosed within the financial statements as one segment.

Revenues are mainly derived from the sale of petroleum products to domestic customers including its affiliates and competitors. A breakdown of the revenues by geographical location is as follows:

	2024 RM'000	2023 RM'000
Malaysia	14,078,662	15,174,786
Singapore	1,759,043	2,041,496
	15,837,705	17,216,282

Major customer

The following is a major customer with revenue equal or more than 10% of the Company's total revenue:

	2024 RM'000	2023 RM'000
Related party		
- Petron Fuel International Sdn. Bhd.	3,506,947	4,101,761

Other than this major customer, there are no individual customers contributing to equal or more than 10% of the Company's total revenue for the current and previous financial year.

All non-current assets of the Company are located in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

28. FINANCIAL INSTRUMENTS

28.1 Categories of financial instruments

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

	Carrying amount RM'000	Amortised cost RM'000	Fair value through profit or loss RM'000
2024			
Financial assets			
Cash and bank balances	145,786	145,786	-
Deposits	4,375	4,375	-
Derivative financial assets	29,468	-	29,468
Receivables	980,905	980,905	-
	1,160,534	1,131,066	29,468
Financial liabilities			
Loans and borrowings	(1,175,125)	(1,175,125)	-
Payables	(779,154)	(779,154)	-
Lease liabilities	(70,209)	(70,209)	-
Derivative financial liabilities	(23,459)	-	(23,459)
	(2,047,947)	(2,024,488)	(23,459)
2023			
Financial assets			
Cash and bank balances	116,168	116,168	-
Deposits	4,244	4,244	-
Derivative financial assets	48,126	-	48,126
Receivables	1,333,584	1,333,584	-
	1,502,122	1,453,996	48,126
Financial liabilities			
Loans and borrowings	(950,000)	(950,000)	-
Payables	(1,013,909)	(1,013,909)	-
Lease liabilities	(70,177)	(70,177)	-
Derivative financial liabilities	(15,509)	-	(15,509)
	(2,049,595)	(2,034,086)	(15,509)

NOTES TO THE FINANCIAL STATEMENTS

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Net gains and losses arising from financial instruments

	Company	
	2024 RM'000	2023 RM'000
Net gains on:		
Fair value through profit or loss	62,443	31,093
Financial liabilities measured at amortised cost		
- Finance costs	(38,974)	(37,905)
- Unrealised foreign exchange gain	714	6,053
- Realised foreign exchange gain/(loss)	33,897	(38,489)
	(4,363)	(70,341)
Financial assets measured at amortised cost		
- Finance income	6,763	6,501
- Net (impairment loss)/reversal on receivables	(70)	95
- Unrealised foreign exchange gain/(loss)	272	(3,960)
- Realised foreign exchange (loss)/gain	(7,715)	12,388
	(750)	15,024
	57,330	(24,224)

28.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

28.4 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from its receivables from customers.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

NOTES TO THE FINANCIAL STATEMENTS

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.4 Credit risk (continued)

Receivables (continued)

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 is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Company. The Company uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant past due balances more than its credit term, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	2024 RM'000	2023 RM'000
Domestic	77,290	108,953
Foreign	264,613	232,769
	341,903	341,722

Impairment losses

The Company uses a provision matrix using historical credit loss experience over the past three years to measure expected credit losses (ECLs) on receivables.

Impairment losses for trade receivables

The Company maintains an ageing analysis for trade receivables only. The following table provides information about the exposure to credit risk and ECLs on trade receivables as at 31 December 2024.

	Gross RM'000	Impairment RM'000	Net RM'000
2024			
Current	337,306	-	337,306
Past due 1-90 days	3,713	-	3,713
Past due 91-180 days	884	-	884
Past due more than 365 days	27	(27)	-
	341,930	(27)	341,903
2023			
Current	340,581	-	340,581
Past due 1-90 days	892	-	892
Past due 91-180 days	269	(20)	249
	341,742	(20)	341,722

NOTES TO THE FINANCIAL STATEMENTS

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.4 Credit risk (continued)

Receivables (continued)

Impairment losses for trade receivables (continued)

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	2024 RM'000	2023 RM'000
At 1 January	20	390
Allowance made during the year	27	18
Write-off	-	(305)
Reversal of impairment loss	(20)	(83)
At 31 December	27	20

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Company is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivables directly.

Impairment losses for other receivables

Assessment was made resulting in the increase in the allowance for impairment of other receivables amounting to RM80,000 (2023: increase of RM24,000). There was a reversal of allowance for impairment of other receivables amounting to RM17,000 (2023: RM54,000) and no write off (2023: RM5,000) during the year.

Cash and cash equivalents

Exposure to credit risk, credit quality and collateral

The credit risk for cash and cash equivalents is deemed negligible, since the counterparties are considered reputable entities.

28.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from its various payables and loans and borrowings.

The Company maintains a level of cash and cash equivalents, and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. The Company reviews its revolving credit facilities on a periodic basis.

The Company continues to optimise the mix of its borrowing facilities to maximise financing flexibility whilst reducing financing cost. These facilities are short-term in nature unless opportunities arise to secure favourable longer term borrowing facilities.

Liquidity risk may also arise if debtors are not able to settle obligations to the Company within the normal credit term. To manage this risk, the Company periodically assesses the financial viability of debtors and may require certain debtors to provide bank guarantees or other security.

NOTES TO THE FINANCIAL STATEMENTS

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/coupon	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2024							
<i>Non-derivative financial liabilities</i>							
Payables	779,154	-	779,154	779,154	-	-	-
Lease liabilities	70,209	3.8% - 8.5%	137,827	7,194	4,130	15,811	110,692
Loans and borrowings							
Revolving credit	1,175,125	4.0% - 4.5%	1,177,448	1,177,448	-	-	-
	2,024,488		2,094,429	1,963,796	4,130	15,811	110,692
<i>Derivative financial liabilities</i>							
Forward exchange contracts (gross settled):							
Outflow	177	-	73,982	73,982	-	-	-
Inflow	-	-	(73,805)	(73,805)	-	-	-
Commodity swaps (gross settled):							
Outflow	-	-	437,678	437,678	-	-	-
Inflow	(6,186)	-	(443,864)	(443,864)	-	-	-
	2,018,479		2,088,420	1,957,787	4,130	15,811	110,692

NOTES TO THE FINANCIAL STATEMENTS

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.5 Liquidity risk (continued)

Maturity analysis (continued)

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments: (continued)

	Carrying amount RM'000	Contractual interest rate/coupon	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2023							
<i>Non-derivative financial liabilities</i>							
Payables	1,013,909	-	1,013,909	1,013,909	-	-	-
Lease liabilities	70,177	3.8% - 8.5%	114,458	5,576	4,995	12,662	91,225
Loans and borrowings							
Revolving credit	950,000	4.2% - 4.6%	951,852	951,852	-	-	-
	2,034,086		2,080,219	1,971,337	4,995	12,662	91,225
<i>Derivative financial liabilities</i>							
Forward exchange contracts (gross settled):							
Outflow	2,215	-	140,065	140,065	-	-	-
Inflow	-	-	(137,850)	(137,850)	-	-	-
Commodity swaps (gross settled):							
Outflow	-	-	404,743	404,743	-	-	-
Inflow	(34,832)	-	(439,575)	(439,575)	-	-	-
	2,001,469		2,047,602	1,938,720	4,995	12,662	91,225

NOTES TO THE FINANCIAL STATEMENTS

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices, will affect the Company's financial position or cash flows.

28.6.1 Currency risk

The Company is exposed to foreign currency (a currency which is other than the functional currency of the Company) risk on sales, purchases, loans and borrowings that are denominated in a currency other than the functional currency of the Company. The currencies giving rise to this risk are primarily U.S. Dollar (USD), Japanese Yen (JPY), Singapore Dollar (SGD), and European Union Euro (EUR) (2023: USD, JPY, SGD and EUR).

Risk management objectives, policies and processes for managing the risk

The Company uses forward exchange contracts to manage its foreign currency risk. All forward contracts have maturities of one year or less after the reporting date.

Exposure to foreign currency risk

The Company's exposure to foreign currency risk, based on carrying amounts as at the reporting date was:

	Denominated in			
	USD RM'000	JPY RM'000	SGD RM'000	EUR RM'000
2024				
Cash and cash equivalents	12,469	-	-	-
Receivables	264,613	-	-	-
Payables	(309,125)	(512)	(307)	(1,497)
Exposure before forward exchange contracts	(32,043)	(512)	(307)	(1,497)
Forward exchange contracts	73,982	-	-	-
Net coverage/(exposure)	41,939	(512)	(307)	(1,497)
2023				
Cash and cash equivalents	79,878	-	-	-
Receivables	232,769	-	-	-
Payables	(384,892)	(349)	(109)	(1,487)
Exposure before forward exchange contracts	(72,245)	(349)	(109)	(1,487)
Forward exchange contracts	140,065	-	-	-
Net coverage/(exposure)	67,820	(349)	(109)	(1,487)

NOTES TO THE FINANCIAL STATEMENTS

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.6 Market risk (continued)

28.6.1 Currency risk (continued)

Currency risk sensitivity analysis

Foreign currency risk mainly arises from USD. The exposure to other currencies is not material and hence, sensitivity analysis is not presented.

A 10% (2023:10%) strengthening of the RM against USD at the reporting date would have increased equity and after-tax profit by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Increase in profit after tax	
	2024 RM'000	2023 RM'000
USD	(3,187)	(5,154)

A 10% (2023:10%) weakening of RM against USD at the reporting date would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

28.6.2 Interest rate risk

The Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, practice and processes for managing the risk

Interest rate exposure arising from the Company's borrowings is managed through monitoring and reviewing interest rate changes in the market and its impact to the Company's financial performance. The Company does not use derivative financial instruments to hedge its debt obligations.

Exposure to interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the reporting date was:

	2024 RM'000	2023 RM'000
Floating rate instruments		
Financial liabilities	(1,175,125)	(950,000)

NOTES TO THE FINANCIAL STATEMENTS

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.6 Market risk (continued)

28.6.2 Interest rate risk (continued)

*Interest rate risk sensitivity analysis**Cash flow sensitivity analysis for variable rate instruments*

The borrowings are generally based on floating interest rate unless opportunities arise for competitive fixed rate financing. The Company's financing arrangements are typically tracked against the KLIBOR (Kuala Lumpur Interbank Offered Rate) and SOFR (Secured Overnight Financing Rate). The impact of a 10 basis point (bp) change in interest rate affecting the Company's borrowings would not be material to the Company's financial statements.

A change of 10 basis points in interest rate at the reporting date would have (decreased)/increased equity and after-tax profit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit after tax			
	2024		2023	
	10 bp increase RM'000	10 bp decrease RM'000	10 bp increase RM'000	10 bp decrease RM'000
Floating rate instruments	(34)	34	(15)	15

28.6.3 Commodity price risk

Commodity price risk is the risk that future cash flows from a financial instrument will fluctuate because of changes in market prices.

Risk management objectives, policies and processes for managing the risk

The Company uses commodity swap contracts to mitigate its price risk on important commodities under approved policy by the Management. Prices of crude and selected petroleum products are fixed at levels acceptable to the Company through hedging, thus protecting inventory cost and preserving margins. All commodity derivative contracts have maturities of one year or less after the reporting date.

Commodity price risk sensitivity analysis

Commodity swaps are held for trading and measured at fair value through profit or loss.

A change of 10% in the commodity price at the reporting date, holding other assumptions constant, would have (decreased)/increased equity and after-tax profit by the amounts shown below.

	Profit after tax	
	2024 RM'000	2023 RM'000
10% increase in commodity price	(28,239)	(24,695)
10% decrease in commodity price	28,239	24,695

NOTES TO THE FINANCIAL STATEMENTS

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.7 Offsetting financial assets and financial liabilities

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

	Gross amounts RM'000	Gross amounts set off in the statement of financial position RM'000	Net amounts presented in the statement of financial position RM'000
At 31 December 2024			
<i>Financial assets</i>			
Receivables	1,151,157	(170,252)	980,905
<i>Financial liabilities</i>			
Payables	949,406	(170,252)	779,154
At 31 December 2023			
<i>Financial assets</i>			
Receivables	1,481,055	(147,471)	1,333,584
<i>Financial liabilities</i>			
Payables	1,151,209	(147,471)	1,003,738

28.8 Fair value information

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

The table below 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:

	Fair value of financial instruments carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
2024					
Financial assets					
Commodity swaps	-	29,468	-	29,468	29,468
Financial liabilities					
Forward exchange contracts	-	(177)	-	(177)	(177)
Commodity swaps	-	(23,282)	-	(23,282)	(23,282)
	-	(23,459)	-	(23,459)	(23,459)

NOTES TO THE FINANCIAL STATEMENTS

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.8 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
2023					
Financial assets					
Commodity swaps	-	48,126	-	48,126	48,126
Financial liabilities					
Forward exchange contracts	-	(2,215)	-	(2,215)	(2,215)
Commodity swaps	-	(13,294)	-	(13,294)	(13,294)
	-	(15,509)	-	(15,509)	(15,509)

Level 2 fair value

Derivatives

Forward exchange contracts

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Commodity swaps

The fair value of commodity swaps is estimated using forward pricing model based on market observable inputs.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2023: no transfer in either directions).

29. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to maintain a strong capital base and safeguard the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors capital via carrying amount of equity as stated in statement of financial position.

The debt-to-equity ratios as at 31 December 2024 and 31 December 2023 were as follows:

	2024 RM'000	2023 RM'000
Loans and borrowings (Note 13)	1,175,125	950,000
Lease liabilities	70,209	70,177
Total debt	1,245,334	1,020,177
Total equity	2,364,979	2,421,250
Debt-to-equity ratios	0.53	0.42

There was no change in the Company's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30. CAPITAL AND OTHER COMMITMENTS

	2024 RM'000	2023 RM'000
Capital expenditure commitments		
Contracted but not yet recognised		
Plant and equipment	107,872	58,961
Investment properties	9,901	14,048

31. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if 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 Company and the party are subject to common control.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. Key management personnel includes all the Directors, and certain members of senior management of the Company.

Petron Fuel International Sdn. Bhd. and Petron Oil (M) Sdn. Bhd. are subsidiaries of the immediate holding company whereas Petron Singapore Trading Pte. Ltd. is a subsidiary of the intermediate holding company.

The Company has related party relationship with its holding companies, significant investors, related companies and key management personnel.

Significant related party transactions

In the ordinary course of business, the Company undertakes transactions with related parties which include the sale and purchase of products carried out on commercial terms and conditions negotiated amongst the related parties, and the sharing of services and facilities at cost apportioned on a mutually agreed basis.

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Company are shown below. The balances related to the below transactions are shown in Note 5 and 14.

	2024 RM'000	2023 RM'000
Purchase of petroleum products from related companies:		
Petron Fuel International Sdn. Bhd.	1,471,675	1,711,299
Petron Singapore Trading Pte. Ltd.	1,583,986	555,415
Sale of petroleum products to related companies:		
Petron Fuel International Sdn. Bhd.	3,506,947	4,101,761
Petron Singapore Trading Pte. Ltd.	152,444	57,933

NOTES TO THE FINANCIAL STATEMENTS

31. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

	2024 RM'000	2023 RM'000
Freight, chartering and other related service from related company:		
Petron Singapore Trading Pte. Ltd.	70,248	8,102
Central management, shared facilities and service costs with related companies:		
Petron Fuel International Sdn. Bhd.		
Charged from:		
- Access fee	500	500
- Bottling fee	8,353	8,003
- Others	85,381	85,824
Key management personnel:		
<i>Non-executive independent directors</i>		
Fees	550	468
Other short-term benefits	310	348
	860	816

32. INTEREST IN JOINT OPERATIONS

Details of the joint operations are as follows:

Name of joint operation	Other joint operation parties	Principal place of business	Principal activity	Percentage of ownership	
				2024	2023
Joint Venture Agreement for Multi-Product Pipeline and Distribution Terminal	Petronas Dagangan Berhad (PDB) and Shell Malaysia Trading Sendirian Berhad (SMTSB)	Port Dickson	Construct, own and operate the MPP	20%	20%
Joint Facilities Operating Agreement	Hengyuan Refining Company Bhd (Operator)	Port Dickson	Construct and maintain common carrier pipeline facilities	50%	50%

NOTES TO THE FINANCIAL STATEMENTS

33. OTHER PROCEEDING

On 20 May 2022, the Company was served with a Notice of Arbitration by MTC Engineering Sdn. Bhd. (MESB) in relation to MESB claim for alleged outstanding additional costs arising from the execution of a project known as Pipeline End Manifold (PLEM) Fabrication and Marine Equipment Installation for Marine Import Facilities 2 Project at Petron Port Dickson Refinery. The sum claimed is RM50,497,251 including interest, costs, and other reliefs.

On 29 June 2022, MESB registered the claim with the Asian International Arbitration Centre (AIAC). The Company's solicitors had written to AIAC to put on record that the preconditions to arbitration have not been fulfilled and the Company reserves the right to challenge jurisdiction.

On 30 September 2022, the AIAC appointed an Arbitrator for this matter. The first procedural hearing was fixed on 19 October 2022, with further procedural hearing scheduled on 23 May 2023. Arbitration is currently ongoing with the court hearing fixed from 16 to 19 March 2025. The Company defends the claim as it is of the opinion the claim is without basis or merit. Accordingly, no provision is required for this claim.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 94 to 150 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 Company as of 31 December 2024 and of its financial performance and cash flows for the financial year then ended.

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

Lubin B. Nepomuceno

Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff

Date : 04 March 2025

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **Mark Tristan D. Caparas**, the officer primarily responsible for the financial management of Petron Malaysia Refining & Marketing Bhd, do solemnly and sincerely declare that the financial statements set out on pages 94 to 150 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named at Kuala Lumpur in the Federal Territory on 04 Mar 2025.

Mark Tristan D. Caparas

Before me:

Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PETRON MALAYSIA REFINING & MARKETING BHD (INCORPORATED IN MALAYSIA)
REGISTRATION NO. 196001000260 (3927-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Petron Malaysia Refining & Marketing Bhd (“the Company”) give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 94 to 150.

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 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 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.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

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 Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF PETRON MALAYSIA REFINING & MARKETING BHD (INCORPORATED IN MALAYSIA)
REGISTRATION NO. 196001000260 (3927-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters	How our audit addressed the key audit matters
<p>Recoverability of the carrying amount of property, plant and equipment, investment properties and right-of-use assets</p> <p>Refer to Note 1.4 Use of estimates and judgements: Determining recoverable amounts of non-financial assets, Note 2.4 - Property, plant and equipment, Note 2.5 - Leases, Note 2.6 - Investment properties, Note 2.10 -Impairment, Note 8 - Property, plant and equipment, Note 9 - Investment properties and Note 10 - Right-of-use assets</p> <p>The Company performed impairment assessments on its property, plant and equipment, investment properties and right-of-use assets (collectively referred to as “assets”) during the year as there were indicators of impairment. The Company determined the recoverable amounts of the assets based on the higher of value in use (“VIU”) and fair value less cost to sell (“FVLCTS”) method.</p> <p>We focused on this area due to the magnitude of the carrying amounts of the assets and the estimation of the recoverable amounts which requires judgements and estimates in determining projected cashflows and the discount rate.</p> <p>Based on the impairment assessment performed, the Company concluded that no impairment was required.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none">• We evaluated management’s basis of determining the cash generating units (“CGUs”) of the respective assets, which represent the smallest identifiable group of assets that generate independent cash inflows;• We evaluated the Company’s impairment methodology and tested the mathematical accuracy of the VIU and FVLCTS models used by management where applicable;• We performed the following on the VIU calculations which were based on the Company’s projected cashflows over the expected useful lives of the respective assets:<ul style="list-style-type: none">a) Discussed with management and the Directors the key assumptions applied in determining projected cashflows. The projected cashflows of the assets used for impairment assessment have been approved by the Company;b) Compared the key assumptions used including refining and product margins and production and sales volume to historical results achieved by the Company and long term oil and gas price outlook to industry forecast;c) Discussed with management the expected useful life of respective assets applied in the VIU calculation;d) Checked reasonableness of the growth rate and discount rate with assistance of our valuation experts by benchmarking to industry reports; ande) Checked the sensitivity analysis performed by management on key assumptions disclosed in Note 1.4.• Where the recoverable amounts are determined based on the FVLCTS model, we checked management’s internal valuation and the relevant supporting documents used for the internal valuation performed by management. <p>Based on the procedures performed above, we did not find any material exception to the Company’s impairment assessment.</p>

INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF PETRON MALAYSIA REFINING & MARKETING BHD (INCORPORATED IN MALAYSIA)
REGISTRATION NO. 196001000260 (3927-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters	How our audit addressed the key audit matters
<p>Accuracy and occurrence of revenue transactions</p> <p>Refer to Note 2.14 Revenue and other income and Note 19 - Revenue</p> <p>The Company’s revenue of RM15.8 billion during the financial year ended 31 December 2024 are mainly derived from the sale of petroleum products which includes Government subsidies and net of Government duties.</p> <p>We focused on accuracy and occurrence of the revenue transactions given large sale volumes of different petroleum products and price changes.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none">• Evaluated and tested the IT general controls and key controls over the capturing and recording of revenue transactions; authorisation of price changes and the input of this information into the billing system; and accuracy of calculation of amounts billed to customers;• For revenue derived from the sale of petroleum products, we obtained and validated supporting evidence such as customer contracts, invoices and relevant supporting documents to test the occurrence and accuracy on a sampling basis;• Reviewed management’s assessment of the identification of separate performance obligations over material customer contracts and sighted to the customer contracts on a sampling basis;• Tested the inputs used by management to compute the subsidies and duties from the Government to the letters issued by the Ministry of Finance on a sampling basis; and• Examined and tested material non-standard journal entries and other adjustments posted to revenue accounts. <p>Based on the procedures performed above, we did not find any material exceptions in the revenue recognised during the financial year.</p>

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 Directors’ Report, which we obtained prior to the date of this auditors’ report, and other sections in the 2024 Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Company and our auditors’ report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 on the other information that we obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF PETRON MALAYSIA REFINING & MARKETING BHD (INCORPORATED IN MALAYSIA)
REGISTRATION NO. 196001000260 (3927-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company’s ability 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 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 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:

- (a) Identify and assess the risks of material misstatement of the financial statements 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.
- (b) 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 Company’s internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) 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 Company’s ability 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 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 Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF PETRON MALAYSIA REFINING & MARKETING BHD (INCORPORATED IN MALAYSIA)
REGISTRATION NO. 196001000260 (3927-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 Company for the current financial 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

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.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
4 March 2025

SOO KWAI FONG
03144/07/2025 J
Chartered Accountant

INFORMATION ON SHAREHOLDINGS

AS AT 17 MARCH 2025

Class of share : Ordinary Share Unit

Voting right : One vote per share unit

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Units Held	% of Issued Capital
Less than 100	735	6.978	11,239	0.004
100 – 1,000	4,141	39.314	2,971,593	1.100
1,001 – 10,000	4,744	45.039	18,029,120	6.677
10,001 – 100,000	839	7.965	21,583,541	7.993
100,001 – 13,499,999	73	0.693	29,225,444	10.824
13,500,000 and above	1	0.009	198,179,063	73.399
	10,533	100.00	270,000,000	100.00

THIRTY LARGEST SHAREHOLDERS

As at 17 March 2025

Name	No. of Units Held	% of Issued Capital
1. Maybank Nominees (Tempatan) Sdn. Bhd. Petron Oil & Gas International Sdn. Bhd.	198,179,063	73.399
2. Citigroup Nominees (Asing) Sdn. Bhd. CBLDN for Polunin Emerging Markets Small Cap Fund, LLC	3,368,186	1.247
3. Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Hock Cheng (E-BMM)	3,003,300	1.112
4. Tan Hock Cheng	2,404,000	0.890
5. Neoh Choo Ee & Company, Sdn. Bhd.	1,803,400	0.667
6. Tan Kah Hock	1,624,000	0.601
7. IFAST Nominees (Tempatan) Sdn. Bhd. Global Success Network Sdn. Bhd.	1,232,800	0.456
8. Bliss Nordic Equity Sdn. Bhd.	983,200	0.364
9. CIMB Group Nominees (Asing) Sdn. Bhd. Exempt AN for DBS Bank Ltd (SFS)	861,700	0.319
10. CGS International Nominees Malaysia (Asing) Sdn. Bhd. Exempt AN for CGS International Securities Singapore Pte. Ltd. (Retail Clients)	692,720	0.256
11. Citigroup Nominees (Asing) Sdn. Bhd. CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc.	571,945	0.211
12. Yayasan Guru Tun Hussein Onn	539,200	0.199
13. Chia Kun Juan	474,000	0.175
14. Starview Restoran Sdn. Bhd.	450,000	0.166
15. HSBC Nominees (Asing) Sdn. Bhd. Exempt an for The Hongkong and Shanghai Banking Corporation Limited (PB-HKDIV-ACCL)	445,000	0.164

INFORMATION ON SHAREHOLDINGS

AS AT 17 MARCH 2025

Name	No. of Units Held	% of Issued Capital
16. UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	427,785	0.158
17. Johan Enterprise Sdn. Bhd.	424,200	0.157
18. Chong Chiew Tshung	420,000	0.155
19. Yong Miau Lim	398,400	0.147
20. Reuben Tan Cherh Chung	325,000	0.120
21. Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Lak Chye @ Li Choy Hin (E-IMO)	309,900	0.114
22. Eletechnics Sdn. Bhd.	300,000	0.111
23. Kim Poh Holdings Sdn. Bhd.	300,000	0.111
24. UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Teong Leong	300,000	0.111
25. New Tong Fong Plywood Sdn. Bhd.	280,000	0.103
26. Lim Soo Hian	250,000	0.092
27. Citigroup Nominees (Asing) Sdn. Bhd. CBNY for Dimensional Emerging Markets Value Fund	247,800	0.091
28. Teo Soo Chuan (Private) Limited	245,000	0.090
29. Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chong Yiew On (6000006)	242,600	0.089
30. Rohan A/L Pathmayokan	220,000	0.081
Total	221,323,199	81.971

SUBSTANTIAL SHAREHOLDER

As at 17 March 2025

Name	No. of Units Held	% of Issued Capital
1. Maybank Nominees (Tempatan) Sdn. Bhd. Petron Oil & Gas International Sdn. Bhd.	198,179,063	73.399

TOP 10 PROPERTIES

AS AT 31 DECEMBER 2024

	Tenure	Land area (sq.m.)	Description of properties	Acquisition date	Expiry date	Age	Net book value
NEGERI SEMBILAN							
Port Dickson Refinery Lot 1222, 1594-1595, 1757, 1803, 1805, 1836, 1838, 1926-1930, 2645-2647, 12111-12112, 30151-30156 Mukim Port Dickson, Negeri Sembilan	F	1,612,821	Refinery, storage and distribution terminal	Revalued in 1982	NA	65	35,869,628
MPP and KVDT	L	744,189	MPP/KVDT facilities	01.03.2001	01.02.2100	24	17,467,224
PETRON RSA Seremban Northbound (PBL#305412) Lot 2378, KM271.5, Lebuhraya Kuala Lumpur - Seremban (Arah Utara), 71900 Seremban, Negeri Sembilan	L	4,190	Service station	01.01.2016	04.01.2036	9	12,319,765
PETRON Bandar Ainsdale (PBL#308402) Lot PT36339, Jalan Ainsdale 15/4, Bandar Ainsdale, 70200 Seremban, Negeri Sembilan, Malaysia	F	5,603	Service station	04.02.2019	NA	6	9,104,783
PERAK							
Lumut PME Plant Lot 15636, Lumut Port Industrial Park, Mukim Lumut, Jalan Kampung Acheh, 32100 Sitiawan, Perak	L	14,343	Industrial plant facilities	01.03.2019	13.03.2096	6	15,931,770
PENANG							
Bagan Luar Terminal Lot 95-125, 2327-2338 Section 4, Butterworth, Seberang Perai Utara, Pulau Pinang	F	44,659	Storage and distribution terminal	Revalued in 1982	NA	65	11,666,074
SELANGOR							
PETRON Sg Besi East (PBL#101373) 4414 & 4415, Kuala Lumpur-Seremban Expy, Taman Sungai Besi, 55200 Kuala Lumpur	L	3,948	Service station	27.11.2023	26.11.2053	1	17,158,234
PETRON NKVE KL Bound (PBL#305225) Lot PT 1953, KM10.8 (Arah Timur), Lebuhraya Baru Lembah Klang, Seksyen U1, 40150 Shah Alam, Selangor	L	5,853	Service station	16.03.2017	15.03.2047	8	13,365,252
PETRON Ukay Perdana (PBL#308840) Lot 127455, Seksyen 2, 68000 Bandar Ulu Kelang, Selangor	L	6,481	Service station	30.11.2021	30.11.2051	3	10,381,061
PETRON Persiaran Mokhtar Dahari (PBL#308470) Lot PT 40164, Mukim Bukit Raja, Bukit Cherakah, 40170 Shah Alam, Selangor	L	4,601	Service station	08.10.2019	07.10.2049	5	10,016,528

Abbreviations: L - Leasehold F - Freehold NA - Not applicable

DISCLOSURE OF RECURRENT
RELATED PARTY TRANSACTIONS

At the AGM held on 13 June 2024, the Company obtained a shareholders’ mandate to renew the Recurrent Related Party Transactions of revenue or trading nature with Petron Singapore Trading Pte. Ltd. (“PSTPL”).

In accordance with the Bursa Malaysia Securities Berhad’s Main Market Listing Requirements, the details of recurrent related party transactions conducted during the financial year ended 31 December 2024 pursuant to the shareholders’ mandate are disclosed as follows: -

Nature of transactions	RM’000
Purchase of petroleum products	1,583,986
Sale of petroleum products	152,444
Freight, chartering and other related services	70,248

The Board of Directors of the Company will be proposing for the renewal and new Recurrent Related Party Transactions mandate (“proposed Mandates”). A Circular to the Shareholders for the proposed Mandates dated 25 April 2025 (“Circular”) has also been published on the Bursa website to shareholders along with the Annual Report 2024. Further details about the related party transactions arising from the mandate obtained on 13 June 2024 are contained in the Circular.

Notes:

PSTPL, a company incorporated in Singapore, is a wholly owned subsidiary of the intermediate holding company, Petron Corporation.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty-Sixth (66th) Annual General Meeting (“AGM”) of the Company will be held at the BALLROOM, SIME DARBY CONVENTION CENTRE, 1A, JALAN BUKIT KIARA 1, BUKIT KIARA, 60000 KUALA LUMPUR, MALAYSIA on Tuesday, 17 June 2025 at 2:00 p.m., for the purpose of transacting the following business:

1.

To receive the Company’s Audited Accounts for the year ended 31 December 2024 and the Directors’ and Auditors Reports thereon.
2.

To approve the declaration of a final dividend of 10 sen per ordinary share for the year ended 31 December 2024.
3.

a)

To re-elect Ms. Aurora T. Calderon retiring in accordance with Article 103 and 104 of the Company’s Constitution.

b)

To re-elect Mr. Fong Seow Kee retiring in accordance with Article 103 and 104 of the Company’s Constitution.

c)

To re-elect Y. Bhg. Dato’ Noorizah Bt. Hj Abd Hamid retiring in accordance with Article 103 and 104 of the Company’s Constitution.
4.

To elect Y. Bhg. Datuk Prakash Chandran Madhu Sudanan pursuant to Article 109 of the Company’s Constitution.
5.

To approve the payment of Directors’ fees and benefits payable to the Independent Directors with effect from 1 January 2025 until the next AGM of the Company.
6.

To appoint Messrs PricewaterhouseCoopers PLT as the Auditor of the Company and to authorise the Directors to determine their remuneration.
7.

As Special Business, to consider and, if thought fit, to pass the following as an Ordinary Resolution:

PROPOSED RENEWAL AND NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“THAT subject always to the Companies Act, 2016 (“the Act”), the Constitution of PMRMB and Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Sections 2.5.1 and 2.5.2 of the Circular to Shareholders dated 25 April 2025 (“Circular”), provided that such transactions are necessary for day-to-day operations and carried out in the ordinary course of business and at arms-length basis on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interests of the minority shareholders of the Company (“Proposed Mandates”).

AND THAT the Proposed Mandates shall commence immediately upon the passing of this ordinary resolution and the authority conferred by such mandate shall continue to be in force until:

- i.

The conclusion of the next AGM of the Company following the forthcoming AGM, at which time it shall lapse, unless by a resolution passed at a general meeting, the mandate is renewed; or

(Ordinary Resolution 1)

(Ordinary Resolution 2)

(Ordinary Resolution 3)

(Ordinary Resolution 4)

(Ordinary Resolution 5)

(Ordinary Resolution 6)

(Ordinary Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING

- ii.

The expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- iii.

Revoked or varied by a resolution passed by the shareholders in a general meeting,
- whichever is the earlier.

AND FURTHER THAT the Directors of the Company be and are hereby empowered and authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to this Ordinary Resolution.”

(Ordinary Resolution 8)

8.

To transact any other business of the Company.

NOTICE OF BOOK CLOSURE

NOTICE IS HEREBY GIVEN that:

For the purpose of attendance at the AGM: Only shareholders who are registered in the Register of Members and Record of Depositors as at the close of business on 9 June 2025. Only a Depositor whose name appears on such Record of Depositors shall be entitled to attend and vote at this meeting, or to appoint a proxy or proxies to attend and/or vote in his/her stead.

For purposes of dividend entitlement: Only shareholders who are registered in the Register of Members and Record of Depositors as at the close of business on 20 June 2025, shall be entitled to the final dividend which, if approved by the shareholders at the AGM, the dividend will be paid on 3 July 2025.

A shareholder shall qualify for entitlement only in respect of:

- a)

Securities transferred to the Depositor’s Securities Account before 4:30 p.m. on 20 June 2025 in respect of the transfer;
- b)

Securities deposited into the Depositor’s Securities Account before 12:30 p.m. on 18 June 2025 in respect of securities which are exempted from mandatory deposit; and
- c)

Securities bought on Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

Manoj Devadasan
SSM PC No. 202008001784 (LS0006885)
Company Secretary

25 April 2025

NOTICE OF ANNUAL GENERAL MEETING

PROXY

A member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote instead of the member. A proxy need not be a member of the Company. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, that holds shares for multiple beneficiaries in one securities account (“Omnibus Account”), there is no limit on the number of proxies it may appoint in respect of such Omnibus Account.

The instrument appointing a Proxy and the power of attorney or other authority (if any) under which it is signed or a notarial certified copy of such power or authority shall be deposited at the Share Registrar’s office, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. In the case of an appointment made via TIIH Online, the proxy form must be deposited at <https://tiih.online>. All proxy forms submitted must be received by the Company not less than twenty-four (24) hours before the time set for the AGM.

For the purpose of determining a member who shall be entitled to attend this AGM, only a depositor whose name appears on such Record of Depositors as at 9 June 2025 shall be entitled to attend, speak and vote at the AGM or appoint proxy or proxies to attend, speak and/or vote in his/her stead.

ANNUAL REPORT 2024

The Annual Report 2024 and other accompanying documents are available online on the Company website at <https://www.petron.com.my/investor-relations>.

The Notification to Shareholders will be sent by electronic mail to Shareholders who have maintained their e-mail addresses in the Record of Depositors with Bursa Malaysia Depository Sdn. Bhd.

Please be advised that any request for hard copies of the Annual Report will be processed and forwarded to the requesting shareholders at the first reasonable opportunity.

REGISTRATION AND REFRESHMENTS

The registration is open from 12:00 p.m. at the meeting venue. Packed meals will be provided to eligible shareholders/proxies upon registration on the day of the 66th AGM. Please note due to food safety requirements, no meals will be served after 2:30 p.m., even if shareholders/proxies register to attend after the meeting convenes at 2:00 p.m.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. In-person Annual General Meeting

For 2025, the AGM will be held in person at the designated venue of the AGM, namely the Sime Darby Convention Centre, Kuala Lumpur.

There are no plans for a hybrid meeting (which includes both in-person and virtual participation) given uncertainties over internet and service stability – factors beyond the Company’s or its agents’ control – which may disrupt the AGM.

2. Directors standing for re-election/appointment

- Ms. Aurora T. Calderon, Mr. Fong Seow Kee and Y. Bhg. Dato’ Noorizah Bt Hj Abd Hamid, retire by rotation and are eligible for re-election pursuant to Article 103 and 104 of the Company’s Constitution.
- Y. Bhg. Datuk Prakash Chandran Madhu Sudanan, who was appointed as an Independent Non-Executive Director by the Board effective 25 July 2024, retires pursuant to Article 109 of the Company’s Constitution and is eligible for election.
- The Nominating Committee following its annual evaluation of the Board’s performance, has concluded that Ms. Aurora T. Calderon, Mr. Fong Seow Kee, Y. Bhg. Dato’ Noorizah Bt Hj Abd Hamid and Y. Bhg. Datuk Prakash Chandran Madhu Sudanan, in performing their duties as Directors, have met and/or exceeded expectations.

The Board (based on representations by the Nominating Committee) recommends to the shareholders that Ms. Aurora T. Calderon, Mr. Fong Seow Kee, Y. Bhg. Dato’ Noorizah Bt Hj Abd Hamid and Y. Bhg. Datuk Prakash Chandran Madhu Sudanan be re-elected to the Board.

The above Directors’ profiles containing their qualifications, experience and other directorships can be viewed on pages 48, 49, 50, and 51 of the Annual Report.

3. Directors Benefit

- Section 230(1) of the Act provides, amongst others, that the “fees” of the Directors and “any benefits” payable to the Directors of a listed company and its subsidiaries must be approved at a general meeting. Pursuant thereto, shareholders’ approval is sought for the payment of Directors’ fees and benefits payable to the Directors as follows:
 - a) RM112,320 per annum as Directors’ fee to each Independent Director of the Company. This remains unchanged from the previous year;
 - b) RM3,000 as meeting allowance for each meeting of the Board and of the Board Committees that an Independent Director (who is the Chairperson of a Committee) attends. This remains unchanged from the previous year;
 - c) RM2,500 as meeting allowance for each meeting of the Board and of the Board Committees that an Independent Director (who is not the Chairperson of a Committee) attends. This remains unchanged from the previous year;
 - d) RM700 per month to each Independent Director as fuel allowance, on a reimbursement basis. This remains unchanged from the previous year; and
 - e) RM15,000 as an ex-gratia payment to each Independent Director of the Company for services rendered to the Company in 2024.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

It is to be noted that the Board, in making the above recommendations, wishes to highlight the following for shareholders' attention:

- i. A competitive remuneration package is necessary to attract and retain high-quality independent Directors who will then best serve the interests of the minority shareholders (and the Board and Company); and
- ii. All Independent Directors abstained from participation in or voting on the matter at the Board meeting when it was tabled.

4. Proposed Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This resolution is primarily to give flexibility to the Company to enter into recurrent related party transactions of a revenue or trading nature with the Directors/Major Shareholders or persons connected with the Directors/Major Shareholders.

Following the initial mandate given by shareholders at the AGM in 2021 and 2023, and considering the financial benefit to the Company, the proposal before the shareholders is for a Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature that will commence immediately upon approval by the shareholders and be in force for another year until the conclusion of the AGM in 2026.

Further information on the Proposed Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is contained in the Circular to Shareholders dated 25 April 2025.

5. Mode of Voting

In line with the recommendation of the Malaysian Code on Corporate Governance 2021, and for the purpose of providing fair representation of votes based on shareholding, voting at the AGM shall be by Poll.

6. Details of Directors standing for re-election/appointment

i. Profiles

The profiles of the Directors standing for re-election/appointment are set out in pages 48, 49, 50, and 51 of the Annual Report.

ii. Statement of Shareholdings

None of the Directors standing for re-election/appointment hold shares in the Company.

iii. Family relationship

None of the other Directors standing for re-election/appointment has any family relationship with any Director and/or major shareholder of the Company.

iv. Conflicts of Interest

None of the Directors standing for re-election/appointment has any conflict of interest or potential conflict of interest situation, including interest in any other competing business with the Company.

v. Conviction for offences (excluding traffic offences), sanctions or penalty

None of the Directors standing for re-election/appointment have been convicted of offences within the past five (5) years, nor have any of them been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.



**PETRON MALAYSIA REFINING
& MARKETING BHD**

Registration No. 196001000260 (3927-V)

CDS Account No. of Authorised Nominee:

PROXY FORM

I/We _____ (Name of Company/Business/individual's full name in

Block Capitals as per NRIC), NRIC/Company No. _____ (new) _____ (old)

of _____ (full address)

being a member/members of the Company, hereby appoint:

Full name of Proxy in capital letters	NRIC (new & old)/Passport No. of Proxy	Proportion of shareholdings to be represented:	
		No. of Shares	%

And if more than one (1) Proxy:

Full name of Proxy in capital letters	NRIC (new & old)/Passport No. of Proxy	Proportion of shareholdings to be represented:	
		No. of Shares	%

or failing, which the Chairman of the Annual General Meeting as my/our Proxy to attend and vote for me/us on my/our behalf at the 66th Annual General Meeting of the Company to be held on Tuesday, 17 June 2025 at 2:00 p.m. and at any adjournment thereof.

My/Our instruction to my/our Proxy (on each Agenda Item as per the Notice of Meeting) is as follows:

Resolution No.	Agenda Item	For	Against
	To receive the Company's Audited Accounts	-NIL-	-NIL-
1.	To approve the declaration of the final dividend		
2.	To re-elect Ms. Aurora T Calderon		
3.	To re-elect Mr. Fong Seow Kee		
4.	To re-elect Y. Bhg. Dato' Noorizah Bt Hj Abd Hamid		
5.	To elect Y. Bhg. Datuk Prakash Chandran Madhu Sudanan		
6.	To approve the payment of the Directors' fees and benefits for 2025		
7.	To appoint Messrs PricewaterhouseCoopers as Auditor and to authorise the Directors to determine their remuneration		
8.	To approve the Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

(Please indicate an "X" in the spaces provided on how you wish your vote to be cast. If you do not do so, the Proxy will vote or abstain from voting at his/her discretion)

Signature/Common Seal

Notes:

A Member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of the Member. In the case of a corporation, the Proxy Form must be executed under the corporation's Common Seal or under the hand of an officer or attorney duly authorised. A Member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of the Member. A proxy need not be a member of the Company. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which hold shares for multiple beneficiaries in one securities account ("Omnibus Account"), there is no limit on the number of proxies it may appoint in respect of such Omnibus Account. The instrument appointing a proxy shall be deposited at the Share Registrar's office at **Unit 32-01, Level 32, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur** or at the **drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur**, alternatively online via our share Registrars' website, TIIH Online at <https://tiih.online>, not less than 24 hours before the time set for the meeting.

First fold here

The Share Registrar
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Unit 32-01, Level 32, Tower A,
Vertical Business Suite
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur

AFFIX
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PETRON MALAYSIA REFINING & MARKETING BHD Registration No. 196001000260 (3927-V)

Level 12A, Menara I&P 1,
No. 46 Jalan Dungun, Damansara Heights,
50490 Kuala Lumpur, Malaysia.

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