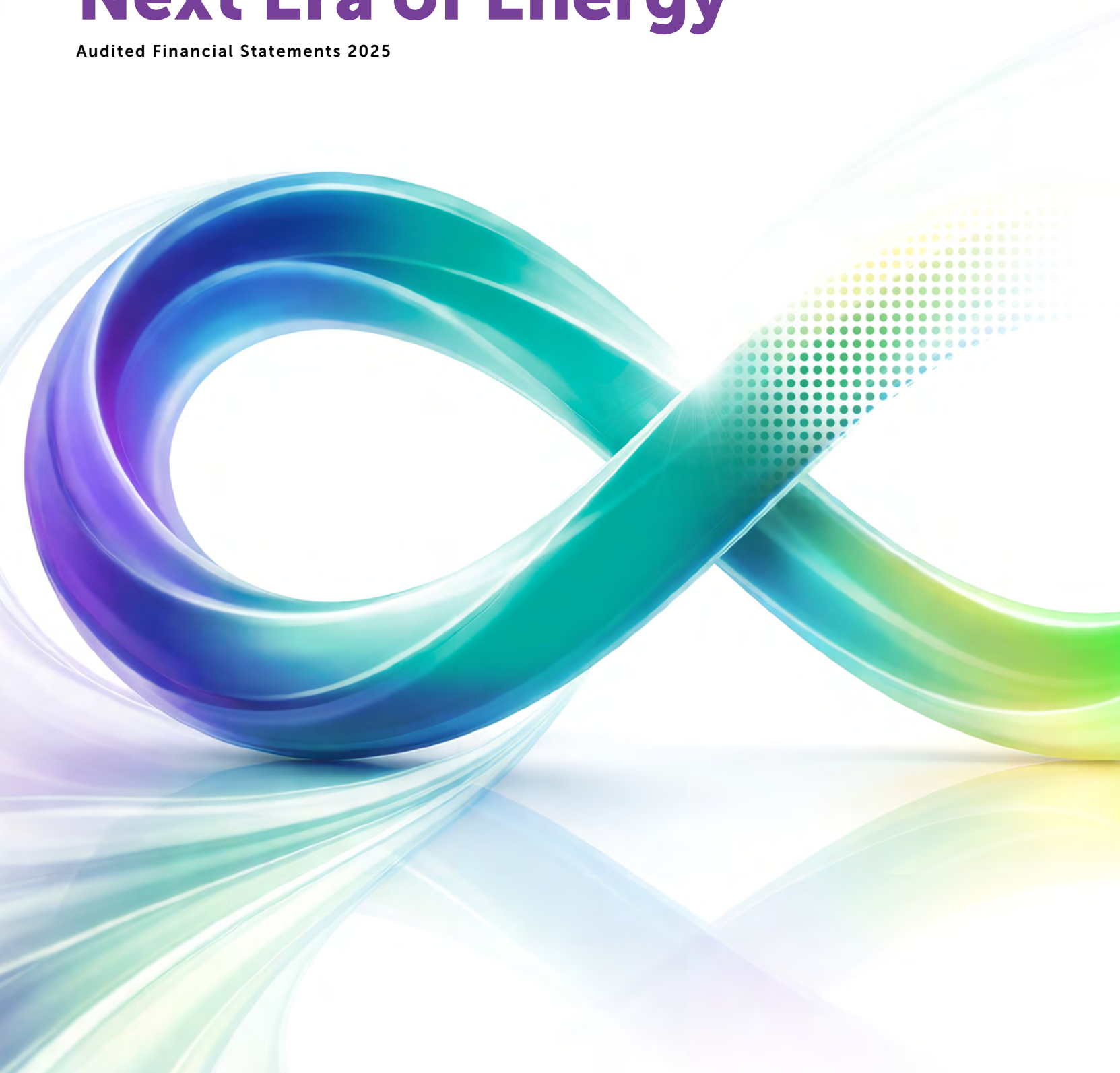




PETRONAS

Shaping the Next Era of Energy

Audited Financial Statements 2025



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DIRECTORS' REPORT

For the financial year ended 31 December 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

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

ULTIMATE HOLDING BODY CORPORATE

The ultimate body corporate holding the shares in the Company is the Minister of Finance (Incorporated), a body corporate that is incorporated pursuant to the Minister of Finance (Incorporation) Act 1957.

SUBSIDIARIES

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

RESULTS

In RM Mil	Group	Company
Profit for the year	45,390	36,687
Profit attributable to:		
Shareholders of the Company	40,775	36,687
Non-controlling interests	4,615	-

DIVIDENDS

During the financial year, the Company paid a dividend of RM320,000 per ordinary share amounting to RM32 billion declared to shareholders on 24 February 2025 and paid in instalments between March and December 2025.

The Directors had on 26 February 2026 declared a dividend of RM200,000 per ordinary share amounting to RM20 billion. The dividend will be recognised and accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

Further details on dividends are disclosed in Note 28.

RESERVES AND PROVISIONS

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



DIRECTORS' REPORT

For the financial year ended 31 December 2025 (continued)

DIRECTORS

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

Tan Sri Dato' Seri Mohd Bakke bin Salleh (Chairman)	
Tan Sri Tengku Muhammad Taufik	
Azizan bin Zakaria	
Tan Sri Zaharah binti Ibrahim	
Datuk Dr. Shahrazat binti Haji Ahmad	(appointed on 13 January 2025)
Dato' Seri Shaik Abdul Rasheed Abdul Ghaffour	(appointed on 21 March 2025)
Liza binti Mustapha	
Datuk Johan bin Mahmood @ Johan Mahmood Merican	(resigned on 13 January 2025)
Datuk K.Y. Mustafa	(resigned on 19 January 2025)

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

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

DIRECTORS' INTERESTS

None of the Directors holding office at 31 December 2025 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

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

Directors' benefits paid to or receivable by the Directors in respect of the financial year ended 31 December 2025 was RM23.5 million comprising fees and other long-term and short-term employee benefits.

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

ISSUE OF SHARES

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS' REPORT

For the financial year ended 31 December 2025 (continued)

INDEMNITY AND INSURANCE COSTS

During the financial year, PETRONAS and its subsidiaries maintained a Directors' and Officers' Liability Insurance in accordance with Section 289 of the Companies Act, 2016. The total insured limit for the Directors and Officers Liability Insurance effected for the Directors and Officers of the Group was RM1,290 million per occurrence and in the aggregate. The insurance premium for the Group and the Company are RM2,679,000 and RM763,000 respectively.

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature, nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.



DIRECTORS' REPORT

For the financial year ended 31 December 2025 (continued)

AUDITORS

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

The auditors' remuneration paid or payable to KPMG PLT, member firms of KPMG International Limited and Local affiliates of KPMG PLT for the financial year ended 31 December 2025 are as follows:

In RM Mil	Group	Company
Audit fees		
KPMG PLT	9	3
Member firms of KPMG International Limited	12	—
	21	3
Non audit service fees		
KPMG PLT	2	2
Local affiliates of KPMG PLT	1	1
Member firms of KPMG International Limited	1	1
	4	4

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

Tan Sri Dato' Seri Mohd Bakke bin Salleh
Chairman

Tan Sri Tengku Muhammad Taufik
Director

Kuala Lumpur,
Date: 26 February 2026

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out [on pages 6 to 168](#), are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended on that date.

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

Tan Sri Dato' Seri Mohd Bakke bin Salleh
Chairman

Tan Sri Tengku Muhammad Taufik
Director

Kuala Lumpur,
Date: 26 February 2026

STATUTORY DECLARATION

I, **Liza binti Mustapha**, the Director primarily responsible for the financial management of **PETRONAS**, do solemnly and sincerely declare that the financial statements set out [on pages 6 to 168](#) are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of provisions of the Statutory Declarations Act, 1960.

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

on 26 February 2026.

BEFORE ME:



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

In RM Mil	Note	31.12.2025	31.12.2024
ASSETS			
Property, plant and equipment	3	283,923	327,356
Investment properties	4	9,417	9,379
Land held for development	5	9,522	7,337
Investments in associates	7	4,330	4,350
Investments in joint ventures	8	7,228	7,869
Intangible assets	9	30,332	31,175
Long-term receivables	10	49,111	46,690
Fund and other investments	11	18,698	16,633
Deferred tax assets	13	21,661	25,459
TOTAL NON-CURRENT ASSETS		434,222	476,248
Trade and other inventories	14	12,805	14,096
Trade and other receivables	15	74,235	71,748
Fund and other investments	11	19,046	15,698
Cash and cash equivalents	16	204,375	188,476
		310,461	290,018
Assets classified as held for sale	17	30,270	407
TOTAL CURRENT ASSETS		340,731	290,425
TOTAL ASSETS		774,953	766,673
EQUITY			
Share capital	18	100	100
Reserves	19	448,208	451,115
Total equity attributable to shareholders of the Company		448,308	451,215
Non-controlling interests	20	53,777	55,395
TOTAL EQUITY		502,085	506,610
LIABILITIES			
Borrowings	21	108,137	90,837
Deferred tax liabilities	13	9,527	13,029
Other long-term liabilities and provisions	22	63,122	64,766
TOTAL NON-CURRENT LIABILITIES		180,786	168,632
Trade and other payables	23	65,204	67,156
Borrowings	21	13,466	20,060
Taxation		2,300	4,064
		80,970	91,280
Liabilities classified as held for sale	17	11,112	151
TOTAL CURRENT LIABILITIES		92,082	91,431
TOTAL LIABILITIES		272,868	260,063
TOTAL EQUITY AND LIABILITIES		774,953	766,673

The notes set out [on pages 20 to 168](#) are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the financial year ended 31 December 2025

In RM Mil	Note	2025	2024
Continuing operations			
Revenue	24	266,135	305,131
Cost of revenue		(162,516)	(187,892)
Gross profit		103,619	117,239
Selling and distribution expenses		(8,651)	(9,950)
Administration expenses		(16,507)	(17,993)
Net impairment losses/write-off ¹		(2,618)	(4,882)
Other expenses		(8,603)	(3,000)
Other income		7,406	6,016
Operating profit	25	74,646	87,430
Financing costs	26	(7,350)	(5,878)
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures		195	581
Profit before taxation from continuing operations		67,491	82,133
Tax expense	27	(22,101)	(26,348)
Profit for the year from continuing operations		45,390	55,785
Discontinued operations			
Loss for the year from discontinued operations, net of tax	17	–	(693)
PROFIT FOR THE YEAR		45,390	55,092
Profit/(Loss) attributable to:			
Shareholders of the Company			
From continuing operations		40,775	49,996
From discontinued operations		–	(892)
		40,775	49,104
Non-controlling interests			
From continuing operations		4,615	5,789
From discontinued operations		–	199
		4,615	5,988
PROFIT FOR THE YEAR		45,390	55,092

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

The notes set out [on pages 20 to 168](#) are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

In RM Mil	2025	2024
Profit for the year	45,390	55,092
Other comprehensive income/(loss)		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net changes in fair value of equity investments at fair value through other comprehensive income ("OCI")	17	(136)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net movements from exchange differences	(18,781)	(10,663)
Cash flow hedge	1,078	(1,120)
Others	(100)	437
Total other comprehensive loss for the year, net of tax	(17,786)	(11,482)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	27,604	43,610
Total comprehensive income/(loss) attributable to:		
Shareholders of the Company		
From continuing operations	25,656	39,929
From discontinued operations	-	(892)
	25,656	39,037
Non-controlling interests		
From continuing operations	1,948	4,374
From discontinued operations	-	199
	1,948	4,573
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	27,604	43,610

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

In RM Mil	Note	Attributable to shareholders of the Company				
		Non-distributable				
		Share Capital	Capital and Other Reserves	Foreign Currency Translation Reserve	Fair Value through OCI Reserve	Hedging Reserve
Balance at 1 January 2025		100	16,444	41,095	(20)	(965)
Net changes of equity investments at fair value through OCI		-	-	-	17	-
Net movements from exchange differences		-	-	(16,343)	-	-
Cash flow hedge		-	-	-	-	1,267
Other comprehensive loss		-	(60)	-	-	-
Total other comprehensive (loss)/income for the year, net of tax		-	(60)	(16,343)	17	1,267
Profit for the year		-	-	-	-	-
Total comprehensive (loss)/income for the year		-	(60)	(16,343)	17	1,267
Additional issuance of shares to non-controlling interests		-	-	-	-	-
Changes in ownership interests in subsidiaries		-	-	(3)	-	-
Disposal of subsidiaries		-	(329)	(307)	-	-
Redemption of redeemable preference shares in a subsidiary		-	284	-	-	-
Dividends to shareholders of the Company	28	-	-	-	-	-
Dividends to non-controlling interests		-	-	-	-	-
Total transactions with owners of the Group		-	(45)	(310)	-	-
Balance at 31 December 2025		100	16,339	24,442	(3)	302

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025 (continued)

In RM Mil	Note	Attributable to shareholders of the Company				
		Distributable			Non-controlling Interests	Total Equity
		General Reserve	Retained Profits	Total		
Balance at 1 January 2025		12,000	382,561	451,215	55,395	506,610
Net changes of equity investments at fair value through OCI		–	–	17	–	17
Net movements from exchange differences		–	–	(16,343)	(2,438)	(18,781)
Cash flow hedge		–	–	1,267	(189)	1,078
Other comprehensive loss		–	–	(60)	(40)	(100)
Total other comprehensive (loss)/ income for the year, net of tax		–	–	(15,119)	(2,667)	(17,786)
Profit for the year		–	40,775	40,775	4,615	45,390
Total comprehensive (loss)/ income for the year		–	40,775	25,656	1,948	27,604
Additional issuance of shares to non-controlling interests		–	–	–	87	87
Changes in ownership interests in subsidiaries		–	3,747	3,744	1,418	5,162
Disposal of subsidiaries		–	329	(307)	–	(307)
Redemption of redeemable preference shares in a subsidiary		–	(284)	–	(146)	(146)
Dividends to shareholders of the Company	28	–	(32,000)	(32,000)	–	(32,000)
Dividends to non-controlling interests		–	–	–	(4,925)	(4,925)
Total transactions with owners of the Group		–	(28,208)	(28,563)	(3,566)	(32,129)
Balance at 31 December 2025		12,000	395,128	448,308	53,777	502,085

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025 (continued)

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025 (continued)

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

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The notes set out [on pages 20 to 168](#) are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

In RM Mil	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations		67,491	82,133
Adjustments for:			
Amortisation of intangible assets and contract costs		2,034	2,169
Change in contract liabilities and provisions		(113)	(261)
Depreciation of property, plant and equipment and investment properties		35,906	36,811
Financing costs		7,350	5,878
Interest income		(11,390)	(12,682)
Loss on remeasurement of financial assets measured at amortised cost		1,759	2,974
Loss on remeasurement of net assets classified as held for sale		–	52
Net gain on realisation of foreign currency translation reserve from disposals		(78)	(1,836)
Net impairment losses of assets		329	1,340
Net impairment/write-off of well costs		748	2,991
Net inventories written down to net realisable value/written off		95	397
Net loss on disposals of investments in subsidiaries, interests in joint arrangements, property, plant and equipment and other investments		2,606	234
Net unrealised loss on derivatives		101	91
Net unrealised gain on foreign exchange		(3,272)	(2,288)
Net write-off of assets		530	590
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures		(195)	(581)
Operating profit before changes in working capital from continuing operations		103,901	118,012
Change in trade and other receivables		(8,470)	(2,924)
Change in trade inventories		1,196	(521)
Change in trade and other payables		4,712	2,691
Cash generated from continuing operations		101,339	117,258
Interest income received		11,390	12,682
Interest expenses paid		(4,871)	(4,750)
Taxation paid, net of refund		(22,695)	(24,323)
Net cash generated from continuing operations		85,163	100,867
Net cash generated from discontinued operations	17	–	1,593
Net cash generated from operating activities		85,163	102,460

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The notes set out [on pages 20 to 168](#) are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2025 (continued)

In RM Mil	Note	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments in:			
- associates and joint ventures		(328)	(1,906)
- securities and other investments		(11,886)	(14,540)
Long-term receivables and advances paid by/(to) joint arrangements		1,151	(11,321)
Purchase of property, plant and equipment, investment properties, land held for development and intangible assets		(40,119)	(51,868)
Other investing items		19,146	8,703
Net cash used in investing activities from continuing operations	29	(32,036)	(70,932)
Net cash used in investing activities from discontinued operations	17	—	(78)
Net cash used in investing activities	29	(32,036)	(71,010)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	28	(32,000)	(32,000)
Drawdown of borrowings		58,968	19,766
Repayment of borrowings		(44,737)	(20,077)
Other financing items		(5,663)	(13,810)
Net cash used in financing activities from continuing operations	30	(23,432)	(46,121)
Net cash used in financing activities from discontinued operations	17	—	(244)
Net cash used in financing activities	30	(23,432)	(46,365)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		29,695	(14,915)
DECREASE/(INCREASE) IN CASH AND CASH EQUIVALENTS RESTRICTED		174	(179)
NET FOREIGN EXCHANGE DIFFERENCES		(13,356)	(5,718)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		186,197	207,009
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		202,710	186,197
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	16	204,375	188,476
Bank overdrafts	21	—	(10)
Classified as held for sale:			
- Cash and bank balances		475	45
		204,850	188,511
Less: Cash and cash equivalents - restricted	16	(2,140)	(2,314)
		202,710	186,197

continued from previous page

The notes set out [on pages 20 to 168](#) are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

In RM Mil	Note	31.12.2025	31.12.2024
ASSETS			
Property, plant and equipment	3	13,148	13,028
Investments in subsidiaries	6	210,641	191,340
Investments in associates	7	302	302
Investments in joint ventures	8	877	843
Intangible assets	9	609	375
Long-term receivables	10	101,287	102,507
Fund and other investments	11	7,442	6,897
Deferred tax assets	13	4,871	7,744
TOTAL NON-CURRENT ASSETS		339,177	323,036
Trade and other inventories	14	36	115
Trade and other receivables	15	42,998	42,168
Fund and other investments	11	11,896	9,339
Cash and cash equivalents	16	48,155	52,033
TOTAL CURRENT ASSETS		103,085	103,655
TOTAL ASSETS		442,262	426,691
EQUITY			
Share capital	18	100	100
Reserves	19	300,235	295,320
TOTAL EQUITY		300,335	295,420
LIABILITIES			
Borrowings	21	70,008	54,992
Other long-term liabilities and provisions	22	49,548	48,146
TOTAL NON-CURRENT LIABILITIES		119,556	103,138
Trade and other payables	23	19,547	20,044
Borrowings	21	2,459	7,326
Taxation		365	763
TOTAL CURRENT LIABILITIES		22,371	28,133
TOTAL LIABILITIES		141,927	131,271
TOTAL EQUITY AND LIABILITIES		442,262	426,691

The notes set out [on pages 20 to 168](#) are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

<i>In RM Mil</i>	Note	2025	2024
Revenue	24	125,937	152,967
Cost of revenue		(74,725)	(89,640)
Gross profit		51,212	63,327
Selling and distribution expenses		(491)	(395)
Administration expenses		(8,741)	(9,346)
Net impairment losses/write-off ¹		(582)	(1,416)
Other expenses		(2,274)	(2,230)
Other income		12,017	9,863
Operating profit	25	51,141	59,803
Financing costs	26	(4,718)	(3,865)
Profit before taxation		46,423	55,938
Tax expense	27	(9,736)	(10,792)
Profit for the year		36,687	45,146
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Cash flow hedge		228	(134)
Total other comprehensive income/(loss) for the year, net of tax		228	(134)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		36,915	45,012

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

<i>In RM Mil</i>	Note	Attributable to shareholders of the Company				Total Equity
		Non-distributable		Distributable		
		Share Capital	Hedging Reserve	General Reserve	Retained Profits	
Balance at 1 January 2025		100	(288)	12,000	283,608	295,420
Cash flow hedge		–	228	–	–	228
Profit for the year		–	–	–	36,687	36,687
Total comprehensive income for the year		–	228	–	36,687	36,915
Dividends to the shareholders of the Company	28	–	–	–	(32,000)	(32,000)
Balance at 31 December 2025		100	(60)	12,000	288,295	300,335
Balance at 1 January 2024		100	(154)	12,000	270,462	282,408
Cash flow hedge		–	(134)	–	–	(134)
Profit for the year		–	–	–	45,146	45,146
Total comprehensive (loss)/ income for the year		–	(134)	–	45,146	45,012
Dividends to the shareholders of the Company	28	–	–	–	(32,000)	(32,000)
Balance at 31 December 2024		100	(288)	12,000	283,608	295,420

The notes set out [on pages 20 to 168](#) are an integral part of these financial statements.

The notes set out [on pages 20 to 168](#) are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

In RM Mil	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		46,423	55,938
Adjustments for:			
Amortisation of intangible assets		96	82
Change in contract liabilities		(583)	(266)
Change in fair value of cess and decarbonisation fund receivables		(2,610)	(2,064)
Change in provisions		(1,060)	590
Depreciation of property, plant and equipment		1,419	1,688
Dividend income		(17,462)	(22,889)
Financing costs		4,718	3,865
Gain on partial disposal of a subsidiary		(2,927)	(1,791)
Interest income		(6,196)	(7,114)
Loss on disposals of property, plant and equipment		31	57
Loss on remeasurement of financial assets measured at amortised cost		266	881
Net impairment losses/(reversals) of:			
- investments in subsidiaries		68	80
- loans and advances to subsidiaries and a joint venture		(10)	(5)
- property, plant and equipment		114	77
- trade and other receivables		(6)	99
Net loss on foreign exchange		2,142	930
Net unrealised gain on derivatives		(22)	(204)
Net write-off of:			
- intangible assets		8	-
- property, plant and equipment		140	8
- receivables		-	276
- other investment		2	-
Operating profit before changes in working capital		24,551	30,238
Change in trade and other receivables		(1,154)	1,150
Change in trade inventories		79	(72)
Change in trade and other payables		(2,870)	(2,023)
Cash generated from operations		20,606	29,293
Interest income received		5,088	6,290
Interest expenses paid		(2,617)	(2,273)
Taxation paid		(7,836)	(8,853)
Net cash generated from operating activities		15,241	24,457

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The notes set out [on pages 20 to 168](#) are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025 (continued)

In RM Mil	Note	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of additional shares in subsidiaries		(10,423)	(25,087)
(Contributions to)/Disbursements from Decarbonisation Fund		(627)	1,936
Dividends received		17,458	22,889
Investment in securities and other investments		(5,866)	(7,479)
Long-term receivables and advances paid (to)/by:			
- subsidiaries		(7,871)	1,432
- associates and joint ventures		1,084	(11,084)
Other investing items		5,854	3,684
Net cash used in investing activities	29	(391)	(13,709)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(32,000)	(32,000)
Drawdown of borrowings		22,337	-
Repayment of borrowings		(6,645)	-
Other financing items		(938)	(946)
Net cash used in financing activities	30	(17,246)	(32,946)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(2,396)	(22,198)
NET FOREIGN EXCHANGE DIFFERENCES		(1,482)	(929)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		52,033	75,160
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	16	48,155	52,033

continued from previous page

The notes set out [on pages 20 to 168](#) are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

1. BASIS OF PREPARATION

1.1 Statement of compliance

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

As of 1 January 2025, the Group and the Company had adopted amendments to MFRS ("pronouncement") that had been issued by the Malaysian Accounting Standards Board ("MASB") as described fully in Note 40.

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

These financial statements were approved and authorised for issue by the Board of Directors on 26 February 2026.

1.2 Basis of measurement

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

1.3 Functional and presentation currency

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

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

1.4 Use of estimates and judgments

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES

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

2.1 Basis of consolidation

Subsidiaries

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

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

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

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

Business combinations

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of consolidation (continued)

Business combinations (continued)

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

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

Non-controlling interests

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

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

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

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

Loss of control

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.2 Associates

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

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

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

2.3 Joint arrangements

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

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

2.4 Property, plant and equipment and depreciation

Recognition and measurement

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

Depreciation

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment and depreciation (continued)

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

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

Right-of-use assets and leases

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

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

Recognition exemption

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

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

Sublease classification

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.5 Investment properties

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

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

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

2.6 Land held for development

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

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

2.7 Intangible assets

Goodwill

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

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

Exploration and evaluation expenditure

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.7 Intangible assets (continued)

Allowances and certificates

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

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

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

Other intangible assets

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

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

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

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

	2025	2024
• Trademark	20 years	20 years
• Customer relations	30 years	30 years
• Know-how and patents	30 years	30 years
• Formulae	20 years	20 years
• Customer contracts	18 – 25 years	-
• Technology and digital assets	5 – 20 years	5 – 20 years

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.8 Exploration, evaluation and development expenditure

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

Exploration and evaluation expenditure

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

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

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

Development expenditure

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

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

2.9 Financial instruments

Recognition and derecognition

(i) Financial assets

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

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

Amortised cost

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.9 Financial instruments (continued)

Recognition and derecognition (continued)

(i) Financial assets (continued)

Amortised cost (continued)

Subsequent measurement

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

Fair value through other comprehensive income

Debt instruments

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

Equity instruments

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

Subsequent measurement

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

Fair value through profit or loss

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

Subsequent measurement

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.9 Financial instruments (continued)

Recognition and derecognition (continued)

(ii) Financial liabilities

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

Fair value through profit or loss

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

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

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

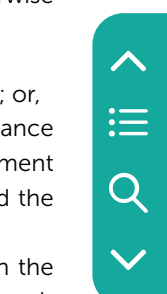
Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

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

Amortised cost

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

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



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.9 Financial instruments (continued)

Recognition and derecognition (continued)

(iii) Financial guarantee contracts

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

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

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

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

(iv) Derivative financial instruments

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

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

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

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

Hedge accounting

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.9 Financial instruments (continued)

Recognition and derecognition (continued)

(v) Offsetting of financial instruments

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

2.10 Impairment

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

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

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.10 Impairment (continued)

(ii) Other assets

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

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

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

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

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

2.11 Cash and cash equivalents

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

2.12 Inventories

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.12 Inventories (continued)

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

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

2.13 Taxation

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

Global minimum top-up tax

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

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

2.14 Foreign currency transactions

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

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

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

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

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

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

2.16 Revenue

Revenue from contracts with customers

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.16 Revenue (continued)

Other revenue

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

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

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

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

2.17 Financing costs

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

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

2.18 Fair value measurement

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

(i) Financial instruments

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

(ii) Non-financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

2. MATERIAL ACCOUNTING POLICIES (continued)

2.18 Fair value measurement (continued)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

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

2.19 Insurance contracts

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT

Group 2025 In RM Mil	At 1.1.2025	Additions	Disposals/ Write-offs
At cost:			
<u>Own use</u>			
Freehold land	2,809	3	(2)
Oil and gas properties	387,075	5,509	(20,631)
Buildings	24,390	78	(83)
Plant and equipment	223,639	727	(1,355)
Office equipment, furniture and fittings	4,517	161	(152)
Computer software and hardware	6,457	153	(327)
Motor vehicles	465	16	(14)
Vessels	8,681	72	(250)
Projects-in-progress			
- oil and gas properties	31,263	9,515	(405)
- plant and equipment	45,999	6,974	(2)
- vessels	2,690	1,510	(67)
- other projects	4,112	7,484	(155)
	742,097	32,202	(23,443)
<u>Leased to others as operating lease</u>			
Buildings	496	-	-
Vessels	39,766	362	(846)
Plant and equipment	324	1	(1)
	40,586	363	(847)
<u>Right-of-use</u>			
Leasehold land	10,654	136	(11)
Lease properties	328	-	-
Oil and gas properties	7,847	558	-
Buildings	1,828	162	(53)
Plant and equipment	3,942	2,261	(15)
Computer software and hardware	18	1	-
Motor vehicles	391	91	(54)
Vessels	15,343	8,095	(381)
	40,351	11,304	(514)
	823,034	*43,869	^b (24,804)

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a Includes addition to future cost of decommissioning and restoration amounting to RM2,081 million.
 b Certain assets have been classified as held for sale and subsequently disposed during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2025 In RM Mil	Acquisition/ (Disposal) of subsidiaries	Transfers/ Reclassifications/ Adjustments	Translation exchange difference	At 31.12.2025
At cost:				
<u>Own use</u>				
Freehold land	55	(16)	(172)	2,677
Oil and gas properties	(11,403)	(43,405)	(14,100)	303,045
Buildings	11	682	(9)	25,069
Plant and equipment	1,583	37,198	(11,506)	250,286
Office equipment, furniture and fittings	159	(213)	(89)	4,383
Computer software and hardware	–	224	(343)	6,164
Motor vehicles	–	(14)	(6)	447
Vessels	–	(2,317)	(2,207)	3,979
Projects-in-progress				
- oil and gas properties	(748)	(15,627)	(1,314)	22,684
- plant and equipment	–	(30,427)	(2,052)	20,492
- vessels	–	(490)	(198)	3,445
- other projects	(2)	(8,470)	(279)	2,690
	(10,345)	(62,875)	(32,275)	645,361
<u>Leased to others as operating lease</u>				
Buildings	–	–	–	496
Vessels	–	(21)	(1,263)	37,998
Plant and equipment	–	7	–	331
	–	(14)	(1,263)	38,825
<u>Right-of-use</u>				
Leasehold land	38	35	(76)	10,776
Lease properties	–	3	(5)	326
Oil and gas properties	–	(60)	(113)	8,232
Buildings	–	6	(160)	1,783
Plant and equipment	–	117	(131)	6,174
Computer software and hardware	–	–	–	19
Motor vehicles	–	2	(3)	427
Vessels	–	(5,894)	(1,429)	15,734
	38	(5,791)	(1,917)	43,471
	(10,307)	^{a,b,c} (68,680)	(35,455)	727,657

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- a Includes net transfers out of RM68,806 million comprising transfers out to assets classified as held for sale of RM69,497 million and investment properties of RM284 million, partially offset by transfer in from intangible assets of RM975 million.
- b Includes upward adjustments to right-of-use assets following lease modification/remeasurement in accordance to MFRS 16 Leases amounting to RM114 million.
- c Includes upward revision to future cost of decommissioning and restoration amounting to RM12 million.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2025 In RM Mil	At 1.1.2025	Charge for the year	Disposals/ Write-offs	Impairment losses/ (reversals)
Accumulated depreciation and impairment losses:				
<u>Own use</u>				
Freehold land	–	–	–	4
Oil and gas properties	293,116	19,425	(14,000)	(899)
Buildings	11,496	582	(78)	48
Plant and equipment	133,983	9,002	(1,316)	495
Office equipment, furniture and fittings	3,713	325	(149)	1
Computer software and hardware	5,018	511	(322)	–
Motor vehicles	329	35	(12)	37
Vessels	4,705	912	(136)	585
Projects-in-progress				
- oil and gas properties	1,518	–	(252)	62
- plant and equipment	2,964	–	–	(2,396)
- vessels	14	–	–	–
- other projects	250	–	–	218
	457,106	30,792	(16,265)	(1,845)
<u>Leased to others as operating lease</u>				
Buildings	96	9	–	–
Vessels	21,645	1,430	(611)	174
Plant and equipment	46	12	–	–
	21,787	1,451	(611)	174
<u>Right-of-use</u>				
Leasehold land	2,983	166	(11)	(1)
Lease properties	78	–	–	4
Oil and gas properties	6,273	1,135	–	–
Buildings	879	186	(15)	3
Plant and equipment	2,315	234	(15)	19
Computer software and hardware	16	1	–	–
Motor vehicles	285	88	(53)	1
Vessels	3,956	1,944	(381)	–
	16,785	3,754	(475)	26
	495,678	35,997	[*] (17,351)	(1,645)

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- a Certain assets have been classified as held for sale and subsequently disposed during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2025 In RM Mil	Disposal of a subsidiary	Transfers/ Reclassifications/ Adjustments	Translation exchange difference	At 31.12.2025
Accumulated depreciation and impairment losses:				
<u>Own use</u>				
Freehold land	–	–	–	4
Oil and gas properties	(5,246)	(39,713)	(10,586)	242,097
Buildings	–	295	(37)	12,306
Plant and equipment	–	(427)	(5,605)	136,132
Office equipment, furniture and fittings	–	(92)	(208)	3,590
Computer software and hardware	–	(38)	(108)	5,061
Motor vehicles	–	(59)	(6)	324
Vessels	–	(2,175)	(1,530)	2,361
Projects-in-progress				
- oil and gas properties	–	(67)	(94)	1,167
- plant and equipment	–	–	(52)	516
- vessels	–	–	–	14
- other projects	–	–	–	468
	(5,246)	(42,276)	(18,226)	404,040
<u>Leased to others as operating lease</u>				
Buildings	–	(24)	–	81
Vessels	–	–	(135)	22,503
Plant and equipment	–	–	–	58
	–	(24)	(135)	22,642
<u>Right-of-use</u>				
Leasehold land	–	–	(7)	3,130
Lease properties	–	–	(5)	77
Oil and gas properties	–	–	(145)	7,263
Buildings	–	–	(58)	995
Plant and equipment	–	–	(55)	2,498
Computer software and hardware	–	–	–	17
Motor vehicles	–	(14)	(10)	297
Vessels	–	(2,242)	(502)	2,775
	–	(2,256)	(782)	17,052
	(5,246)	*(44,556)	(19,143)	443,734

continued from previous page

a Includes net transfers out to assets classified as held for sale of RM44,502 million and investment properties of RM87 million, partially offset by transfer in from intangible assets of RM33 million.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

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

continued from previous page

- a Includes downward revision to future cost of decommissioning and restoration amounting to RM2,591 million.
 b Includes downward adjustments to right-of-use assets following lease remeasurement in accordance to MFRS 16 Leases amounting to RM89 million.
 c Includes net transfers in of RM356 million comprising transfer in from intangible assets of RM2,948 million and intra group adjustment of RM189 million, partially offset by transfer in from accumulated depreciation of RM1,491 million and transfer out to assets classified as held for sale of RM264 million, intangible assets of RM977 million and other receivables of RM49 million.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2025 In RM Mil	At 1.1.2025	Additions	Disposals/ Write-offs
At cost:			
<u>Own use</u>			
Oil and gas properties	27,407	69	–
Buildings	294	–	(10)
Other equipment	21	–	(2)
Office equipment, furniture and fittings	108	–	(75)
Computer software and hardware	484	–	(134)
Motor vehicles	19	1	(1)
Projects-in-progress			
- oil and gas properties	2	10	–
- other projects	1,282	249	(178)
	29,617	329	(400)
<u>Right-of-use</u>			
Leasehold land	355	–	–
Buildings	7,411	–	–
Plant and equipment	1,485	2,153	–
	9,251	2,153	–
	38,868	2,482	^a (400)

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a Includes amount recoverable from other receivable amounting to RM7 million for disposal of a projects-in-progress.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2025 In RM Mil	Transfers/ Reclassifications/ Adjustments	At 31.12.2025
At cost:		
<u>Own use</u>		
Oil and gas properties	(238)	27,238
Buildings	–	284
Other equipment	1	20
Office equipment, furniture and fittings	1	34
Computer software and hardware	49	399
Motor vehicles	–	19
Projects-in-progress		
- oil and gas properties	(1)	11
- other projects	(463)	890
	(651)	28,895
<u>Right-of-use</u>		
Leasehold land	(1)	354
Buildings	1	7,412
Plant and equipment	–	3,638
	–	11,404
	^{a,b}(651)	40,299

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- a Includes downward revision to future cost of decommissioning and restoration amounting to RM120 million and downward adjustments to oil and gas properties, leasehold land and various projects-in-progress amounting to RM118 million, RM1 million and RM44 million respectively.
- b Includes net transfers out of RM368 million comprising transfers to subsidiaries of RM37 million, transfers to joint ventures of RM13 million, intangible assets of RM302 million and reclassification to profit or loss of RM16 million.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2025 In RM Mil	At 1.1.2025	Charge for the year	Impairment losses
Accumulated depreciation and impairment losses:			
<u>Own use</u>			
Oil and gas properties	21,576	930	–
Buildings	70	6	–
Other equipment	18	2	–
Office equipment, furniture and fittings	95	3	–
Computer software and hardware	466	25	–
Motor vehicles	14	2	–
Projects-in-progress			
- other projects	77	–	114
	22,316	968	114
<u>Right-of-use</u>			
Leasehold land	63	7	–
Buildings	2,049	345	–
Plant and equipment	1,412	99	–
	3,524	451	–
	25,840	1,419	114

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2025 In RM Mil	Disposals/ Write-offs	At 31.12.2025
Accumulated depreciation and impairment losses:		
<u>Own use</u>		
Oil and gas properties	–	22,506
Buildings	(10)	66
Other equipment	(2)	18
Office equipment, furniture and fittings	(75)	23
Computer software and hardware	(134)	357
Motor vehicles	(1)	15
Projects-in-progress		
- other projects	–	191
	(222)	23,176
<u>Right-of-use</u>		
Leasehold land	–	70
Buildings	–	2,394
Plant and equipment	–	1,511
	–	3,975
	(222)	27,151

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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a Includes downward revision to future cost of decommissioning and restoration amounting to RM2,234 million.

b Includes net transfers out of RM122 million comprising transfers to subsidiaries of RM45 million and intangible assets of RM76 million and reclassification to profit or loss of RM1 million.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

In RM Mil	Group		Company	
	2025	2024	2025	2024
Carrying amount				
<u>Own use</u>				
Freehold land	2,673	2,809	-	-
Oil and gas properties	60,948	93,959	4,732	5,831
Buildings	12,763	12,894	218	224
Plant and equipment	114,154	89,656	2	3
Office equipment, furniture and fittings	793	804	11	13
Computer software and hardware	1,103	1,439	42	18
Motor vehicles	123	136	4	5
Vessels	1,618	3,976	-	-
Projects-in-progress	-	-	-	-
- oil and gas properties	21,517	29,745	11	2
- plant and equipment	19,976	43,035	-	-
- vessels	3,431	2,676	-	-
- other projects	2,222	3,862	699	1,205
	241,321	284,991	5,719	7,301
<u>Leased to others as operating lease</u>				
Buildings	415	400	-	-
Vessels	15,495	18,121	-	-
Plant and equipment	273	278	-	-
	16,183	18,799	-	-
<u>Right-of-use</u>				
Leasehold land	7,646	7,671	284	292
Lease properties	249	250	-	-
Oil and gas properties	969	1,574	-	-
Buildings	788	949	5,018	5,362
Plant and equipment	3,676	1,627	2,127	73
Computer software and hardware	2	2	-	-
Motor vehicles	130	106	-	-
Vessels	12,959	11,387	-	-
	26,419	23,566	7,429	5,727
	283,923	327,356	13,148	13,028

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

3.1 As a lessee

Right-of-use assets

Depreciation of right-of-use assets

In RM Mil	Group		Company	
	2025	2024	2025	2024
Capitalised in property, plant and equipment	370	541	–	–
Capitalised in exploration and evaluation expenditure	157	561	–	–
Total depreciation capitalised into other assets	527	1,102	–	–
Recognised in profit or loss	3,227	3,173	451	423
Total depreciation	3,754	4,275	451	423

Extension options

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

Significant judgments and assumptions in relation to leases

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

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

3.2 As a lessor

Property, plant and equipment leased to others as operating lease

The following are recognised in profit or loss:

In RM Mil	Group	
	2025	2024
Lease income	3,354	3,559

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

3.2 As a lessor (continued)

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

The operating lease payments to be received are as follows:

In RM Mil	Group	
	2025	2024
Less than one year	2,395	2,979
One to five years	5,978	8,514
More than five years	7,264	11,921
Total undiscounted lease payments	15,637	23,414

3.3 Security

Property, plant and equipment of the Group with carrying amount of RM13,348 million (2024: RM15,757 million) have been pledged as security for loan facilities as set out in Note 21 to the financial statements.

3.4 Projects-in-progress

Included in additions to projects-in-progress of the Group are borrowing costs of RM1,074 million which had been capitalised during the year (2024: RM2,063 million) and capitalisation of depreciation charge for the year in respect of right-of-use assets amounting to RM527 million (2024: RM1,102 million). The interest rate on borrowing costs capitalised ranges from 2.2% to 5.4% (2024: 2.3% to 5.8%) per annum.

3.5 Restriction of land title

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

3.6 Change in estimates

During the financial year, the Group and the Company revised the estimated future cost of decommissioning of oil and gas properties and other property, plant and equipment. The revision was accounted for prospectively as a change in accounting estimates resulting in an increase in cost of property, plant and equipment of the Group by RM12 million (2024: decrease by RM2,591 million) and a decrease in cost of property, plant and equipment of the Company by RM120 million (2024: RM2,234 million) (refer Note 22).

3.7 Estimation of oil and gas reserves

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

3.7 Estimation of oil and gas reserves (continued)

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

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

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

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

3.8 Impairment review of property, plant and equipment

For the financial year ended 31 December 2025, the Group recognised net impairment reversals¹ on certain property, plant and equipment amounting to RM1,639 million (2024: net impairment losses of RM948 million) and the Company recognised net impairment losses¹ on certain property, plant and equipment amounting to RM120 million (2024: RM77 million).

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

The Group's recoverable amount for the relevant impairment losses/reversals during the year of RM36,340 million (2024: RM2,791 million) were determined from the higher of value in use calculations using cash flow projections and fair value less costs to sell.

The Group uses a range of long-term assumptions including prices, volumes, margins and costs based on past performance and management's expectations of market development. The projected cash flows were discounted using discount rates ranging between 7.2% to 13.9% (2024: 7.2% to 8.0%).

Price assumptions

Price assumptions applied for impairment testing are reviewed on an annual basis. Reviews include comparison with available market data and forecasts that reflect fundamental developments in global demand and supply. As at 31 December 2025, the real term of average Brent price applied in impairment testing scenarios were as follows:

Average price assumptions	2026-2030	>2030
Brent (USD/bbl)	70	70

¹ Excludes impairment reversals for subsequent write-off for the Group of RM6 million (2024: RM3,431 million) and the Company of RM6 million (2024: RM Nil) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

4. INVESTMENT PROPERTIES

Group 2025 In RM Mil	At 1.1.2025	Additions	Transfers/ Adjustments
At cost:			
Freehold land	1,465	–	298
Leasehold land	1,001	–	–
Buildings	12,239	9	1,066
Projects-in-progress	2,727	323	(1,490)
	17,432	332	^{a,b} (126)

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	At 1.1.2025	Charge for the year	Transfers/ Adjustments
Accumulated depreciation and impairment losses:			
Buildings	7,903	436	(408)
Projects-in-progress	150	–	78
	8,053	436	^{a,b} (330)

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Group 2024 In RM Mil	At 1.1.2024	Additions	Disposals
At cost:			
Freehold land	1,465	–	–
Leasehold land	973	28	–
Buildings	13,284	5	(1,144)
Projects-in-progress	2,302	526	–
	18,024	559	(1,144)

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

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a Includes net transfers in of RM204 million comprising transfer in from property, plant and equipment of RM197 million and land held for development of RM8 million, partially offset by transfer out to assets classified as held for sale of RM1 million.
b Includes concessions for buildings expired during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

4. INVESTMENT PROPERTIES (continued)

Group 2025 In RM Mil	Translation exchange difference	At	
		31.12.2025	
At cost:			
Freehold land	–		1,763
Leasehold land	–		1,001
Buildings	(17)		13,297
Projects-in-progress	–		1,560
	(17)		17,621

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	Impairment losses	Translation exchange difference	At	
			31.12.2025	
Accumulated depreciation and impairment losses:				
Buildings	57	(12)		7,976
Projects-in-progress	–	–		228
	57	(12)		8,204

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

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	Impairment losses	Translation exchange difference	At	
			31.12.2024	
Accumulated depreciation and impairment losses:				
Buildings	–	(4)		7,903
Projects-in-progress	78	–		150
	78	(4)		8,053

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^a Includes net transfer out to assets classified as held for sale of RM1 million.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

4. INVESTMENT PROPERTIES (continued)

Group In RM Mil	Carrying amount	
	2025	2024
Freehold land	1,763	1,465
Leasehold land	1,001	1,001
Buildings	5,321	4,336
Projects-in-progress	1,332	2,577
	9,417	9,379

Fair value information

The Directors of the subsidiaries have estimated the fair value of investment properties as at 31 December 2025 to be RM17,682 million (2024: RM16,652 million).

The fair value of investment properties are categorised as follows:

Group In RM Mil	Level 3	
	2025	2024
Freehold land	2,026	1,792
Leasehold land	1,005	1,005
Buildings	14,651	13,855
	17,682	16,652

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

Leases as lessor

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

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

In RM Mil	Group	
	2025	2024
Less than one year	1,463	1,589
Between one and five years	3,693	5,449
More than five years	2,922	1,554
Total undiscounted lease payments	8,078	8,592

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

5. LAND HELD FOR DEVELOPMENT

Included in land held for development for the Group is freehold land amounting to RM8,961 million (2024: RM6,897 million).

6. INVESTMENTS IN SUBSIDIARIES

In RM Mil	Company	
	2025	2024
Investments at cost		
- quoted shares	14,907	14,907
- unquoted shares	203,388	184,048
Fair value adjustments on loans and advances and financial guarantee	10,265	10,265
	228,560	209,220
Less: Impairment losses		
- unquoted shares	(17,919)	(17,880)
	210,641	191,340
Market value of quoted shares	67,771	74,350

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

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

Non-controlling interests in subsidiaries

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

Group 2025	MISC	PCG	PGB	PJH	PDB	Others	Total
NCI percentage effective ownership interest and voting interest (%)	49.0	35.7	49.0	35.6	36.1	Varies	-
Carrying amount of NCI	17,527	15,066	7,467	4,044	2,231	7,442	53,777
Profit allocated to NCI	874	(702)	951	262	438	2,792	4,615

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

6. INVESTMENTS IN SUBSIDIARIES (continued)

Non-controlling interests in subsidiaries (continued)

Summarised financial information before intra-group elimination

In RM Mil	MISC	PCG	PGB	PJH	PDB
As at 31 December 2025					
Non-current assets	40,993	40,338	16,924	11,268	4,193
Current assets	12,220	17,352	2,890	3,700	6,891
Non-current liabilities	(11,747)	(8,256)	(2,765)	(2,573)	(193)
Current liabilities	(6,729)	(12,054)	(2,341)	(1,031)	(4,839)
Net assets	34,737	37,380	14,708	11,364	6,052
Year ended 31 December 2025					
Revenue	11,209	27,480	6,374	1,889	38,269
Profit/(Loss) for the year	1,762	(2,050)	1,836	736	1,136
Total comprehensive (loss)/income	(1,952)	(1,970)	1,806	736	1,136
Cash flows from operating activities	5,729	3,147	3,054	1,261	4,179
Cash flows from investing activities	(1,517)	(2,387)	(2,165)	(321)	(297)
Cash flows from financing activities	(4,187)	(496)	(1,567)	(897)	(1,241)
Net increase/(decrease) in cash and cash equivalents	25	264	(678)	43	2,641
Decrease/(Increase) in cash and cash equivalents restricted	-	-	1	-	(39)
Net foreign exchange differences	2,054	(569)	-	-	-
Cash and cash equivalents at beginning of the year	5,310	9,926	2,596	1,384	2,048
Cash and cash equivalents at end of the year	7,389	9,621	1,919	1,427	4,650
Dividends paid to NCI	(787)	(174)	-	(73)	(589)

Group 2024	MISC	PCG	PGB	PJH	PDB	Others	Total
NCI percentage effective ownership interest and voting interest (%)	49.0	35.7	49.0	35.6	36.1	Varies	-
Carrying amount of NCI	19,876	15,906	7,139	3,855	2,190	6,429	55,395
Profit allocated to NCI	638	542	961	209	413	3,225	5,988

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

6. INVESTMENTS IN SUBSIDIARIES (continued)

Non-controlling interests in subsidiaries (continued)

Summarised financial information before intra-group elimination

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

Impairment assessment of investments in subsidiaries

For the financial year ended 31 December 2025, the Company recognised net impairment losses amounting to RM68 million (2024: RM80 million) on the cost of investment in subsidiaries.

In calculating the recoverable amount, the Company uses a range of long-term assumptions including prices, volumes, margins and costs based on past performance and management's expectations of economic outlook. The projected cash flows were discounted using discount rate at range of 6.5% to 9.7% (2024: 6.5% to 8.9%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

7. INVESTMENTS IN ASSOCIATES

<i>In RM Mil</i>	Group		Company	
	2025	2024	2025	2024
Investments at cost				
- quoted shares	314	314	302	302
- unquoted shares	5,191	4,928	–	–
Share of post-acquisition profits and reserves	1,318	1,601	–	–
	6,823	6,843	302	302
Less: Impairment losses				
- unquoted shares	(2,493)	(2,493)	–	–
	4,330	4,350	302	302
Market value of quoted shares	1,568	1,634	708	787

The Group's share of the current financial year and cumulative losses of certain associates amounting to RM89 million (2024: RM98 million) and RM508 million (2024: RM419 million) respectively have not been recognised in the Group's profit or loss as equity accounting has ceased when the Group's share of losses of these associates exceeded the carrying amount of its investment in these associates since the Group has no obligation in respect of the losses.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

8. INVESTMENTS IN JOINT VENTURES

In RM Mil	Group		Company	
	2025	2024	2025	2024
Investments at cost				
- unquoted shares	7,925	7,992	475	475
Fair value adjustments on financial guarantee	411	377	411	377
Share of post-acquisition losses and reserves	(1,046)	(485)	-	-
	7,290	7,884	886	852
Less: Impairment losses	(62)	(15)	(9)	(9)
	7,228	7,869	877	843
Share of joint ventures' contingent liabilities:				
Claims filed by/disputes with various parties	(10)	(25)	-	-

The Group's share of the current financial year and cumulative losses of certain joint ventures amounting to RM9,458 million (2024: RM5,134 million) and RM19,072 million (2024: RM9,614 million) respectively have not been recognised in the Group's profit or loss as equity accounting has ceased when the Group's share of losses of these joint ventures exceeded the carrying amount of its investment in these joint ventures since the Group has no obligation in respect of the losses.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

9. INTANGIBLE ASSETS

Group 2025 In RM Mil	At	Additions	Disposals/ Write-offs
	1.1.2025		
At cost:			
Goodwill	9,234	-	-
Exploration and evaluation expenditure	21,825	5,494	(2,317)
Other intangible assets	55,578	1,193	(40)
Intangible assets under development	95	181	(7)
	86,732	6,868	^{a,b} (2,364)

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	At 1.1.2025	Charge for the year	Disposals/ Write-offs	Impairment losses
Accumulated amortisation and impairment losses:				
Goodwill	2,486	-	-	236
Exploration and evaluation expenditure	9,975	-	(279)	170
Other intangible assets	43,096	2,008	(30)	1,212
	55,557	2,008	^{a,b} (309)	^a 1,618

continue to next page

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

continue to next page

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

continue to next page

a Included in exploration and evaluation expenditure is net impairment/write-off of well costs amounting to RM748 million (2024: RM2,991 million).
 b Certain assets have been classified as held for sale and subsequently disposed during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

9. INTANGIBLE ASSETS (continued)

Group 2025 In RM Mil	Acquisition of subsidiaries	Transfers	Translation exchange difference	At 31.12.2025
At cost:				
Goodwill	287	–	59	9,580
Exploration and evaluation expenditure	–	(3,901)	(1,504)	19,597
Other intangible assets	319	588	(3,424)	54,214
Intangible assets under development	–	(2)	–	267
	606	^a (3,315)	(4,869)	83,658

continued from previous page

	Transfers	Translation exchange difference	At 31.12.2025
Accumulated amortisation and impairment losses:			
Goodwill	–	(114)	2,608
Exploration and evaluation expenditure	(1,017)	(869)	7,980
Other intangible assets	13	(3,561)	42,738
	^a (1,004)	(4,544)	53,326

continued from previous page

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

continued from previous page

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

continued from previous page

a Includes net transfers out to property, plant and equipment of RM942 million and assets classified as held for sale of RM1,369 million.
b Includes net transfers out to property, plant and equipment of RM1,904 million and assets classified as held for sale of RM65 million.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

9. INTANGIBLE ASSETS (continued)

Company 2025 In RM Mil	At 1.1.2025	Additions	Transfers/ Adjustments	Write-offs	At 31.12.2025
At cost:					
Other intangible assets	481	2	309	(2)	790
Intangible assets under development	89	34	(7)	(7)	109
	570	36	^a 302	(9)	899

	At 1.1.2025	Charge for the year	Write-offs	At 31.12.2025
Accumulated amortisation:				
Other intangible assets	195	96	(1)	290

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

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

In RM Mil	Group 2025	Group 2024	Company 2025	Company 2024
Carrying amount				
Goodwill	6,972	6,748	–	–
Exploration and evaluation expenditure	11,617	11,850	–	–
Other intangible assets	11,476	12,482	500	286
Intangible assets under development	267	95	109	89
	30,332	31,175	609	375

a Includes net transfer in of RM302 million from property, plant and equipment.
b Includes net transfer in of RM76 million from property, plant and equipment, reclassification to profit or loss of RM2 million and other adjustment amounting to RM1 million.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

9. INTANGIBLE ASSETS (continued)

Impairment review of goodwill

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

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

Included in goodwill as at 31 December 2025 is the carrying amount arising from the acquisition of Perstorp Holding AB of RM3,137 million (2024: RM2,879 million).

Perstorp Holding AB ("Perstorp")

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

The cash flow was projected based on plans and forecast approved by management for the next 10 years. For the period thereafter, a terminal value was calculated using perpetuity growth rate of 2.6% (2024: 2.0%) based on external macroeconomics. The future cash flow was discounted using discount rate at about 7.6% (2024: 7.9%).

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

The above estimates are sensitive in the following areas:

- (i) An increase of 0.5 percentage point (2024: 0.6 percentage point) in discount rate used would have reduced the recoverable amount by approximately RM1,789 million (2024: RM2,002 million).
- (ii) A decrease of 0.5 percentage point (2024: 0.5 percentage point) in perpetuity growth rate used would have reduced the recoverable amount by approximately RM1,019 million (2024: RM982 million).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

9. INTANGIBLE ASSETS (continued)

Other goodwill

As at 31 December 2025, the Group recognised net impairment losses on goodwill amounting to RM236 million (2024: RM Nil).

The recoverable amount of the remaining goodwill was based on value in use, derived from the respective cash-generating units' business plan cash flow projection, adjusted with an estimated terminal value. The cash flows assume a long-term average growth rate of the respective industries those units are engaged in and are discounted to present value using discount rate of 7.17% to 9.70% (2024: 6.16% to 8.90%). The recoverable amount of goodwill of the remaining units were determined to be higher than their carrying amount.

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

Impairment review of exploration and evaluation expenditure

As at 31 December 2025, the Group recognised net impairment losses on certain exploration and evaluation expenditure amounting to RM170 million (2024: RM721 million) related to oil and gas exploration wells which are no longer capable of commercial development in accordance with the policy set out in Note 2.8.

10. LONG-TERM RECEIVABLES

In RM Mil	Note	Group		Company	
		2025	2024	2025	2024
Term loans and advances:					
Loans and advances due from subsidiaries	10.1	–	–	33,121	36,982
Loans and advances due from associates and joint ventures	10.2	9,396	9,722	7,619	7,875
		9,396	9,722	40,740	44,857
Trade receivable from a subsidiary		–	–	1,337	1,405
Amounts due from joint arrangements		14,188	8,088	85	90
Contract assets		28	32	–	–
Finance lease receivables	10.3	16,499	19,264	–	–
Other receivables and prepayments	10.4	10,411	10,511	59,305	56,358
Derivative financial assets	12	404	850	–	–
		50,926	48,467	101,467	102,710
Less: Allowance for impairment losses					
- Term loans and advances	38	(51)	(56)	(89)	(111)
- Trade receivable from a subsidiary	38	–	–	(54)	(54)
- Amounts due from joint arrangements	38	(1,143)	(1,049)	(10)	(11)
- Finance lease receivables	38	(81)	(86)	–	–
- Other receivables and prepayments	38	(540)	(586)	(27)	(27)
		49,111	46,690	101,287	102,507

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

10. LONG-TERM RECEIVABLES (continued)

- 10.1 The Company's loans and advances due from subsidiaries bear interest at rates ranging from 2.92% to 6.90% (2024: 2.70% to 6.90%) per annum.
- 10.2 The Group's and the Company's loans and advances due from associates and joint ventures bear interest at rates ranging from 5.7% to 8.0% (2024: 5.5% to 8.0%) and 6.31% (2024: 6.31%) per annum respectively.
- 10.3 Finance lease receivables

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

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

In RM Mil	Group	
	2025	2024
At 1 January	19,264	11,939
Additions	746	8,979
Interest income	1,526	1,638
Lease payments received	(3,437)	(3,248)
Translation exchange difference	(1,600)	(44)
At 31 December	16,499	19,264

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

In RM Mil	Group	
	2025	2024
Less than one year	2,706	2,884
One to two years	2,564	2,782
Two to three years	2,453	2,643
Three to four years	1,914	2,626
Four to five years	1,761	2,130
More than five years	20,431	24,591
Total undiscounted lease payments	31,829	37,656
Unearned interest income	(13,958)	(17,040)
	17,871	20,616

The effective interest rate of the Group's lease receivables are between 0.25% to 9.04% (2024: 2.20% to 9.04%) per annum. Included in minimum lease receivables are the estimated unguaranteed residual values of the leased assets of RM36 million (2024: RM37 million).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

10. LONG-TERM RECEIVABLES (continued)

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

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

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

11. FUND AND OTHER INVESTMENTS

In RM Mil	Group		Company	
	2025	2024	2025	2024
Non-current				
Fair value through profit or loss				
Unquoted shares	200	236	–	–
Quoted securities	599	601	–	–
Deposit	2	–	2	–
	801	837	2	–
Fair value through other comprehensive income				
Unquoted shares	1,498	1,572	73	73
Amortised cost				
Corporate Bonds and Sukuk	8,942	6,795	3,592	3,037
Malaysian Government Securities	7,457	7,429	3,775	3,787
	16,399	14,224	7,367	6,824
Total non-current investments	18,698	16,633	7,442	6,897



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

11. FUND AND OTHER INVESTMENTS (continued)

In RM Mil	Group		Company	
	2025	2024	2025	2024
Current				
Fair value through profit or loss				
Quoted shares	7,319	3,981	3,779	1,552
Corporate Bonds and Sukuk	9,580	8,612	6,389	6,140
Malaysian Government Securities	2,066	2,033	1,728	1,647
	18,965	14,626	11,896	9,339
Amortised cost				
Unquoted securities	–	1,020	–	–
Corporate Bonds and Sukuk	81	52	–	–
	81	1,072	–	–
Total current investments	19,046	15,698	11,896	9,339
Total fund and other investments	37,744	32,331	19,338	16,236
Representing items:				
At amortised cost	16,480	15,296	7,367	6,824
At fair value	21,264	17,035	11,971	9,412
	37,744	32,331	19,338	16,236

Included in fund and other investments of the Group is an amount of RM12,893 million (2024: RM10,517 million) which is held for the purpose of future decommissioning activities of oil and gas properties.

Included in Corporate Bonds and Sukuk of the Company are securities issued by subsidiaries amounting to RM1,870 million (2024: RM1,860 million).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

12. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

In RM Mil	Note	2025		2024	
		Assets	Liabilities	Assets	Liabilities
Group					
Non-current					
Derivatives not designated as hedging instruments					
Commodity derivatives		100	–	–	–
Derivatives designated as hedging instruments					
Interest rate swaps		195	(23)	594	–
Forward foreign exchange contracts		109	(46)	256	–
		304	(69)	850	–
Total non-current derivatives		404	(69)	850	–
Current					
Derivatives not designated as hedging instruments					
Forward foreign exchange contracts		21	(24)	235	(71)
Commodity derivatives		298	(178)	436	(186)
		319	(202)	671	(257)
Derivatives designated as hedging instruments					
Forward foreign exchange and other contracts		35	(64)	81	(81)
Commodity derivatives		1,996	(188)	574	(935)
		2,031	(252)	655	(1,016)
Total current derivatives		2,350	(454)	1,326	(1,273)
Total derivatives		2,754	(523)	2,176	(1,273)
Included within:					
Long-term receivables	10	404	–	850	–
Trade and other receivables	15	2,350	–	1,326	–
Other long-term liabilities and provisions	22	–	(69)	–	–
Trade and other payables	23	–	(454)	–	(1,273)
		2,754	(523)	2,176	(1,273)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

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

In RM Mil	Note	2025		2024	
		Assets	Liabilities	Assets	Liabilities
Company					
Current					
Derivatives not designated as hedging instruments					
Forward foreign exchange contracts		54	(55)	31	(35)
Derivatives designated as hedging instruments					
Commodity derivatives		1,548	–	503	–
Total derivatives		1,602	(55)	534	(35)
Included within:					
Trade and other receivables	15	1,602	–	534	–
Trade and other payables	23	–	(55)	–	(35)
		1,602	(55)	534	(35)

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

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

(a) Commodity swaps, options and futures

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

(b) Forward foreign exchange contracts

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

(c) Interest rate swaps

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

13. DEFERRED TAX

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

In RM Mil	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
Group						
Property, plant and equipment and intangible assets	7,698	7,868	(24,156)	(28,743)	(16,458)	(20,875)
Lease liabilities	3,880	4,579	–	–	3,880	4,579
Unused tax losses	7,235	10,582	–	–	7,235	10,582
Unabsorbed capital allowances	2,803	2,824	–	–	2,803	2,824
Unused reinvestment allowances	405	447	–	–	405	447
Unused investment tax allowances	2,744	3,688	–	–	2,744	3,688
Provision for decommissioning and restoration	9,882	10,832	–	–	9,882	10,832
Others	4,399	2,733	(2,756)	(2,380)	1,643	353
Tax assets/(liabilities)	39,046	43,553	(26,912)	(31,123)	12,134	12,430
Set off tax	(17,385)	(18,094)	17,385	18,094	–	–
Net tax assets/(liabilities)	21,661	25,459	(9,527)	(13,029)	12,134	12,430
Company						
Property, plant and equipment	–	–	(3,454)	(3,514)	(3,454)	(3,514)
Lease liabilities	1,914	1,640	–	–	1,914	1,640
Unused tax losses	762	3,061	–	–	762	3,061
Unabsorbed capital allowances	54	35	–	–	54	35
Provision for decommissioning and restoration	5,309	5,863	–	–	5,309	5,863
Others	591	728	(305)	(69)	286	659
Tax assets/(liabilities)	8,630	11,327	(3,759)	(3,583)	4,871	7,744
Set off tax	(3,759)	(3,583)	3,759	3,583	–	–
Net tax assets	4,871	7,744	–	–	4,871	7,744

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

13. DEFERRED TAX (continued)

Unrecognised deferred tax assets

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

In RM Mil	Group		Company	
	2025	2024	2025	2024
Deductible temporary differences	1,381	1,557	–	–
Unabsorbed capital allowances	3,272	3,609	–	–
Unused tax losses	66,498	60,861	12,876	11,566
Unused reinvestment allowances	23	22	–	–
Unused investment tax allowances	2,829	4,205	–	–
	74,003	70,254	12,876	11,566

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

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

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

The Group and the Company have unused tax losses carried forward of approximately RM95,915 million (2024: RM104,002 million) and RM16,051 million (2024: RM24,320 million), and unabsorbed capital allowances of approximately RM14,422 million (2024: RM14,846 million) and RM225 million (2024: RM146 million) respectively, which give rise to the recognised and unrecognised deferred tax assets as above.

The Group also has unused investment tax allowances of approximately RM13,111 million (2024: RM17,428 million) and unused reinvestment allowances of approximately RM1,711 million (2024: RM1,885 million) which give rise to the recognised and unrecognised deferred tax assets as above.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

13. DEFERRED TAX (continued)

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

Group 2025 In RM Mil	At	Credited/ (Charged) to	Acquisition/ (Disposal) of
	1.1.2025	profit or loss	assets
Deferred tax liabilities			
Property, plant and equipment and intangible assets	(28,743)	1,388	(74)
Others	(2,380)	(151)	–
	(31,123)	*1,237	(74)
Deferred tax assets			
Property, plant and equipment and intangible assets	7,868	415	(193)
Lease liabilities	4,579	(465)	–
Unused tax losses	10,582	(2,782)	–
Unabsorbed capital allowances	2,824	(7)	–
Unused reinvestment allowances	447	(42)	–
Unused investment tax allowances	3,688	(942)	–
Provision for decommissioning and restoration	10,832	187	–
Others	2,733	2,027	–
	43,553	^b(1,609)	(193)
Total	12,430	(372)	(267)

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Group 2024 In RM Mil	At	Credited/ (Charged) to
	1.1.2024	profit or loss
Deferred tax liabilities		
Property, plant and equipment and intangible assets	(31,350)	1,913
Others	(2,648)	473
	(33,998)	^a2,386
Deferred tax assets		
Property, plant and equipment and intangible assets	8,765	(805)
Lease liabilities	4,499	299
Unused tax losses	12,857	(1,917)
Unabsorbed capital allowances	2,452	372
Unused reinvestment allowances	453	(6)
Unused investment tax allowances	4,997	(1,308)
Provision for decommissioning and restoration	11,121	(246)
Others	3,410	(514)
	48,554	^b(4,125)
Total	14,556	(1,739)

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a,b Includes reclassification within and between deferred tax liabilities and deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

13. DEFERRED TAX (continued)

Group 2025 In RM Mil	Transfers	Equity	Translation exchange difference	At 31.12.2025
Deferred tax liabilities				
Property, plant and equipment and intangible assets	2,772	–	501	(24,156)
Others	–	(236)	11	(2,756)
	2,772	(236)	512	(26,912)
Deferred tax assets				
Property, plant and equipment and intangible assets	(207)	–	(185)	7,698
Lease liabilities	(103)	–	(131)	3,880
Unused tax losses	(253)	–	(312)	7,235
Unabsorbed capital allowances	(4)	–	(10)	2,803
Unused reinvestment allowances	–	–	–	405
Unused investment tax allowances	–	–	(2)	2,744
Provision for decommissioning and restoration	(1,021)	–	(116)	9,882
Others	(149)	(65)	(147)	4,399
	(1,737)	(65)	(903)	39,046
Total	1,035	(301)	(391)	12,134

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

13. DEFERRED TAX (continued)

Company 2025 In RM Mil	At 1.1.2025	Credited/ (Charged) to profit or loss	Equity	At 31.12.2025
Deferred tax liabilities				
Property, plant and equipment	(3,514)	60	–	(3,454)
Others	(69)	–	(236)	(305)
	(3,583)	60	(236)	(3,759)
Deferred tax assets				
Lease liabilities	1,640	274	–	1,914
Unused tax losses	3,061	(2,299)	–	762
Unabsorbed capital allowances	35	19	–	54
Provision for decommissioning and restoration	5,863	(554)	–	5,309
Others	728	(137)	–	591
	11,327	(2,697)	–	8,630
	7,744	(2,637)	(236)	4,871

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

14. TRADE AND OTHER INVENTORIES

In RM Mil	Group		Company	
	2025	2024	2025	2024
Crude oil and condensates	1,579	2,242	–	22
Petroleum products	3,207	3,413	35	92
Chemicals	2,019	2,204	–	–
Liquefied natural gas	1,381	1,477	–	–
Stores, spares and others	3,760	3,705	1	1
Non-petroleum products	72	15	–	–
Developed properties held for sale	484	493	–	–
Properties under development	303	547	–	–
Inventories at lower of cost and net realisable value	12,805	14,096	36	115
Recognised in the profit or loss from continuing operations:				
Inventories recognised as cost of revenue	82,137	97,992	–	–
Net inventories written down to net realisable value/ written off	95	397	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

15. TRADE AND OTHER RECEIVABLES

In RM Mil	Note	Group		Company	
		2025	2024	2025	2024
Trade					
Trade receivables	38	30,086	31,496	3,863	2,168
Amounts due from:					
- subsidiaries	15.1	–	–	13,233	13,927
- associates and joint arrangements	15.1	16,435	8,940	–	–
Contract assets	15.2	91	172	–	–
Derivative financial assets	12	2,293	1,033	1,548	503
Less: Allowance for impairment losses					
- Trade receivables	38	(862)	(637)	(6)	(3)
- Amounts due from subsidiaries	38	–	–	(3)	(4)
- Amounts due from associates and joint arrangements	38	(151)	(131)	–	–
		47,892	40,873	18,635	16,591
Non-trade					
Other receivables, deposits and prepayments		15,459	18,573	1,882	1,628
Amounts due from:					
- subsidiaries	15.1	–	–	15,019	14,815
- associates and joint arrangements	15.1	7,895	9,713	7,481	9,171
Tax recoverable		1,994	2,021	–	–
Finance lease receivables	10	1,372	1,352	–	–
Derivative financial assets	12	57	293	54	31
Less: Allowance for impairment losses					
- Amounts due from subsidiaries	38	–	–	(13)	(1)
- Amount due from a joint venture	38	(48)	(55)	(48)	(55)
- Other receivables, deposits and prepayments	38	(386)	(1,022)	(12)	(12)
		26,343	30,875	24,363	25,577
		74,235	71,748	42,998	42,168

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

16. CASH AND CASH EQUIVALENTS

In RM Mil	Group		Company	
	2025	2024	2025	2024
Cash and bank balances	22,703	17,452	6,634	6,383
Deposits placed	181,672	171,024	127,984	116,421
	204,375	188,476	134,618	122,804
Less: Subsidiaries' cash with PETRONAS Integrated Financial Shared Service Centre	–	–	(86,463)	(70,771)
	204,375	188,476	48,155	52,033

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

Included in cash and bank balances of the Group and the Company are interest/profit-bearing balances amounting to RM19,800 million (2024: RM16,712 million) and RM6,634 million (2024: RM6,383 million) respectively.

Included in deposits with banks of the Group is an amount of RM22,797 million (2024: RM21,639 million) which is held for the purpose of future decommissioning and restoration activities of oil and gas properties.

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

- (i) retention account of RM1,121 million (2024: RM1,253 million) which is restricted for use under the requirements of loan covenants, certain borrowing facilities agreement and construction projects;
- (ii) restricted funds of RM548 million (2024: RM603 million) for Voluntary Abandonment and Decommissioning Contribution is held by the Group on behalf of the joint operating partners and not to be utilised for other business operations;
- (iii) deposits held under designated accounts for redemption of Islamic financing facilities of RM362 million (2024: RM388 million); and
- (iv) deposits restricted for other requirements of RM109 million (2024: RM70 million).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

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

Assets/(liabilities) classified as held for sale

The following amount represent carrying values of net assets owned by the Group with the intention of disposal in the immediate future. These assets are not presented separately as discontinuing operations as these are not material in relation to the consolidated results of the Group. The carrying amounts of these assets represent the lower of carrying amounts or fair values.

On 2 November 2025, PETRONAS and Eni S.p.A, through their respective subsidiaries, signed an Investment Agreement to establish a regional upstream joint venture company for the combination of certain upstream assets in Malaysia and Indonesia. The transaction is expected to be completed in 2026 upon fulfilment of conditions precedent. Accordingly, as at 31 December 2025, the Group has reclassified the related assets and liabilities as held for sale.

In RM Mil	Group	
	2025	2024
Assets classified as held for sale		
Property, plant and equipment	24,719	68
Intangible assets	1,353	8
Deferred tax assets	1,390	–
Trade and other inventories	133	53
Receivables, cash and other assets	2,675	278
	30,270	407
Liabilities classified as held for sale		
Deferred tax liabilities	(2,425)	–
Other long-term liabilities and provisions	(3,960)	(11)
Borrowings	(3,656)	(18)
Trade and other payables	(1,031)	(122)
Other liabilities	(40)	–
	(11,112)	(151)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

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

Discontinued operations in 2024

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

The financial performance and the net cash flows of Engen Group in prior period up to disposal date is presented separately as discontinued operations in the Group's financial statements.

The results of Engen Group for the prior period up to the disposal date are presented below:

In RM Mil	Note	Up to the disposal date
After inter-company adjustments		
Revenue	24	14,826
Cost of revenue		(12,445)
Gross profit		2,381
Selling and distribution expenses		(308)
Administration expenses		(339)
Net impairment losses ¹		(6)
Other expenses		(2,297)
Other income		345
Operating loss		(224)
Financing costs	26	(143)
Loss before tax from discontinued operations		(367)
Tax expense	27	(326)
Loss from discontinued operations after inter-company adjustments		(693)
Inter-company adjustments ²		1,339
Profit from discontinued operations before inter-company adjustments representing the net effect to Statement of Profit or Loss		646
Other comprehensive (loss)/income		
Loss from discontinued operations after inter-company adjustments		(693)
Inter-company adjustments ²		1,276
Total comprehensive income from discontinued operations before inter-company adjustments representing the net effect to Statement of Other Comprehensive Income		583

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

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

Discontinued operations in 2024 (continued)

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

In RM Mil	Up to the disposal date
Net cash generated from operating activities	1,593
Net cash used in investing activities	(78)
Net cash used in financing activities	(244)
Net increase in cash and cash equivalents	1,271

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

18. SHARE CAPITAL

In RM Mil	2025	Company 2024
Issued and fully paid shares with no par value classified as equity instrument:		
100,000 ordinary shares of RM1,000 each	100	100

Ordinary shares

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

19. RESERVES

Capital and other reserves

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

Foreign currency translation reserve

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

Fair value through other comprehensive income reserve

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

Hedging reserve

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

General reserve

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

20. NON-CONTROLLING INTERESTS

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

21. BORROWINGS

In RM Mil	Group		Company	
	2025	2024	2025	2024
Non-current				
Lease liabilities	17,189	15,267	7,482	6,194
Secured				
Term loans	13,962	14,145	–	–
Islamic financing facilities	1,598	2,039	–	–
Total non-current secured borrowings	15,560	16,184	–	–
Unsecured				
Term loans	7,949	4,520	–	–
Notes and Bonds	67,389	54,143	62,526	48,798
Islamic financing facilities	50	440	–	–
Revolving credits	–	283	–	–
Total non-current unsecured borrowings	75,388	59,386	62,526	48,798
Total non-current borrowings	108,137	90,837	70,008	54,992
Current				
Lease liabilities	2,851	3,973	433	638
Secured				
Term loans	3,918	4,425	–	–
Islamic financing facilities	1,221	743	–	–
Total current secured borrowings	5,139	5,168	–	–
Unsecured				
Term loans	83	372	–	–
Notes and Bonds	2,026	8,623	2,026	6,688
Islamic financing facilities	521	575	–	–
Revolving credits	2,682	984	–	–
Bankers' acceptances	164	355	–	–
Bank overdrafts	–	10	–	–
Total current unsecured borrowings	5,476	10,919	2,026	6,688
Total current borrowings	13,466	20,060	2,459	7,326
Total borrowings	121,603	110,897	72,467	62,318

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

21. BORROWINGS (continued)

Terms and debt repayment schedule

Group 2025 In RM Mil	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
Lease liabilities	20,040	2,851	3,606	7,802	5,781
Secured					
Term loans	17,880	3,918	5,428	4,540	3,994
Islamic financing facilities	2,819	1,221	236	559	803
	20,699	5,139	5,664	5,099	4,797
Unsecured					
Term loans	8,032	83	445	4,803	2,701
Notes and Bonds	69,415	2,026	2,429	11,487	53,473
Islamic financing facilities	571	521	–	50	–
Revolving credits	2,682	2,682	–	–	–
Bankers' acceptances	164	164	–	–	–
	80,864	5,476	2,874	16,340	56,174
	121,603	13,466	12,144	29,241	66,752
2024 In RM Mil					
Lease liabilities	19,240	3,973	2,855	5,511	6,901
Secured					
Term loans	18,570	4,425	3,641	5,436	5,068
Islamic financing facilities	2,782	743	247	734	1,058
	21,352	5,168	3,888	6,170	6,126
Unsecured					
Term loans	4,892	372	64	3,586	870
Notes and Bonds	62,766	8,623	2,230	5,345	46,568
Islamic financing facilities	1,015	575	390	50	–
Revolving credits	1,267	984	283	–	–
Bankers' acceptances	355	355	–	–	–
Bank overdrafts	10	10	–	–	–
	70,305	10,919	2,967	8,981	47,438
	110,897	20,060	9,710	20,662	60,465

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

21. BORROWINGS (continued)

Terms and debt repayment schedule (continued)

Company 2025 In RM Mil	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
Lease liabilities	7,915	433	420	1,130	5,932
Unsecured					
Notes and Bonds	64,552	2,026	–	9,056	53,470
	72,467	2,459	420	10,186	59,402
2024 In RM Mil					
Lease liabilities	6,832	638	386	955	4,813
Unsecured					
Notes and Bonds	55,486	6,688	2,230	–	46,568
	62,318	7,326	2,616	955	51,381

Secured term loans

The secured term loans obtained by the subsidiaries primarily comprise:

In Mil	Securities	2025	2024
USD Term loans	Secured by way of a charge over certain property, plant and equipment, together with charter agreements, insurance of the relevant assets and retention accounts of certain subsidiaries.	US\$2,672	US\$3,910
EUR Term loans	Secured by way of a deed of guarantee undertaken by the Company.	€345	€360
INR Term loans	Secured by way of charge over all assets of the projects financed including immovable and movable properties, current assets, accounts, intangible assets and goodwill.	₹122,389	₹79,041

The secured term loans bear interest at rates ranging from 0.80% to 9.90% (2024: 0.80% to 9.80%) per annum and are fully repayable at their various due dates from 2026 to 2046.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

21. BORROWINGS (continued)

Secured term loans (continued)

Included in the USD secured term loans of the Group is 50% share of project financing facility of a joint operation entity amounting to USD315 million (2024: USD343 million), which is undertaken with a joint venture entity, under an integrated borrowing structure for contractual obligations for project completion and delivery and for the repayment of bridge loan facilities and other expenditures.

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

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

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

The Guaranteed PCD was extended from 31 December 2023 to 31 December 2025 and subsequently further extended to 31 December 2027.

Unsecured term loans

The unsecured term loans obtained by the subsidiaries primarily comprise:

In Mil	2025	2024
USD Term loans	US\$1,819	US\$1,046

The unsecured term loans bear interest at rates ranging from 0.85% to 4.70% (2024: 0.71% to 4.18%) per annum and are fully repayable at their various due dates from 2026 to 2063.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

21. BORROWINGS (continued)

Unsecured Notes and Bonds

The unsecured Notes and Bonds comprise:

In Mil	2025	2024
USD Notes and Bonds:		
3.625% Guaranteed Notes due 2025*	–	US\$400
3.500% Guaranteed Notes due 2025 [@]	–	US\$1,500
7.625% Bonds due 2026 [#]	US\$500	US\$500
3.750% Guaranteed Notes due 2027*	US\$600	US\$600
2.112% Guaranteed Notes due 2028* [^]	US\$600	US\$600
3.500% Guaranteed Notes due 2030 [@]	US\$2,250	US\$2,250
4.950% Guaranteed Notes due 2031 [@]	US\$1,600	–
2.480% Guaranteed Notes due 2032 [@]	US\$1,250	US\$1,250
5.340% Guaranteed Notes due 2035 [@]	US\$1,800	–
4.500% Guaranteed Notes due 2045 [@]	US\$1,500	US\$1,500
4.550% Guaranteed Notes due 2050 [@]	US\$2,750	US\$2,750
5.848% Guaranteed Notes due 2055 [@]	US\$1,600	–
4.800% Guaranteed Notes due 2060 [@]	US\$1,000	US\$1,000
3.404% Guaranteed Notes due 2061 [@]	US\$1,750	US\$1,750

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

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

- (i) not to allow any material indebtedness (the minimum aggregate amount exceeding USD30,000,000 for the 7.625% Bonds due 2026 and USD200,000,000 for the other Guaranteed Notes or its equivalent in any other currency) for borrowed money of the Company to become due or capable of being declared due before its stated maturity, any guarantee of the Company for material indebtedness of any other person is not discharged at maturity or when validly called or the Company goes into default;

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

21. BORROWINGS (continued)

Unsecured Notes and Bonds (continued)

- (ii) the Company (not including any of its subsidiaries) not to create, incur or have outstanding any mortgage, pledge, lien, charge, encumbrance or any other lien upon the whole or any part of its property or assets, present or future, to secure for the benefit of the holders of any indebtedness of itself or any other person (or any guarantee or indemnity of such indebtedness), unless the Guarantee relating to the Notes is secured equally and rateably with or prior to such Indebtedness (or guarantee or indemnity of such Indebtedness). However this restriction shall not apply, if after giving effect thereto:
- (a) in respect of the 7.625% Bonds due 2026, the aggregate outstanding principal amount of all such secured indebtedness, plus attributable debt of the Company in respect of sales and leaseback transactions, would not exceed 10% of the consolidated net tangible assets;
 - (b) in respect of the other Guaranteed Notes issued up to 2024, the aggregate outstanding principal amount of all such secured indebtedness, plus attributable debt of the Company in respect of sales and leaseback transactions, would not exceed 15% of the consolidated net tangible assets; and
 - (c) in respect of the other Guaranteed Notes issued from 2025 onwards, the aggregate outstanding principal amount of all such secured indebtedness, would not exceed 15% of the consolidated net tangible assets.
- (iii) in respect of the Bonds and the Guaranteed Notes issued up to 2024, the Company (not including any of its subsidiaries) not to enter into any sale and leaseback transaction, unless the attributable debt in respect of such sale and leaseback transaction and all other sale and leaseback transaction plus the aggregate outstanding principal amount of indebtedness for borrowed money secured by security interests (other than permitted security interests) then outstanding which have not equally and rateably secured, the total outstanding would not exceed 10% of the consolidated net tangible assets for the 7.625% Bonds due 2026 and 15% of the consolidated net tangible assets for the other Guaranteed Notes provided that, within 12 months after such sale and leaseback transaction, it applies to the retirement of indebtedness for borrowed money, the repayment obligations hereunder and which are not secured by any security interest, an amount to the greater of:
- the net proceeds of the sale or transfer of the property or other assets which are the subject of such sale and leaseback transaction as determined by the Company; or
 - the fair market value of the property or other assets so leased as determined by the Company;
- (iv) the Company, PETRONAS Capital Limited ("PCL") and PETRONAS Energy Canada Ltd ("PECL"), without consent of the majority bondholders may not consolidate with, or merge into, or sell, transfer, lease or convey substantially all of its assets to any corporation unless any successor corporation expressly assumes the obligations of the Company, PCL or PECL, as the case may be under the Guaranteed Notes and Bonds.

Unsecured revolving credits and bank overdrafts

The unsecured revolving credits and bank overdrafts are obtained by the subsidiaries and primarily bear interest at rates ranging from 2.55% to 7.28% (2024: 3.39% to 7.90%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

21. BORROWINGS (continued)

Secured Islamic financing facilities

The secured Islamic financing facilities obtained by the subsidiaries comprise:

In RM Mil	2025	2024
Musharakah Mutanaqisah Term Finances	–	106
Murabahah Medium Term Notes	3,705	3,705

The secured Islamic financing facilities bear yield payable/profit rates ranging from 2.03% to 4.77% (2024: 2.03% to 4.77%) per annum and are fully repayable at their various due dates from 2026 to 2040.

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

Unsecured Islamic financing facilities

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

In RM Mil	2025	2024
Sukuk Musyarakah	4,500	4,500

The unsecured Islamic financing facilities bear yield payable ranging from 3.60% to 4.58% (2024: 3.60% to 4.58%) per annum and are fully repayable at their various due dates from 2026 to 2033.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

22. OTHER LONG-TERM LIABILITIES AND PROVISIONS

In RM Mil	Note	Group		Company	
		2025	2024	2025	2024
Provision for decommissioning and restoration of:					
- oil and gas properties		42,530	44,859	22,444	23,353
- other property, plant and equipment		5,174	4,833	362	-
Financial guarantees		-	-	159	234
Derivative financial liabilities	12	69	-	-	-
Contract liabilities		3,927	3,716	6,246	6,176
Abandonment cess payables	37	7,064	6,346	17,165	15,401
Deferred and contingent considerations		2,303	3,247	-	-
Others		2,055	1,765	3,172	2,982
		63,122	64,766	49,548	48,146

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

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

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

Most of these removal events are many years in the future and precise requirements that will have to be met when the removal events actually occur are uncertain. The actual timing and net cash outflows can differ from estimates due to changes in laws, regulations, public expectations, technologies, prices and conditions, therefore, the carrying amount of provisions, together with the interest rate used in discounting the cash flows and inflation rate, are regularly reviewed and adjusted to take account of such changes. The interest rates and inflation rates used to determine the significant obligations as at 31 December 2025 ranges from 3.32% to 9.69% (2024: 3.33% to 9.59%) and 1.98% to 5.80% (2024: 1.57% to 5.80%) per annum respectively. Changes in the expected future costs are reflected in both the provision and the asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

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

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

In RM Mil	Group		Company	
	2025	2024	2025	2024
At 1 January	50,110	50,214	23,692	24,635
Additions	2,081	459	359	2
Net changes in provision	(18)	(1,403)	(1,180)	(1,653)
Provision utilised	(750)	(716)	(288)	(198)
Unwinding of discount	2,044	1,933	916	906
Transfer to liabilities classified as held for sale	(3,526)	-	-	-
Disposals	(348)	-	-	-
Translation exchange difference	(694)	(377)	-	-
At 31 December	48,899	50,110	23,499	23,692

In RM Mil	Note	Group		Company	
		2025	2024	2025	2024
Included within:					
Other long-term liabilities and provisions		47,704	49,692	22,806	23,353
Trade and other payables	23	1,195	418	693	339
		48,899	50,110	23,499	23,692

As at 31 December 2025, the provision for decommissioning and restoration is expected to be utilised as follows:

In RM Mil	Group	Company
1 to 10 years	18,038	7,466
11 to 20 years	16,292	8,973
More than 20 years	14,569	7,060
	48,899	23,499

During the year, the provision for decommissioning and restoration for the Group and the Company decreased by RM18 million and RM1,180 million respectively. For Group, changes in decommissioning timeline and discount rates resulted to a decrease in provision by RM296 million, partly offset by an increase in provision of RM278 million resulting from changes in the estimated cash flows and inflation rates. For Company, changes in the estimated cash flows and decommissioning timeline resulted to a decrease in provision by RM1,274 million, partly offset by an increase in provision by RM94 million resulting from change in discount rate.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

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

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

In RM Mil	Group		Company	
	2025	2024	2025	2024
Decrease in provision for decommissioning and restoration	(18)	(1,403)	(1,180)	(1,653)
Increase/(Decrease) in cost of property, plant and equipment	12	(2,591)	(120)	(2,234)
Increase/(Decrease) in net profits	30	(1,188)	1,060	(581)

23. TRADE AND OTHER PAYABLES

In RM Mil	Note	Group		Company	
		2025	2024	2025	2024
Trade payables		25,371	23,363	1,938	2,401
Other payables		37,718	39,480	11,734	11,781
Contract liabilities		277	162	971	156
Amounts due to:					
- subsidiaries		-	-	4,842	5,663
- associates and joint arrangements		1,384	2,878	7	8
Derivative financial liabilities	12	454	1,273	55	35
		65,204	67,156	19,547	20,044

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

- (i) amounts owing to suppliers, contractors and joint operating partners which mainly arose in the normal course of business and cash payments to the Federal and State Governments of Malaysia; and
- (ii) provision for decommissioning and restoration of RM1,195 million (2024: RM418 million) and RM693 million (2024: RM339 million) respectively, which are expected to be utilised in the next twelve months.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

24. REVENUE

In RM Mil	Group		Company	
	2025	2024	2025	2024
Continuing operations				
Revenue from contracts with customers	247,612	284,231	103,103	122,327
Other revenue				
- shipping and shipping related services ^a	4,734	5,698	-	-
- net trading gain	1,187	669	-	-
- rental of properties	2,209	2,343	-	-
- rendering of services	12	6	616	578
- others	815	1,662	1,491	3,290
	8,957	10,378	2,107	3,868
- dividend income				
Quoted				
- subsidiaries	-	-	2,578	2,900
- associates	-	-	19	17
- other investments	167	107	71	25
Unquoted				
- subsidiaries	-	-	14,567	19,796
- associates and joint arrangements	-	29	220	144
- other investments	10	10	7	7
	177	146	17,462	22,889
- interest income	9,389	10,376	3,265	3,883
Total revenue from continuing operations	266,135	305,131	125,937	152,967
Discontinued operations				
Revenue from contracts with customers	-	14,826	-	-
Total revenue	266,135	319,957	125,937	152,967

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

24. REVENUE (continued)

Disaggregation of revenue from contracts with customers

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

Group 2025 In RM Mil	Upstream	Gas & Maritime	Downstream	Corporate and others	Total
Primary geographical markets					
- Asia ^a	13,269	67,199	34,989	968	116,425
- Malaysia	3,844	23,053	63,160	1,864	91,921
- Rest of the world ^b	10,223	9,870	19,073	100	39,266
Total revenue from contracts with customers	27,336	100,122	117,222	2,932	247,612
Major products/services lines					
- Petroleum products	156	–	77,482	–	77,638
- Crude oil and condensates	15,906	104	7,168	–	23,178
- Liquefied natural gas	–	70,803	318	–	71,121
- Natural and processed gas	10,846	23,841	6	–	34,693
- Chemicals	–	–	26,488	–	26,488
- Construction contracts	–	1,781	–	16	1,797
- Others	428	3,593	5,760	2,916	12,697
Total revenue from contracts with customers	27,336	100,122	117,222	2,932	247,612

^a Excludes Malaysia.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

24. REVENUE (continued)

Disaggregation of revenue from contracts with customers (continued)

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

^a Excludes Malaysia.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

24. REVENUE (continued)

Disaggregation of revenue from contracts with customers (continued)

Company In RM Mil	2025	2024
Primary geographical markets		
- Asia ^a	8,592	13,081
- Malaysia	91,569	106,240
- Rest of the world	2,942	3,006
	103,103	122,327
Major products/services lines		
- Crude oil and condensates	34,292	43,363
- Liquefied natural gas	5,709	8,010
- Natural and processed gas	63,102	70,954
	103,103	122,327
Revenue from contracts with customers	103,103	122,327
Dividend income	17,462	22,889
Other revenue	5,372	7,751
Total revenue	125,937	152,967

^a Excludes Malaysia.

Nature of goods and services

Sales of oil and gas products

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

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

Where a contract to buy and sell commodities meets the definition of a derivative, the Group recognises as net trading margin.

Construction contracts

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

24. REVENUE (continued)

Transaction price allocated to remaining performance obligations

The Group and the Company entered into long-term contracts for the sales of various oil and gas products with remaining tenures ranging between 1 to 23 years (2024: 1 to 24 years) for the Group and 1 to 18 years (2024: 1 to 18 years) for the Company. The future revenue of the Group and of the Company is dependent on the prevailing market price, exchange rate on the transaction date as well as production volume, which is based on contractual requirement.

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

The Group also entered into long-term construction contracts. The following table shows revenue expected to be recognised in the future related to performance obligations of construction contracts that are unsatisfied (or partially unsatisfied) as at 31 December 2025. The disclosure is only providing information for contracts that have a duration of more than one year.

Group 2025 In RM Mil	Under 1 year	1-5 years	Total
Construction contracts	1,610	2,008	3,618
2024 In RM Mil			
Construction contracts	968	2,299	3,267

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

25. OPERATING PROFIT

In RM Mil	Group		Company	
	2025	2024	2025	2024
Included in operating profit from continuing operations are the following charges:				
Auditors' remuneration				
- Audit fees				
- KPMG PLT	9	9	3	3
- Member firms of KPMG International Limited	12	9	-	-
- Other auditors	26	31	-	-
- Non audit service fees				
- KPMG PLT	2	1	2	1
- Local affiliates of KPMG PLT	1	1	1	1
- Member firms of KPMG International Limited	1	2	1	1
Amortisation of:				
- contract costs	26	26	-	-
- intangible assets	2,008	2,143	96	82
Contribution to Tabung Amanah Negara	100	500	100	500
Depreciation of:				
- investment properties	436	487	-	-
- property, plant and equipment	35,470	36,324	1,419	1,688
Loss on remeasurement of financial assets measured at amortised cost	1,759	2,974	266	881
Loss on remeasurement of net assets classified as held for sale	-	52	-	-
Net impairment losses of:				
- investments in subsidiaries	-	-	68	80
- investment in joint ventures	50	-	-	-
- investment properties	57	78	-	-
- loans and advances to joint ventures	-	1	-	-
- other intangible assets	1,448	195	-	-
- property, plant and equipment	-	948	114	77
- trade and other receivables:				
- contracts with customers	303	-	-	99
- joint arrangements	117	167	-	-
Net impairment/write-off of well costs	748	2,991	-	-
Net inventories written down to net realisable value/written off	95	397	-	-
Net loss on disposals of:				
- investment in subsidiaries	887	140	-	-
- interests in joint arrangements	*1,980	-	-	-
- other investments	-	102	-	-
- property, plant and equipment	-	-	31	57

a Includes the impact of dilution of PETRONAS' Canadian assets (refer Note 32).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

25. OPERATING PROFIT (continued)

In RM Mil	Group		Company	
	2025	2024	2025	2024
Included in operating profit from continuing operations are the following charges:				
Net loss on derivatives	1,232	1,953	-	1,701
Net loss on foreign exchange	3,173	912	2,142	930
Net write-off of:				
- investment in a joint venture	-	24	-	-
- other investment	2	-	2	-
- other intangible assets	135	128	8	-
- property, plant and equipment	303	124	140	8
- receivables	90	314	-	276
Research and development expenditure	121	167	-	1
Rental of facilities and equipments	285	217	77	76
Staff costs:				
- contributions to pension fund	1,590	1,643	476	480
- wages, salaries and others	15,999	16,810	4,425	3,835
and credits:				
Bad debts recovered	-	22	-	-
Interest income from:				
- fund and other investments	9,389	10,376	3,265	3,883
- others	2,001	2,306	2,931	3,231
Net change in contract liabilities	122	122	583	266
Net change in fair value of long-term receivables	-	-	2,610	2,064
Net gain on derivatives	-	-	357	-
Net gain on disposals/partial disposals of:				
- investments in subsidiaries	-	-	2,927	1,791
- property, plant and equipment	139	8	-	-
- other investments	122	-	-	-
Net gain on realisation of foreign currency translation reserve from disposals	78	1,836	-	-
Net impairment reversals of:				
- loans and advances to joint ventures and subsidiaries	2	-	10	5
- property, plant and equipment	1,639	-	-	-
- other investment	5	-	-	-
- trade and other receivables:				
- contracts with customers	-	49	6	-
Rental income on land and buildings	394	393	368	366

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

26. FINANCING COSTS

In RM Mil	Group		Company	
	2025	2024	2025	2024
Recognised in the profit or loss:				
Continuing operations				
Interest expense of financial liabilities at amortised cost	3,603	2,337	2,848	2,318
Interest expense on lease liabilities	1,330	980	364	369
Other finance costs ^a	2,417	2,561	1,506	1,178
	7,350	5,878	4,718	3,865
Discontinued operations				
Interest expense of financial liabilities at amortised cost	–	62	–	–
Interest expense on lease liabilities	–	62	–	–
Other finance costs	–	19	–	–
	–	143	–	–
	7,350	6,021	4,718	3,865
Capitalised into qualifying assets:				
Term borrowings	1,066	2,055	–	–
Lease liabilities	8	8	–	–
	1,074	2,063	–	–

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

27. TAX EXPENSE

In RM Mil	Group		Company	
	2025	2024	2025	2024
Tax expense from continuing operations	22,101	26,348	9,736	10,792
Tax expense from discontinued operations	–	326	–	–
Total tax expenses	22,101	26,674	9,736	10,792
<i>Components of tax expense include:</i>				
Current tax expenses				
Continuing operations				
Malaysia				
Current year	19,875	22,294	7,215	9,326
Prior years	(121)	(366)	(117)	97
Overseas				
Current year	2,022	2,682	–	–
Prior years	(47)	(1)	–	–
Discontinued operations^a	–	229	–	–
Total current tax expenses	21,729	24,838	7,099	9,423
Deferred tax expenses				
Continuing operations				
Origination and reversal of temporary differences	(271)	1,200	2,315	1,248
Under provision in prior years	643	539	322	121
	372	1,739	2,637	1,369
Discontinued operations	–	97	–	–
Total deferred tax expenses	372	1,836	2,637	1,369
Total tax expenses	22,101	26,674	9,736	10,792

^a Includes over provision in prior years of RM Nil (2024: over provision in prior years of RM1 million).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

27. TAX EXPENSE (continued)

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

In RM Mil	%	2025	%	2024
Group				
Profit/(Loss) before taxation from:				
- continuing operations		67,491		82,133
- discontinued operations		—		(367)
Profit before taxation		67,491		81,766
Taxation at Malaysian statutory tax rate	24	16,198	24	19,624
Effect of different tax rates in foreign jurisdictions	1	703	1	792
Effect of different tax rates between corporate income tax and petroleum income tax	7	4,855	7	5,559
Effect of differences in tax rates	(1)	(522)	(1)	(722)
Net non-deductible expenses	1	1,000	2	1,670
Tax exempt income	(2)	(1,641)	(3)	(2,650)
Tax incentives	(1)	(772)	—	(216)
Effect of deferred tax benefits not recognised	1	900	3	2,314
Effect of net deferred tax benefits previously not recognised	—	—	—	(89)
Reversal of deferred tax benefits previously recognised	1	585	—	7
Foreign exchange translation difference	1	320	—	214
	32	21,626	33	26,503
Under provision in prior years		475		171
Tax expense		22,101		26,674
Company				
Profit before taxation		46,423		55,938
Taxation at Malaysian statutory tax rate	24	11,142	24	13,425
Effect of different tax rates between corporate income tax and petroleum income tax	6	2,530	6	3,291
Net non-deductible expenses	1	442	1	282
Tax exempt income	(10)	(4,583)	(12)	(6,424)
	21	9,531	19	10,574
Under provision in prior years		205		218
Tax expense		9,736		10,792

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

27. TAX EXPENSE (continued)

The Group is subject to Pillar Two legislation which come into effect on 1 January 2025.

Certain subsidiaries within the Group also operate within jurisdictions that has been enacted or substantively enacted as at 31 December 2025.

Following the Amendments to MFRS 112 Income Taxes International Tax Reform - Pillar Two Model Rules, mandatory temporary exception has been applied to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption.

Despite the entity or the Group effective tax rate ("ETR") exceeding 15%, the additional Pillar Two Top-up tax liability mainly arise from top-up tax allocation of another entity within the Group as prescribed by Organisation for Economic Co-operation and Development ("OECD") requirement.

The assessment of the Pillar Two income taxes is performed based on best financial statements information available for the constituent entities in the Group as at reporting period by applying the requirements issued by OECD. Based on the assessment carried out as at 31 December 2025, the Group has identified potential exposure to Pillar Two income taxes on several jurisdictions where ETR is likely to be lower than 15%. The potential exposure is expected to come from the constituent entities in these jurisdictions. The exposure may also exist in other jurisdictions where the assessment is in progress.

The Group, however, does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

28. DIVIDENDS

2025	Total
In RM Mil	
Dividend of RM320,000 per ordinary share	32,000
2024	
In RM Mil	
Dividend of RM320,000 per ordinary share	32,000

The Directors had on 26 February 2026 declared a dividend of RM200,000 per ordinary share amounting to RM20 billion. The dividend will be recognised and accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

29. NET CASH USED IN INVESTING ACTIVITIES

The cash used in investing activities comprise:

In RM Mil	Note	Group		Company	
		2025	2024	2025	2024
Continuing operations					
Acquisition of:					
- subsidiaries, net of cash acquired		(837)	(343)	-	-
- additional shares in subsidiaries		-	-	(10,423)	(25,087)
(Contribution to)/Disbursement from Decarbonisation Fund		-	-	(627)	1,936
Dividends received		750	651	17,458	22,889
Investments in:					
- associates and joint ventures		(328)	(1,906)	-	-
- securities and other investments		(11,886)	(14,540)	(5,866)	(7,479)
Long-term receivables and advances paid by/ (to):					
- subsidiaries		-	-	(7,871)	1,432
- joint arrangements		1,151	(11,321)	1,084	(11,084)
Proceeds from disposal/partial disposal of:					
- investments in subsidiaries, net of cash disposed		3,319	2,756	2,903	2,064
- investments in joint ventures		3	151	-	-
- interests in joint arrangements		9,307	277	-	-
- property, plant and equipment and intangible assets		424	266	-	-
- securities and other investments		6,180	4,813	2,837	1,843
Proceeds from redemption of preference shares in an associate and joint ventures		-	132	-	-
Purchase of property, plant and equipment, investment properties, land held for development and intangible assets		(40,119)	(51,868)	(365)	(405)
Redemption of preference shares in subsidiaries		-	-	479	182
Net cash used in investing activities from continuing operations		(32,036)	(70,932)	(391)	(13,709)
Net cash used in investing activities from discontinued operations	17	-	(78)	-	-
Net cash used in investing activities		(32,036)	(71,010)	(391)	(13,709)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

30. NET CASH USED IN FINANCING ACTIVITIES

The cash used in financing activities comprise:

In RM Mil	Note	Group		Company	
		2025	2024	2025	2024
Continuing operations					
Dividends paid		(32,000)	(32,000)	(32,000)	(32,000)
Dividends paid to non-controlling interests		(4,925)	(5,927)	-	-
Drawdown of:					
- term loans		9,239	7,406	-	-
- Islamic financing facilities		388	600	-	-
- revolving credits		25,816	10,445	-	238
- Notes and Bonds		22,337	-	22,337	-
- bankers' acceptances		1,188	1,315	-	-
Payment of lease liabilities*		(5,586)	(7,345)	(938)	(946)
Repayment of:					
- term loans		(9,728)	(5,225)	-	-
- Islamic financing facilities		(793)	(2,519)	-	-
- revolving credits		(24,351)	(10,932)	-	(238)
- Notes and Bonds		(8,511)	(169)	(6,645)	-
- bankers' acceptances		(1,354)	(1,232)	-	-
Payment to non-controlling interests on redemption of redeemable preference shares		(149)	(60)	-	-
Payment to non-controlling interests on additional equity interests		(211)	(2,536)	-	-
Proceeds from partial disposal of equity interest to non-controlling interests		5,208	2,058	-	-
Net cash used in financing activities from continuing operations		(23,432)	(46,121)	(17,246)	(32,946)
Net cash used in financing activities from discontinued operations	17	-	(244)	-	-
Net cash used in financing activities		(23,432)	(46,365)	(17,246)	(32,946)

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

30. NET CASH USED IN FINANCING ACTIVITIES (continued)

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

2025 In RM Mil	Group Borrowings	Company Borrowings
Balance at 1 January 2025	110,897	62,318
Changes from financing cash flows		
(Repayment)/Drawdown of:		
- term loans	(489)	-
- Islamic financing facilities	(405)	-
- revolving credits	1,465	-
- Notes and Bonds	13,826	15,692
- bankers' acceptances	(166)	-
- lease liabilities	(5,586)	(938)
Total changes from financing cash flows	8,645	14,754
Changes arising from obtaining control of subsidiaries		
- term loans	1,407	-
- lease liabilities	28	-
	1,435	-
The effect of changes in foreign exchange rates		
- term loans	(2,409)	-
- revolving credits	(5,309)	-
- Notes and Bonds	(7,182)	(6,610)
- bankers' acceptances	(25)	-
- lease liabilities	(50)	(177)
	(14,975)	(6,787)
Other liability-related changes		
- acquisition of new leases	11,304	1,794
- changes in bank overdrafts	(10)	-
- modification/remeasurement of lease liabilities	(591)	-
- loan novation	3,560	-
- financing costs	1,338	388
Total other liability-related changes	15,601	2,182
Balance at 31 December 2025	121,603	72,467

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

30. NET CASH USED IN FINANCING ACTIVITIES (continued)

2024 In RM Mil	Group Borrowings	Company Borrowings
Balance at 1 January 2024	111,621	64,243
Changes from financing cash flows		
Drawdown/(Repayment) of:		
- term loans	2,181	-
- Islamic financing facilities	(1,919)	-
- revolving credits	(487)	-
- Notes and Bonds	(169)	-
- bankers' acceptances	83	-
- lease liabilities	(6,182)	(946)
Total changes from financing cash flows	(6,493)	(946)
Changes arising from obtaining control of a subsidiary		
- term loans	413	-
- lease liabilities	1	-
	414	-
The effect of changes in foreign exchange rates		
- term loans	(884)	-
- revolving credits	(128)	-
- Notes and Bonds	(1,616)	(1,733)
- bankers' acceptances	(4)	-
- lease liabilities	(27)	126
	(2,659)	(1,607)
Other liability-related changes		
- acquisition of new leases	6,957	233
- changes in bank overdrafts	10	-
- remeasurement of lease liabilities	(3)	-
- financing costs	1,050	395
Total other liability-related changes	8,014	628
Balance at 31 December 2024	110,897	62,318

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

31. ACQUISITION OF SUBSIDIARIES AND AN ASSOCIATE

Acquisitions in 2025

Acquisition of Brookfields Group of entities in India

On 28 February 2025, PETRONAS via its wholly-owned subsidiary, Gentari Renewables India Pte. Ltd. ("GRIPL") fulfilled all the conditions of seven Securities Subscription and Purchase Agreements entered on 8 November 2024 with affiliates of Brookfields Asset Management Limited to acquire 100% equity interest in 22 renewable energy entities ("Brookfields entities"). The acquisition of the remaining two renewable energy entities is planned to be completed in 2026. The acquisition is to expand Gentari's capacity in solar and wind energy. Following this acquisition, Brookfields entities have become wholly-owned subsidiaries of GRIPL.

Acquisition in 2024

Acquisition of Fortum Finnsurya Energy Pvt Ltd

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

32. DISPOSAL OF EQUITY INTEREST, SUBSIDIARIES, ASSETS AND AN ASSOCIATE

Disposal in 2025

Share buyback and reinvestment of MLNG Dua Sdn. Bhd.

On 24 September 2024, PETRONAS and Diamond Gas Holdings Sdn. Bhd. ("DG") signed a Sale and Purchase Agreement ("SPA") for the share buyback of DG's 10% shareholdings in MLNG Dua Sdn. Bhd. ("MLNG Dua"). On the same date, PETRONAS and DG had entered into SPA for DG's reinvestment of 10% shareholdings in MLNG Dua. The share buyback and reinvestment of 10% shareholdings in MLNG Dua were completed on 21 May 2025 and 18 June 2025 respectively.

The Group and the Company retained control over MLNG Dua following the completion of both transactions. Accordingly, at the Group level, the transactions were accounted for as equity transactions and recognised directly in equity. At the Company level, a gain arising from the partial disposal of the investment in MLNG Dua was recognised in the statement of profit or loss.

Divestment of PETRONAS E&P Argentina S.A.

On 15 April 2025, PETRONAS via its wholly-owned subsidiaries, PETRONAS Carigali Canada B.V. ("PCCBV") and PETRONAS Carigali International E&P B.V. ("PCIEPBV") signed a SPA and completed the sale of their 70% and 30% equity interests in PETRONAS E&P Argentina S.A. ("PEPASA") respectively to Vista Energy Argentina S.A.U. ("Vista Argentina"), a subsidiary of Vista Energy, S.A.B. de C.V. ("Vista"). The sales consideration comprises cash, deferred cash payments and American Depositary Shares of Vista.

The net profit contributed by PEPASA from 1 January 2025 to the date of disposal is not material in relation to the consolidated net profit of the Group for the year.

Dilution of PETRONAS' Canadian assets

On 30 September 2025, PETRONAS via its wholly-owned subsidiaries, PETRONAS Energy Canada Ltd. ("PECL") had disposed 20% participating interest in North Montney Joint Venture ("NMJV") and 19.998% equity interest in North Montney LNG Limited Partnership ("NMLLP") as well as PETRONAS Carigali Canada B.V. ("PCCBV") had disposed 20% equity interest in PETRONAS Canada LNG Ltd. ("PCLL") (herein known as "Canadian Assets") to subsidiaries of MidOcean Energy Holdings Limited.

The dilution was completed on 17 December 2025. Following the completion, PECL now holds 52% participating interest in NMJV and 79.992% equity interest in NMLLP, the entity which controls 25% participating interest in LNG Canada Project. Whilst, PCCBV now holds 80% equity interest in PCLL, the entity which holds 0.01% equity interest in NMLLP.

The transaction is a strategic effort to rationalise the portfolio in support of long-term value creation of the Group, with the objective of retaining assets with strong monetisation potential to support the Group's growth and deliver value uplift across the integrated value chain.

The net effect arising from the dilution of Canadian Assets is not material in relation to the consolidated net profit of the Group for the year.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

32. DISPOSAL OF EQUITY INTEREST, SUBSIDIARIES, ASSETS AND AN ASSOCIATE (continued)

Disposal in 2024

Divestment of Engen Group

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

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

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

Divestment of Transasia Pipeline Pvt. Ltd.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

33. COMMITMENTS

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

In RM Mil	Group		Company	
	2025	2024	2025	2024
Capital expenditure*				
<i>Approved and contracted for</i>				
Less than one year	23,281	31,587	535	694
Between one and five years	28,278	40,641	611	672
More than five years	303	4,870	-	-
	51,862	77,098	1,146	1,366
<i>Approved but not contracted for</i>				
Less than one year	16,206	18,394	158	184
Between one and five years	71,763	81,390	806	886
More than five years	5,282	1,457	-	-
	93,251	101,241	964	1,070
	145,113	178,339	2,110	2,436
Share of capital expenditure of associates and joint ventures				
<i>Approved and contracted for</i>				
Less than one year	2,208	3,192	-	-
Between one and five years	1,598	1,410	-	-
More than five years	540	594	-	-
	4,346	5,196	-	-
<i>Approved but not contracted for</i>				
Less than one year	1,732	1,565	-	-
Between one and five years	6,763	6,540	-	-
	8,495	8,105	-	-
	12,841	13,301	-	-
	157,954	191,640	2,110	2,436

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



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

34. CONTINGENT LIABILITIES AND INSURANCE CONTRACTS

Contingent liabilities for material litigation

In the normal course of business, the Group is subject to several contingencies arising from litigations and claims brought by various parties. The Group has no material contingent liabilities since the last audited financial statements for the financial year ended 31 December 2024.

Exposure to insurance contracts for non-insurer

Other than those disclosed elsewhere in the financial statements, the Group and the Company had entered into agreements which may include agreements where the Company accepts insurance risks by agreeing to compensate third party if a specified uncertain future event adversely affect the guaranteed entities in the normal and on-going business requirements, consistent with generally acceptable and recognised industry practices. The exposure of the Group and the Company is therefore triggered upon the default by the guaranteed entities' obligations under the contracts. As at 31 December 2025, there were no exposures on the default of the guaranteed entities' obligations under the contracts.

35. RELATED PARTY DISCLOSURES

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

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

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

Key management personnel compensation

In RM Mil	Group and Company	
	2025	2024
Director fees, emoluments, gratuity and benefit plan	15	21

The estimated monetary value of Directors' benefits-in-kind is RM102,000 (2024: RM106,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

35. RELATED PARTY DISCLOSURES (continued)

Significant transactions with related parties

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

Group In RM Mil	2025	2024
Federal and State Governments of Malaysia:		
Cash payments	(10,081)	(12,175)
Lease income	1,130	1,267
Sales of petroleum products	312	383
Sales of utilities	193	182
Project management income and building maintenance	338	338
Government of Malaysia's related entities:		
Sales of petroleum products, chemicals and processed gas	11,359	13,227
Other income	1,614	228
Purchase of utilities	(482)	(281)
Associate companies:		
Sales of chemicals and processed gas	8,627	9,403
Joint arrangements:		
Sales of industrial utilities	2,806	1,775
Sales of chemicals and processed gas	1,907	2,235
Sourcing of crude oil	11,672	3,936
Site services charges	883	773
Purchase of petroleum products and chemicals	(12,955)	(13,046)



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

35. RELATED PARTY DISCLOSURES (continued)

Significant transactions with related parties (continued)

Company In RM Mil	2025	2024
Federal and State Governments of Malaysia:		
Cash payments	(10,081)	(12,175)
Subsidiaries:		
Sales of crude oil, natural gas and processed gas	88,815	103,746
Interest income from subsidiaries	2,235	2,411
Purchase of crude oil, natural gas and liquefied natural gas	(40,702)	(39,206)
Gas processing and transportation fee	(3,942)	(2,020)
Centralised head office services charges	1,192	1,134
Research cess	176	187
Supplemental payments	750	1,528
Abandonment cess		
- net contribution	(1,401)	(817)
- net reimbursement	335	242
Decarbonisation fund		
- capital contribution	(1,000)	(196)
- reimbursement of qualifying projects	373	1,936
Joint ventures:		
Gas processing fee	(670)	(578)

Information regarding outstanding balances arising from related party transactions as at 31 December 2025 are disclosed in Note 10, Note 15 and Note 23.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

36. OPERATING SEGMENTS, PRODUCTS AND SERVICES AND GEOGRAPHICAL INFORMATION

As at 31 December 2025, the Group's reportable segments comprise Upstream, Gas & Maritime and Downstream. Each reportable segment offers different products and services and are managed separately because they require different technology and marketing strategies.

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

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

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

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

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

Inter-segment pricing is established on a commercial basis.

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

Performance is measured based on segment profit after tax ("PAT"), as included in the internal management reports. Segment PAT is used to measure performance as the PETRONAS Executive Leadership Team believes that such information is the most relevant in evaluating the results of the segments.

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

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

Group 2025 In RM Mil	Upstream	Gas & Maritime	Downstream	Corporate and others	Consolidation adjustments and eliminations	Total
Revenue						
Third parties	29,829	106,518	119,170	10,618	–	266,135
Inter-segment	82,037	13,371	793	2,550	(98,751)	–
Total revenue	111,866	119,889	119,963	13,168	(98,751)	266,135
Reportable segment profit/(loss)	26,211	20,861	(1,884)	(460)	662	45,390
Included in the measure of segment profit/(loss) are:						
Depreciation and amortisation	(21,192)	(8,612)	(6,118)	(2,083)	65	(37,940)
Net impairment (losses and write-off)/reversals of assets and well costs ^a	(1,582)	931	(1,315)	(1,100)	(300)	(3,366)
Interest income	2,203	1,322	1,356	9,305	(2,796)	11,390
Financing costs	(3,816)	(2,164)	(1,017)	(3,704)	3,351	(7,350)
Share of profit/ (loss) after tax and non-controlling interests of equity accounted associates and joint ventures	–	401	(25)	(181)	–	195
Tax expense	(12,228)	(7,852)	(1,019)	(946)	(56)	(22,101)

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

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

Group 2025 In RM Mil	Upstream	Gas & Maritime	Downstream	Corporate and others	Consolidation adjustments and eliminations	Total
Segment assets	219,174	206,922	171,574	240,633	(63,350)	774,953
Included in the measure of segment assets are:						
Investments in associates and joint ventures	1	3,967	3,499	4,091	–	11,558
Additions to non-current assets other than financial instruments and deferred tax assets	19,147	12,288	4,466	5,681	–	41,582
Group 2024						
Segment assets	225,600	208,400	162,814	253,690	(83,831)	766,673
Included in the measure of segment assets are:						
Investments in associates and joint ventures	1	4,199	3,772	4,247	–	12,219
Additions to non-current assets other than financial instruments and deferred tax assets	27,979	11,750	4,680	9,816	–	54,225

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

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

Products and services information

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

Group In RM Mil	2025	2024
Continuing operations		
Petroleum products	77,638	89,320
Crude oil and condensates	23,178	35,794
Liquefied natural gas	71,121	76,447
Natural and processed gas	34,693	39,960
Chemicals	26,488	29,505
Shipping services	4,734	5,698
Interest income	9,389	10,376
Others	18,894	18,031
	266,135	305,131
Discontinued operations		
Petroleum products	–	14,541
Chemicals	–	285
	266,135	319,957

Geographical information

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

Group In RM Mil	Revenue	
	2025	2024
Continuing operations		
Asia ^a	117,414	136,135
Malaysia	105,814	112,225
Rest of the world ^b	42,907	56,771
	266,135	305,131
Discontinued operations		
Africa	–	14,826
	266,135	319,957

^a Excludes Malaysia.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

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

Geographical information (continued)

Group In RM Mil	Non-current assets	
	2025	2024
Malaysia	230,039	240,284
Americas	53,935	84,822
Rest of the world	49,220	50,141
	333,194	375,247

Major customers

As at 31 December 2025 and 31 December 2024, there are no major customers that contribute to more than 10 percent of the Group's revenue.

37. PETROLEUM ARRANGEMENTS

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

Production Sharing Contracts ("PSCs")

Malaysia

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

Certain terms of the PSCs are:

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

37. PETROLEUM ARRANGEMENTS (continued)

Production Sharing Contracts ("PSCs") (continued)

Malaysia (continued)

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

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

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

- (iii) Abandonment

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

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

Outside Malaysia

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

Service contracts

Development and Production Service Contracts ("DPSCs")

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

37. PETROLEUM ARRANGEMENTS (continued)

Service contracts (continued)

Development and Production Service Contracts ("DPSCs") (continued)

Certain terms of DPSCs are:

(i) Crude oil and gas entitlement

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

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

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

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

(ii) Intangible assets and other financial assets

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

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

Concession Agreements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS

Categories of financial instruments

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

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

Group 2025 In RM Mil	Note	FVTPL	FVOCI - EIDUIR	Derivatives designated as hedging instruments	Amortised cost	Total carrying amount
Financial assets						
Long-term receivables	*	100	-	304	29,725	30,129
Fund and other investments	11	19,766	1,498	-	16,480	37,744
Trade and other receivables	*	319	-	2,031	70,023	72,373
Cash and cash equivalents	16	-	-	-	204,375	204,375
		20,185	1,498	2,335	320,603	344,621
Financial liabilities						
Borrowings	*	-	-	-	(101,563)	(101,563)
Other long-term liabilities	*	-	-	(69)	(7,064)	(7,133)
Trade and other payables	*	(202)	-	(252)	(48,389)	(48,843)
		(202)	-	(321)	(157,016)	(157,539)
2024						
Financial assets						
Long-term receivables	*	-	-	850	22,408	23,258
Fund and other investments	11	15,463	1,572	-	15,296	32,331
Trade and other receivables	*	671	-	655	68,436	69,762
Cash and cash equivalents	16	-	-	-	188,476	188,476
		16,134	1,572	1,505	294,616	313,827
Financial liabilities						
Borrowings	*	-	-	-	(91,657)	(91,657)
Other long-term liabilities	*	-	-	-	(6,346)	(6,346)
Trade and other payables	*	(257)	-	(1,016)	(52,993)	(54,266)
		(257)	-	(1,016)	(150,996)	(152,269)

* These balances exclude non-financial instruments balances.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments (continued)

Company 2025 In RM Mil	Note	FVTPL	FVOCI - EIDUIR	Derivatives designated as hedging instruments	Amortised cost	Total carrying amount
Financial assets						
Long-term receivables	*	57,913	–	–	42,654	100,567
Fund and other investments	11	11,898	73	–	7,367	19,338
Trade and other receivables	*	54	–	1,548	40,073	41,675
Cash and cash equivalents	16	–	–	–	48,155	48,155
		69,865	73	1,548	138,249	209,735
Financial liabilities						
Borrowings	*	–	–	–	(64,552)	(64,552)
Other long-term liabilities	*	–	–	–	(17,324)	(17,324)
Trade and other payables	*	(55)	–	–	(17,790)	(17,845)
		(55)	–	–	(99,666)	(99,721)
2024						
Financial assets						
Long-term receivables	*	54,817	–	–	46,874	101,691
Fund and other investments	11	9,339	73	–	6,824	16,236
Trade and other receivables	*	31	–	503	40,457	40,991
Cash and cash equivalents	16	–	–	–	52,033	52,033
		64,187	73	503	146,188	210,951
Financial liabilities						
Borrowings	*	–	–	–	(55,486)	(55,486)
Other long-term liabilities	*	–	–	–	(15,635)	(15,635)
Trade and other payables	*	(35)	–	–	(18,996)	(19,031)
		(35)	–	–	(90,117)	(90,152)

* These balances exclude non-financial instruments balances.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Financial risk management

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

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

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

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

Credit risk

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

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

(i) Receivables and contract assets

Risk management objectives, policies and processes for managing the risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Receivables and contract assets (continued)

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

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

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

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

Exposure to credit risk

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

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

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

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

Concentration of credit risk

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

Recognition and measurement of impairment losses

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

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

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

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

Group 2025 In RM Mil	Note	Gross carrying amount	Allowance for impairment losses	Net balance
Credit Risk Rating				
Sovereign		328	—	328
Excellent		4,314	—	4,314
Good		41,930	(128)	41,802
Fair		51,361	(1,397)	49,964
		97,933	(1,525)	96,408
Credit impaired				
Individually impaired		811	(811)	—
		98,744	(2,336)	96,408
Representing				
Trade receivables	15	30,086	(862)	29,224
Amounts due from associates and joint arrangements	10,15	38,518	(1,342)	37,176
Loans and advances due from associates and joint ventures	10	9,396	(51)	9,345
Contract assets	10,15	119	—	119
Finance lease receivables	10,15	17,871	(81)	17,790
Derivative financial assets	12	2,754	—	2,754
		98,744	(2,336)	96,408

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

Company 2025 In RM Mil	Note	Gross carrying amount	Allowance for impairment losses	Net balance
Credit Risk Rating				
Sovereign		143	–	143
Excellent		756	*–	756
Good		65,829	(119)	65,710
Fair		16,632	(104)	16,528
		83,360	(223)	83,137
Representing				
Trade receivables	15	3,863	(6)	3,857
Amounts due from subsidiaries	10,15	29,589	(70)	29,519
Amounts due from joint arrangements	10,15	7,566	(58)	7,508
Loans and advances due from subsidiaries and a joint venture	10	40,740	(89)	40,651
Derivative financial assets	12	1,602	–	1,602
		83,360	(223)	83,137

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

* Amount less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

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

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

* Amount less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(i) Receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

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

In RM Mil	Group		Company	
	2025	2024	2025	2024
At net				
Not past due	50,417	51,174	71,413	76,074
Past due 1 to 30 days	2,885	1,414	226	163
Past due 31 to 60 days	1,100	691	469	185
Past due 61 to 90 days	1,710	1,761	398	189
Past due more than 90 days	22,506	13,371	10,631	10,117
	78,618	68,411	83,137	86,728

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

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

In RM Mil	Group		Company	
	2025	2024	2025	2024
Opening balance	2,014	5,000	239	1,500
Impairment:				
Losses/(Reversals) recognised	396	(361)	(16)	58
Write-off	(33)	(2,331)	–	(1,319)
Translation exchange difference	(41)	(294)	–	–
Closing balance	2,336	2,014	223	239

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(ii) Other receivables

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

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

In RM Mil	Group		Company	
	2025	2024	2025	2024
Opening balance	1,608	1,385	27	318
Impairment:				
Losses/(Reversals) recognised	67	480	—	(291)
Write-off	(44)	(167)	—	—
Transfer to assets held for sale	(420)	—	—	—
Translation exchange difference	(285)	(90)	—	—
Closing balance	926	1,608	27	27

(iii) Fund and other investments

Risk management objectives, policies and processes for managing the risk

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

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

Exposure to credit risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

(iii) Fund and other investments (continued)

Recognition and measurement of impairment loss

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

(iv) Financial guarantees

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk

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

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

After project completion, each Borrower provides a cross-guarantee to the lenders for each other's outstanding loan. The outstanding loan balances as at financial year end for the joint operation entity and the joint venture entity based on the Group's shareholdings are RM1,338 million (2024: RM1,607 million) and RM11,387 million (2024: RM13,673 million) respectively.

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

The maximum exposure to credit risk for the Company amounted to RM12,933 million (2024: RM8,943 million), which represents the outstanding banking facilities of the Group's entities as at reporting date. As at reporting date, there was no indication that any entities would default on repayment. The fair value of the financial guarantee recognised is disclosed in Note 22.

Liquidity risk

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Maturity analysis

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

Group 2025 In RM Mil	Carrying amount	Contractual interest/profit rates per annum %	Contractual cash flows
Amortised cost			
Lease liabilities	20,040	1.14 - 10.34	21,315
Secured term loans			
USD floating rate loans	1,758	1.70	1,788
USD fixed rate loans	8,958	3.57	9,278
INR floating rate loans	4,533	9.06	4,944
EUR floating rate loans	1,638	4.04	1,690
Other fixed rate loans	993	3.66	1,040
Unsecured term loans			
USD floating rate loans	4,160	5.32	4,381
USD fixed rate loans	3,379	4.69	3,537
Other fixed rate loans	493	2.05	507
Unsecured Notes and Bonds			
USD Guaranteed Notes	67,389	4.37	136,426
USD Bonds	2,026	7.63	2,181
Unsecured revolving credits			
USD floating revolving credits	1,456	4.28	1,518
SEK floating revolving credits	1,185	2.74	1,217
Other floating revolving credits	41	2.93	42
Unsecured bankers' acceptances			
RM fixed bankers' acceptances	118	4.01	118
INR floating bankers' acceptances	46	7.83	46
Secured Islamic financing facilities			
RM Islamic financing facilities	2,819	3.63	2,920
Unsecured Islamic financing facilities			
RM Islamic financing facilities	571	4.46	597
Other long-term liabilities	7,064	–	9,430
Financial guarantees	–	–	*11,387
Trade and other payables	48,389	–	48,389
Fair value through profit or loss			
Derivative financial liabilities ^a	202	–	202
	177,258		262,953

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Maturity analysis (continued)

Group 2025 In RM Mil	Within 1 year	1-2 years	2-5 years	More than 5 years
Amortised cost				
Lease liabilities	3,011	3,828	8,342	6,134
Secured term loans				
USD floating rate loans	223	93	170	1,302
USD fixed rate loans	1,326	1,308	4,196	2,448
INR floating rate loans	667	4,277	–	–
EUR floating rate loans	1,690	–	–	–
Other fixed rate loans	180	165	330	365
Unsecured term loans				
USD floating rate loans	28	14	3,631	708
USD fixed rate loans	11	452	964	2,110
Other fixed rate loans	47	–	460	–
Unsecured Notes and Bonds				
USD Guaranteed Notes	3,841	6,361	22,964	103,260
USD Bonds	2,181	–	–	–
Unsecured revolving credits				
USD floating revolving credits	1,518	–	–	–
SEK floating revolving credits	1,217	–	–	–
Other floating revolving credits	42	–	–	–
Unsecured bankers' acceptances				
RM fixed bankers' acceptances	118	–	–	–
INR floating bankers' acceptances	46	–	–	–
Secured Islamic financing facilities				
RM Islamic financing facilities	1,270	246	578	826
Unsecured Islamic financing facilities				
RM Islamic financing facilities	545	–	52	–
Other long-term liabilities	447	776	1,309	6,898
Financial guarantees	*11,387	–	–	–
Trade and other payables	48,389	–	–	–
Fair value through profit or loss				
Derivative financial liabilities ^b	202	–	–	–
	78,386	17,520	42,996	124,051

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Maturity analysis (continued)

Group 2024 In RM Mil	Carrying amount	Contractual interest/profit rates per annum %	Contractual cash flows
Amortised cost			
Lease liabilities	19,240	1.14 - 10.34	20,537
Secured term loans			
USD floating rate loans	2,621	2.85	2,695
USD fixed rate loans	9,241	3.27	9,862
INR floating rate loans	2,803	8.78	3,049
EUR floating rate loans	1,663	3.18	1,716
Other fixed rate loans	1,849	3.56	1,931
Other floating rate loans	393	4.91	413
Unsecured term loans			
USD floating rate loans	4,452	5.26	4,686
Other fixed rate loans	440	1.91	448
Unsecured Notes and Bonds			
USD Guaranteed Notes	60,536	3.90	101,788
USD Bonds	2,230	7.63	2,570
Unsecured revolving credits			
USD floating revolving credits	615	5.19	647
SEK floating revolving credits	604	3.54	625
Other floating revolving credits	48	4.88	50
Unsecured bankers' acceptances			
RM fixed bankers' acceptances	286	3.56	287
INR floating bankers' acceptances	69	7.83	70
Unsecured bank overdrafts			
INR bank overdrafts	5	7.65	5
SEK bank overdrafts	5	3.80	5
Secured Islamic financing facilities			
RM Islamic financing facilities	2,782	3.77	2,887
Unsecured Islamic financing facilities			
RM Islamic financing facilities	1,015	4.09	1,057
Other long-term liabilities	6,346	-	8,663
Financial guarantees	-	-	^a 13,673
Trade and other payables	52,993	-	52,993
Fair value through profit or loss			
Derivative financial liabilities ^b	257	-	257
	170,493		230,914

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Maturity analysis (continued)

Group 2024 In RM Mil	Within 1 year	1-2 years	2-5 years	More than 5 years
Amortised cost				
Lease liabilities	4,186	3,025	5,891	7,435
Secured term loans				
USD floating rate loans	268	116	347	1,964
USD fixed rate loans	1,299	1,527	4,733	2,303
INR floating rate loans	1,861	638	266	284
EUR floating rate loans	-	1,716	-	-
Other fixed rate loans	866	147	554	364
Other floating rate loans	413	-	-	-
Unsecured term loans				
USD floating rate loans	72	67	3,786	761
Other fixed rate loans	304	-	5	139
Unsecured Notes and Bonds				
USD Guaranteed Notes	10,621	1,828	10,983	78,356
USD Bonds	170	2,400	-	-
Unsecured revolving credits				
USD floating revolving credits	647	-	-	-
SEK fixed revolving credits	332	293	-	-
Other floating revolving credits	50	-	-	-
Unsecured bankers' acceptances				
RM fixed bankers' acceptances	287	-	-	-
INR floating bankers' acceptances	70	-	-	-
Unsecured bank overdrafts				
INR bank overdrafts	5	-	-	-
SEK bank overdrafts	5	-	-	-
Secured Islamic financing facilities				
RM Islamic financing facilities	776	257	762	1,092
Unsecured Islamic financing facilities				
RM Islamic financing facilities	599	406	52	-
Other long-term liabilities	485	667	1,956	5,555
Financial guarantees	^a 13,673	-	-	-
Trade and other payables	52,993	-	-	-
Fair value through profit or loss				
Derivative financial liabilities ^b	257	-	-	-
	90,239	13,087	29,335	98,253

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Maturity analysis (continued)

Company 2025 In RM Mil	Carrying amount	Contractual interest/profit rates per annum %	Contractual cash flows
Amortised cost			
Lease liabilities	7,915	5.45	11,939
Unsecured Notes and Bonds			
USD Guaranteed Notes	62,526	4.37	131,424
USD Bonds	2,026	7.63	2,181
Other long-term liabilities	17,165	–	23,121
Financial guarantees	–	–	12,933
Trade and other payables	17,790	–	17,790
Fair value through profit or loss			
Derivative financial liabilities ^b	55	–	55
	107,477		199,443

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2024 In RM Mil			
Amortised cost			
Lease liabilities	6,832	5.10	7,175
Unsecured Notes and Bonds			
USD Guaranteed Notes	53,256	3.82	94,282
USD Bonds	2,230	7.63	2,570
Other long-term liabilities	15,401	–	21,527
Financial guarantees	–	–	8,943
Trade and other payables	18,996	–	18,996
Fair value through profit or loss			
Derivative financial liabilities ^b	35	–	35
	96,750		153,528

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Maturity analysis (continued)

Company 2025 In RM Mil	Within 1 year	1-2 years	2-5 years	More than 5 years
Amortised cost				
Lease liabilities	845	809	2,180	8,105
Unsecured Notes and Bonds				
USD Guaranteed Notes	3,841	3,841	20,483	103,259
USD Bonds	2,181	–	–	–
Other long-term liabilities	1,958	2,530	1,596	17,037
Financial guarantees	12,933	–	–	–
Trade and other payables	17,790	–	–	–
Fair value through profit or loss				
Derivative financial liabilities ^b	55	–	–	–
	39,603	7,180	24,259	128,401

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

continued from previous page

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Market risk

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

Interest rate risk

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

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

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

In RM Mil	Group		Company	
	2025	2024	2025	2024
Fixed rate instruments				
Financial assets	260,696	240,059	67,500	71,948
Financial liabilities	(113,276)	(103,140)	(89,632)	(77,719)
	147,420	136,919	(22,132)	(5,771)
Floating rate instruments				
Financial assets	12,106	14,745	36,792	38,544
Financial liabilities	(15,414)	(14,102)	-	-
	(3,308)	643	36,792	38,544

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

Foreign exchange risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Foreign exchange risk (continued)

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

Group In RM Mil	2025	2024
Denominated in USD		
Financial assets		
Loan and advances to subsidiaries and a joint venture	34,092	39,899
Cash and cash equivalents	30,853	16,756
Trade and other receivables	38,308	38,742
Long-term receivables	26,081	25,659
Fund and other investments	4,981	3,947
Derivative financial assets	1,749	831
	136,064	125,834
Financial liabilities		
Loan and advances from holding company	(17,087)	(22,151)
Borrowings	(70,495)	(61,700)
Trade and other payables	(14,753)	(14,602)
Other financial liabilities	(2,123)	(817)
	(104,458)	(99,270)
Net exposure	31,606	26,564
Denominated in RM		
Financial assets		
Cash and cash equivalents	21	8
Trade and other receivables	6,734	6,738
	6,755	6,746
Financial liabilities		
Borrowings	(38)	(16)
Trade and other payables	(10,231)	(9,901)
	(10,269)	(9,917)
Net exposure	(3,514)	(3,171)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Foreign exchange risk (continued)

Company In RM Mil	2025	2024
Denominated in USD		
Financial assets		
Loan and advances to subsidiaries and a joint venture	20,621	23,847
Long-term receivables	20,635	20,201
Cash and cash equivalents	81,777	63,963
Trade and other receivables	31,332	31,669
Fund and other investments	1,209	–
Derivative financial assets	1,548	503
	157,122	140,183
Financial liabilities		
Cash and cash equivalents - subsidiaries' cash with PETRONAS Integrated Financial Shared Service Centre	(56,600)	(47,790)
Borrowings	(64,555)	(55,486)
Trade and other payables	(7,420)	(7,828)
Other financial liabilities	(1,721)	(271)
	(130,296)	(111,375)
Net exposure	26,826	28,808

Sensitivity analysis for a given market variable provided in this note, discloses the effect on profit or loss and equity as at 31 December 2025 assuming that a reasonably possible change in the relevant market variable had occurred at 31 December 2025 and been applied to the risk exposures in existence at that date to show the effects of reasonably possible changes in price on profit or loss and equity to the next annual reporting date. Reasonably possible changes in market variables used in the sensitivity analysis are based on implied volatilities, where available, or historical data for equity and commodity prices and foreign exchange rates. Reasonably possible changes in interest rates are based on management judgment and historical experience.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Foreign exchange risk (continued)

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

In RM Mil	Appreciation in foreign currency rate %	Group		Company	
		Equity	Profit or loss	Equity	Profit or loss
2025					
USD	5	739	841	77	1,264
MYR	5	–	(176)	–	–
2024					
USD	10	821	1,835	50	2,830
MYR	10	–	(317)	–	–

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

Equity price risk

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

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

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

In RM Mil	Group		Company	
	2025	2024	2025	2024
Local equities	5,734	4,447	2,574	1,552
Foreign equities	2,184	135	1,205	–
	7,918	4,582	3,779	1,552

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Equity price risk (continued)

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

In RM Mil	Increase in price based on average change in index rate %	Group		Company	
		Equity	Profit or loss	Equity	Profit or loss
2025					
Local equities	10	–	573	–	257
Foreign equities	15	–	328	–	181
2024					
Local equities	10	–	445	–	155
Foreign equities	15	–	20	–	–

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

Commodity price risk

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

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

Cash flow hedge

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Cash flow hedge (continued)

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

The hedge ineffectiveness can arise from any of the followings:

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

As at 31 December 2025, the Group and the Company held commodity swaps and options contracts to hedge the price of crude oil and gas of highly probable forecast transactions. The Group also held other forward contracts to hedge other prices of highly probable transactions.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Cash flow hedge (continued)

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

Group 2025 In RM Mil	Nominal amount	Net carrying amount	Maturity				
			Total	Within 1 year	1-2 years	2-5 years	More than 5 years
Interest rate risk							
Interest rate swaps	12,962	172	172	–	7	100	65
Average hedged interest rate (%)				–	2.61	2.32	3.04
Foreign currency risk							
Forward foreign exchange contracts	1,693	34	34	(10)	19	25	–
Average forward rate (USD/CAD)				1.37	1.36	1.35	–
Average forward rate (USD/AUD)				0.67	–	–	–
Average forward rate (RM/USD)				4.28	–	–	–
Price risk							
Commodity derivatives	25,707	1,750	1,750	1,750	–	–	–
Average crude oil and gas prices (in USD/boe)				62	–	–	–
Other forward contracts	313	3	3	3	–	–	–
Average utility prices (in USD/MWh)				100	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Cash flow hedge (continued)

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

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

As at 31 December 2025, the Group held net commodity derivative financial assets amounting to RM1,808 million and net derivative financial liabilities amounting to RM361 million in prior year.

The Company held net derivative financial assets amounting to RM1,548 million (2024: RM503 million). The hedging instruments mainly mature within 12 months from the relevant financial year end.

The maximum expected commodity derivatives loss to the Group and the Company are RM990 million (2024: RM1,566 million) and RM1,234 million (2024: RM702 million) respectively.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Cash flow hedge (continued)

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

Group 2025 In RM Mil	Carrying amount		Change in fair value (loss)/ gain used for measuring ineffectiveness	Hedging Reserve
	Assets	Liabilities		
	Note 12	Note 12		
Interest rate risk				
Interest rate swaps	195	(23)	(205)	57
Floating interest rate term loans			205	
Foreign currency risk				
Forward foreign exchange contracts	141	(110)	(153)	(24)
Expected future receipts and payments			153	
Price risk				
Commodity derivatives	1,996	(188)	543	284
Forecast sales and purchases			(543)	
Other forward contracts	3	–	(52)	(15)
Expected future receipts and payments			52	
	2,335	(321)		302

Group 2025 In RM Mil	Movement of cash flow hedge attributable to shareholders of the Company			Movement of cash flow hedge attributable to Non-controlling Interests	Total movement of cash flow hedge
	Total hedging (loss)/gain recognised in OCI	Amount reclassified from hedging reserve to profit or loss	Total		
Interest rate risk					
Interest rate swaps	(205)	–	(205)	(189)	(394)
Foreign currency risk					
Forward foreign exchange contracts	(153)	274	121	–	121
Price risk					
Commodity derivatives	1,159	244	1,403	–	[^] 1,403
Other forward contracts	(52)	–	(52)	–	(52)
	749	518	1,267	(189)	1,078

[^] Includes reduction to the cost of hedging reserve of RM954 million and hedging reserve amounting to an addition of RM1,182 million.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Cash flow hedge (continued)

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Cash flow hedge (continued)

Company 2025 In RM Mil	Carrying amount		Hedging Reserve
	Assets	Liabilities	
	Note 12	Note 12	
Commodity price risk			
Commodity derivatives	1,548	–	(60)

Company 2025 In RM Mil	Total hedging gain recognised in OCI	Amount reclassified from hedging reserve to profit or loss	Total
			movement of cash flow hedge
Commodity price risk			
Commodity derivatives	578	(350)	^228

^ The amount relates to cost of hedging reserve amounting to a reduction of RM954 million and hedging reserve amounting to an increase of RM1,182 million.

Company 2024 In RM Mil	Carrying amount		Hedging Reserve
	Assets	Liabilities	
	Note 12	Note 12	
Commodity price risk			
Commodity derivatives	503	–	(288)

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

^ The amount relates to cost of hedging reserve amounting to an increase of RM23 million and hedging reserve amounting to a reduction of RM157 million.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Cash flow hedge (continued)

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

In RM Mil	Group	Company
	Hedging reserve	Hedging reserve
As at 1 January 2024	107	(154)
Changes in fair value:		
- Interest rate risk	(45)	–
- Foreign currency risk	191	–
- Commodity price risk*	(2,964)	(1,859)
Amount reclassified to profit or loss	1,746	1,725
As at 1 January 2025	(965)	(288)
Changes in fair value:		
- Interest rate risk	(205)	–
- Foreign currency risk	(153)	–
- Commodity price risk*	1,107	578
Amount reclassified to profit or loss	518	(350)
As at 31 December 2025	302	(60)

* Included in changes in fair value of commodity price risk is loss on the portion which was excluded from the designated hedging instrument of RM3,016 million (2024: RM2,352 million) as it relates to the time value of commodity derivatives. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the cash flow hedge reserve.

Fair value information

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Fair value information (continued)

Group 2025 <i>In RM Mil</i>	Fair value of financial instruments carried at fair value			
	Level 1	Level 2	Level 3	Total
Financial assets				
Quoted shares	7,319	–	–	7,319
Quoted securities	–	599	–	599
Unquoted shares	–	–	1,698	1,698
Malaysian Government Securities	–	2,066	–	2,066
Corporate Bonds and Sukuk	–	9,580	–	9,580
Deposit	–	2	–	2
Forward foreign exchange and other contracts	–	165	–	165
Commodity derivatives	58	2,336	–	2,394
Interest rate swaps	–	195	–	195
	7,377	14,943	1,698	24,018
Financial liabilities				
Forward foreign exchange contracts	–	(134)	–	(134)
Commodity derivatives	(178)	(188)	–	(366)
Interest rate swaps	–	(23)	–	(23)
	(178)	(345)	–	(523)

Group 2025 <i>In RM Mil</i>	Fair value of financial instruments not carried at fair value			Carrying amount
	Level 2	Level 3	Total	
Financial assets				
Malaysian Government Securities	7,587	–	7,587	7,457
Corporate Bonds and Sukuk	9,103	–	9,103	9,023
Long-term receivables	–	30,860	30,860	30,860
Finance lease receivables	–	16,418	16,418	16,418
	16,690	47,278	63,968	63,758
Financial liabilities				
Notes and Bonds	(58,301)	–	(58,301)	(67,389)
Term loans	(10,638)	(6,531)	(17,169)	(21,911)
Islamic financing facilities	(568)	(997)	(1,565)	(1,648)
Other long-term liabilities	–	(7,064)	(7,064)	(7,064)
	(69,507)	(14,592)	(84,099)	(98,012)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Fair value information (continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Fair value information (continued)

Company 2025 <i>In RM Mil</i>	Fair value of financial instruments carried at fair value			
	Level 1	Level 2	Level 3	Total
Financial assets				
Quoted shares	3,779	–	–	3,779
Unquoted shares	–	–	73	73
Malaysian Government Securities	–	1,728	–	1,728
Corporate Bonds and Sukuk	–	6,389	–	6,389
Deposit	–	2	–	2
Forward foreign exchange contracts	–	54	–	54
Commodity derivatives	–	1,548	–	1,548
Long-term receivables	–	–	57,913	57,913
	3,779	9,721	57,986	71,486
Financial liabilities				
Forward foreign exchange contracts	–	(55)	–	(55)

Company 2025 <i>In RM Mil</i>	Fair value of financial instruments not carried at fair value			Carrying amount
	Level 2	Level 3	Total	
Financial assets				
Long-term receivables	–	42,050	42,050	42,654
Corporate Bonds and Sukuk	3,673	–	3,673	3,592
Malaysian Government Securities	3,906	–	3,906	3,775
	7,579	42,050	49,629	50,021
Financial liabilities				
Notes and Bonds	(60,386)	–	(60,386)	(64,556)
Other long-term liabilities	–	(17,479)	(17,479)	(17,360)
	(60,386)	(17,479)	(77,865)	(81,916)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Fair value information (continued)

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

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

Derivative financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

Fair value information (continued)

Non-derivative financial instruments

For non-derivative financial liabilities, fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For other borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Long-term receivables	Discounted cash flow	Market rate of interest at the end of the reporting period 2025: 3.28% - 5.15% 2024: 3.76% - 5.56%	The estimated fair value would increase (decrease) if the interest rate were higher (lower).
Other long-term liabilities	Discounted cash flow	Market rate of interest at the end of the reporting period 2025: 2.1% - 4.8% 2024: 2.1% - 5.5%	The estimated fair value would increase (decrease) if the interest rate were higher (lower).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

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

Group 2025 In RM Mil	Interest income	Interest expense	Net impairment losses/write-off	Others	Total
Financial assets at fair value:					
- through profit or loss	529	-	-	(608)	(79)
- through OCI	-	-	-	17	17
Financial assets at amortised cost:					
- recognised in profit or loss	10,861	-	(2,264)	(10,174)	(1,577)
- recognised in equity	-	-	-	(655)	(655)
Financial liabilities at amortised cost	-	(3,603)	-	6,892	3,289
Derivatives designated as hedging instruments	-	-	-	731	731
	11,390	(3,603)	(2,264)	(3,797)	1,726
2024					
Financial assets at fair value:					
- through profit or loss	622	-	-	300	922
- through OCI	-	-	-	(136)	(136)
Financial assets at amortised cost:					
- recognised in profit or loss	12,060	-	(3,385)	559	9,234
- recognised in equity	-	-	-	(231)	(231)
Financial liabilities at amortised cost	-	(2,337)	-	(1,471)	(3,808)
Derivatives designated as hedging instruments	-	-	-	(3,228)	(3,228)
	12,682	(2,337)	(3,385)	(4,207)	2,753

* The amounts exclude discontinued operations.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

38. FINANCIAL INSTRUMENTS (continued)

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

Company 2025 In RM Mil	Interest income	Interest expense	Net impairment losses/write-off	Others	Total
Financial assets at fair value through profit or loss	313	–	–	2,680	2,993
Financial assets at amortised cost	5,883	–	(252)	(8,788)	(3,157)
Financial liabilities at amortised cost	–	(2,848)	–	6,648	3,800
Derivatives designated as hedging instruments	–	–	–	585	585
	6,196	(2,848)	(252)	1,125	4,221
2024					
Financial assets at fair value through profit or loss	303	–	–	2,089	2,392
Financial assets at amortised cost	6,811	–	(1,251)	(2,611)	2,949
Financial liabilities at amortised cost	–	(2,318)	–	1,681	(637)
Derivatives designated as hedging instruments	–	–	–	(1,835)	(1,835)
	7,114	(2,318)	(1,251)	(676)	2,869

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

39. CAPITAL MANAGEMENT

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

40. PRONOUNCEMENTS ISSUED BY MASB

Adoption of revised pronouncement

During the financial year, the Group and the Company adopted the following pronouncement that had been issued by the MASB and is applicable as listed below:

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)*

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

Pronouncements yet in effect

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

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures (Classification and Measurement of Financial Instruments)*

Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*, MFRS 7 *Financial Instruments: Disclosures*, MFRS 9 *Financial Instruments*, MFRS 10 *Consolidated Financial Statements* and MFRS 107 *Statement of Cash Flows (Annual Improvements to MFRS Accounting Standards - Volume 11)*

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 *Presentation and Disclosure in Financial Statements*

Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates Translation to a Hyperinflationary Presentation Currency*

Effective for a date yet to be confirmed

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

40. PRONOUNCEMENTS ISSUED BY MASB (continued)

Pronouncements yet in effect (continued)

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 and introduces enhanced requirements for the presentation and disclosure of financial statements. The standard mandates structured subtotals in the statement of profit or loss, classification of income and expenses into defined categories, and disclosure of management-defined performance measures with reconciliations to MFRS amounts.

The Group and the Company have assessed the estimated impact on financial statements upon the initial application of MFRS 18. The implementation of MFRS 18 will not result in changes to the recognition and measurement of financial statements. The impact will be limited to the financial statements' disclosures and presentation.

Upon adoption, the Group and the Company expect the impact among others from the classification of income derived from the Group's equity accounted investments and the Company's interest income from related parties into the investing category within the statement of profit or loss.

The Group and the Company do not expect significant changes to the information that is currently disclosed in the notes as the requirement to disclose material information remains unchanged. However, there will be new disclosures required for:

- i. Management-defined performance measures; and
- ii. The nature of expenses for certain line items presented by function in the operating category of the statement of profit or loss.

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

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

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures (Contracts Referencing Nature-dependent Electricity)*

Effective for annual periods beginning on or after 1 January 2027

MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

41. KEY SUBSIDIARIES AND ACTIVITIES

	Effective ownership interest and voting interest		Country of incorporation	Principal activities
	2025 %	2024 %		
^{^*} PETRONAS Carigali Sdn. Bhd.	100	100	Malaysia	Petroleum exploration, development and production
PETRONAS Energy Canada Ltd.	100	100	Canada	Petroleum exploration, development and production
PETRONAS E&P Argentina S.A.	-	100	Argentina	Petroleum exploration, development and production
PETRONAS Carigali (Turkmenistan) Sdn. Bhd.	100	100	Malaysia	Petroleum exploration, development and production
PETRONAS Petróleo Brasil Ltda.	100	100	Brazil	Petroleum exploration, development and production
[∞] PICL (Egypt) Corporation Ltd.	100	100	Malaysia	Investment holding, exploration and production of oil and gas
[∞] PETRONAS LNG Ltd	100	100	Malaysia	Trading of LNG and marketing services
[*] Malaysia LNG Sdn. Bhd.	90	90	Malaysia	Purchase and liquefaction of natural gas and marketing of LNG
[*] Malaysia LNG Tiga Sdn. Bhd.	65	65	Malaysia	Purchase and liquefaction of natural gas and marketing of LNG
[*] PETRONAS Energy & Gas Trading Sdn. Bhd.	100	100	Malaysia	Trading and marketing of processed gas
^{^*@} PETRONAS Dagangan Berhad	63.9	63.9	Malaysia	Domestic marketing of petroleum products and non-fuel business
^{^*} PETRONAS Refinery and Petrochemical Corporation Sdn. Bhd.	100	100	Malaysia	Development and management of Pengerang Integrated Complex

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

41. KEY SUBSIDIARIES AND ACTIVITIES (continued)

	Effective ownership interest and voting interest		Country of incorporation	Principal activities
	2025 %	2024 %		
^{^*} PETRONAS Trading Corporation Sdn. Bhd.	100	100	Malaysia	Marketing of crude oil, trading in crude oil and petroleum products and investment holding
^{^*@} PETRONAS Chemicals Group Berhad	64.3	64.3	Malaysia	Investment holding, production and sale of petrochemicals and specialty products
^{^*} PETRONAS Lubricants International Sdn. Bhd.	100	100	Malaysia	Manufacturing and trading of lubricant products and trading of base oil
^{^*@} MISC Berhad	51	51	Malaysia	Shipping and shipping related activities
^{^*} KLCC (Holdings) Sdn. Bhd.	100	100	Malaysia	Investment holding, property development management and provision of management services
Putrajaya Holdings Sdn. Bhd.	64.4	64.4	Malaysia	Property development and investment holding
^{^*} Gentari Sdn. Bhd.	100	100	Malaysia	Investment holding and clean energy solutions

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

42. KEY ASSOCIATES AND ACTIVITIES

	Effective ownership interest and voting interest		Country of incorporation	Principal activities
	2025 %	2024 %		
BASF PETRONAS Chemicals Sdn. Bhd.	25.7	25.7	Malaysia	Purchases propylene and n-butane feedstock from the Group for production, marketing and sale of acrylic, oxo and butanediol products
Bintulu Port Holdings Berhad	29.7	29.7	Malaysia	Port management

43. KEY JOINT ARRANGEMENTS AND ACTIVITIES

	Effective ownership interest and voting interest		Country of incorporation	Principal activities
	2025 %	2024 %		
INEOS PCG Acetyls Sdn. Bhd.	19.3	19.3	Malaysia	Manufacture, sell and distribute acetic acid
Trans Thai-Malaysia (Thailand) Limited	50	50	Thailand	Gas pipeline transportation and gas separation services
Trans Thai-Malaysia (Malaysia) Sdn. Bhd.	50	50	Malaysia	Transporting and delivering gas products
Indianoil PETRONAS Private Limited	50	50	India	Manufacture and bottling services of Liquid Petroleum Gas



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025 (continued)

43. KEY JOINT ARRANGEMENTS AND ACTIVITIES (continued)

	Effective ownership interest and voting interest		Country of incorporation	Principal activities
	2025 %	2024 %		
Pengerang Terminals (Two) Sdn. Bhd.	40	40	Malaysia	Undertake activities related to terminal storage facilities for petroleum and petrochemical products
Pengerang Refining Company Sdn. Bhd.	50	50	Malaysia	Undertake blending, processing or cracking of crude, condensates, feedstock or intermediate feedstock
Pengerang Petrochemical Company Sdn. Bhd.	32.2	32.2	Malaysia	Sales of products within ethane, propane chains and ethane derivatives to the joint operators
NP Hai Long Holdings B.V.	49	49	Netherlands	Investment holding
NP Taiwan Project NorthWind Holdings B.V.	49	49	Netherlands	Investment holding
NP Taiwan Project CanWind Holdings B.V.	49	49	Netherlands	Investment holding

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PETROLIAM NASIONAL BERHAD (PETRONAS)
(Company No. 197401002911 (20076-K)) (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Petroliam Nasional Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out [on pages 6 to 168](#).

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

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

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PETROLIAM NASIONAL BERHAD (PETRONAS)
(Company No. 197401002911 (20076-K)) (Incorporated in Malaysia)

KEY AUDIT MATTERS

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

Impairment or reversal of impairment consideration of property, plant and equipment ("PPE") and intangible assets ("IA")	
Refer to Note 3 - Property, Plant and Equipment and Note 9 - Intangible Assets.	
The key audit matter	How the matter was addressed in our audit
<p>The Group and the Company operate in the oil and gas industry, which continues to be affected by the fluctuations in oil and gas prices, changes in global energy demand, and the broader transition towards lower-carbon energy sources. This creates a risk that the carrying amounts of the Group's property, plant and equipment ("PPE") and intangible assets ("IA") (comprising goodwill, exploration expenditures and other intangible assets) and the Company's PPE may exceed their recoverable amounts, requiring impairment testing in accordance with MFRS 136, Impairment of Assets ("MFRS 136"). Similarly, an assessment of reversal of impairment must be performed when indicators support reversal of impairment for previously impaired assets (other than goodwill).</p> <p>In assessing impairment or reversal of impairment, PPE and IA (together with other relevant assets) are grouped into relevant cash generating units ("CGU").</p> <p>The Group has estimated the recoverable amounts for each CGU based on either its value in use or at its fair value less cost to sell, whichever is higher. As a result, a net impairment reversal of PPE of RM1,639 million (2024: a net impairment losses of RM948 million) for PPE and a net impairment losses of RM1,448 million (2024: a net impairment losses of RM195 million) for IA (refer to Note 25) were recognised in the current financial year.</p> <p>We have identified the evaluation of the carrying amount of the Group's PPE and IA of RM283,923 million (2024: RM327,356 million) (refer Note 3) and RM30,332 million (2024: RM31,175 million) (refer Note 9) respectively as of 31 December 2025 as a key audit matter because:</p> <ul style="list-style-type: none"> It is material in the consolidated financial statements and represents 41% (2024: 47%) of the Group's total assets; and The estimation of recoverable amounts involves a significant degree of judgment exercised and assumptions made by the Group. Key judgmental aspects include assumptions of oil and gas prices, expenditures, oil and gas reserves profile and the use of an appropriate discount rate. 	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> i) Assessed the design and implementation of the controls over impairment and reversal of impairment of assets process. ii) Considered the appropriateness of management's determination of CGUs to which an asset belongs. iii) Evaluated management's assessment on indicators of impairment and reversal of impairment for relevant CGUs and individual assets. iv) Verified the accuracy of management's calculations for CGUs subject to impairment (or reversal of impairment) testing including the underlying data used, and considered whether the list of assets/CGUs tested are complete. v) Evaluated and challenged key assumptions used in the estimation of recoverable amount, among others: <ul style="list-style-type: none"> • Oil and gas reserves production profile - assessed whether the production profile is within the field/reserve lives; • Long term outlook of prices - compared to information published by external analysts; • Operational and capital expenditures - compared to information included in the Group's approved budget and actual historical information; and • Discount rate - challenged the appropriateness of the discount rate used. vi) Performed stress test over the projected oil and gas prices, expenditures and discount rates. vii) Evaluated the completeness, accuracy and relevance of disclosures required by MFRS 136, including disclosures about sensitivities and major sources of estimation uncertainty.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PETROLIAM NASIONAL BERHAD (PETRONAS)
(Company No. 197401002911 (20076-K)) (Incorporated in Malaysia)

KEY AUDIT MATTERS (continued)

Measurement of provision for decommissioning, dismantling, removal and restoration ("DDRR")	
Refer to Note 22 - Other Long-term Liabilities and Provisions.	
The key audit matter	How the matter was addressed in our audit
<p>The measurement of the provisions for DDRR for the Group and the Company requires a significant degree of judgment because of the inherent complexities in estimating future costs of DDRR activities. These costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The provisions for DDRR are subject to the effects of any changes in oil and gas reserves profile, technology, regulations, the Group's and the Company's expected approach to DDRR activities, inflation, and discount rates, along with the effects of changes in exchange rates.</p> <p>These factors increase the degree of complexity in estimating the DDRR provision in accordance with MFRS 137, Provisions, Contingent Liabilities and Contingent Assets.</p> <p>We have identified the measurement of the provision outstanding for DDRR of the Group and the Company amounts of RM47,704 million (2024: RM49,692 million) and RM22,806 million (2024: RM23,353 million) respectively as of 31 December 2025 as a key audit matter due to:</p> <ul style="list-style-type: none"> The balance represents 26% (2024: 29%) of the Group's and 19% (2024: 23%) of the Company's non-current liabilities; and The estimation of DDRR provision involves significant degree of judgements, complex calculations and estimation uncertainties. 	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> i) Assessed the design and implementation of the controls over the DDRR provision estimation process. ii) Assessed the appropriateness of data used in the calculation of the DDRR provision to the originating source. iii) Evaluated and challenged key assumptions used in the DDRR provision calculation, among others: <ul style="list-style-type: none"> • Interest and inflation rates - compared to information from external sources; and • Expected future costs - verified against contracts, market survey and rationalisation formula. iv) Performed consistency testing on the application of key assumptions to respective assets. v) Re-performed the calculation of the DDRR provision for mathematical accuracy. vi) Assessed the adequacy of the disclosures in the financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PETROLIAM NASIONAL BERHAD (PETRONAS)
(Company No. 197401002911 (20076-K)) (Incorporated in Malaysia)

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PETROLIAM NASIONAL BERHAD (PETRONAS)
(Company No. 197401002911 (20076-K)) (Incorporated in Malaysia)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTER

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

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

Petaling Jaya, Malaysia
Date: 26 February 2026

Ameenuddin bin Khali Kasman
Approval Number: 03470/11/2027 J
Chartered Accountant



APPENDIX I

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS

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

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

Marmel Incorporated and its subsidiaries:

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

APPENDIX I (continued)

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS (continued)

MISC Berhad and its subsidiaries:

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

APPENDIX I (continued)

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS (continued)

MISC Berhad and its subsidiaries (continued):

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

PETRONAS Carigali Sdn. Bhd. and its subsidiaries:

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

APPENDIX I (continued)

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS (continued)

PETRONAS Lubricants International Sdn. Bhd.'s subsidiaries:

- FL Nominees Ltd.
- PETRONAS International Marketing (Thailand) Co., Ltd.
- PETRONAS Lubricants (India) Private Limited (a) (Y)
- PETRONAS Lubricants Africa Ltd. (a)
- PETRONAS Lubricants Argentina S.A. (a)
- PETRONAS Lubricants Belgium N.V. (a)
- PETRONAS Lubricants China Company Limited (a)
- PETRONAS Lubricants Deutschland Gmbh (a)
- PETRONAS Lubricants France SAS (a)
- PETRONAS Lubricants Great Britain Limited (a)
- PETRONAS Lubricants International (China) Company Limited (a)
- PETRONAS Lubricants Italy S.p.A. (a)
- PETRONAS Lubricants Poland Sp. Zo.o. (a)
- PETRONAS Lubricants Spain S.L. (a)
- PETRONAS Lubrificantes Brasil S.A. (a)
- PETRONAS Madeni Yaglar Ticaret Limited Sirketi (a)
- PETRONAS Marketing (China) Co., Ltd. (a)
- PL NA Mexico S. de R.L. de C.V.
- PLAL FZCO
- P.L.A.L. Egypt LLC
- PLB Solutions Ltd. (a)
- PLI (Netherlands) B.V.
- PLI Australia Pty. Limited (a)
- PT. PLI Indonesia
- Viscosity Oil Company (a)

PETRONAS International Corporation Ltd. and its subsidiaries:

- Japan Malaysia LNG Co. Ltd.
- Labuan Energy Corporation Ltd.
- LNG Investments Europe Limited
- MITCO Labuan Co Limited
- Nada Properties Company Ltd.
- PAPL (Downstream) Pty Limited
- PAPL (Upstream II) Pty Limited
- PAPL (Upstream) Pty Limited
- PAPL Services Pty Limited
- PC (Myanmar) Holdings Limited (Y)
- PC Muriah Ltd
- PC Myanmar (Hong Kong) Ltd
- PCM Chemical India Private Limited
- PETRONAS Carigali International Ventures Sdn. Bhd.
- PETRONAS (Thailand) Co., Ltd. (a)
- PETRONAS Australia Pty Limited
- PETRONAS Carigali Myanmar Inc.
- PETRONAS Carigali Myanmar III Inc
- PETRONAS Carigali Nile Ltd
- PETRONAS Energy (India) Private Limited
- PETRONAS Energy Trading Limited
- PETRONAS LNG Ltd
- PETRONAS LNG Sdn. Bhd.
- Petronas Management Services DMCC
- PETRONAS Philippines Inc. (a) (Y)
- PICL (Egypt) Corporation Ltd.
- PSE Kinsale Energy Limited
- WDDM Energy Ltd

APPENDIX I (continued)

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS (continued)

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

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

PETRONAS Marketing International Sdn. Bhd. and its subsidiaries:

- PETRONAS Mobility Lestari Sdn. Bhd.

PETRONAS Assets Sdn. Bhd. and its subsidiaries:

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

PETRONAS Trading Corporation Sdn. Bhd.'s subsidiaries:

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

APPENDIX I (continued)

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS (continued)

PETRONAS Technical Services Sdn. Bhd.'s subsidiaries:

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

PETRONAS Chemicals Group Berhad's subsidiaries:

- Da Vinci Group B.V.
- PCM (China) Company Limited
- PCM (Thailand) Company Limited (Y)
- Perstorp Holding AB
- PETRONAS Chemicals Marketing (Vietnam) Company Limited
- PT PCM Kimia Indonesia

Da Vinci Group B.V. and its subsidiaries:

- BRB Central Eastern Europe Sp. z.o.o.
- BRB Hong Kong Limited
- BRB International B.V.
- BRB LAC Invest B.V.
- BRB LAC Singapore Pte. Ltd.
- BRB Lube Oil Additives & Chemicals B.V.
- BRB Malaysia Sdn. Bhd.
- BRB North America, Inc.
- BRB SIL Invest B.V.
- BRB Silicones South Africa Pty Ltd.
- BRB Silicones UK Ltd.
- BRB Singapore Pte Ltd.
- BRB Singapore Pte. Ltd. (DMCC Branch) (Dubai)
- BRB South America Representacao Commercial Ltda.
- BRB South Korea Limited
- BRB ST Kimyasal Sanayi ve Ticaret A.S.
- CSL Silicones Inc. (a)
- Qingdao BRB Trading Co. Ltd.
- Viscotech Asia Pte. Ltd.

Perstorp Holding AB and its subsidiaries:

- Perstorp (Shanghai) Chemical Trading Co. Ltd
- Perstorp AB
- Perstorp Amsterdam B.V.
- Perstorp Chemicals (Malaysia) Sdn. Bhd.
- Perstorp Chemicals Asia PTE Ltd
- Perstorp Chemicals GmbH
- Perstorp Chemicals India Private Ltd
- Perstorp Chemicals Korea Co. Ltd
- Perstorp East Asia Ltd.
- Perstorp Equipment S.r.l.
- Perstorp Fastighets AB
- Perstorp Financial Services AB
- Perstorp Formulas AB
- Perstorp Holding (U.S.) Inc.
- Perstorp Holding B.V.
- Perstorp Holding GmbH
- Perstorp Iberica SL
- Perstorp Industries India Private Ltd
- Perstorp Japan Co. Ltd
- Perstorp Kimya Sanayi ve Ticaret Ltd Sti.
- Perstorp Oxo AB
- Perstorp Polyols Inc.
- Perstorp Quimica do Brasil Ltda Perstorp S.p.A.
- Perstorp Sales France Sas
- Perstorp Service GmbH
- Perstorp Services AB
- Perstorp Services UK Ltd
- Perstorp Specialty Chemicals AB
- Perstorp Specialty Chemicals B.V.
- Perstorp Specialty Chemicals Holding B.V.
- Perstorp Specialty Fluids AB
- Perstorp Storitve d.o.o.
- Perstorp Waspsik B.V.
- Shandong Perstorp Chemical Co. Ltd.

APPENDIX I (continued)

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS (continued)

Gentari Sdn. Bhd. and its subsidiaries:

- Gentari Global Business Services Private Limited
- Gentari International Renewables Pte. Ltd.

GENTARI Green Mobility Sdn. Bhd.'s subsidiaries:

- Gentari Green Mobility Charge (Thailand) Ltd.
- Gentari Green Mobility India Private Limited (f.k.a. Amplus Power Supply Private Limited)
- Gentari Mobility Co., Ltd.
- PT Gentari Green Mobility Charge
- PT Gentari Green Mobility Fleet

Gentari International Renewables Pte. Ltd.'s subsidiaries:

- ABC Renewable Energy (RJ-01) Private Limited
- ABC Solar India Private Limited
- Amplus Active Private Limited (a)
- Amplus Ages Private Limited (a)
- Amplus Alpha Solar Private Limited (a)
- Amplus Ampere Private Limited (a)
- Amplus Andhra Power Private Limited (a)
- Amplus Arjas Solar Private Limited (fka Amplus Fortuna Private Limited) (a)
- Amplus Athena Energy Private Limited (a)
- Amplus Beat Energy Private Limited (a)
- Amplus Centaur Solar Private Limited (a)
- Amplus Ceres Solar Private Limited (a)
- Amplus Coastal Power Private Limited (a)
- Amplus Dakshin Private Limited (a)
- Amplus Energy One Private Limited (a)
- Amplus Energy Solution Pte. Ltd. (Singapore)
- Amplus Energy Solutions FZE (a)
- Amplus Energy Solutions Private Limited (India) (a)
- Amplus EON Private Limited (a)
- Amplus Everest Solar Private Limited (a)
- Amplus Ganges Solar Private Limited (a)
- Amplus GJ One Energy Private Limited (a)
- Amplus Green One Power Private Limited (a)
- Amplus Green Power Private Limited (a)
- Amplus Helios Private Limited (a)
- Amplus IIFA Solar Private Limited (a)
- Amplus IRU Private Limited (a)
- Amplus Jyotimangal Energy Private Limited (a)
- Amplus Kaveri Solar Private Limited (a)
- Amplus Kemet Solar Private Limited (a)
- Amplus KN One Power Private Limited (a)
- Amplus KN Solar Private Limited (a)
- Amplus Management Services Private Limited (a)
- Amplus MH One Energy Private Limited (a)
- Amplus Omega Solar Private Limited (a)
- Amplus Pavagada Solar Energy Two Private Limited (f.k.a. Acme Rewari Solar Power Private Limited)
- Amplus Phoenix Energy Private Limited (a)
- Amplus Poorva Private Limited (a)
- Amplus Power Solutions Private Limited (a)
- Amplus RJ One Energy Private Limited (a)
- Amplus RJ Solar Private Limited (a)
- Amplus RJ Three Energy Private Limited (a)
- Amplus RJ Two Energy Private Limited (a)
- Amplus Shams Private Limited (a)
- Amplus Solar Power MH Private Limited (a)
- Amplus Solar Power Private Limited (a)
- Amplus Solar Shakti Private Limited (a)
- Amplus Solar Solutions Private Limited (a)
- Amplus Sun Beat Private Limited (a)
- Amplus Sun Solutions Private Limited (a)
- Amplus Sunlight Private Limited (a)
- Amplus Sunshine Private Limited (a)
- Amplus Superior Solar Private Limited (a)
- Amplus Theta Energy Private Limited (a)
- Amplus TN One Energy Private Limited (a)
- Amplus TN Two Energy Private Limited (a)
- Amplus Tumkur Solar Energy One Private Limited (f.k.a. Acme Kurukshetra Solar Energy Private Limited)
- Amplus Tungabhadra Private Limited (a)
- Amplus Venus Private Limited (a)
- Amplus Vidyut Power Private Limited (a)
- Amplus Virgo Solar Private Limited (a)

APPENDIX I (continued)

SUBSIDIARIES AUDITED BY OTHER FIRMS OF ACCOUNTANTS (continued)

Gentari International Renewables Pte. Ltd.'s subsidiaries (continued):

- Ananth Solar Power Maharashtra Private Limited (a)
- Axis Wind Farms (Anantapur) Private Limited
- Axis Wind Farms (Rayalaseema) Private Limited
- Azure Power (Gujrat) Pvt Ltd
- Barnawartha HoldCo Pty Ltd
- Barnawartha Solar Pty Ltd
- BIF III FVCI Holdings India I Pte Ltd.
- BIF IV Emerald Holdings Pte Ltd
- Bright Acre Energy Pty Ltd
- Clermont Asset Co Pty Ltd
- Clermont Solar Unit Trust
- Electryone Power Private Limited
- EN Renewable Energy Pvt Ltd
- EN Wind Power Pvt Ltd
- ESP Urja Pvt Ltd
- Focal Photovoltaic India Pvt Ltd
- Focal Renewable Energy Two India Pvt Ltd
- Fourvolt Solar Private Limited (a)
- Gannawarra Solar Farm Pty Ltd
- Generacion Eolica India Pvt Ltd
- Gentari Renewables Australia (Solar) Pty Ltd
- Gentari Renewables Australia Pty Ltd
- Gentari Renewables Finnsurya Energy Private Limited (fka Fortum Finnsurya Energy Private Limited) (a)
- Gentari Renewables India Castor One Private Limited (f.k.a. Amplus Cenedus Solar Private Limited) (a)
- Gentari Renewables India Management Pvt Ltd (Amplus Uttar Private Limited) (a)
- Gentari Renewables India Pte Limited
- Gentari Renewables India Utilities 2 Private Limited (a)
- Gentari Renewables India Utilities 3 Private Limited (a)
- Gentari Renewables India Utilities One Private Limited (a)
- Gentari Renewables Taiwan Co., Ltd
- Gentari Renewables Vietnam Pty Ltd
- Grian Energy Private Limited (a)
- Hamilton Solar Farm Pty Ltd
- Maryvale HoldCo Pty Ltd
- Maryvale Solar Farm Pty Ltd
- Maryvale Solar Farm Trust
- Millenium Synergy (Gujarat) Pvt Ltd
- Nay Energy Private Limited (a)
- Onevolt Energy Private Limited (a)
- SEI Arjun Power Pvt Ltd
- SEI L'Volta Pvt Ltd
- SEI Sitara Pvt Ltd
- SEI Solar Energy Pvt Ltd
- SEI Solar Power Gujarat Pvt. Ltd
- SEI Solar Power Pvt Ltd
- SEI Suryalabh Pvt Ltd
- Solbridge Energy Private Limited (a)
- Sungaze Power Private Limited (a)
- Sunroot Energy Private Limited (a)
- Sunterrace Energy One Private Limited (a)
- W&C Finco Pty Ltd
- Wattvolt Energy Private Limited (a)
- Wednesday Solar Private Limited (a)
- WEL 1 Pty Ltd
- Welee Australia HoldCo Pty Ltd
- Welee Australia SubHoldCo Pty Ltd
- Wemen Asset Co Pty Ltd
- Wemen East Sun Farm Pty Ltd
- Wemen Solar Unit Trust
- Wemen West Sun Farm Pty Ltd
- Whitsunday Solar Farm Pty Ltd
- Gentari Solar Australia Pty Ltd (f.k.a. Wirsol Energy Pty Ltd)
- YABULU BESS Asset Co Pty Ltd

Institute of Technology PETRONAS Sdn. Bhd. and its subsidiaries:

- UTP Futuretech Sdn. Bhd.

Subsidiaries held directly by the Company:

- Energas Insurance (L) Limited
- PETRONAS NGV Sdn. Bhd.
- PETRONAS Management Training Sdn. Bhd.
- PETRONAS Global Sukuk Ltd
- PETRONAS International Power Corporation BV (a)
- PETRONAS CCS Ventures Sdn. Bhd.
- PETRONAS Capital Limited.
- PETRONAS Hartabina Sdn. Bhd.
- PETRONAS Technical Training Sdn. Bhd.
- Yayasan UTP
- PING23 Sdn. Bhd.
- PETRONAS CCS Solutions Sdn. Bhd.

^a Audited by affiliates of KPMG.

[@] The shares of this subsidiary are quoted on the Main Market of Bursa Malaysia Securities Berhad.

^Y Consolidated based on management financial statements.



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