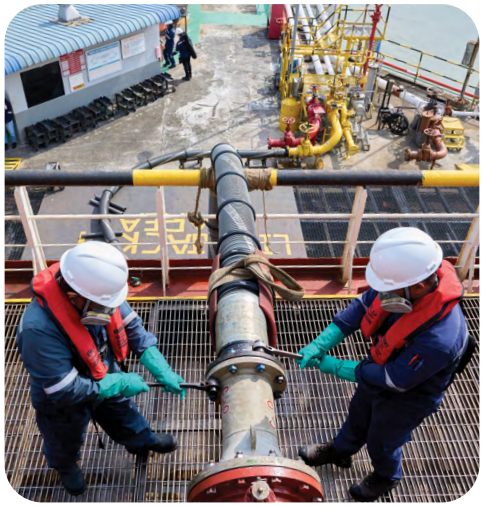






PETRON

















ENTER REPORT

POWERING PROGRESS WITH VISION

2025 Annual Report & Accounts



POWERING PROGRESS WITH VISION

COVER RATIONALE

The tagline "Powering Progress with Vision" embodies Petron's refreshed and forward-looking vision as a progressive energy company, committed to supporting a sustainable and energy-secure nation. It reflects our aspiration to drive progress beyond energy supply by creating meaningful opportunities and experiences for our stakeholders, while enhancing operational reliability and market competitiveness.

The theme highlights Petron's steadfast commitment to growth, guided by innovation, resilience and responsibility. It reflects our continued journey in shaping Malaysia's energy landscape, advancing sustainable development through disciplined execution, strategic investments and the strength of our integrated downstream operations.

Using a structured grid, the cover achieves a sense of balance, clarity and professionalism, mirroring the stability and integration of our operations. The flowing "P" shape drawn from our logo weaves through the design, symbolising unity and seamless coordination across our refining, distribution and marketing activities. Dynamic visuals of our downstream journey illustrate connectivity across our value chain and the power of collaboration in achieving common goals.

Looking ahead, Petron remains committed to shaping a future powered by cleaner energy, greater efficiency and shared prosperity. The theme celebrates our 2025 accomplishments, honours the spirit of collaboration that underpins our success, and reaffirms our dedication to creating sustainable, long-term value for our people, our shareholders, our communities and the nation.

OUR VISION

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

OUR MISSION

We will achieve this by:

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

OUR VALUES



Inside This Report

How Our Products Reach You 02
2025 Significant Events 04

01 ABOUT US

Corporate Profile 08
2025 Key Highlights 12
- Financial Highlights
- Business Highlights
- Sustainability Highlights

Awards and Certifications 14

02 OUR PERFORMANCE REVIEW

Five-Year Summary Charts 16
Chairman's Statement 18
Management Discussion and Analysis 24

03 SUSTAINABILITY STATEMENT

About This Report 38
Sustainability Framework 39
Our Approach to Sustainability 41
Performance Data Table 46
Bursa Malaysia CSI Prescribed Table 49

04 CORPORATE GOVERNANCE

Corporate Information 54
Profile of the Board of Directors 55
Profile of the Management Committee 60
Corporate Governance Overview Statement 64
Statement of Risk Management and Internal Control 83
Board Audit & Risk Management Committee Report 88
Nominating Committee Report 92
Board Sustainability Committee Report 95

05 FINANCIAL STATEMENTS

Directors' Report 98
Statement of Financial Position 102
Statement of Profit or Loss and Other Comprehensive Income 103
Statement of Changes in Equity 104
Statement of Cash Flows 105
Notes to the Financial Statements 108
Statement by Directors 159
Statutory Declaration 160
Independent Auditors' Report 161

06 ADDITIONAL INFORMATION

Information on Shareholdings 166
List of Top 10 Properties 168
Disclosure of Recurrent Related Party Transactions 169
Disclosure of Financial Data for Shariah Screening 170
Notice of Annual General Meeting 171
Statement Accompanying Notice of Annual General Meeting 174
Proxy Form •

Scan this QR code to view a PDF version of our 2025 Annual Report online https://www.petron.com.my/investor-relations/our-annual-reports/.



67TH ANNUAL GENERAL MEETING

MAIN VENUE
Ballroom, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor, Malaysia

VIRTUAL
Live streaming via the meeting platform of Ascendserv Capital Markets Services Sdn. Bhd. at the meeting platform **Dvote** at https://www.dvote.my

DATE & TIME
16 June 2026 (Tuesday)
2:00 p.m.



Navigation Icon

Tells you where you can find more information within this report

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

Table of Content · Previous Page · Next Page · Link

How Our Products Reach You

OUR MARINE TRANSPORT

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

OUR ROAD TRANSPORT

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

To ensure seamless and reliable delivery, our tank trucks feature advanced technology, enhanced safety systems including GPS tracking, driver-alert systems and electronic braking assistance. Combined with strict security protocols and routine maintenance inspections, these measures ensure that our products are delivered to you safely, reliably and on time.

CRUDE / PRODUCT IMPORT

CRUDE OIL

Discharge via Single Buoy Mooring (SBM)



REFINERY

PORT DICKSON REFINERY

Refinery Capacity
88,000 barrels per day

Refined Products

i. Gasoline 100, 97, 95 RON
ii. Automotive Diesel Oil (ADO)
iii. Liquefied Petroleum Gas (LPG)
iv. Jet Fuel
v. Naphtha
vi. Low Sulphur Waxy Residue (LSWR)



TRANSPORTATION, STORAGE, LOGISTICS

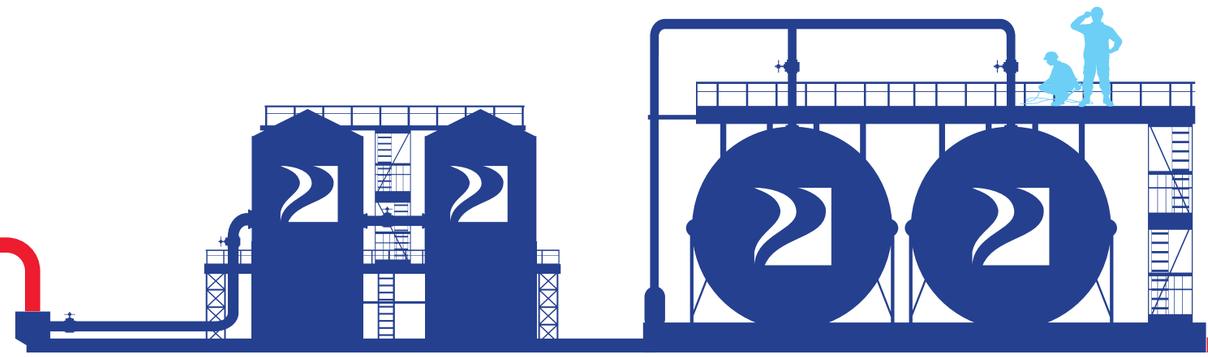
TERMINALS

Our Facilities in Malaysia

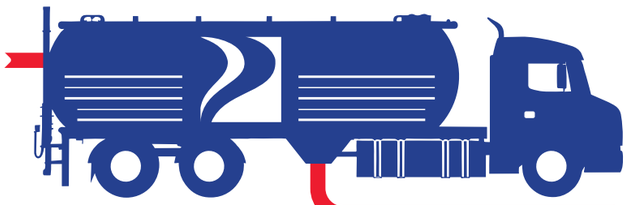
i. Port Dickson Terminal, Negeri Sembilan
ii. Bagan Luar Terminal, Penang
iii. Lumut Palm Methyl Ester (PME) Plant, Perak
iv. Kuantan Terminal, Pahang*
v. Westport Terminal (JV-BHP), Selangor*
vi. KLIA Aviation Depot, Selangor
vii. Klang Valley Distribution Terminal (JV-PETRONAS / Shell), Selangor
viii. Pasir Gudang Terminal (JV-Chevron), Johor*
ix. Sepangar Bay Terminal, Sabah*
x. Sandakan Terminal, Sabah*
xi. Tawau Terminal, Sabah*

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









END USERS

Retail

More than 830 retail service stations nationwide provide a delightful and rewarding one-stop experience to cater to customer needs.

Commercial

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





A Aviation

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

B Gasul

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

2025 Significant Events

Guided by our new Vision and Mission, 2025 has been a year of progress and accomplishments – inspired by the spirit of PASTI OK, our reminder that everything will be okay when we move forward with unity, resilience, and purpose.

The year marked the introduction of PASTI OK, a bold and heartfelt campaign that reflects who we are as a company – positive, people-centred and driven to make a difference. It reaffirms Petron Malaysia's commitment to creating welcoming, inclusive, and uplifting experiences for everyone, from our employees and partners to our customers and communities. Wherever Petron is present, we aim to bring warmth, reliability, and care that go beyond products and services.

Throughout the year, we continued to enhance our operations, expand our network, and elevate the overall customer experience. We also made meaningful progress in advancing projects aligned with our sustainability framework, underscoring our commitment to responsible growth and long-term value creation.

These achievements reflect the unwavering dedication of our people who embody our ExCITES values. Together, we have demonstrated resilience and determination in navigating challenges and seizing opportunities.

As we look ahead, we remain focused on delivering value to our stakeholders, strengthening our market presence, and building a sustainable future for all.

Indeed, 2025 has proven that with the right mindset and the spirit of PASTI OK, everything will be okay. Let us take a look at the milestones that shaped our journey.



JAN



Volunteerism in Action (VIA) Back to School Programme
Our flagship VIA initiative saw Petron employees sponsor RM350 worth of vouchers each for 140 secondary school students in Klang Valley and Port Dickson, to help them purchase essential school supplies. The handover ceremony in Klang Valley was held at PJ Eco Recycling Plaza, where students also learned about the importance of recycling and practical ways to make a positive environmental impact. In both locations, our Human Resources team conducted Career Talks, introducing students to the diverse opportunities at Petron and inspiring them to plan for their future careers.





FEB-MAR



Jelajah Ramadan RTM bersama Petron Malaysia 2025
In partnership with Radio Televisyen Malaysia (RTM), Petron Malaysia participated in the Jelajah Ramadan programme in conjunction with the fasting month and Hari Raya with the slogan "Kongsikan Keberkatan, Sebarkan Kegembiraan" to give back, strengthen our bond with the people we serve and make an impactful difference during the holy month of Ramadan. Our Corporate Social Responsibility (CSR) programmes and activities were held in five states namely Kelantan, Kedah, Selangor, Negeri Sembilan and Melaka.

MAR



Collaboration with the Road Transport Department (JPJ) and the Royal Malaysia Police (PDRM) to Promote Road Safety Awareness
In line with the Hari Raya celebration and the conclusion of Jelajah Ramadan, we launched our road safety programme at Petron MRR2 Selayang in collaboration with JPJ and PDRM to raise awareness of safe driving practices and the prevention of microsleep during long journeys.

2025 Significant Events





AUG-SEP



Jelajah Aspirasi Malaysia RTM bersama Petron Malaysia 2025

In partnership with RTM, Petron Malaysia participated in the nationwide road tour promoting community engagement. Held in conjunction with National Day and Malaysia Day celebrations, this programme covered all states and focused on three sustainability pillars: socio-economic growth, disaster relief and environmental conservation.

SEP



Petron Awarded SIRIM Genuine Product License

Petron Malaysia received the SIRIM Genuine Product License under the Certification and Marking of Engine Oils (for Motor Vehicles) Order 2024, enabling us to apply SIRIM Genuine Product Labels on our engine oils in Malaysia. This certification, granted under the SIRIM 58 Standard, assures customers of product authenticity and consistent quality while supporting legitimate manufacturers and protecting consumers from counterfeit engine oils in the market.





JUL

Green Lung Enrichment Planting at our Port Dickson Refinery

In conjunction with World Environmental Day 2025, we planted 600 native trees, adding to the 600 trees planted in 2024. The initiative brought together 60 Petron employee volunteers alongside representatives from the Department of Environment, Yayasan Hijau Malaysia, Universiti Putra Malaysia, our service station dealers, as well as students and teachers from nearby schools.

OCT







Grand Launch of PASTI OK Campaign

Petron Malaysia introduced PASTI OK, a bold and heartfelt campaign to reaffirm our commitment to providing welcoming, inclusive, and uplifting experiences for all customers. The campaign was officially launched at Petron Section 24, Shah Alam, marking Petron's support in helping customers adapt to the new fuel subsidy system. A key highlight was the live debut of the PASTI OK music video by local artist Mimifly. The upbeat song supports the Government's "Semak, Bayar, Isi" message, encouraging Malaysians to adjust confidently through its catchy tune and positive storytelling.

OCT



Collaboration with PDRM to Reaffirm Commitment to Community Safety

We strengthened our commitment to community safety through a Go-To-Safety-Point (GTSP) event held at Petron Kampung Melayu, Johor Bahru, in partnership with PDRM. The GTSP initiative enhances police visibility at Petron service stations and fosters closer collaboration with nearby police stations for faster emergency response. The event also featured a live emergency drill simulating a snatch theft and a motorcycle accident, demonstrating the importance of preparedness and coordinated action in ensuring public safety.

OCT



Petron Completes 2025 Tree Planting Initiative with 1,600 Trees Nationwide

We successfully concluded our annual tree planting initiative, contributing a total of 1,600 trees planted across the country in 2025. Following the Green Lung initiative at Port Dickson Refinery in July, the programme expanded to Cherating, Pahang and Kuala Sepetang, Perak. In collaboration with Yayasan Hijau Malaysia, local authorities, and dedicated Petron volunteers, 1,000 mangrove trees were planted to help protect biodiversity, prevent floods, and support local communities.

Corporate Profile



WE ARE PETRON

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

OUR STRUCTURE

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

	Our Business and Facilities	We Create Value by
	**Refinery** • Possesses a crude distillation capacity of 88,000 barrels per day • Produces a wide range of petroleum products, including Gasoline, Jet Fuel, Automotive Diesel Oil, LPG, Naphtha and Low Sulphur Waxy Residue	• Providing a sustainable supply of **quality, cleaner fuel and value-added petroleum products** to domestic and global markets, supporting essential industries and the nation.
	**Terminals** • Port Dickson Terminal, Negeri Sembilan • Bagan Luar Terminal, Penang • Lumut PME Plant, Perak • Kuantan Terminal, Pahang* • Westport Terminal (JV-BHP), Selangor* • KLIA Aviation Depot, Selangor • Klang Valley Distribution Terminal (JV-PETRONAS / Shell), Selangor • Pasir Gudang Terminal (JV-Chevron), Johor* • Sepangar Bay Terminal, Sabah* • Sandakan Terminal, Sabah* • Tawau Terminal, Sabah* * *PMRMB's sister companies' facilities*	• Maintaining our **reliable, top-of-the-line fuels and LPG**. • Maintaining award-winning terminals that are vital for ensuring the **safety, stability and efficiency** of the supply chain. • Ensuring **flawless operations** – in 2025, we achieved a significant milestone of 40.15 million injury-free man-hours and extended our Loss Time Injury (LTI)-free record to 28.85 years.
	**Retail** • A network of more than 830 retail service stations nationwide • More than 5 service stations at selected locations with Electric Vehicle (EV) charging facilities	• Providing **reliable and quality top-of-the-line fuels**: Blaze 97 RON Euro 4M, Blaze 95 RON, Turbo Diesel Euro 5 and Diesel Max. • Maintaining our position as **the only player in the market** that provides the **Blaze 100 RON** fuel for our customers. • Expanding our sustainable mobility offerings through the introduction of **EV charging facilities** at selected stations. • Ensuring our chain of Treats **one-stop convenience** stores delivers unique experiences that cater to diverse customer needs. • Delivering **a consistent customer experience** through **quality products, innovative and excellent customer services** as well as **convenient non-fuel offerings**.
	**LPG** • More than 220 retail service stations offer cash and carry LPG • Our efficient and clean burning LPG comes in 12 kg, 14 kg, 50 kg and in bulk	• Providing **efficient energy with the blue flame from Gasul** – an indication that your gas appliance is in good working order for Malaysian households and eateries for cooking, lighting and everyday needs.
	**Industrial** • Supplies fuel to unbranded mini stations, transportation, power plants, plantations, airlines and lube workshops	• Providing a range of **clean** and **high-quality industrial products** to fuel the **Malaysian economy**.

Corporate Profile

Our Competitive Advantage

Resilient Financial Position

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

This financial strength enables us to:

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



Exceptional Customer Service and Innovative Products

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

Our competitive edge in customer satisfaction is achieved through:

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



Robust Distribution Network

As an Asian company with a global perspective, we strive to be an integral part of every Malaysian's journey. Our network of more than 830 service stations nationwide is supported by 10 strategically located depots and terminals, and 1 Lumut PME plant, enabling us to efficiently distribute world-class fuels produced by our refinery at Port Dickson.

Our distribution excellence is driven by:

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



A Strong Workforce and Strategic Partnerships

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

Our strength lies in:

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



Safe, Efficient and Sustainable Operations

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

Our strong operational performance reflects our commitment to:

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



A Long-Term Commitment to Sustainability

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

Our sustainability efforts focus on:

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



2025 Key Highlights

As at 31 December 2025

FINANCIAL HIGHLIGHTS

Revenue

RM13.4 billion

FY2024: RM15.8 billion

↓15%

Total Sales Volume

36.2 million barrels

FY2024: 35.8 million barrels

↑1%

Profit for the Year

RM246 million

FY2024: RM18 million

>100%

BUSINESS HIGHLIGHTS

34 new retail service stations*

With more than 830 service stations* nationwide

Expanded cash and carry LPG to

22 retail service stations

With more than 220 service stations nationwide

1st Service Station to win the

2024 National Occupational Safety and Health Awards

under the Wholesale and Retail Category

Port Dickson Refinery achieved

5.45 million man-hours

without a Loss Time Injury, marking four years and 10 months LTI-free

Distribution and Terminal operations surpassed

40 million safe man-hours

sustaining an outstanding 28 consecutive years without LTI

728 employees*

Under Petron Malaysia Group

66:34 male to female ratio

Secured

14 awards*

at the Malaysian Society for Occupational Safety and Health (MSOSH) Award



* Including PMRMB's sister companies

2025 Key Highlights

As at 31 December 2025

SUSTAINABILITY HIGHLIGHTS

ADVANCING ETHICAL BUSINESS GROWTH

Invested

RM1.1 Million

in community & social impact programmes, benefitting a diverse group of more than

24,000 individuals

Local vendors made up

93%

of our supplier base in FY2025

Completed corruption-related risk assessments for

100%

of our operations ensuring full compliance and transparency

PROTECTING THE ENVIRONMENT AND NATURE

Improved refinery operations led to a

20% reduction

in Scope 1 (Direct Emissions) and Scope 2 (Indirect Emissions - Energy) emission intensity, even as production levels increased

100% hazardous waste

diverted from disposal at PDR,

90% at LPP

through recovery vendors

Planted

1,600 trees

to support the National

100 Million

Tree Planting Campaign

FOSTERING SOCIETAL WELL-BEING

Delivered a

10.7% increase

in total training hours, reaching 19,775 hours

FY2024: 17,860 hours

100% completion

of sustainability training among identified employees

ZERO

work-related fatalities and recorded LTI

ZERO

substantiated complaints concerning breaches of customer privacy and losses of customer data

Awards and Certifications

As at 31 December 2025

Awards and Certifications
As at 31 December 2025

AWARDS

01 43rd Malaysian Society for Occupational Safety and Health (MSOSH) Awards

Grand Award
- Port Dickson Refinery
- Bagan Luar Terminal
- Port Dickson Terminal
- Pasir Gudang JV Terminal*
- Kuantan Terminal*
- Sepangar Bay Terminal*

Gold Merit Award
- KLIA Aviation Depot
- Sandakan Terminal*
- Tawau Terminal*

Gold Class 1 Award
- Petron Section 24, Shah Alam, Selangor

Gold Class 2 Award
- Petron Simpang Jln Rozhan, Penang*
- Petron Chendering*
- Petron Semabok-Duyong, Melaka

Silver Award
- Petron Geliga, Terengganu

02 2024 National Occupational Safety and Health (NOSH) Award

Wholesale and Retail
- Petron Jalan Dato Keramat, Penang *(First-ever Petron Malaysia service station to receive the award)*

03 2024/2025 Prime Minister's Hibiscus Award (PMHA)

Excellent Achievement in Environmental Performance
- Pasir Gudang JV Terminal*

Notable Achievement in Environmental Performance
- Kuantan Terminal*
- Port Dickson Terminal
- Port Dickson Refinery
- Bagan Luar Terminal

04 2025 Malaysian Industrial Safety and Health Association (MiSHA) Asia Excellence Awards

MiSHA ASIA Platinum Award on OSH Principles of Prevention (OSHPoP)
- Pasir Gudang JV Terminal*
- Kuantan Terminal*

MiSHA ASIA Diamond Award on OSH Principles of Prevention (OSHPoP)
- Port Dickson Terminal
- Port Dickson Refinery

MiSHA Anugerah Kelisa Emas (Individu Cemerlang KKP) 2025

Mohd Nizam Mansor
General Manager of Petron Malaysia

* PMRMB's sister companies' stations or facilities

05 HR Excellence Awards 2025

Bronze Award for Excellence in Employee Engagement
- PMRMB



06 Malaysia's 100 Leading Graduate Employers

1. **2nd Runner-Up for Energy, Oil & Gas, Utilities**
2. **Ranked 21st overall in the Top 100** *(23rd in the 2024 list)*

- PMRMB

07 Malaysia e-Payments Excellence Awards 2025 (MEEA 2025)

Best In-Store Merchant
- Petron Fuel International Sdn. Bhd.**



CERTIFICATIONS

Genuine Product License

Certification and Marking of Engine Oils (for Motor Vehicles) Order 2024
- PMRMB



GreenRE

Gold Certification for Non-Residential Category
- Petron Mambau Northbound, Negeri Sembilan



** PMRMB's sister company

Five-Year Summary Charts

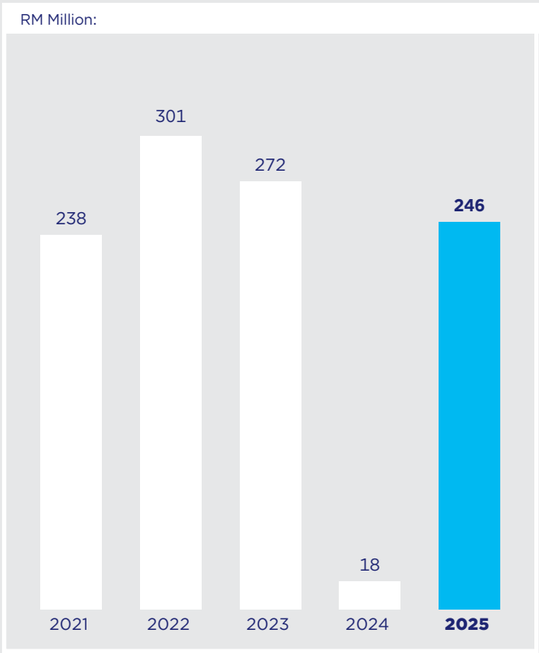
Financial Highlights

RM Million	2021	2022	2023	2024	2025
Revenue	9,183	18,350	17,216	15,838	13,425
Profit for the year	238	301	272	18	246
Total assets employed	4,295	4,764	4,697	4,653	3,655
Total equity	1,969	2,217	2,421	2,365	2,587
Sales volume (million barrels)	26.4	33.8	37.2	35.8	36.2

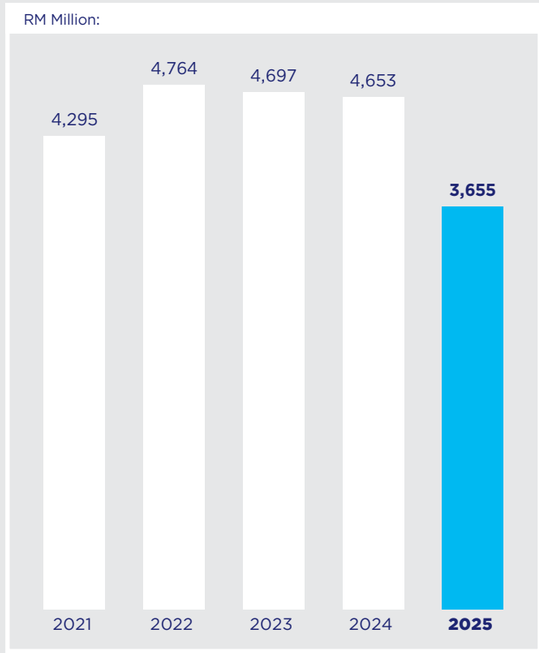
Shareholders' Information

	2021	2022	2023	2024	2025
Earnings per ordinary share (sen)	88.3	111.3	100.8	6.7	91.0
Dividends per ordinary share (sen)	20.0	25.0	23.0	10.0	20.0
Dividend yield (%)	4.4	5.1	5.1	2.2	5.4
Share Price (RM)					
- Highest	5.41	7.73	5.16	5.23	4.32
- Lowest	4.05	4.18	4.30	4.07	2.95
- Average	4.52	4.92	4.55	4.53	3.72
Number of employees at year-end	241	265	258	275	280

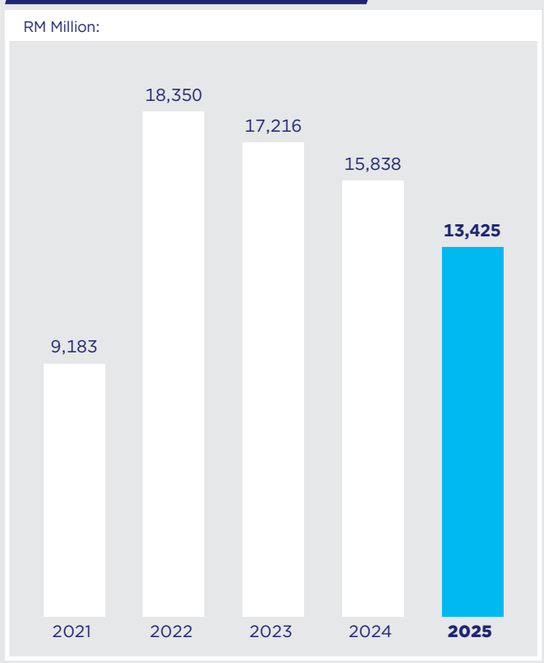
Profit for The Year



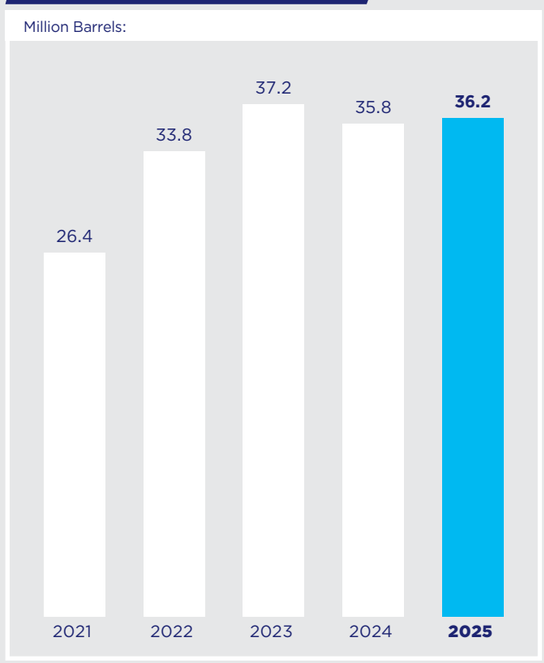
Total Assets Employed



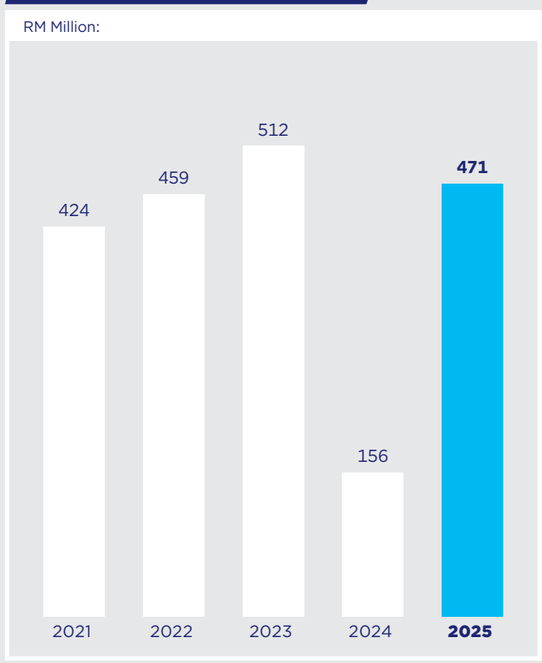
Revenue



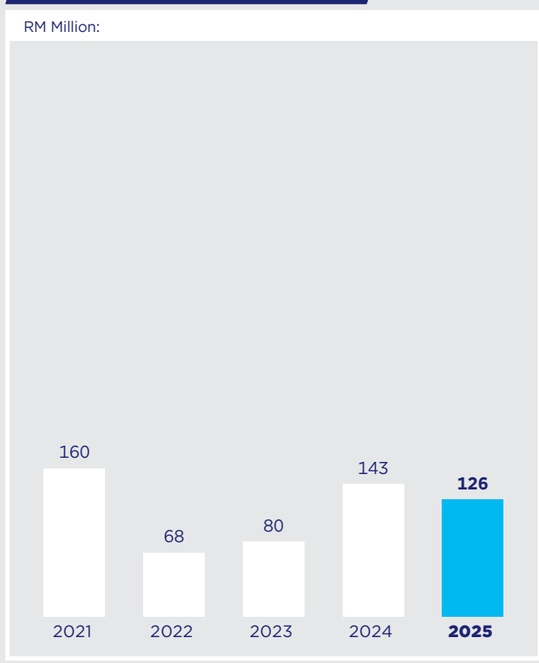
Sales Volume



EBITDA



Capital Expenditure



Chairman's Statement

DEAR SHAREHOLDERS,

2025 was a significant year for Petron Malaysia as it was marked by strong business momentum and operational excellence. Despite a volatile global oil market and local oil industry regulatory changes, our enhanced refinery operations and continued retail network expansion led to one of our best performances in recent years. Increased utilisation and optimised production at the Port Dickson Refinery improved margins and helped mitigate the unfavourable impact of market volatility. Alongside the continued growth of our commercial business despite tighter competition, our retail segment continued to provide a strong foundation to our network, adapting to market and regulatory shifts. Together, these allowed Petron Malaysia to deliver value across the downstream chain.



Ramon S. Ang

RAMON S. ANG
Chairman

NAVIGATING A DYNAMIC AND EVOLVING MARKET ENVIRONMENT

Geopolitical tensions, evolving trade relations, and tariff countermeasures continued to influence global economic stability and oil price movements. Dated Brent crude averaged around US$69 per barrel in 2025, 15% lower than the preceding year. Despite softer prices, regional refining margins remained healthy, thanks to robust demand for higher-value middle distillate products and accelerating mobility in key markets, particularly in the aviation and transport sectors. Supply risks also persisted throughout the year due to ongoing conflicts in the Middle East and Eastern Europe.

Domestically, the Malaysian economy remained resilient with a gross domestic product (GDP) growth of approximately 5.2%, supported by steady domestic demand and expanding services activity. Full-year inflation was moderate and stable at 1.4%. During the year, the Malaysian ringgit strengthened notably against the US dollar, appreciating by about 10%, reflecting firmer economic fundamentals and sustained capital inflows.





REVENUE

RM13,425 million

(FY2024: RM15,838 million)

TOTAL SALES VOLUME

36.2 million barrels

(FY2024: 35.8 million barrels)

STRONG FINANCIAL PERFORMANCE

While crude prices remained on a downtrend, which added pressure to our revenues, the Company enhanced its profitability through higher refinery utilisation and optimisation amid sustained sales and marketing programmes.

We achieved strong financial results in 2025, driven by resilient sales volumes, increased refinery output, ongoing retail network expansion, and growth across our key Commercial segments.

Full-year revenue reached RM13.4 billion, with gross profit improving to RM571 million, more than double the prior year's RM274 million. The resulting operating income of RM350 million translated to a net profit of RM246 million, a significant improvement from the RM18 million posted in 2024.

EXECUTING OUR STRATEGY

Enhanced Refinery Operations

The Port Dickson Refinery (PDR) achieved its highest production throughput since Petron assumed operations in 2012. As part of its crude mix optimisation strategy and through the Diesel Hydrotreater (DHT) facility, the PDR was able to maximise its capability to process a wider range of Malaysian crudes, particularly the more sour Kimanis and Kikeh grades. This enabled a more optimised crude slate, resulting in a better mix of higher-value products.

In 2025, PDR implemented process and equipment enhancements to further improve its performance. The catalyst usage of the Powerformer unit, which produces gasoline products, was further optimised. This gave us greater blending opportunities for more high-value gasoline while reducing low value by-product naphtha. By optimising recovery at cut point temperatures during the refining process, we achieved higher diesel production and reduced by-product Low Sulphur Waxy Residue (LSWR). Operational enhancements, particularly in the Bio-Sulphur Recovery (BSR) unit and the use of the new Variable Frequency Driver (VFD) facility, led to further reduction of gas flaring and emissions.



Process and equipment enhancements at PDR helped improve performance

Resilient Business Continuity Plan

In November 2025, during the onslaught of Tropical Storm Senyar, our marine product jetty facility at Port Dickson sustained structural damage which led to its collapse. All personnel were safely evacuated, with no injuries and no oil spill. However, the incident temporarily halted our refining operations, as the facility serves as a key hub for receiving imported finished products and blending components as well as exporting refinery products. As we promptly activated our Business Continuity Plan (BCP), we adjusted our supply chain to ensure supply continuity of products to our service stations and LPG customers. As of the date of this Statement, our priority is to restore our refinery operations and rebuild the product jetty facility while we continue to manage our temporary supply chain arrangements.

Expanded Retail Network and Elevated Customer Experience

In the year under review, Petron Malaysia strengthened its retail footprint in growth areas. As of end 2025, the Petron Group's retail network surpassed 830 service stations, exceeding the 800-station milestone achieved in 2024, further expanding our reach and market presence in the country.

Alongside network growth, we strengthened customer experience across our retail network, focusing on fuel quality, service reliability, transaction ease, and value delivery. Amid the implementation of targeted fuel subsidy rationalisation both for diesel and gasoline, we ensured a smooth and simplified transition experience for our customers.

As part of this effort, Petron introduced the PASTI OK campaign, a nationwide initiative reinforcing our commitment to deliver reliable service and well-maintained facilities. We simultaneously enhanced our Petron Miles loyalty system to expand and improve its functionalities. We also upgraded our forecourt Indoor and Outdoor Payment Terminals (IOPTs) for a more seamless and integrated customer experience with our PMiles loyalty and payment options, especially during the implementation of BUDI95.

Throughout the year, upgrades to service station facilities, enhancements to convenience stores, and the expansion of non-fuel offerings, such as Treats, Quick Treats, and various food and beverage partners, were introduced to elevate the overall Petron experience. By year-end, close to 80 brand partners and locators operated across our retail network, further enhancing the convenience and offerings available to customers. These initiatives reflect Petron's commitment to strengthening its position as a one-stop mobility and convenience destination, supported by high service standards and inclusive, customer-centric experiences across the network.

Strong Commercial Performance

In 2025, our Commercial segment delivered a solid performance across its key business lines. We expanded accessibility to our Liquefied Petroleum Gas (LPG) products to more than 220 service stations nationwide through the Gasul Cash & Carry programme. Targeted initiatives at service stations and festive engagement programmes further strengthened customer reach and brand presence.

Amid the continued air travel recovery, our aviation fuel business also recorded steady growth with new and sustained partnerships with airline customers. This reinforced our position as a reliable supplier for both domestic and international aviation players, underscoring the Group's strong operational capabilities and service standards.

Across our Industrial and Commercial (I&C) businesses, we increased volume supply to the power generation sector. We also recorded growth in subsidised sectors such as mini-stations and fisheries, following Government Automatic Pricing Mechanism (APM) adjustments. In the wholesale business, optimised diesel production at the refinery strengthened competitiveness and supported the segment's ability to meet evolving market demand.

Looking ahead, the Commercial segment will remain focused on growing profitable customer segments, strengthening long-term partnerships, and preparing for the future adoption of Sustainable Aviation Fuel in line with our commitment to operational excellence and long-term sustainability.



Availability of LPG products through the Cash & Carry programme expanded to more than 220 service stations

Sustained Operational Excellence

Operational resilience remained a cornerstone of Petron Malaysia's strategy. Our supply chain maintained its reliability through medium-term supply and chartering agreements, both with Petron Singapore and third-party suppliers, addressing the challenges in procuring crude, finished products and vessels from the region.

In 2025, almost all crude feedstock processed by our refinery was Malaysian Crude Oil (MCO), a testament to Petron Malaysia's commitment to support the local economy, while benefitting from the country's reliable supply of local crude. Importation of finished products was secured to augment production ensuring supply availability while gaining a cost advantage with the most advantageous costs of freight and premium obtained through Group synergy. Our robust and proactive commodity risk management provided us with the necessary protection to help mitigate the impact of volatile price movements, helping us meet our financial targets.

Petron Malaysia's commitment to safety earned multiple recognitions, including awards at the 43rd Malaysian Society for Occupational Safety and Health (MSOSH) Awards as well as local and regional recognitions from the Malaysian Industrial Safety and Health Association (MiSHA). The Group was also honoured with the Prime Minister's Hibiscus Award 2024/2025. These awards are a testament to our operational, safety, environmental and corporate governance excellence.

CHAMPIONING SUSTAINABILITY AND ESG LEADERSHIP

As our company continues to grow, we have also made significant progress in advancing our Environmental, Social, and Governance (ESG) initiatives.

Environment

In 2025, our refinery, which accounts for 95% of total emissions, achieved greater efficiency through optimised production runs and reduced flaring, supported by continued stable operations of the BSR unit and VFD facility. These improvements helped reduce Scope 1 or direct emissions while delivering superior product yields. We also implemented energy efficiency measures, strengthened waste and water management practices, and prepared for cleaner fuels and renewable energy adoption across our retail network. More of our stations are installing solar panels, while we continue to add electric vehicle charging facilities in new locations. The Petron Mambau Northbound station achieved the prestigious Gold certification from GreenRE, Malaysia's leading green building certification body, raising the bar for sustainable service stations.

Our Lumut Palm Methyl Ester (PME) plant continued to supply renewable biofuel to the market. Construction of our second PME facility at Port Dickson is advancing steadily, reinforcing our commitment to strengthening national biodiesel supply reliability and supporting Malaysia's renewable energy aspirations.



Bubur lambuk preparation during the 2025 Jelajah Ramadan bersama RTM programme

Social

Our social initiatives reached approximately 24,000 beneficiaries nationwide through flagship programmes like Jelajah Ramadan and Jelajah Aspirasi Malaysia – promoting education, environmental awareness and community welfare. This reinforces trust at the grassroots level and supports inclusive development.

With our people at the heart of Petron Malaysia's performance and competitiveness, we enhanced workplace practices and focused on employee engagement, capability development and inclusivity. We introduced our Person with Disabilities (PWD) Trainee Programme to provide structured opportunities for skills development and meaningful employment for PWDs. Our efforts to make Petron Malaysia an employer of choice earned us more recognition in 2025. We received the Bronze Award for Excellence in Employee Engagement at the HR Excellence Awards 2025 and were named 2nd runner-up in the Energy, Oil & Gas, Utilities category at the Malaysia's 100 Leading Graduate Employers Awards 2025.

Governance

Robust governance and risk oversight remained central to the Board's stewardship in 2025. The Company continued to maintain oversight through Board and Committee reporting, compliance and internal audits, and refinements to enterprise risk management and core controls, covering operational integrity, information security and business continuity.

Petron Malaysia continues to champion strong governance and effective risk oversight, supporting sustainable performance, operational resilience and long-term shareholder value. Further details are in the Corporate Governance Overview Statement (CGOS) and the Statement on Risk Management and Internal Control (SORMIC) in this Annual Report.

In line with Malaysia's National Sustainability Reporting Framework (NSRF), we are continuously enhancing our sustainability data collection and reporting practices, while strengthening governance and data capabilities to meet evolving disclosure requirements.

FUELLING A STRONGER 2026 AND BEYOND

Guided by a clear strategic direction and our refreshed vision and mission, Petron Malaysia remains focused on strengthening its core operations and product and service quality. These will help us navigate a challenging and evolving business environment amid shifting customer demand and preferences, as well as market volatility arising from developments in global trade and economic conditions, geopolitical tensions and the accelerating pace of the energy transition.

Building on the foundations laid in 2025, we are committed to further enhancing our facilities and business processes, expanding our retail network and elevating customer experience. At the same time, we will continue to strengthen our commercial performance and sustain operational excellence. We remain focused on delivering value to our stakeholders, particularly our customers, as we improve service reliability and convenience.

Looking ahead, we aim to resume our refinery operations and further strengthen our ability to support reliable fuel supply to our customers and markets. With strong fundamentals, a capable and future-ready workforce, and robust governance and sustainability practices, Petron Malaysia confidently enters the next phase of its journey. We are well-positioned to capitalise on emerging opportunities, delivering sustainable value to both our shareholders and the nation.

ACKNOWLEDGEMENTS

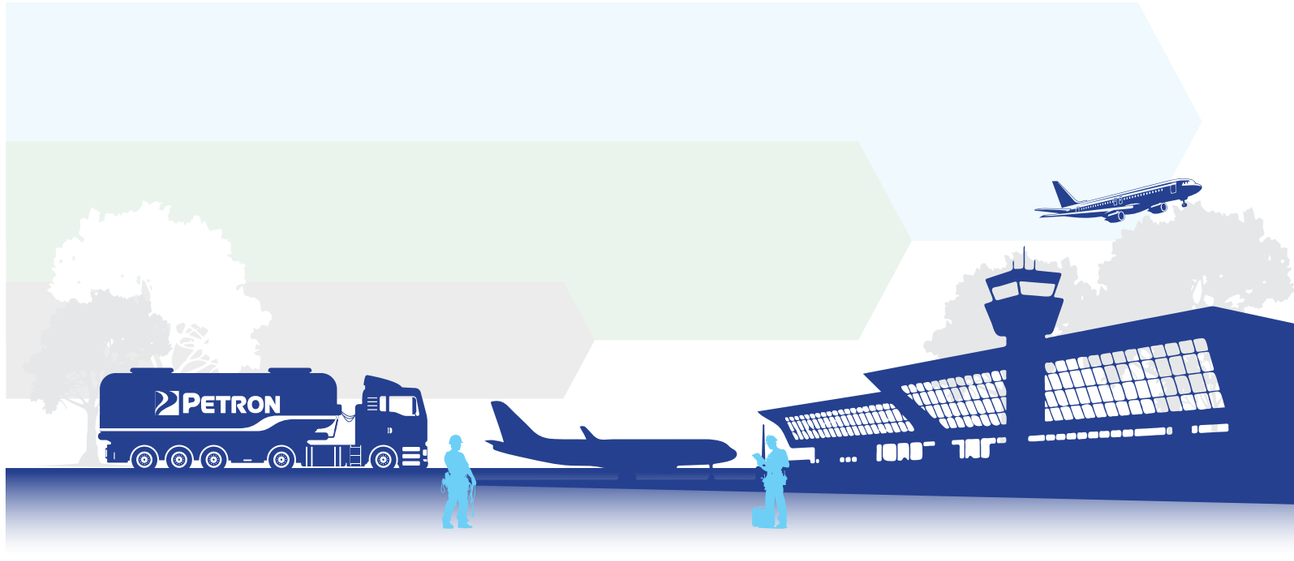
On behalf of the Board, I wish to express our sincere appreciation to our valued shareholders for their continued confidence and support. We are grateful to our customers, dealers and business partners, as well as government agencies, regulators, industry associations and local communities for their trust and collaboration. We also thank our contractors, service providers and media partners for their contributions throughout the year.

I would also like to express my appreciation to my fellow Board members and the Management team for their leadership and stewardship, and to our employees for their professionalism, resilience and commitment to safe, reliable and world-class operations.

I also wish to record our heartfelt gratitude to Mr. David Fong, our most senior Independent Director and a member of the Board Audit & Risk Management Committee, who will be retiring from the Board. We thank him for his many years of dedicated service, invaluable insights and wise counsel, which have contributed meaningfully to the Group's governance and development.

As we move forward, we value the continued trust of our stakeholders as we work together towards shared success and sustainable long-term growth.

RAMON S. ANG
Chairman



Management Discussion and Analysis

> In 2025, **Petron Malaysia Refining & Marketing Bhd** together with its sister companies, **Petron Fuel International Sdn. Bhd.** and **Petron Oil (M) Sdn. Bhd.**, (collectively known as "**Petron Malaysia Group**"), delivered a commendable year.

This was achieved through enhanced operational and financial performance, driven by a strong focus on business process optimisation and robust risk management programmes, while consistently delivering value and convenience-focused experiences to our customers.

ACHIEVING PROGRESS THROUGH EFFECTIVE STRATEGY EXECUTION

Despite a volatile global oil market and shifting domestic regulatory landscape, operational enhancements particularly the increased utilisation and optimised production yield by our Port Dickson Refinery (PDR) improved margins and enabled us to mitigate the impact of a volatile business environment. Further, the Retail segment continued to provide a strong foundation to our network as we expanded our reach to serve our customers better, while adapting swiftly to market and industry changes. Commercial business also delivered volume growth despite intensifying competition.

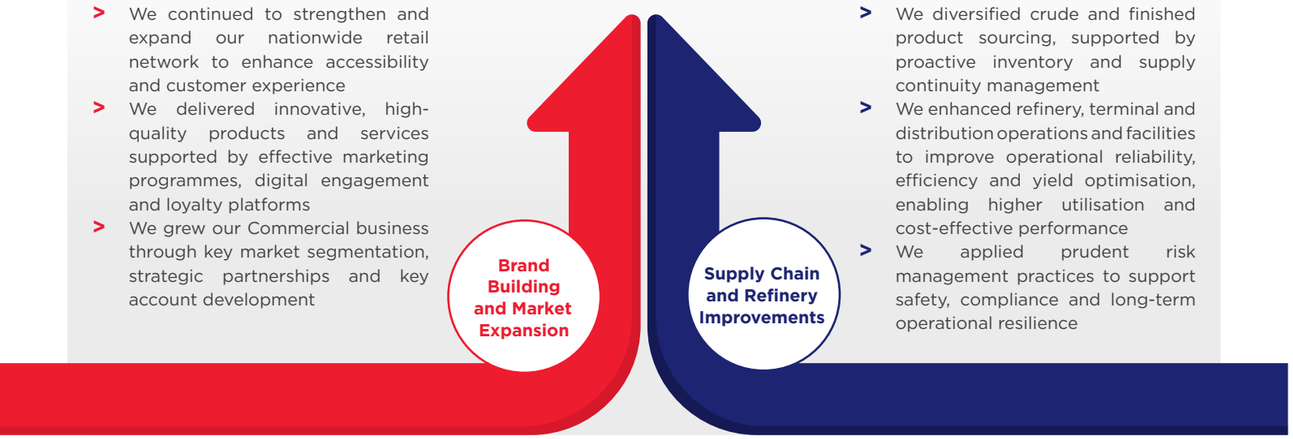
Our actions followed a clear strategic direction, underpinned by operational discipline, prudent risk and resource management and key investments in relevant infrastructure, information technology and security systems as well as operational capabilities. Together, these efforts strengthened our business resilience and reinforced our role as a trusted partner to motorists, households, businesses and industries nationwide as we continue to drive mobility and ensure energy security.

This Management Discussion & Analysis outlines our 2025 performance and the key factors that contributed to it.

OUR STRATEGIC OBJECTIVES

Amid a dynamic industry environment, Petron Malaysia strengthened its core businesses through consistent and well-executed programmes, while advancing operational resilience and sustainable value creation. The following strategic objectives continued to guide Management actions and were further advanced during the year:

- We continued to strengthen and expand our nationwide retail network to enhance accessibility and customer experience
- We delivered innovative, high-quality products and services supported by effective marketing programmes, digital engagement and loyalty platforms
- We grew our Commercial business through key market segmentation, strategic partnerships and key account development



- We diversified crude and finished product sourcing, supported by proactive inventory and supply continuity management
- We enhanced refinery, terminal and distribution operations and facilities to improve operational reliability, efficiency and yield optimisation, enabling higher utilisation and cost-effective performance
- We applied prudent risk management practices to support safety, compliance and long-term operational resilience

Business Segment Reviews

RETAIL



Adapting to a Changing Retail Environment

Targeted subsidy mechanisms, combined with increasingly dynamic consumer purchasing behaviour, have shaped a more regulated and competitive retail fuel market in Malaysia. In 2025, demand for motor gasoline products remained resilient, while retail automotive diesel fuel reflected some level of variability in customer buying patterns following tighter subsidy eligibility and stricter enforcement by the Government.

Petron Malaysia overcame these challenges as we delivered improvements in our products and services through enhanced service station facilities and processes, wider C-store product selections and value-adding marketing offers. These initiatives not only gave us a competitive edge in the market but also enabled us to align our operations with national policy objectives, further reinforcing Petron's reputation as a trusted fuel brand in Malaysia.

Strengthening the Network and Customer Engagement

We expanded our retail footprint to strengthen competitiveness, adding 34 new service stations and bringing the Group's total network to more than 830 stations nationwide as at end-2025. We prioritised high-traffic corridors and underserved locations, enhancing customer accessibility while ensuring cost-effective, high-return capital expenditure.

> **We expanded our retail footprint to strengthen competitiveness, adding 34 new service stations and bringing the Group's total network to more than 830 stations nationwide as at end-2025.**

Customer engagement initiatives in 2025 focused on building trust and strengthening our brand. Nationwide fuel awareness campaigns, festive promotions and exciting rewards were implemented to deepen customer connections.

Petron Malaysia introduced PASTI OK, a bold and heartfelt campaign reaffirming its commitment to delivering welcoming, inclusive, and consistent experiences for all customers. The initiative incorporates the Malaysian Sign Language (Bahasa Isyarat Malaysia) gesture for "PASTI OK", validated by the Malaysian Federation of the Deaf (Persekutuan Orang Pekak Malaysia). This expresses Petron's efforts to create a supportive environment for all members of the community and its commitment to making customers feel that everything is definitely OK through clean facilities, friendly crews and value-adding products, services and loyalty rewards. The campaign was a key highlight during the year, strengthening brand visibility by generating broad consumer exposure across television, radio, digital channels and out-of-home platforms.

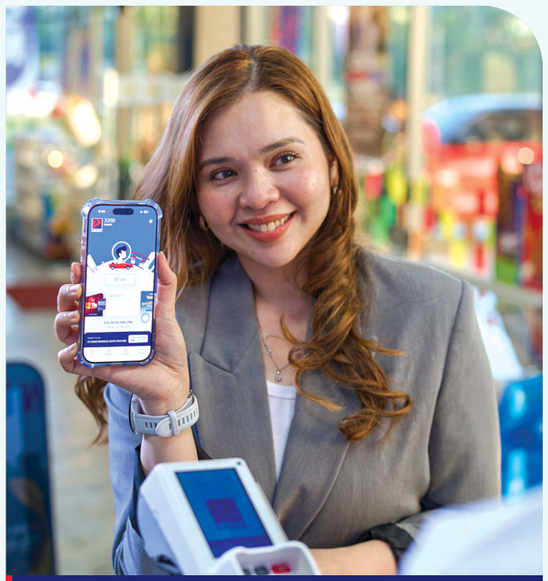
Management Discussion and Analysis

Building on this momentum, we implemented selected festive-period campaigns incorporating exciting rewards and station-level activities to sustain traffic and transaction volumes, especially during peak travel seasons. These initiatives enhanced everyday value and convenience, while supporting dealer participation and on-ground engagement across the retail network.

The PMiles loyalty programme, supported by the Petron Mobile Application (PMA), remained central to customer retention, uniquely integrating fuel pumps with the BUDI95 subsidy system. In 2025, we successfully upgraded our loyalty management system, enhancing functionalities for our loyal members and enabling more targeted, data-driven interactions. Through this upgrade, verification via MyKad at our upgraded forecourt Indoor and Outdoor Payment Terminals (IOPTs) facilitated seamless loyalty points accumulation, ensuring an integrated and frictionless experience across loyalty and payment options, especially during the transition phase to the BUDI95 targeted subsidy implementation.

App-exclusive promotions, partner-led redemptions, and collaborations with food and beverage partners further strengthened engagement, encouraged repeat visits, and deepened customer relationships.

Collectively, these initiatives reinforced Petron's commitment to delivering a convenient, rewarding, and digitally empowered experience across our retail network.



Petron Mobile Application (PMA) featuring unique integration between fuel pumps and the BUDI95 subsidy system

Enhancing Customer Convenience in Targeted Subsidy Adoption

In line with the Government's targeted subsidy initiatives for retail diesel and RON95 motor gasoline under BUDI95, Petron Malaysia strengthened its retail IT systems and customer-facing processes at station level in 2025. Key improvements included more robust eligibility verification at outdoor payment terminals and streamlined transaction workflows, as well as on-the-ground support through dedicated information booths during the transition phase to assist customers in adapting to the BUDI95 programme more conveniently.

To drive public understanding and adoption of BUDI95, we complemented our IT system enhancements with nationwide outreach efforts in collaboration with the Ministry of Domestic Trade and Cost of Living (KPDN). In addition to the on-site engagements and information booths at service stations, Petron Malaysia was the first oil player to offer the simplified "Semak, Bayar, Isi" ("Check, Pay, Fill") process, allowing customers to first verify their eligibility and track their allotment usage before committing to purchase and pay at the pump. This process enabled eligible users to better control their purchases and manage their allotment volume more effectively, providing the public with a convenient, value-added feature from Petron for a seamless transition to the targeted subsidy mechanism.

Concurrently, public education initiatives communicated the process clearly and conveniently, reinforcing awareness while minimising disruption. These efforts demonstrated our proactive role as a responsible and customer-focused retail operator aligned with national policy priorities.

Fleet Card Business Streamlining

In 2025, Petron's Fleet Card business achieved strong growth from both Commercial and Government accounts under the targeted subsidy programmes for the Subsidised Diesel Control System (SKDS) and the Subsidised Petrol Control Scheme (SKPS).

The growth was made possible by various improvements to our Fleet Card IT systems and streamlined processes, making the end-to-end experience smoother and faster. The upgraded SKDS 2.0 subsidy card was rolled out successfully, with SKPS also incorporated into the platform. These upgrades reduced application processing time and improved the resubmission process for rejected applications, enabling the Company to attract more new accounts while retaining existing customers, especially in the public transport and freight forwarding sectors.



Introduction of our very own natural mineral water

Petron also introduced next-day subsidy reimbursements for postpaid fleet cards, becoming the first in the industry to implement this feature. The iSPEK payment system was rolled out across seven states, providing an automated platform for government payments and reducing the need for manual processing.

System migrations and platform upgrades were completed smoothly, ensuring continuity and reliability of our Fleet Card business. Measures to align with regulatory requirements, including the updating of customers' Tax Identification Numbers (TINs) for e-invoicing compliance, were also largely completed. These initiatives strengthened the efficiency, reliability and regulatory readiness of Petron's Fleet Card system without causing disruption to our customers' day-to-day operations.

Growing Non-Fuel Business by Providing One-Stop Convenience

The Retail Non-Fuel Business continued to elevate the overall customer experience while expanding additional revenue opportunities. During the year, we introduced our Treats Natural Mineral Water across all service stations in Peninsular Malaysia. We also enhanced partner-led food and beverage options, including additional outlets from ZUS Café, Dunkin' and Putu Bambu World, alongside the expansion of allied services such as car wash facilities.

Building on Petron Malaysia's industrial-style retail concept, we complemented these efforts with targeted enhancements to station design and layouts. We refined our convenience store Treats and Quick Treats booth formats, food counter upgrades and selected forecourt and internal layout designs. These enhancements improved customer flow, convenience and operational efficiency while optimising non-fuel revenue growth. Sustainability considerations were also integrated into these upgrades, including energy-efficient lighting and design features aligned with Petron's broader environmental objectives.

By year-end, we had approximately 78 allied business outlets operating across our Retail network, further transforming our service stations into convenient one-stop centres. Targeted promotions and curated product offerings further grew non-fuel sales while maintaining operational efficiency for dealers.

Advancing Sustainability at the Retail Level

Sustainability remained a strategic priority of Petron Malaysia's Retail business. We accelerated the rollout of energy-efficient lighting, rainwater harvesting systems and solar panel installations at our service stations. By end-2025, the Group had 53 stations already equipped with solar panels, with more in the pipeline. These initiatives supported energy efficiency and contributed to longer-term emission reduction goals. Meanwhile, in coordination with Tenaga Nasional Bhd (TNB), we introduced electric vehicle (EV) charging infrastructure in selected stations beyond major urban centres, increasing accessibility for EV users while supporting the nation's thrust towards sustainable energy usage.

Through the Sapot Lokal programme, we empowered local entrepreneurs by expanding participation across stations and vendors, enhancing socio-economic impact while diversifying the Retail offering.

We strengthened community engagement nationwide. Through our flagship programmes such as Jelajah Ramadan and Jelajah Aspirasi Malaysia in collaboration with Radio Televisyen Malaysia (RTM) and other strategic partners, the Group engaged communities across 11 states, reaching approximately 24,000 beneficiaries. We provided support in the form of essential aid, festive assistance and community-based activities, through contributions made in both cash and in kind. These efforts reinforced Petron Malaysia's role as a responsible oil player with a meaningful presence in local communities, aligned with the Group's broader sustainability priorities.

Upholding Service Excellence and Safety Across Our Retail Network

Service quality and customer safety remained a central consideration for us. Under our "Tandas Kita Bersih" programme, a total of 644 service stations of the Group were assessed, with 555 stations or approximately 86 percent achieving four and five star ratings for restroom cleanliness and functionality. Prayer facilities across the network also underwent Qibla certification, with certified stations increasing by 98 to reach 370, enhancing convenience for customers during their travel.

The PASTI OK campaign also reinforced service excellence across our stations, with selected station dealers providing employment opportunities to hearing-impaired staff under the Person with Disabilities (PWD) initiative. These initiatives enhanced workforce diversity while ensuring high-quality service delivery, contributing to a customer experience that is both reliable and inclusive.

We bolstered safety across our Retail network through structured dealer training and regular safety audits, reinforcing rigorous safety standards in line with Department of Occupational Safety and Health (DOSH) requirements. Community safety initiatives under the Go-To-Safety-Point (GTSP) programme were enhanced through refresher sessions, state-level engagement activities and the deployment of Automated External Defibrillator (AED) units at selected stations. In collaboration with the Royal Malaysia Police (PDRM), the majority of Petron Group service stations continued to operate as GTSP locations, supporting community safety and emergency response nationwide. Collectively, these initiatives strengthened service consistency, inclusivity and safety across our retail network.



Petron PASTI OK grand launch at Petron Shah Alam Seksyen 24

Recognised for Retail Excellence

The consistent application of service quality and safety measures across our retail network translated into tangible outcomes in 2025. Building on strengthened training, audits and safety practices implemented during the year, several Petron service stations earned external recognition for their commitment to occupational safety, operational discipline, and customer well-being.

At the 43rd Malaysian Society for Occupational Safety and Health (MSOSH) Awards, our service stations were recognised for exemplary occupational safety and health practices. These included Section 24, Shah Alam, Selangor (Gold Class 1 Award); Simpang Jalan Rozhan, Penang; Chendering, Terengganu; and Semabok–Duyong, Melaka (Gold Class 2 Awards); as well as Geliga, Terengganu (Silver Award).

Petron Jalan Dato Keramat in Penang was the first Petron Malaysia service station to receive national-level recognition under the Wholesale and Retail category at the National Occupational Safety and Health (NOSH) Awards. Petron Mambau Northbound, Negeri Sembilan was awarded GreenRE Gold Certification. This milestone provides a strong model for the development of similar service stations, reinforcing our commitment to sustainable retail design. Together, these recognitions reflect the strength of our service quality, safety discipline and sustainable retail practices, providing a solid foundation for sustained enhancement of our retail network.

As we move forward, we will continue to fortify the resilience and competitiveness of our retail operations, delivering safe, reliable and customer-focused services across our network. We remain committed to enhancing station productivity, deepening digital and loyalty engagement, and expanding non-fuel products and service offerings. We will continue with relevant network upgrades and support evolving mobility and sustainability trends, ensuring that Petron Malaysia remains a trusted, innovative, and customer-centric energy partner nationwide.

Business Segment Reviews

COMMERCIAL



Continued Progress in the LPG Business

During the year, our Gasul Liquefied Petroleum Gas (LPG) business provided better accessibility and convenience for customers. The Gasul Cash & Carry programme further expanded with an additional 22 sites, now operating at more than 220 service stations nationwide. This reflects Petron Malaysia's commitment to providing ready access to LPG cylinders even beyond usual business hours at regulated prices and without additional delivery charges.

Targeted station-based and on-ground activities, including a nationwide contest and customer engagement initiatives during festive periods, strengthened both LPG and station sales performance. These initiatives reinforced brand visibility and relevance during peak household demand periods. Moving forward, our LPG business will continue to enhance accessibility and service reliability to support continued sales growth.

Steady Growth in the Aviation Business

The aviation fuel business delivered steady growth in 2025. Jet fuel volumes increased year-on-year, propelled by new airline customers and renewals of existing supply arrangements. This affirms customer confidence in Petron Malaysia's operational and service standards recognised by both local and international airlines. Moving forward, Petron will continue to work on meeting the demand in the aviation fuel industry to strengthen its position in the market.

> **The Gasul Cash & Carry programme further expanded with an additional 22 sites, now operating at more than 220 service stations nationwide.**

Resilient Industrial and Commercial Performance

Across our Industrial and Commercial (I&C) businesses, Petron grew supply volumes to key accounts such as the power generation sector. We also increased profitability from subsidised sectors such as mini-stations and fisheries, following Government Automatic Pricing Mechanism (APM) adjustments.

2025 marked the first full year of the revised diesel targeted subsidy for Retail, influencing market pricing conditions and customer demand in the wholesale fuel industry. Despite volatility in the industry, Petron Malaysia mitigated these challenges and even improved its sales volume year-on-year, supported primarily by higher production from PDR. This was supported by operational synergies and efficiencies across the Company, supporting competitive supply of diesel fuel products to both Commercial and Wholesale accounts.

Management Discussion and Analysis

Business Segment Reviews

REFINERY, SUPPLY AND DISTRIBUTION



Enhanced Refinery Operations

In 2025, supported by an optimised crude feedstock mix, PDR achieved its highest production throughput since Petron began operating the refinery in 2012. This effort underpinned improved refining performance and reinforced the refinery's role as a critical pillar of supply reliability.

Through the Diesel Hydrotreater (DHT) facility, PDR continued to maximise its capability to process a wider range of Malaysian crude oil grades, including more sour Kimanis and Kikeh crudes. This enhanced process flexibility enabled a more optimal feedstock slate, yielding higher-value products while reducing lower-value by-products.

Several process and equipment enhancements were implemented during the year to reinforce our refining performance. Catalyst usage in the Powerformer unit was further optimised, providing increased blending of lower value naphtha by-products into higher value gasoline. The optimal refining operations resulted in higher production of diesel and reduced by-product Low Sulphur Waxy Residue (LSWR). Enhancements to the Bio-Sulphur Recovery unit, along with the installation of a new Variable Frequency Driver (VFD) facility, contributed to lower fuel gas flaring and emissions, strengthening both operational efficiency and environmental performance. These contributed to improved refining margins during the year, which significantly helped in mitigating the impact of price volatility, while sustaining safe and stable operations.

> **Through the Diesel Hydrotreater (DHT) facility, PDR continued to maximise its capability to process a wider range of Malaysian crude oil grades.**

Resilient Business Continuity Plan

In late November 2025, Tropical Storm Senyar, the third tropical storm to affect Malaysia, caused significant structural damage to the Company's marine product jetty facility at Port Dickson, resulting in its collapse into the sea. All personnel on site were safely evacuated, with no injuries and no oil spill or environmental impact. Consequently, the inoperability of the marine product jetty prevented PDR from exporting its by-products LSWR and naphtha which could lead to potential tank storage overflow. Due to this, Petron Malaysia had to temporarily halt its refining operations by year-end.

Petron Malaysia promptly activated its Business Continuity Plan (BCP) and swiftly re-aligned its supply chain to ensure the uninterrupted supply of controlled products such as gasoline and diesel to its service stations, as well as LPG to its customers.

Rebuilding efforts for a replacement jetty have already begun, alongside debris clearing operations at the seabed where the old jetty collapsed. The Company plans to construct a new jetty at the same location.

Managing the impact of Tropical Storm Senyar demonstrates Petron's resilience and ability to manage unprecedented situations, all while upholding our commitment to providing uninterrupted supply of petroleum products to the market.

Sustaining Operational Excellence Amid Challenges

We sustained our supply chain reliability, supported by medium-term supply and chartering agreements from both third parties and related party Petron Singapore. These arrangements helped address challenges in the procurement of crude, sale and purchase of finished products and components, as well as chartering vessels from the region.

In 2025, almost all crude feedstock processed by the refinery was Malaysian Crude Oil (MCO), reflecting Petron Malaysia's commitment to supporting the local economy while benefitting from domestic supply. For imported finished products, import-related costs were optimised, ensuring supply availability while also providing us a cost advantage. Our robust and proactive commodity risk management programme provided the necessary mitigation against volatile price movements, enabling the Company to achieve its financial targets.



Implementation of key terminal facility upgrades strengthened our terminal and distribution network

Across our terminal and distribution network, we implemented key terminal facility upgrades, maintenance programmes and asset integrity initiatives to strengthen safety, reliability and operational readiness. These included the completion of bulk LPG facility relocation within Port Dickson Terminal (PDT), tank maintenance and repairs at selected terminals, and ongoing dredging works at Bagan Luar Terminal (BLT) port to support safe and efficient marine port operation.

Throughout the year, our comprehensive and robust business continuity planning, disciplined operating practices, preventive maintenance initiatives and proactive risk management enabled us to sustain reliable supply across our retail network and commercial accounts, even amid infrastructure upgrades and external disruptions.

Strengthening Safety Culture and Performance Stewardship

We preserved our culture of operational excellence and safety in 2025. At PDR, we achieved 5.45 million man-hours without a Loss Time Injury (LTI), maintaining a record of four years and 10 months without an LTI. Our Distribution and Terminal Operations (DTO) also delivered an exceptional safety performance, surpassing 40 million safe man-hours and sustaining 28 consecutive years without LTI. These milestones reflect our continued safety commitment through robust safety systems, regular audits and ongoing training, ensuring the well-being of our workforce and the integrity of our operations.

Our refinery and terminal facilities retained their Integrated Management System (IMS) certifications under ISO 9001, ISO 14001 and ISO 45001 following successful audits. In recognition of our strong safety and operational performance during the year, the Group received multiple national-level awards for our refinery and terminal operations. These included top-tier recognitions at the MSOSH Awards in the petroleum, gas and petrochemical sectors.

The Group was also conferred the Prime Minister's Hibiscus Award 2024/2025, reflecting national recognition for environmental management and performance, with the Excellent Achievement Award presented to Pasir Gudang Joint-Venture (JV) Terminal and Notable Achievement Awards to PDR, PDT, BLT and Kuantan Terminal.



Strengthening renewable energy capabilities through reliable operations at our Lumut Palm Methyl Ester (PME) plant

At the Malaysian Industrial Safety and Health Association (MiSHA) Asia Prime Awards 2025, our sister company's Pasir Gudang JV Terminal and Kuantan Terminal received Platinum Awards, while PDT and PDR were conferred Diamond Awards. Individual leadership recognition in occupational safety and health was also awarded under the MiSHA programme. These awards are a testament to our excellence in operational performance, safety, environmental stewardship, and overall corporate governance.

Powering the Future with Renewable Energy and Biodiesel

We strengthened our renewable energy capabilities to support Malaysia's biodiesel programme, with the Lumut Palm Methyl Ester (PME) plant operating reliably throughout the year, supplying PME for our northern and central Peninsular Malaysia terminals. Moreover, the PME plant retained its Malaysia Sustainable Palm Oil (MSPO), ISO 9001:2015 (Quality Management System), Halal and Kosher certifications.

The plant played a critical role in ensuring consistent PME supply, supporting uninterrupted terminal operations and compliance with national biodiesel requirements.

To meet growing biodiesel demand in Malaysia, Petron is constructing its second PME plant adjacent to the PDR. Once operational, the Port Dickson PME plant will enhance supply flexibility and quality, improve logistics efficiency and support more biodiesel blending operations across Peninsular Malaysia.

The facility will produce PME in accordance with the requirements set by the Ministry of Investment, Trade and Industry (MITI) and applicable regional trade agreements, including the ASEAN–China Free Trade Area (ACFTA), ASEAN–India Free Trade Area (AIFTA) and the ASEAN Trade in Goods Agreement (ATIGA). It will serve the biodiesel requirements of our central and southern Peninsular Malaysia terminals, reducing our carbon footprint while advancing Malaysia's biodiesel programme and aligning with national energy transition objectives.

As we stride forward, Petron Malaysia will continue to focus on operational optimisation, disciplined capital investment and infrastructure upgrades across our supply, refining, distribution and service station network. These initiatives will reinforce fuel supply reliability, improve cost efficiency and support our role as a trusted energy provider in delivering affordable, secure and sustainable energy for the nation.

Management Discussion and Analysis

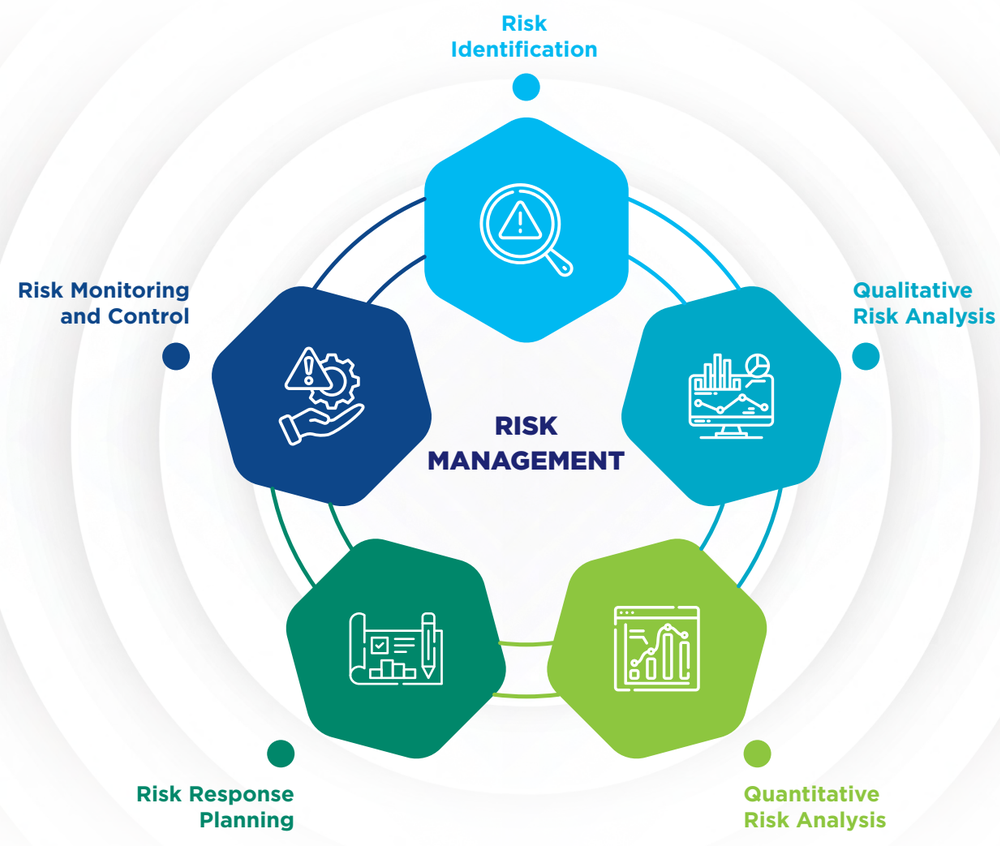
RISK MANAGEMENT

Petron Malaysia is committed to safe, reliable and sustainable operations through the consistent application of sound risk management practices across the Group. We take a proactive approach to identifying, assessing and mitigating risks by embedding robust policies, processes and management systems throughout our operations. Our people play a critical role in executing these frameworks with discipline, ensuring regulatory compliance and high standards of operational performance.

The Board Audit & Risk Management Committee oversees the principal risks associated with operating in the downstream oil and gas sector. These include crude oil price volatility, foreign exchange movements, regulatory compliance, supply chain reliability, environmental and sustainability considerations, workplace safety and workforce-related matters. Through structured oversight and active management, we remain responsive to a dynamic operating environment.

Our management integrity framework integrates enterprise-wide risk management with strong internal controls, enabling us to anticipate and manage risks systematically. This supports business continuity, safeguards operational performance and underpins long-term value creation.

Our Risk Management Strategy is illustrated in the following diagram:



Any condition or situation that could adversely affect Petron Malaysia's performance is considered a risk. The sections below outline the key risk categories relevant to the Company and the mitigation measures in place.

Management Discussion and Analysis

Operational Risk

Operational risks may arise from disruptions to refinery and terminal operations, equipment failures, cybersecurity threats or environmental incidents, which could affect supply chain reliability. We manage these risks by maintaining the operational integrity of our facilities, including the PDR, Lumut PME plant and fuel terminals.

While our facilities are designed and operated in accordance with stringent industry standards, unplanned incidents may occur. These may include adverse weather conditions such as tropical storms and prolonged heavy rainfall during the seasonal monsoon, which may disrupt retail, refinery and terminal operations and pose safety hazards. We mitigate these risks through strong operational discipline, preventive maintenance, continuous improvement and relevant business continuity plans, supporting stable operations and minimising supply disruptions.

All operating sites are required to comply with Petron's Operations Integrity Management System (POIMS), which sets consistent standards for safety, reliability and environmental protection. In addition, as a member of the Petroleum Industry of Malaysia Mutual Aid Group (PIMMAG) and Oil Spill Response Limited (OSRL), we maintain readiness to respond to oil spill incidents in domestic and international waters.

As our operations rely increasingly on information technology, cybersecurity remains a key focus area. We manage cyber risks through layered security controls, supported by a tailored Information Security Management System (ISMS) adapted from our parent company's framework to safeguard data integrity, system availability and operational continuity.

We also integrate governance, environmental and social considerations into our operating practices to address sustainability-related risks. Further details are provided in the Risks and Opportunities sub-section of the Sustainability Report.

Financial Risk

Petron is exposed to financial risks arising from crude oil price volatility, foreign exchange fluctuations and the timing of government subsidy reimbursements. These risks are managed through disciplined financial planning and proactive mitigation measures. We also maintain adequate banking facilities that provide us ready access to external funds should the need arises.

Our Commodity Risk Management Committee meets regularly to assess market conditions and implement strategies to manage price volatility, including inventory optimisation and hedging where appropriate. Foreign exchange exposures are managed through hedging of United States dollar-denominated transactions with established banking counterparties.

To ensure timely receipt of government subsidies that are critical in our operational cash flow and working capital, we maintain close engagement with government agencies and proper compliance with the submission requirements for the subsidy claims. Ongoing dialogue with regulators enables us to be proactive and promptly respond to policy or regulatory changes.

Strategic and Market Risk

Shifts in market conditions, regulatory requirements and customer expectations require us to remain agile while maintaining product quality, environmental compliance and competitive positioning. Our ability to adapt to these developments supports continued relevance and resilience.

Product quality risks are managed through a comprehensive quality management system, supported by strict controls and timely resolution of quality-related issues. Our refinery and fuel terminal operations in Peninsular Malaysia operate under an Integrated Management System (IMS) aligned with ISO 9001 for Quality Management, ISO 14001 for Environmental Management and ISO 45001 for Occupational Health and Safety. Compliance is validated through regular external audits by SIRIM, while terminals in Sabah also maintain ISO 9001 certification.

Environmental risks are managed through compliance with applicable regulations and the integration of resource efficiency, waste and water management and pollution prevention measures into daily operations. We also engage actively with local communities near our operating sites, reinforcing responsible business practices.

Hazard Risk

Hazard-related risks, including workplace incidents, environmental hazards and emergency situations, require a high level of preparedness. We address these risks through structured planning, regular training and continuous improvement of our safety frameworks.

Our Emergency Response Plan (ERP) and BCP provide clear protocols for managing operational disruptions and cyber-related incidents. Regular drills are conducted across business units to ensure teams are prepared to respond effectively. Employee health and safety remain a priority, supported by ongoing training, preventive measures and periodic reviews of emergency preparedness.

Through the disciplined application of robust risk management practices, Petron Malaysia safeguards its operations and reinforces its position as a trusted energy provider. This approach supports operational stability, enables effective navigation of industry risks and underpins long-term, sustainable value creation.

Management Discussion and Analysis

STRONG FINANCIAL PERFORMANCE

Petron Malaysia delivered improved financial performance in 2025 amid a volatile oil market due to ongoing global economic and geopolitical tensions. Dated Brent crude averaged approximately US$69 per barrel, 15% lower than in 2024, influenced by increased global supply, moderating demand growth in key markets and evolving geopolitical developments. While market conditions were more stable in relation to the sharper fluctuations experienced in 2024, price volatility persisted and oil prices were on a declining trend during the year.

Total domestic sales volume for the year reached 23.4 million barrels, sustained from the prior year, supported by continued strength in the Commercial segment and stable demand for gasoline, diesel and aviation fuel. Commercial sales volumes recorded further growth of 8% year-on-year, supported by higher refinery production. This partially offset the slight demand dip in the retail segment given the full year impact of the diesel targeted subsidy programme in 2025.

Total sales volume amounted to 36.2 million barrels, compared with 35.8 million barrels in 2024, supported by improved refinery utilisation and enhanced operational stability. Revenue for the year stood at RM13.4 billion, lower than RM15.8 billion in 2024, primarily reflecting the softer oil price environment, partially mitigated by higher sales volume.

Nevertheless, gross profit significantly increased to RM571 million, from RM274 million in 2024, driven by the overall improvement in refining margins resulting from higher plant utilisation and optimised production.

As a result, operating income rose to RM350 million, a significant uplift from RM60 million in the prior year. With reduced financing costs due to lower working capital requirements, net profit reached RM246 million against RM18 million in 2024, attributable to various operational enhancements and effective financial management amid a volatile market environment.

Financial Position

We ended 2025 with total assets of RM3.7 billion against RM4.7 billion in 2024. Movements during the year were primarily driven by changes in working capital, including inventories and trade receivables, in line with sales volumes and oil price movements.

Total liabilities amounted to RM1.1 billion, a significant reduction from RM2.3 billion in 2024, resulting from repayment of short-term borrowings and lower trade payables in line with lower oil prices and working capital requirements. We continued to maintain a prudent capital structure, supported by adequate liquidity headroom and committed banking facilities.

Capital Expenditure

Capital expenditure totalled RM126 million, slightly below the prior year's RM143 million. Spending remained focused on the Port Dickson PME plant expansion, refinery and terminal upgrades, supply chain enhancements and retail network development, supporting operational reliability, efficiency improvements and long-term growth initiatives.

Shareholders' Equity

Our share capital stood unchanged at RM143 million as at end 2025. Meanwhile, retained earnings increased to RM2.4 billion, up from RM2.2 billion in 2024, attributable to higher profitability during the year after taking into account dividend distributions.

Dividends

At the Annual General Meeting held in June 2025, shareholders approved a dividend payout of 10 sen per share translating to RM27 million in respect of the financial year 2024. For the financial year 2025, the Board is recommending a dividend payout of 20 sen per share or RM54 million, representing 22% of net profit for the year.

This recommendation considers our earnings performance, cash flow position, working capital requirements and planned capital expenditure, while maintaining a balanced approach to shareholder returns and financial resilience. It was also a prudent stance given the potential impact of the PDR marine jetty outage and replacement cost on the cash and financial performance of the Company in 2026 coinciding with the dividend payout.

LOOKING AHEAD

While past performance provides a strong foundation, it does not necessarily indicate future outcomes. Early developments in 2026 already suggest a more challenging environment, particularly with the escalation of conflicts in the Middle East, which has created disruptions across the global energy industry. While we remain hopeful for a swift resolution, our priority continues to be maintaining business stability and ensuring reliable fuel supply to support customers and communities nationwide.

The operating environment in 2026 is expected to remain dynamic, shaped by moderating global oil demand growth, geopolitical uncertainties, evolving regulatory requirements and the accelerating energy transition. The downstream market is likely to remain competitive amid subsidy reforms, energy efficiency measures, and shifting customer demand and preferences.

Petron Malaysia will continue to strengthen its core operations and customer propositions, guided by clear strategic direction and robust operational discipline. The Group will focus on expanding its retail network, enhancing station productivity and customer experience, and growing non-fuel offerings. Within the Commercial segment, efforts will prioritise higher-margin opportunities, careful management of customer accounts and product portfolio, and readiness to support future low-carbon energy solutions.

Petron Malaysia looks forward to resuming its refinery operations and the full replacement of its Port Dickson marine jetty facility. The Company will also prioritise stable and efficient terminal operations, supported by continued efficiency initiatives and robust risk management practices. The commissioning of new facilities, including the Port Dickson PME plant is expected to further strengthen internal supply resilience and support future growth of sustainable biodiesel products.

Guided by strong fundamentals, a capable and future-ready workforce, and a robust governance framework and sustainable practices, Petron Malaysia is well positioned to navigate the evolving business landscape. By balancing growth, operational discipline, and sustainability, Petron remains committed to delivering long-term value, supporting Malaysia's energy security, and maintaining its position as a trusted, future-ready energy provider.



Sustainability Statement

ABOUT THIS REPORT

"This Sustainability Statement (Statement) provides an overview of Petron Malaysia's initiatives and performance for the financial year ended 31 December 2025. It outlines our progress in addressing our Material Matters and highlights ongoing efforts to embed sustainability considerations across the Group."



Reporting Period, Scope and Boundaries

This Statement covers Petron Malaysia Group, which includes Petron Malaysia Refining & Marketing Bhd, Petron Fuel International Sdn. Bhd. and Petron Oil (M) Sdn. Bhd., for the period 1 January to 31 December 2025, unless stated otherwise. The reporting boundary reflects impacts arising from activities within the Group's operational control.

Reporting Framework and Standards

Our 2025 Statement has been prepared with reference to the following standards and frameworks:

- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Bursa Malaysia Main Market Listing Requirements (MMLR)
- Malaysian Code on Corporate Governance (MCCG) of Securities Commission Malaysia 2021
- Global Reporting Initiative (GRI) Standards
- GRI 11: Oil and Gas Sector 2021 Standards
- GHG Protocol Corporate Accounting and Reporting Standard
- United Nations Sustainable Development Goals (UN SDGs)
- FTSE Russell ESG Score
- United Nations Global Compact Guiding Principles
- International Sustainability Standards Board (ISSB) Sustainability Accounting Standards Board Disclosures

We have applied recognised sustainability reporting principles in preparing this Statement, including balance, comparability, clarity, completeness, reliability and accuracy, to support transparent, consistent and accountable disclosures.

In preparation for the implementation of Malaysia's National Sustainability Reporting Framework (NSRF), the Group is strengthening its reporting foundations by incorporating relevant Sustainability Accounting Standards Board (SASB) disclosures as supplementary reference. This supports the data discipline and disclosure readiness needed for the phased implementation of the IFRS Sustainability Disclosure Standards, issued by the International Sustainability Standards Board (ISSB) in line with Bursa Malaysia's Main Market Listing Requirements (MMLR), from FY2026 onwards.



Independent Assurance

To ensure the accuracy and transparency of our disclosures, key environmental data presented in this report was internally reviewed by the Internal Audit team of our intermediate holding company, Petron Corporation.

- Climate Change and Greenhouse Gases (GHG)
- Air Emissions and Pollution Management
- Waste and Circular Economy
- Water Management
- Natural Resources
- Biodiversity

External consultants were engaged to re-evaluate the 2023–2024 GHG emissions inventory for the Port Dickson Refinery and Terminal. Moving forward, we will continue to enhance the accuracy and quality of our data to strengthen our reporting.

Board of Directors' Approval

The performance of our Material Matters was presented to the Board of Directors on 18 March 2026.

Feedback

We value the perspectives of our stakeholders and welcome your feedback as we continue to strengthen our disclosures and create long-term value and meaningful impact through our sustainability efforts. For any comments or enquiries, please contact us at corporate.sustainability@petron.com.my.

SUSTAINABILITY FRAMEWORK

"At Petron Malaysia, our Sustainability Framework forms the core of our approach to sustainability and long-term value creation. Anchored on three focus areas – Economic, Environmental and Social – the framework guides our sustainability strategy across the business."



This framework is further strengthened by embedding Petron Malaysia's updated vision and mission, together with our ExCITES core values of Excellence, Customer Focus, Innovation, Teamwork, Ethics and Safety, into our sustainability approach. By doing so, we ensure that our initiatives are firmly grounded in our day-to-day operations, enabling a more cohesive and practical approach across the Petron Group.

OUR VISION

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

OUR MISSION

We will achieve this by:

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

OUR VALUES



OUR FOCUS AREAS

ECONOMIC
Advancing Ethical Business Growth

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

- Generating Economic Benefits
- Ethical Business Practices

- **CUSTOMER FOCUSED**
- **EXCELLENCE**
- **ETHICS**



ENVIRONMENTAL
Protecting The Environment and Nature

To ensure operational **EXCELLENCE** and adopt **INNOVATIVE** solutions to promote the responsible use of resources, reduce GHG emissions, minimise adverse environmental impacts and transition to low carbon operations

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

- **EXCELLENCE**
- **INNOVATION**



SOCIAL
Fostering Societal Well-Being

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

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

- **TEAMWORK**
- **SAFETY**



OUR APPROACH TO SUSTAINABILITY

At Petron Malaysia, we acknowledge that our operations influence both the environment and the communities we serve. Guided by this responsibility, we embed sustainability into our business practices, ensuring that operational growth aligns with environmental stewardship and long-term value creation.

As we delivered a robust business performance in 2025, Petron understands that business results and sustainability can be complementary by integrating sustainability into our core business strategy and operations. Strategic investments, such as the Bio-Sulphur Recovery unit and the Variable Frequency Driver system, improved operational efficiency and reduced gas flaring, which ultimately led to lower emissions intensity. We further advanced energy-efficiency measures, strengthened waste and water management practices, and prepared for cleaner fuels and renewable energy adoption across our retail network. These collective efforts allowed us to deliver business performance while managing our emissions intensity.

ECONOMIC – ADVANCING ETHICAL BUSINESS GROWTH

01 Generating Economic Benefit

Why It Matters?

Creating economic value is core to our business and enables us to contribute meaningfully to Malaysia's economic development. In doing so, we seek to generate income responsibly while supporting socio-economic progress in the communities we operate.

Our Approach

We create economic value by:

- Strengthening our brand and market leadership for long-term profitability.
- Increasing the commercial reach and visibility of our products and services.
- Promoting business transparency and integrity to reinforce trust among our stakeholders.

Moving Forward

We are committed to advancing sustainable growth and contributing to the nation's economic development by responsibly managing the impacts of our operations and creating long-term value. We will continue to deliver high-quality products and services with resilience, navigating market volatility arising from developments in global trade and economic conditions as well as geopolitical tensions.

02 Ethical Business Practices

Why It Matters?

High standards of integrity are vital across all our operations, including our supply chain. Petron Malaysia advocates fair and transparent business practices and maintains a zero-tolerance approach towards corruption, fraud, embezzlement and any form of misrepresentation, as part of our commitment to preventing environmental and human rights impacts.

Our Approach

We champion ethical business conduct by:

- Adhering to our Ethics and Business Integrity Policy, as outlined in our Standards of Business Conduct.
- Upholding the Malaysian Code on Corporate Governance (MCCG) 2021.
- Ensuring compliance with all applicable laws and regulations, including the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act (AMLA) 2001.

Moving Forward

We continue to prioritise ethical leadership and strong governance as the foundation of our success. By staying abreast in an evolving regulatory landscape, we will ensure regulatory compliance and demonstrate the transparency required to build lasting trust with our communities and partners.

Sustainability Statement

ENVIRONMENTAL – PROTECTING THE ENVIRONMENT AND NATURE

01 Climate Change & GHGs

Why It Matters?
The global push towards net zero is gaining urgency as climate change impacts intensify. Fossil fuel combustion drives GHG emissions, disrupting ecosystems, economies and communities while creating operational and supply chain risks. As one of the leading energy providers, we at Petron Malaysia are committed to mitigating these environmental impacts, supporting national climate goals, navigating evolving regulations, and contributing to Malaysia's long-term resilience.

Our Approach
We address climate-related risks across our operations and supply chain by:
- Managing emissions intensity through continued operational efficiency, balanced with increased production.
- Engaging proactively with stakeholders to align on climate-related priorities.
- Embedding climate resilience into strategic planning.
- Advancing renewable energy production at the Lumut PME (Palm Methyl Ester) plant through biodiesel production.

Moving Forward
We are strengthening operational efficiency through targeted investments that allow us to optimise production in synergy with our sustainability commitments, including the expansion of renewable energy capacity to reduce overall GHG emissions.

We are committed to enhancing our focus on climate-related risks and opportunities in line with IFRS preparation. We also aim to broaden our emissions inventory coverage in alignment with the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol) and strengthen the credibility of our climate disclosures.

02 Air Emissions & Pollution Management

Why It Matters?
On top of managing our GHG emissions, we recognise that our operations and products can affect air, soil and water quality. In line with our commitment to responsible operations, we mitigate these impacts by ensuring regulatory compliance and rigorous operational controls. Through continuous improvement of monitoring practices, we seek to uphold strong environmental performance across all aspects of our business.

Our Approach
We improve the environmental performance of our operations and products by:
- Proactively reducing effluent at source to limit reliance on resource-intensive treatments.
- Applying and complying with the latest regulatory requirements.
- Optimising equipment operations to reduce flaring of sulphur oxide gases.
- Ensuring grievances are addressed transparently within ISO 14001 aligned timelines.
- Conducting capacity-building training to strengthen regulatory awareness and compliance.

Moving Forward
We remain committed to reducing air emissions and managing pollution from our operations and products. Our efforts are focused on complying with all relevant environmental regulatory requirements and implementing targeted measures to minimise our overall environmental impact.

03 Waste & Circular Economy

Why It Matters?
Traditional linear consumption, where resources are extracted, used and discarded, is increasingly unsustainable and places long-term pressure on the environment. In response, we are reinforcing our commitment to waste minimisation across our operations and supply chain by adopting circular economy principles. We emphasise using resources more efficiently, reducing waste at the source, and promoting responsible waste management practices that support long-term environmental stewardship.

Our Approach
We are advancing circular economy practices in our products and services by:
- Ensuring continuous compliance with government regulations.
- Enhancing waste recovery and repurposing to minimise environmental impact.
- Proactively sourcing qualified waste management vendors with a focus on waste recovery.
- Building awareness of waste management practices among staff through engagement programmes.

Moving Forward
We are committed to advancing waste mitigation by embedding circular economy principles across our value chain. By shifting from a linear stream to a more regenerative model and expanding partnerships with more advanced recovery facilities, we are enhancing efficiency while reducing our environmental footprint.

04 Water Management

Why It Matters?
Water is essential to our operations and the well-being of the communities we serve. Recognising its shared value, we are committed to managing this resource responsibly by improving water-use efficiency and ensuring that wastewater is treated properly across our operations and supply chain.

Our Approach
We are advancing our water stewardship by:
- Adopting water-saving technologies to reduce water use, improve resilience and optimise long-term operational costs.
- Ensuring effluent discharge and water quality consistently meets regulatory standards.
- Promoting rainwater harvesting at our facilities, retail stations and fenceline schools for non-potable uses.

Moving Forward
We are committed to responsible water management, recognising its importance to our operations, surrounding communities and ecosystems. We work with local governments and communities to share knowledge and address emerging water challenges. Looking ahead, we will further improve wastewater effluent quality with the commissioning of a Bleed Water Pre-Treatment plant in our Port Dickson Refinery.

05 Natural Resources

Why It Matters?
Our operations rely on non-renewable raw materials, including crude oil, mineral-based inputs and steel. We prioritise responsible resource management to support their sustainable and efficient use, while delivering high-quality products and services that promote responsible use of these essential resources without compromising future supply.

Our Approach
We support Malaysia's economic development and mobility while prioritising resource efficiency by:
- Providing reliable energy solutions that meet business and community needs.
- Integrating solar power into our facilities, thereby reducing reliance on grid electricity powered by fossil fuels.
- Promoting the use of recycled materials in lubes packaging.

Moving Forward
We will further incorporate resource considerations into operational planning, investment decisions and performance monitoring across the Group. We will emphasise efficiency, promote responsible material use and strengthen business resilience, while staying aligned with evolving regulatory expectations and long-term sustainability priorities.

Sustainability Statement

06 Biodiversity

Why It Matters?
Biodiversity conservation is important globally due to its role in sustaining ecosystems, environmental resilience and community well-being. We recognise that our operations may impact the natural environment and therefore carry a responsibility to protect and conserve biodiversity. Activities such as facility development, infrastructure upgrades, upstream processes and the unintended release of waste including spills or leaks, can pose risks to habitats and wildlife. In response, the Group is committed to safeguarding biodiversity in our areas of operation, in alignment with national environmental and sustainability priorities.

Our Approach
We advance biodiversity conservation by:
- Focusing initiatives on areas of high socio-ecological significance to support ecosystem protection.
- Solidified collaboration with Universiti Putra Malaysia through a Memorandum of Understanding to conduct research on biodiversity and carbon sequestration within Port Dickson Green Lung.
- Strengthening our ability to manage, mitigate and minimise biodiversity impacts arising from our operations.

Moving Forward
We advance our commitment to biodiversity through collaboration with government agencies and NGOs by supporting national conservation and restoration initiatives.

07 Sustainable Supply Chain

Why It Matters?
Expectations for responsible supply chain practices are rising, driven by governments, regulators and a wide range of stakeholders. As a responsible energy provider, we recognise that our supply chain is integral to how we operate and has a direct influence on environmental and social outcomes, including risks related to pollution and human rights. Guided by our Supplier Code of Conduct, we are committed to strengthening accountability, upholding ethical standards and fostering responsible practices throughout our supply network.

Our Approach
We practise responsible supply chain management by:
- Managing risks and opportunities across our supply network.
- Observing a stringent screening and appraisal process.
- Upholding rigorous anti-corruption standards, ensuring ethical conduct.
- Supporting and strengthening supply chain resilience through good practices while promoting long-term value creation.

Moving Forward
We are committed to reducing environmental and social risks across our supply chain by championing responsible sourcing and continuously monitoring our practices to uphold strong sustainability standards.

SOCIAL – FOSTERING SOCIETAL WELL-BEING

01 Agile, Diverse & Thriving Workforce

Why It Matters?
Our people are at the core of our business and its long-term growth. Their skills, dedication and creativity drive our success, and we are committed to fostering a workplace where every individual can thrive. By embedding diversity, equity and inclusion (DEI) into our culture, we ensure all employees are valued, respected and empowered, creating a fair, supportive and inclusive workforce.

Our Approach
We invest in our workforce by:
- Providing comprehensive development initiatives to equip employees with the key skills to navigate a rapidly evolving industry, including the transition to lower-carbon energy solutions.
- Fostering a safe, inclusive and innovative workplace that encourages collaboration and professional growth.
- Prioritising talent retention through fairness and equal access to opportunities for all employees.
- Providing competitive compensation and benefits to support employee well-being.

Moving Forward
We are committed to cultivating an agile and resilient workforce by equipping our people with the high-level capabilities required to thrive amidst constant industry shifts. By prioritising continuous development, we ensure our team remains at the forefront of a rapidly evolving global market.

02 Safety

Why It Matters?
We acknowledge our responsibility to manage occupational health and safety risks with the highest level of diligence, as these risks can affect employees, contractors, customers and the communities surrounding our operations. Our firm commitment to safety is reflected in the rigorous risk management practices embedded across our operations and supply chain, ensuring the protection and well-being of all stakeholders who engage with or rely on our business.

Our Approach
We prioritise workplace safety by:
- Cultivating a robust safety culture that prioritises the well-being of our employees, contractors and communities.
- Following our SSHE Policy and Standards of Business Conduct through a systematic approach to risk management.
- Conducting regular risk assessments, comprehensive training and stringent safety enforcement, guided by our employee safety handbook.
- Leveraging innovative technologies to strengthen product integrity and enhance preventive monitoring across the product lifecycle.
- Engaging in national and community safety platforms to advance industry standards and best practices.

Moving Forward
We are dedicated to a safety culture that prioritises our employees, contractors and neighbouring communities alike. By embedding safety as a core organisational value, we uphold rigorous standards and consistent practices that will protect our people, preserve our environment and champion the collective well-being of society.

03 Customer Data Protection

Why It Matters?
Protecting customer data is a top priority for Petron Malaysia. We apply stringent standards and industry best practices in collecting, using and safeguarding information, minimising the risk of breaches and upholding privacy rights. By maintaining the confidentiality and integrity of customer data, we reinforce stakeholder trust and our obligation to ethical, responsible data management.

Our Approach
We ensure responsible customer data management by:
- Adhering to the Personal Data Protection (Amendment) Act 2024, in line with the Personal Data Protection Act 2010 (Act 709).
- Continuously reviewing and strengthening data protection measures to handle customer information securely and responsibly.
- Remaining vigilant to emerging cyber risks and implementing comprehensive security safeguards.
- Reinforcing stakeholder trust and confidence through ethical data management practices.

Moving Forward
We will consistently strengthen our cybersecurity capabilities, refine data protection processes and ensure full compliance with relevant regulations. By prioritising data security, we aim to reinforce the confidence of our customers, employees and stakeholders, while safeguarding sensitive information across our operations.

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023	2024	2025	Group Target	Remarks
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM million	1.15	1.87	**1.1**	By 2025, increase amount invested in the community by 5% from 2022 (RM 0.64 million)	
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	7,763	28,534	**24,178**	By 2025, increase number of beneficiaries by 5% from 2022 (5,507)	
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category						
Management	Percentage	47.00	11.90	**100**	By 2025, increase number of employees trained on Standards of Business Conduct to 100%	
Non-Management	Percentage	64.00	11.00	**100**		
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	**100**	By 2025, 100% of operations assessed for corruption-related risks	
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	**1**		
Bursa C7(a) Proportion of spending on local suppliers as a new row below Bursa C1(c).						
Bursa C7(a) Proportion of spending on local suppliers	Percentage	69	64	**70**		
Bursa C4(a) Total energy consumption	Gigajoules	3,530,891	2,951,692	**4,050,470**		
Bursa C11 (a) Scope 1 - Direct emissions	Kilotonnes of carbon dioxide equivalent (ktCO2e)	191	165	**162**	By 2025, reduce GHG emissions intensity by 4% from 2022 (Scope 1&2) (256 ktCO2e)	
Bursa C11 (b) Scope 2 - Indirect emissions (Purchased electricity)	Kilotonnes of carbon dioxide equivalent (ktCO2e)	71	59	**74**		Increase in Scope 2 emissions in line with electricity demand driven by greater crude throughput.

Indicator	Measurement Unit	2023	2024	2025	Group Target	Remarks
Bursa C11 (c) Scope 3 - Indirect emissions (Employee commuting and business travel)	Kilotonnes of carbon dioxide equivalent (ktCO2e)	NA	1	**2**		
Bursa C10(a) Total waste generated	Metric tonnes	449	972	**312**		
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	400	600	**206**		
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	49	372	**106**	By 2025, reduce intensity of hazardous waste sent to disposal by 2% from 2022 (132.6 MT)	
Bursa C9(a) Total volume of water used	Megalitres	150	120	**382**	By 2025, reduce water consumption intensity by 2% from 2022 (233.6 ML)	Increase in total water consumption due to scheduled equipment maintenance
Bursa C6(a) Total hours of training by employee category						
Management	Hours	16,694	17,860	**19,775**	By 2025, increase average training hours by employee category	
Non-Management	Hours	2,338	3,365	**6,521**		
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.00	3.00	**3.00**		
Bursa C6(c) Total number of employee turnover by employee category						
Management	Number	43	31	**38**		
Non-Management	Number	10	10	**9**		
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	**0**		

Indicator	Measurement Unit	2023	2024	2025	Group Target	Remarks
Bursa C3(a) Percentage of employees by gender and age group, for each employee category						
Age Group by Employee Category						
Management Under 30	Percentage	17.00	17.00	**15.60**		
Management Between 30-50	Percentage	73.00	75.00	**71.90**		
Management Above 50	Percentage	11.00	12.00	**12.50**		
Non-Management Under 30	Percentage	25.00	27.00	**28.00**		
Non-Management Between 30-50	Percentage	62.00	63.00	**63.00**		
Non-Management Above 50	Percentage	13.00	9.00	**9.00**		
Gender Group by Employee Category						
Management Male	Percentage	57.00	57.00*	**58.00**		
Management Female	Percentage	43.00	43.00*	**42.00**		
Non-Management Male	Percentage	94.00	93.00*	**93.00**		
Non-Management Female	Percentage	6.00	7.00	**7.00**		
Bursa C3(b) Percentage of directors by gender and age group						
Male	Percentage	56.00	67.00	**67.00**		
Female	Percentage	44.00	33.00	**33.00**		
Under 30	Percentage	0.00	0.00	**0.00**		
Between 30-50	Percentage	11.00	11.00	**11.00**		
Above 50	Percentage	89.00	89.00	**89.00**		
Bursa C5(a) Number of work-related fatalities	Number	0	0	**0**	By 2025, zero work-related fatalities	
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	**0**	By 2025, zero Lost Time Injury Rate	
Bursa C5(c) Number of employees trained on health and safety standards	Number	369	485	**562**	By 2025, 100% of employees (in Operations) attend mandatory training on health & safety	
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	**0**		

* *restated*

PETRON MALAYSIA REFINING & MARKETING BHD
BMLR Transition Period

Date & Time: 2026-04-24_11:56:23
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Generating Economic Benefits	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM' millions	1.1	By 2025, increase amount invested in the community by 5% from 2022 (RM 0.64 million)	No assurance
Generating Economic Benefits	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	24,178	By 2025, increase number of beneficiaries by 5% from 2022 (5,507 beneficiaries)	No assurance
Generating Economic Benefits	Bursa C7(a) Proportion of spending on local suppliers	Percentage	70	—	No assurance
Ethical Business Practices	Bursa C1(a) Percentage of employees who have received training on anticorruption by employee category (Management)	Percentage	100	By 2025, increase number of employees trained on Standards of Business Conduct to 100%	No assurance
Ethical Business Practices	Bursa C1(a) Percentage of employees who have received training on anticorruption by employee category (Non-Management)	Percentage	100	By 2025, increase number of employees trained on Standards of Business Conduct to 100%	No assurance
Ethical Business Practices	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	By 2025, 100% of operations assessed for corruption-related risks	No assurance
Ethical Business Practices	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	1	—	No assurance
Climate Change and GHGs	Bursa C4(a) Total energy consumption	Gigajoules	4,050,470	—	Internal
Climate Change and GHGs	Bursa C11(a) Scope 1 emissions	Kilotonnes of carbon dioxide equivalent (ktCO2e)	162	By 2025, reduce GHG emissions intensity by 4% from 2022 (Scope 1&2) (256 ktCO2e)	Internal

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Climate Change and GHGs	Bursa C11(b) Scope 2 emissions	Kilotonnes of carbon dioxide equivalent (ktCO2e)	74	By 2025, reduce GHG emissions intensity by 4% from 2022 (Scope 1&2) (256 ktCO2e)	Internal
Climate Change and GHGs	Bursa C11(c) Scope 3 emissions	Kilotonnes of carbon dioxide equivalent (ktCO2e)	2	—	Internal
Waste and Circular Economy	Bursa C10(a) Total waste generated	Metric tonnes	312	—	Internal
Waste and Circular Economy	Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	206	—	Internal
Waste and Circular Economy	Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	106	By 2025, reduce intensity of hazardous waste sent to disposal by 2% from 2022 (132.6 MT)	Internal
Water Management	Bursa C9(a) Total volume of water used	Megalitres	382	By 2025, reduce water consumption intensity by 2% from 2022 (233.6 ML)	Internal
Agile, Diverse & Thriving Workforce	Bursa C6(a) Total hours of training by employee category (Management)	Hours	19,775	By 2025, increase average training hours by employee category 32 hours (Management)	No assurance
Agile, Diverse & Thriving Workforce	Bursa C6(a) Total hours of training by employee category (Non-Management)	Hours	6,521	By 2025, increase average training hours by employee category 15 hours (Non-Management)	No assurance
Agile, Diverse & Thriving Workforce	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	3	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C6(c) Total number of employee turnover by employee category (Management)	Number	38	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C6(c) Total number of employee turnover by employee category (Non-Management)	Number	9	—	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Agile, Diverse & Thriving Workforce	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, Age Group by Employee Category (Management Under 30)	Percentage	15.6	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, Age Group by Employee Category (Management Between 30-50)	Percentage	71.9	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, Age Group by Employee Category (Management Above 50)	Percentage	12.5	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, Age Group by Employee Category (Non-Management Under 30)	Percentage	28	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, Age Group by Employee Category (Non-Management Between 30-50)	Percentage	63	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, Age Group by Employee Category (Management Above 50)	Percentage	9	—	No assurance

PETRON MALAYSIA REFINING & MARKETING BHD

BMLR Transition Period

Date & Time: 2026-04-24_11:56:23

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Agile, Diverse & Thriving Workforce	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, Gender Group by Employee Category (Management Male)	Percentage	58	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, Gender Group by Employee Category (Management Female)	Percentage	42	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, Gender Group by Employee Category (Non-Management Male)	Percentage	93	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C3(a) Percentage of employees by gender and age group, for each employee category, Gender Group by Employee Category (Non-Management Female)	Percentage	7	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C3(b) Percentage of directors by gender and age group (Male)	Percentage	67	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C3(b) Percentage of directors by gender and age group (Female)	Percentage	33	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C3(b) Percentage of directors by gender and age group (Under 30)	Percentage	0	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C3(b) Percentage of directors by gender and age group (Between 30-50)	Percentage	11	—	No assurance
Agile, Diverse & Thriving Workforce	Bursa C3(b) Percentage of directors by gender and age group (Above 50)	Percentage	89	—	No assurance
Safety	Bursa C5(a) Number of work-related fatalities	Number	0	By 2025, zero work-related fatalities	No assurance

PETRON MALAYSIA REFINING & MARKETING BHD

BMLR Transition Period

Date & Time: 2026-04-24_11:56:23

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Safety	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	By 2025, zero Lost Time Injury Rate	No assurance
Safety	Bursa C5(c) Number of employees trained on health and safety standards	Number	562	By 2025, 100% of employees (in Operations) attend mandatory training on health & safety	No assurance
Customer Data Protection	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	No assurance

Corporate Information

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

DIRECTORS

MR. RAMON S. ANG
Chairman, Executive Director

MR. ANTONIO M. CAILAO
Independent Director

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

Y. BHG. DATUK NIK MOHD HASYUDEEN BIN YUSOFF
Independent Director

Y. BHG. DATO' NOORIZAH BINTI HJ ABD HAMID
Independent Director

MS. AURORA T. CALDERON
Executive Director

MR. FONG SEOW KEE
Independent Director

Y. BHG. DATUK PRAKASH CHANDRAN MADHU SUDANAN
Independent Director

MS. JACQUELINE L. ANG
Executive Director

COMPANY SECRETARY

Mr. Manoj Devadasan
SSM PC No. 202008001784
LS 0006885

ASSISTANT COMPANY SECRETARY

Datin Shahidah Binti Aris
SSM PC No. 202008001658
ACIS 7070727

AUDITORS

PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants
Kuala Lumpur

SOLICITORS

Messrs Raja, Darryl & Loh, Kuala Lumpur
Messrs Shamsul Sulaiman, Putrajaya
Messrs Rajasekaran, Kuala Lumpur
Messrs T. Thavalingam & Co, Kuala Lumpur
Messrs Raj Ong & Yudistra, Kuala Lumpur

SHARE REGISTRAR

Ascendserv Capital Markets Services Sdn. Bhd.
(202401031272 [1577121-P])
No. 603 Block C
Pusat Dagangan Phileo Damansara 1
No. 9, Jalan 16/11, off Jalan Damansara
46350 Petaling Jaya, Selangor
Malaysia
Tel : +603-7890 0238
Email : investor.enquiry@ascendserv.com

REGISTERED OFFICE

Office of the Secretary
Petron Malaysia Refining & Marketing Bhd
Level 12A, Menara I&P 1
No. 46, Jalan Dungun, Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel : +603-2082 8400
Fax : +603-2082 8578
Website : www.petron.com.my

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad
Stock Name: PETRONM
Stock Code: 3042
Shariah-Compliant Securities
(as at 28 November 2025)

Profile of the Board of Directors

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

01

Board Committee
A&R
N
S



MR. RAMON S. ANG
Chairman, Executive Director

Age	**72**
Gender	**Male**
Nationality	

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

Profile of the Board of Directors

02

Board Committee

A&R

N

S



Y. BHG. DATUK NIK MOHD HASYUDEEN BIN YUSOFF

Independent Director

Age	61
Gender	Male
Nationality	

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

04

Board Committee

A&R

N

S



MR. ANTONIO M. CAILAO

Independent Director

Age	79
Gender	Male
Nationality	

Mr. Antonio M. Cailao was appointed to the Board on 23 November 2017. He is currently a Faculty Lecturer at the Institute of Corporate Directors (Philippines) and an Accredited Speaker recognised by the Securities and Exchange Commission Philippines. Mr. Cailao began his career as an Executive Trainee at Citibank in 1973 and went on to serve Citibank in various capacities and positions of increasing responsibility. He served with Citibank in Manila, Hong Kong, Korea, Venezuela, Vietnam (where he established Citibank's presence) and Singapore. His last position with Citibank (from 1997-2001) was as its Asia Regional Head (Pan Asian Corporations) based in Singapore and Hong Kong, covering 12 countries in Asia. From 2001 to 2013, Mr. Cailao was Managing Director of Asian Region and Head (e-banking and Commercial Banking) for Fleet Bank of Boston in Singapore. From 2003-2005, he served as the Chief Operating Officer of United Coconut Planters Bank (Philippines) where he initiated and led its financial rehabilitation. From 2007 to 2016, Mr. Cailao was the President and CEO of the Philippine National Oil Company, during which time the government, needing to reduce its fiscal deficit, utilised his financial competence in raising funds – he led the biggest landmark privatisation exercises, including Petron and Energy Development Corporation, then the world's third largest geothermal company. Mr. Cailao was a widely sought keynote speaker and panellist in gas and energy forums in Asia and Europe. Mr. Cailao holds a Bachelor of Business Administration and an MBA from the University of the Philippines (U.P.). In 2001, he was awarded the very first Most Outstanding Alumni Award of the U.P.'s College of Business Administration. He has also completed the Executive Development Programme from Columbia University, New York, USA (1989) and the Professional Directors Programme – Certified Independent Directors by the Institute of Corporate Directors.

MR. FONG SEOW KEE

Independent Director

Age	69
Gender	Male
Nationality	



03

Board Committee

A&R

N

S

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

Y. BHG. DATO' NOORIZAH BINTI HJ ABD HAMID

Independent Director

Age	66
Gender	Female
Nationality	



05

Board Committee

A&R

N

S

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

Profile of the Board of Directors

Profile of the Board of Directors

06

Board Committee

A&R

N

S



Y. BHG. DATUK PRAKASH CHANDRAN MADHU SUDANAN

Independent Director

Age	63
Gender	Male
Nationality	

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

08

Board Committee

A&R

N

S



MS. AURORA T. CALDERON

Executive Director

Age	71
Gender	Female
Nationality	

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

MR. LUBIN B. NEPOMUCENO

Chief Executive Officer, Executive Director

Age	75
Gender	Male
Nationality	



07

Board Committee

A&R

N

S

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

MS. JACQUELINE L. ANG

Executive Director

Age	40
Gender	Female
Nationality	



09

Board Committee

A&R

N

S

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

Profile of the Management Committee

01 MR. LUBIN B. NEPOMUCENO
Chief Executive Officer and Executive Director/Chairman of the Management Committee

Age	Gender	Nationality
75	M	

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

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

02 EN. MOHD NIZAM MANSOR
General Manager

Age	Gender	Nationality
58	M	

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

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

03 MR. MARK TRISTAN D. CAPARAS
Chief Finance Officer

Age	Gender	Nationality
43	M	

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

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

04 MR. BRIAN R. OCAMPO
Deputy Chief Finance Officer

Age	Gender	Nationality
46	M	

Qualifications:
- B.Sc. (Accountancy), De La Salle University.
- Certified Public Accountant (Philippines).
- Certified Information Systems Auditor.

Working Experience:
- Mr. Brian Ocampo has held the Deputy CFO position since November 2025 and has served as an Advisor to the CFO since March 2025.
- He served as Head/Assistant Vice President of Management Information Systems (IT) for Petron Corporation from October 2021 to October 2025.
- Before this role, he served as Operations and Corporate Internal Audit Manager for Petron Corporation from June 2018 to October 2021.
- Prior to Petron, Mr. Ocampo had over 16 years of progressive experience (2001 to 2017) in Big 4 accounting firms in New York, San Francisco and Singapore, where he delivered business consulting engagements for global Fortune 500 organisations. He led global teams and managed key accounts. His consulting engagements ranged across risk management, internal controls and compliance, business process reengineering, system implementations, finance transformation and IT assurance.

05 MR. MANOJ DEVADASAN
General Counsel/Company Secretary/Compliance Officer/Advisor to Human Resources

Age	Gender	Nationality
62	M	

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

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

06 Y. BHG. DATO' RAJA SALLEHUDIN RAJA LOPE AHMAD
Head of Refinery

Age	Gender	Nationality
59	M	

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

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

07 PN. SHALIZA MOHD. SIDEK
Head of Retail Business

Age	Gender	Nationality
54	F	

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

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

08 EN. MOHD ASRI BIN IBRAHIM
Head of Commercial Business

Age	Gender	Nationality
52	M	

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

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

09 MR. PAUL TEH OU YANG
Head of Supply

Age	Gender	Nationality
44	M	

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

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

10 MR. GEORGE ZACHARIAH
Head of Distribution & Terminal Operations

Age	Gender	Nationality
60	M	

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

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

None of the Management Committee members have any family relationship with any Director and/or major shareholder of Petron Malaysia Refining & Marketing Bhd. They also do not have any conflicts of interest or potential conflicts of interest, including interests in any competing business with Petron Malaysia Refining & Marketing Bhd. Furthermore, none have been convicted of any offences within the past five (5) years, nor have they been subjected to any penalties by the relevant regulatory bodies during the financial year 2025.

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

Corporate Governance Overview Statement

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

This Corporate Governance Overview Statement will highlight the following:

Part A Board Leadership and Its Effectiveness

Part B Effective Audit and Risk Management

Part C Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Part D Key Focus Areas and Future Priorities in Relation to Corporate Governance

Part A BOARD LEADERSHIP AND ITS EFFECTIVENESS

General

As at 31 December 2025, the Board had nine (9) members, with five (5) Independent Directors and four (4) Executive Directors (including the Chairman). This composition ensures a majority of Independent Directors on the Board.

Independent Directors on the Board

The Company recognises the value of having a majority of Independent Directors on the Board as their diverse qualifications, experiences, skills and ability to provide a 'cold-eye' critical review of Management's proposals and presentations, will help the overall management of the Company and allow the Company's strong governance process to continue improving. As at the end of 2025, the Board comprised a majority of Independent Directors as well as met the minimum requirement for thirty per cent (30%) women Directors on the Board, thus meeting the recommendations of the CG Code 2021 in regard to Board composition.

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

The tenure of Independent Directors is set out in the Board Charter and is in line with the tenure limits of Independent Directors as recommended by the CG Code 2021.



The Board Charter

The Company has a Board Charter that has been in place since 1974 and is periodically updated. In 2016, to communicate the Company's approach to important governance practices, the Company formalised its Board Charter and made it public by providing access to it on the Company's website. The most recent update to the Board Charter was on 22 May 2025 to incorporate the recommendations following the review during the external evaluation of the Board in 2025.

The Board Charter deals with the purpose, authority, role of the Board, the Board Committees, the relationship between the Board and Management, the responsibilities specifically reserved for the Board, and the Board's other responsibilities. It also covers the Board's composition, the individual roles of the Chairman and the Chief Executive Officer, the annual assessment of the Board, Board Committees and individual Directors, the tenure of Independent Directors, the annual election/re-election of Directors, Directors' responsibilities in relation to the Board and Board Committees, meetings of the Board, minutes, and the review of the Board Charter. Whilst the Board has not appointed a Senior Independent Director, as part of the 2025 review, we have revised the process of appointment to the Board, the Board's entitlement to appoint Advisers, as well as the tenure of Independent Directors by limiting such tenure to nine (9) years, with no provision for extension, in line with the provisions of the CG Code 2021.

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

The Management Committee Charter was last reviewed in 2018. An internal review in 2021 concluded that there was no need for any amendments to the Management Committee Charter for the time being. As part of the external evaluation of the Board and Committees in 2025, a comprehensive review of the respective Charters was also undertaken and the results reviewed with the Board. Changes to the delegation of authority to individual Management personnel are reviewed at quarterly meetings by the Board Audit & Risk Management Committee and subsequently approved by the Board.

The Board's Management of the Company

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

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

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

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

- The Company's rapid growth in the highly competitive Malaysian market whereby it is today recognised as a major downstream oil and gas company.
- The successful establishment of the Petron brand in the Malaysian market, leading to the Company winning multiple national awards.
- The introduction of innovative products such as the RON100 gasoline (the highest octane-rated gasoline in Malaysia) and the high-end Turbo Diesel Euro 5 fuel.
- The commissioning of the Diesel Hydrotreater ("DHT") and Marine Import Facility 2 ("MIF2") projects. The DHT enables Euro 5 quality fuels to be produced by the refinery, thereby reducing reliance on imports and at the same time, meeting stricter environmental requirements and regulations. The MIF2, with a 7 km sub-sea pipeline and single buoy mooring system, enables the berthing of larger vessels, thus reducing supply costs. At the same time, the Company's carbon footprint is reduced as a smaller number of vessels are used. The MIF2 also reduces demurrage costs due to vessel berthing congestion.
- The strong financial position of the Company.
- The Company's consistent market capitalisation and healthy dividend payouts that benefit the shareholders of the Company via healthy investment yields.

All this was done whilst maintaining an impeccable safety record with the Company's terminals having operated for over twenty-five (25) years without any lost time injury ("LTI"). In 2025, Port Dickson Refinery and Distribution and Terminal Operations reached a significant milestone of 5.45 million and 40.15 million injury-free man-hours respectively and extended our LTI free record to 4 and 28 years respectively, demonstrating our unwavering commitment to operational excellence and a safe working environment for our employees.

Sustainability

Please refer to the Sustainability Statement on pages 38 to 53.

Management continues to adopt a structured approach in terms of data compilation to ensure systematic reporting. The Company publishes a comprehensive and transparent standalone Sustainability Report as part of its sustainability reporting efforts. In 2025, in line with the enhanced Bursa Malaysia Sustainability Reporting Guide, the Company once again published a performance data table in full compliance with the mandatory ESG disclosures in compliance with Bursa Malaysia requirements.

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

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

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



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

The Board recognises that the business of the Company is one that has a moderate to high level of risk in terms of business, financial, economic outlook, environmental, safety and community/social risks. These risks are at all times kept in mind when planning and executing any venture that is to be undertaken by the Company. The Board nevertheless acknowledges that it is there to manage a business and that risks (as in all businesses) are an inherent part of the business.

The Board recognises that identifying and adopting solutions to manage those risks is imperative in business and that finding a successful balance between managing risks and promoting the business objectives of the Company is a necessary consideration for its sustainability. The matters pertaining to risk management can be further viewed under the Statement of Risk Management and Internal Controls on pages 83 to 87, as well as the Board Audit & Risk Management Committee Report on pages 88 to 91. An overview of the Company's risk management is also stated below in Part B of this Corporate Governance Overview Statement.

The Chairman of the Board

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

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

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

As a general rule, the Board papers are disseminated at least five (5) days before a meeting. The Chairman chairs meetings of the Board and leads the Board at the AGM. The Chairman seeks input from members of the Board and encourages members of the Board to express their views, even where the views may be divergent to the proposal moved by Management with the support of the Executive Directors.

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

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

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

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

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

The Chairman and the Chief Executive Officer

The positions of Chairman and Chief Executive Officer are held by different persons. Mr. Ramon S. Ang is the Chairman of the Board. He is also an Executive Director. The Chairman of the Board is neither the Chairman nor a member of the Board Audit & Risk Management Committee, the Nominating Committee, or the Board Sustainability Committee. Mr. Lubin B. Nepomuceno is the Chief Executive Officer. He is also an Executive Director and the Chairman of the Management Committee that is tasked with the day-to-day operational management of the Company. The separation was implemented in 2013 as recommended by the then Malaysian Corporate Governance Code 2012. The Company and the Board will continue with this practice. The separation of offices is also expressly stated in the Board Charter. The Board Charter further specifies the separate roles and responsibilities of the Chairman and the Chief Executive Officer.

Diversity on the Board

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

The Board of Directors currently comprises individuals with a diverse range of qualifications, experience and skills. Their backgrounds span engineering, accounting, banking, corporate advisory, finance, venture capital, regulatory oversight, capital markets, infrastructure, procurement and corporate finance, as well as leadership in the downstream oil and gas, power and broader industrial sectors. Collectively, this diverse pool of highly talented individuals is able to critically review and provide candid views and constructive advice on strategy, business plans, operations, finance, products and other key areas, including customer relations and marketing. Their diverse cultural backgrounds – Malaysian and Filipino – also provide the Board with a well-rounded perspective, enabling a balanced approach to managing stakeholders' expectations while strategically aligning with the Company's business needs.

As at 31 December 2025, the Board comprised nine (9) members, three (3) of whom were women Directors. Of the three (3) women Directors, one (1) is an Independent Director (and also the Chairperson of the Nominating Committee), while the other two (2) are Executive Directors.

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

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

Nominating Committee

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

The Nominating Committee's Report can be found on pages 92 to 94.

Corporate Governance Overview Statement

Remuneration Committee

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

1. The Chairman and three (3) Executive Directors (which includes the Chief Executive Officer) of the Company, do not receive any remuneration from the Company.
2. As the (then) Remuneration Committee comprised only Independent Directors and would only be reviewing and recommending their own remuneration, the Remuneration Committee members opined that there was a conflict of interest.

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

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

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

The Board and Management

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

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

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

The details of the Management Committee members including inductees effective 1 January 2025 can be found on pages 60 to 63.

Diversity in Senior Management

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

The Company operates purely on a merit-based process in determining hiring and promotions. Gender plays no role whatsoever in the process. For instance in 2018, the Company engaged a woman manager to replace a man in the key position of General Manager of Petron in Malaysia, as was the case with the Head of Department (Retail) in 2022. Senior Management is led by the Chief Executive Officer, who also chairs the Management Committee. Supporting the Chief Executive Officer are nine (9) Heads of Department/Managers responsible for the Company's key functions, namely the General Manager, Chief Finance Officer, Deputy Chief Finance Officer, Head of Retail Business, Head of Commercial Business, Head of Refinery, Head of Supply, Head of Distribution & Terminal Operations, and the General Counsel/Company Secretary/Compliance Officer.

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

In 2025, among the nine (9) members of the Management Committee, a woman held the key portfolio of Head of Retail Business.

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

Effective Stakeholder Communications

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

Code of Conduct

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

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

In 2025, a periodic refresher training course on the Code of Conduct was implemented for all employees as scheduled. A session on the Code of Conduct is also continuously provided as part of the induction training for new employees. At the end of each year, all employees are required to submit a declaration form on their training and understanding of the Code of Conduct, including making annual declarations on any conflicts of interest.

In 2022, Internal Audit completed a review of the Company's Anti-Corruption and Anti-Money Laundering compliance programmes. Internal Audit found the compliance programmes in place were in line with the requirements of the relevant regulators. Following the above, an audit by the central bank – Bank Negara Malaysia – on Petron Malaysia's compliance with anti-money laundering was also conducted, and the recommendations therefrom were duly implemented. The Company's compliance is constantly reviewed internally, and an internal audit review is planned for 2027.

A key factor toward ensuring the effectiveness of the Code of Conduct is the flow of information to Management of any violations or purported violations. The Code of Conduct also provides for whistleblower protection. In alignment with global sustainability requirements, the Code of Conduct was updated during the series of training conducted in 2025 to include Human Resource policy explicitly prohibiting human trafficking, indentured labour and child labour. Additionally, the whistle-blower policy framework was expanded to ensure that any instances of such violations can be reported safely and confidentially.

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

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

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

Corporate Governance Overview Statement

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

Anti-Corruption Initiatives

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

1. The commencement (in December 2019) of a series of training sessions to inform the employees of the impact of the new law, not only on employees but also the corporate liability risk to the Company and its Directors and Senior Management. The training also serve to ensure all employees were trained on what was expected of them in helping to implement the Company's requirements and the expected behaviour from each employee.
2. The adoption of the ultimate parent company, San Miguel Corporation's policy on gifts and entertainment. This is to be read together with the existing provisions contained in the Company's Standard of Business Conduct.
3. The implementation of a manual to include the Company's policy, action plan, implementation processes flow, and approval processes for exceptions.
4. The enforcement of a Petron Malaysia-based declaration and a review/approval process in relation to minor exceptions (for reasonable business-related entertainment and low-value festive gifts).
5. In light of the revised 2022 Standards of Business Conduct, nationwide training for all employees was completed by 2025, including refresher training on the Code of Conduct and related anti-corruption requirements, together with a refresher for the Company's Board of Directors.
6. The Company also conducted a training and compliance programme for employees to ensure a better understanding of their responsibilities as well as to ensure strict compliance with applicable laws and regulations relating to anti-money laundering and counter-financing of terrorism.
7. Background checks during recruitment of employees were performed, particularly for employees in management positions and tasked with decision-making obligations.
8. The Company also performed know-your-client/risk assessments, whereby the Customer Due Diligence ("CDD") measures were taken to ascertain customers' identities and establish beneficiaries via documentary evidence prior to undertaking any business engagements to assess the integrity of counterparties.

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

Part B EFFECTIVE AUDIT AND RISK MANAGEMENT

The report of the Board Audit & Risk Management Committee (including its composition, role and activities) can be found on pages 88 to 91. As the Board Audit & Risk Management Committee is comprised solely of Independent Directors and the Board prohibits the appointment of any partner of an audit firm prior to a 'cooling off period' of three (3) years since last serving the Company, the recommendation of the CG Code 2021 in this respect has always been adhered to.

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

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

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

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

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

Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff, an accountant, was the past President of the Malaysian Institute of Accountants and past Chairman of the Audit Oversight Board of the Securities Commission. Mr. Fong Seow Kee is a chartered accountant and was also the Chairman of the audit committee of another public listed company. Mr. Antonio M. Cailao is a former senior banker in an international banking group and later headed the Philippine National Oil Company. Y. Bhg. Dato' Noorizah Binti Hj Abd Hamid is qualified in the field of finance and was the Managing Director of a major infrastructure company. Y. Bhg. Datuk Prakash, who was appointed to the Board on 25 July 2024, brings to the Board his experience as a certified professional electrical engineer. Datuk Prakash is also currently an independent director and member of the audit committee in another listed company in the power generation industry.

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

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

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

Chairman of the Board Audit & Risk Management Committee

In compliance with the CG Code 2021, the offices of the Chairman of the Board and the Chairman of the Board Audit & Risk Management Committee are separate. The Chairman of the Board is Mr. Ramon S. Ang and the Chairman of the Board Audit & Risk Management Committee is Independent Director, Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff.

Relationship with the External Auditor

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

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

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

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

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

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

Relationship with the Internal Auditor

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

The current arrangement ensures that the Management of the Company has no control over the internal audit function. To ensure independence from the Management, the internal audit personnel assigned to the Company's internal audit function are not subject to any determination of their assignments, promotions or remuneration (or increase thereto) by the Company's Management. To maintain total independence from the Company's Management, their remuneration is not set or paid by the Company. The cost incurred for the internal audit function in 2025 was RM158,816.72.

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

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

The Board Audit & Risk Management Committee has reviewed the internal audit findings for 2025, along with the closure of recommendations made by the internal audit team. The Board Audit & Risk Management Committee has also acknowledged the Audit Rating System, implemented in 2017, which aligns with the system adopted by the parent company.

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

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

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

It is to be noted that a key function of internal audit is to not only identify weaknesses and recommend improvements but also to be mindful of new concepts and techniques used in the industry and at Petron Corporation, as well as to suggest improvements and

seek process and control synergy. This has been an important focus area for the internal audit function since 2012.

Risk Management Committee

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

The Company's Statement of Risk Management and Internal Control ("SORMIC") can be found on pages 83 to 87. The SORMIC has been reviewed by the external auditor, PricewaterhouseCoopers PLT (PwC).

Controls and Management System

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

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

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

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

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

These were the key risks identified to be managed in 2025:

1. Delay In Government Subsidy Reimbursements.
2. Extreme Weather.
3. Commodity Price & Forex Volatility and hedging cover.
4. Crude and Product Supply Disruption.
5. Refinery & terminal flawless operations – major incidents at Port Dickson Refinery/Terminals.
6. Change in Government Policies – Budi 95 Mogas Targeted Subsidy Programme.
7. IT Systems.
8. Cybersecurity risk.
9. Electric Vehicles.

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

For all of the above, the Company has plans in place to manage such risks, be it navigating the Company through the many operational and business disruptions caused by global geopolitical issues impacting the supply of petroleum products or managing ESG compliance and reporting. Apart from the various control processes in place to ensure financial matters are properly managed, the Board regularly reviews the necessary delegation of authority in the Company to various functions, including the formulation and designation of authorised signatories in respect of various business and functional matters based on the value of any given transaction.

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

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

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

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

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

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

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

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

Risk Management Group

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

Part C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Integrity in Reporting

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

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

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

In 2025, the Company was not subjected to any sanction or fines by the Securities Commission, Bursa Malaysia, the Companies Commission or any other regulatory authority.

Stakeholder Engagement

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

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

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

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

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

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

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

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

Corporate Governance Overview Statement

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

SHAREHOLDERS

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

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

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

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

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

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

The summary of the proceedings and questions and answers to the AGM held in 2025 was posted on the Company website within thirty (30) days of the Meeting.

EMPLOYEES

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

POTENTIAL INVESTORS

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

REGULATORS

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

CUSTOMERS

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

DEALERS

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

Part D KEY FOCUS AREAS AND FUTURE PRIORITIES IN RELATION TO CORPORATE GOVERNANCE

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

Investor Relations

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

The following matters are also disclosed as additional information:

The Directors' attendance at meetings of the Board of Directors, the Board Audit & Risk Management Committee, the Nominating Committee and AGM in 2025 are as follows:

Directors	Board of Directors Meeting		Board Audit & Risk Management Committee Meeting		Nominating Committee Meeting		Annual General Meeting
	Held	Attended	Held	Attended	Held	Attended	
Mr. Ramon S. Ang	5	5					✔
Ms. Aurora T. Calderon	5	5					✔
Mr. Lubin B. Nepomuceno	5	5					✔
Ms. Jacqueline L. Ang	5	5					✔
Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff	5	5	5	5	2	2	✔
Mr. Fong Seow Kee	5	5	5	5			✔
Mr. Antonio M. Cailao	5	5	5	5	2	2	✔
Y. Bhg. Dato' Noorizah Binti Hj Abd Hamid	5	5	5	5	2	2	✔
Y. Bhg. Datuk Prakash Chandran Madhu Sudanan	5	5	5	5			✔

Remuneration to the Independent Directors in 2025

As approved by the Shareholders at the AGM on 17 June 2025, the benefits paid to the Independent Directors for 2025 were as follows:

- An annual fee of RM112,320 per Independent Director.
- An attendance allowance of RM3,000 for the Independent Directors who are Chairpersons of the Board Audit & Risk Management Committee and the Nominating Committee.
- An attendance allowance of RM2,500 for each Independent Director. The attendance allowance is for each meeting attended by the Independent Director.
- A fuel reimbursement of up to RM700 per month for each Independent Director.
- An ex-gratia payment of RM15,000 for each Independent Director who served a full term in 2024.

Independent Directors	Directors' Fees	Allowance		Fuel Reimbursement	TOTAL
		Attendance Allowance	Ex-Gratia Benefits		
	RM	RM	RM	RM	RM
Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff	112,320.00	42,000.00	15,000.00	6,708.97	**176,028.97**
Mr. Fong Seow Kee	112,320.00	48,000.00	15,000.00	3,550.62	**178,870.62**
Mr. Antonio M. Cailao	112,320.00	32,500.00	15,000.00	1,320.58	**161,140.58**
Y. Bhg. Dato' Noorizah Binti Hj Abd Hamid	112,320.00	51,000.00	15,000.00	2,526.25	**180,846.25**
Y. Bhg. Datuk Prakash Chandran Madhu Sudanan	112,320.00	30,000.00	6,576.00	4,165.52	**153,061.52**

Remuneration Paid to Senior Management in 2025

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

1. **Mr. Lubin B. Nepomuceno**
   Chief Executive Officer
2. **Mr. Mohd. Nizam Mansor**
   General Manager
3. **Mr. Mark Tristan D. Caparas**
   Chief Finance Officer
4. **Mr. Manoj Devadasan**
   General Counsel/Company Secretary/Compliance Officer
5. **Y. Bhg. Dato' Raja Sallehudin B. Raja Lope Ahmad**
   Head of Refinery
6. **Mr. Brian R. Ocampo**
   Deputy Chief Finance Officer

In 2025, the total remuneration for these top six (6) Senior Management (attributable to the Company) was RM3,177,029.13. Three of them, namely the Chief Executive Officer, Chief Finance Officer and Deputy Chief Finance Officer, are employees of Petron Corporation, with the Chief Finance Officer and the Deputy Chief Finance Officer seconded to Petron in Malaysia. Due to privacy requirements, the Company has opted not to disclose the components of their remuneration.

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

- Like all staff, the top six (6) Senior Management personnel may be employees of the parent company or a sister company that provides services to PMRMB via agreements to share resources. The sum stated above is attributable to PMRMB. The percentage employed is based on a pre-determined service-sharing ratio that would vary depending on the function that they serve. This service-sharing ratio may be updated as needed for changes in activity level within each affiliated company.
- The sum is inclusive of salaries, fixed allowances and bonuses paid in 2025. The Company does not provide any share option scheme for Senior Management personnel.
- The total bonuses paid in 2025 comprised a two-month (2) contractual bonus as per the regular employment terms for Senior Management personnel.

Training Attended by Directors in 2025

Directors	Date
MR. RAMON S. ANG	
• Mandatory Accreditation Programme Part II : Leading for Impact (LIP) by Institute of Corporate Directors Malaysia	22 – 23 January 2025
• Refresher Course on Code of Conduct of PMRMB	20 November 2025
• Corporate Governance Seminar	5 December 2025

Corporate Governance Overview Statement

Corporate Governance Overview Statement

Directors	Date
MR. LUBIN B. NEPOMUCENO	
• Mandatory Accreditation Programme Part II : Leading for Impact (LIP) by Institute of Corporate Directors Malaysia	22 – 23 January 2025
• ISMC Data Ecosystem Strategy	13 February 2025
• ISMC Data Ecosystem Strategy with SMC Executives	26 May 2025
• Anti-Cyberfraud Training	4 June 2025
• Carbon Markets Workshop with Pollination	3 September 2025
• Corporate Governance Seminar 2025	8 September 2025
• Refresher Course on Code of Conduct of PMRMB	20 November 2025
MS. AURORA T. CALDERON	
• Mandatory Accreditation Programme Part II : Leading for Impact (LIP) by Institute of Corporate Directors Malaysia	22 – 23 January 2025
• INSEAD: Advance Negotiations Programme (with Certificate of Completion)	17 February – 7 April 2025
• [Hybrid] SMC Mandatory Anti-Cyberfraud Training Session	4 June 2025
• Corporate Governance Seminar 2025	8 September 2025
• Refresher Course on Code of Conduct of PMRMB	20 November 2025
• Corporate Governance Seminar	5 December 2025
MS. JACQUELINE L. ANG	
• Mandatory Accreditation Programme Part II : Leading for Impact (LIP) by Institute of Corporate Directors Malaysia	22 – 23 January 2025
• Refresher Course on Code of Conduct of PMRMB	20 November 2025
Y. BHG. DATUK NIK MOHD HASYUDEEN BIN YUSOFF	
• COMVAULT “Minutes to Meltdown” Session by Bank Islam	3 February 2025
• Global Insights and Strategic Leadership In Climate Risk by Bank Islam	28 February 2025
• Emerging Climate and Nature Priorities by Bank Islam	7 April 2025
• Fair Treatment of Financial Consumers (FTFC) by Bank Islam	7 April 2025
• Liberation Day Tariff by Bank Islam	7 April 2025
• Asean Investment Conference 2025 by Securities Commission	8 – 9 April 2025
• Regulating Cryptocurrencies and Digital Assets : Current Issues and Trends by Malaysia Inner Temple Alumni Association and SC	24 April 2025
• Operational Resilience by Bank Islam	30 July 2025
• E Invoice by Bank Islam	30 July 2025
• Directors Conference of Bank Islam Malaysia Berhad and Subsidiaries 2025 : Driving Innovation and Reinvention : Leading Through Business Transformation by Bank Islam	11 September 2025
• Guardian of The Earth : Climate Actions Through The Lens of Maqasid Al Shariah by Securities Commission	30 September 2025
• Board Accountability In AML Governance : FATF Expectations, Beneficial Ownership, and Compliance Culture by Bank Islam	8 October 2025
• Whistleblowing Oversight : Strengthening Board Accountability and Ethical Governance by Bank Islam	8 October 2025

Directors	Date
Y. BHG. DATUK NIK MOHD HASYUDEEN BIN YUSOFF	
• Stewarding Governance Excellence : Balancing Judgment, Integrity, and Foresight by ICDM	14 – 15 October 2025
• Asean Capital Market Forum International Conference by Securities Commission	6 November 2025
• Refresher Course on Code of Conduct of PMRMB	20 November 2025
• Board Culture Training By FIDE Forum (Bank Islam)	11 December 2025
MR. FONG SEOW KEE	
• Mandatory Accreditation Programme Part II : Leading for Impact (LIP) by Institute of Corporate Directors Malaysia	12 – 13 February 2025
• FIDE Forum: Special Lecture: Global events 2025	19 February 2025
• National Climate Governance Summit 2025	7 – 11 April 2025
• FIDE Forum : BNM Annual Report 2025	21 April 2025
• FIDE Forum : Tokenization	29 April 2025
• FIDE Forum : AI Next Wave	20 June 2025
• RAM Forum 2025	3 October 2025
• Refresher Course on Code of Conduct of PMRMB	20 November 2025
MR. ANTONIO M. CAILAO	
• ACGS (Asian Corp Governance Seminar) Workshop for PLCs (Publicly listed)	13 – 14 March 2025
• Sustainability and Profitability: How ESG Builds Competitive Advantage by Enhancing Business Value	17 June 2025
• OECD Principles Forum 2025 (Organisation for Economic Co-operation and Development) Driving Board Excellence: The Power of the OECD Principles	26 June 2025
• Corporate Governance Orientation Program	5 – 6 August 2025
• Refresher Course on Code of Conduct of PMRMB	20 November 2025
Y. BHG. DATO’ NOORIZAH HJ ABD HAMID	
• Artificial Intelligence & Technology Advancement for Board Decisions	19 March 2025
• E-Invoicing workshop by Deloitte Tax Consultants	20 March 2025
• Bursa PLCs IR4U Series 4 : Leopard in the Grass – Global Economic, FX % Rates Outlook 2025	16 April 2025
• Related Party Transaction Simplified by CKM Advisory Services	18 September 2025
• ICAEW ASEAN SUSTAINABILITY SUMMIT 2025 organised by ICAEW and Securities Commission	5 November 2025
• Refresher Course on Code of Conduct of PMRMB	20 November 2025
• Key Disclosure Obligations of a PLC by CKM Advisory Services	10 December 2025
Y. BHG. DATUK PRAKASH CHANDRAN MADHU SUDANAN	
• Audit Committee Conference 2025 by Malaysian Institute of Accountants	29 September 2025
• Practical ChatGPT Skills Training for Leaders by Bain & Company	15 October 2025
• MMC Directors e-Invoicing Briefing by PwC Malaysia	15 October 2025
• Refresher Course on Code of Conduct of PMRMB	20 November 2025
• Leading with Integrity Forum 2025 by Integrity & Governance, Malakoff Corporation Berhad	26 November 2025

Corporate Governance Overview Statement

Statement of Directors' Responsibility for Preparing the Financial Statements

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

The Directors have carried out their responsibilities by:

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

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

Material Contracts

The Company is not and was not a party to any material contracts involving the Directors' interests during the year. Furthermore, the Company is not and was not a party to any material contracts that are not in its ordinary course of business. All new contracts in 2025 that are of a related party nature have been duly disclosed to Bursa Malaysia during the year.

Non-Audit Fees

Non-audit fee amounting to RM30,000 was paid to the external auditor, PwC, by the Company for the financial year ended 31 December 2025.

OTHER INFORMATION

Family Relationship

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

Conflicts of Interest

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

Conviction for Offences (excluding Traffic Offences)

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

Sanctions and/or Penalties

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

This Statement is made in accordance with the resolution of the Board dated 18 March 2026.

Statement of Risk Management and Internal Control

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

In line with Paragraph 15.26(b) of Bursa Malaysia's Listing Requirements and guided by the SORMIC Guide 2025, this Statement describes the nature and scope of the Company's risk management and internal control system for the financial year ended 2025 and up to the date of this Statement.

Board Responsibilities

The Board is responsible for establishing and maintaining a sound risk management and internal control system to safeguard shareholders' investment and the Company's assets. The Board sets the tone-at-the-top, approves the Company's risk appetite, and ensures that the risk management and internal control system operates within acceptable tolerance levels. The Board delegates oversight to the Board Audit & Risk Management Committee ("BARMC" or "Committee"), which has a fixed agenda on risk management at each quarterly meeting. The Committee reviews the adequacy and effectiveness of the risk management and internal control system, key risk exposures, control remediation plans and assurance reports from Internal Audit.

Risk Governance Structure

- Board of Directors: Sets risk appetite and provides overall oversight.
- Board Audit & Risk Management Committee (comprised solely of Independent Directors): Oversees the Company's risk management framework and policies, receives quarterly risk updates and compliance reports.
- Management Committee (weekly): Reviews business unit matters; highlights control-related issues and assigns action plans for gaps identified.
- Risk Management Working Group (quarterly): Comprises key senior personnel; reviews enterprise risks and reports to the Board Audit & Risk Management Committee.
- Internal Audit: Provides independent assurance on the adequacy of risk management and effectiveness of key controls; results and significant issues are escalated to Senior Management and BARMC.

Risk Appetite and Culture

Risk appetite and tolerances approved by the Board are cascaded through the organisation. Key risk indicators are monitored and reported to Management and the Board Audit & Risk Management Committee.

A strong ethical culture is reinforced through Petron Malaysia's Standards of Business Conduct (Code of Conduct), which covers business ethics, conflicts of interest, alcohol and drug use, gifts and entertainment, harassment, and employees' outside directorships. Training on the Code of Conduct is provided periodically to employees; vendors and contractors are reminded of compliance obligations. Refresher training frequency are set for between two (2) to three (3) years, with the last refresher completed in 2025 as scheduled. All new employees undergo mandatory induction/refresher training. Where violations occur, a controls stand-down is conducted to reinforce adherence. Revised guidelines on receiving gifts implemented in 2017 continue to be strictly enforced through declaration, review and approval requirements.

> **A strong ethical culture is reinforced through Petron Malaysia's Standards of Business Conduct (Code of Conduct).**

Principal Risks and Mitigation

- Market, pricing and foreign exchange: Managed through hedging policies, pricing controls and treasury oversight.
- Supply chain and distribution: Diversified crude and product sourcing, inventory management and logistics resilience across terminals.
- Operational (including refinery and terminal operations): Robust process safety, preventive maintenance and incident management; example: effective business continuity activation during the unplanned maintenance shutdown of the Port Dickson Refinery in Q4 2024.
- Legal and regulatory compliance: Ongoing monitoring and training to ensure compliance with applicable laws and regulations.

- Anti-corruption and AML/CFT: Targeted risk evaluations (last completed in 2025); three (3) personnel achieved ICA/AICB ACAML professional qualification; periodic AML training.
- Information technology and cybersecurity: ISMS implemented and localised for the Company; layered controls including firewalls, anti-malware, monitoring tools and incident response.
- ESG and climate-related: Integration of sustainability-related risks into enterprise risk assessments in line with national frameworks and evolving disclosure requirements.

Key Elements of the Internal Control System

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

1. The alignment or adoption of best practices from Petron Corporation. These not only assist the Company in identifying the principal risks faced by the Company but also prescribe the appropriate systems to manage these risks that include the overall control framework, the required control checks and the required assessment of the system's effectiveness.
2. A defined organisational structure with clear lines of accountability and delegation of authority. This includes a quarterly review by the Board Audit & Risk Management Committee and the Board of Directors of the delegation to the authorised signatories list.
3. Reviews of controls, including through internal audits being performed periodically, and financial audits are subject to annual review by the external auditor. The results are reviewed with various levels of Management and any major concerns are raised to Senior Management and the Board Audit & Risk Management Committee.
4. Key policies covering, among others, business ethics, conflicts of interest, alcohol and drug use, gifts and entertainment, harassment in the workplace and employees' outside directorships are in place in the form of Petron Malaysia's Standards of Business Conduct ("Code of Conduct"). These include requirements to comply with all applicable laws and regulations. The Code of Conduct has been communicated to employees, vendors and contractors. Effective from 2014, training is provided periodically to employees, whilst vendors and contractors are reminded of the need to comply with the Code of Conduct. From 2018, the frequency of refresher training of Code of Conduct was set at between two (2) to three (3) years. In this regard, the last refresher training was completed in 2023 and the next refresher programme was completed in 2025. All new employees are required to undergo mandatory training/refresher training on the Code of Conduct. Where there are any violations, a 'controls stand-down' with employees will be carried out to reinforce the need for adherence to internal guidelines. Revised guidelines on receiving gifts were implemented in 2017 and the requirement for declaration/review and approval are strictly enforced.
5. The Company further provided its employees with training on Anti-Money Laundering as well as measures that have been put in place to meet the requirements of the relevant law(s) and minimise risks associated with movement of funds involving the Company.
6. A management integrity system based on Petron Corporation's best practices to assess and sustain the effectiveness of the organisation's system of controls.
7. The effective lines of communications within the Management with regular Management Committee meetings where all matters pertaining to each business unit and function are reviewed, this way any controls related issues are highlighted weekly and the action plans on any identified gaps are dealt with immediately.

The last risk-evaluation exercise for all the business units relating to anti-money laundering and anti-corruption management was conducted in 2025. The next risk evaluation will be conducted in 2028.

Statement of Risk Management and Internal Control

Frameworks and Alignment

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

Recognising that the parent company, Petron Corporation, too is in the downstream oil and gas business and the management integrity systems it has in place, the Company has opted to align or adopt, where feasible, best practices from Petron Corporation's own systems. In this regard, the Company continues to receive technical advice and support from Petron Corporation.

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

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

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

The Company's risk management is managed by employing Petron Corporation's Enterprise-Wide Risk Management tools. The exercise points out that the key risks previously identified continue to be the main risks that must be managed even today. The Company, recognising that this is an evolving endeavour, will continue to revisit the risk management preparations that are already in place with the intent to update the tools and assessment, where necessary. Examples of such evolution were the evaluation of the risks of pandemic, business disruption (such as plant and/or operations downtime) as well as information technology ("IT") and cybersecurity risks.

Business Continuity Plan ("BCP")

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

Information Security and Cybersecurity

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

This ISMS covers an integrated set of policies, procedures, structures and system changes aimed to protect all of the Company's data, information, systems and assets, to ensure integrity and reliability of its operations.

Risk Governance Structure

Key control-related matters in relation to the Company's Corporate Governance include:

1. Timely reporting of any changes to the prevailing delegation of authority that have been approved by the Board and ensuring that amendments are approved by the Board in a timely manner so as not to cause any disruption to the business.
2. Regular notice to all Directors and staff or Insider Trading and risks as well as restrictions on trading in the Company's shares during a 'closed period'.

3. Quarterly reporting to the Board Audit & Risk Management Committee of all Trade Accounts Receivables that are written-off.

4. Review of any contracts over the value of RM5 million that were not in the ordinary course of business.

5. Full review with the Board Audit & Risk Management Committee on a quarterly basis of all intercompany transactions to ensure compliance with laws pertaining to Related Party Transactions including transactions under an existing recurrent related party transaction mandate.

6. Review of amendments to the Company's List of Authorised signatories.

7. Risk management updates were included as a fixed item in all Quarterly Board Audit & Risk Management Committee Meetings with effect from 2017.

8. Since 2021 an overall compliance update relating to anti-corruption, anti-money laundering and disciplinary matters is presented to the Board Audit & Risk Management Committee as a quarterly update. Effective November 2023, a compliance update is also provided to Board of Directors at its quarterly meetings.

9. In support of continuous director development and in recognition of the Board's responsibility for maintaining high standards of governance, the Company held a Standards of Business Conduct training session for all Directors, conducted by the Company's General Counsel in November 2025. This initiative underscores the Company's commitment in equipping Directors with the knowledge and competencies in accordance with evolving regulatory expectations.

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

"The Company (and its sister companies) proudly garnered five Grand Awards and three Gold Merit Awards at the MSOSH Awards 2025."

Safety, Health, Environment and Quality Achievements

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

At the 43rd Malaysian Society for Occupational Safety and Health ("MSOSH") Awards ceremony in November 2025, the Company achieved a historic milestone by securing eight awards across the Company's (and its sister companies') operations.

This remarkable feat reflects the Company's (and its sister companies') unwavering dedication to upholding the highest standards of safety and health.

In total, the Company (and its sister companies) proudly garnered six Grand Awards and three Gold Merit Awards at the MSOSH Awards 2025. These awards highlight the Company's (and its sister companies') steadfast commitment to prioritising safety and health in daily operations, consistently striving to achieve a zero lost time injury ("LTI") record and reinforcing the role as a leader in occupational safety and health. This demonstrates the integrity of not only the Company-owned terminals, but also that of its sister companies, indicating a robust supply chain network.

Additionally, at the 5th Malaysian Industrial Safety and Health Association ("MiSHA") National Excellence Award, the Kuantan Terminal and Pasir Gudang JV Terminal were honoured with the prestigious Platinum Awards and Port Dickson Terminal honoured with Diamond Award for Occupational Safety and Health ("OSH") Principle of Prevention ("PoP"). This accolade, representing the second-highest level of recognition, underscores their exemplary efforts in adopting and implementing comprehensive safety and health management practices. These initiatives have not only enhanced operational efficiency but also significantly contributed to reducing workplace risks, fostering a strong culture of safety, and setting industry benchmarks for excellence in OSH standards.

Statement of Risk Management and Internal Control

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

Further reinforcing the commitment, NIOSH Certification Sdn. Bhd. conducted IMS Multisite recertification audits at several key locations, including the Company's (and its sister companies') terminals, between June 30th and July 3rd, 2025. These assessments focused on both recertification for environmental and OSH standards. The process concluded successfully in July, with auditors identifying no major non-conformances and recommending IMS certification for the audited terminals with a one-year validity.

The Company (and its sister companies) ensure reliable supply with a strong emphasis on safety. In 2025, Port Dickson Refinery and Distribution and Terminal Operations reached a significant milestone of 5.45 million and 40.15 million injury-free man-hours respectively and extended our LTI free record to 4 and 28 years respectively, underscoring the Company's (and its sister companies') dedication to operational excellence and maintaining a safe workplace for the employees. Day-to-day operations are governed by robust controls and a structured authorisation process across various levels and departments, which mitigate the risk of authority misuse. Key areas, such as procurement approvals and land acquisition for retail expansion, are subject to stringent oversight. Additionally, critical processes undergo regular independent evaluations by Internal Audit to assess the effectiveness of these controls. The Company's risks and internal controls are not only reviewed internally but also systematically assessed by Internal Audit, with recommended improvements implemented within specified timeframes.

Assurance and Review of Effectiveness

The Board through the Board Audit & Risk Management Committee, has reviewed the adequacy and effectiveness of the risk management and internal control system. It recognises that due to inherent limitations, any risk management and internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and therefore provides reasonable, not absolute, assurance against material misstatement or loss. The Chief Executive Officer and Chief Finance Officer have provided assurance that the Company's risk management and internal control systems (for financial year ended 2025 and up to the date of this Statement) are operating adequately and effectively, in all material respects.

Board Audit & Risk Management Committee Report

As at 31 December 2025, the Board Audit & Risk Management Committee ("the Committee") of Petron Malaysia Refining & Marketing Bhd ("Petron Malaysia" or "the Company") comprised five (5) Independent Directors, namely:

Y. BHG. DATUK NIK MOHD HASYUDEEN BIN YUSOFF *Chairman of the Committee*	**MR. FONG SEOW KEE**	**MR. ANTONIO M. CAILAO**	**Y. BHG. DATO' NOORIZAH BINTI HAJI ABD HAMID**	**Y. BHG. DATUK PRAKASH CHANDRAN MADHU SUDANAN**

The Profile of the Committee members can be found on pages 56 to 58.

The Secretary to the Committee is the General Counsel/Company Secretary of the Company. The Committee's Terms of Reference can be found on the Company's website. The Terms of Reference were last reviewed in 2025.

The Committee held five (5) regular meetings during the last financial year. The details of each Committee member's attendance have been tabulated in the Corporate Governance Overview Statement, which can be found on page 78. Executive Directors are encouraged to attend these meetings to provide guidance to the Committee. Members of the Management Committee, particularly the General Manager, Chief Finance Officer and General Counsel/Company Secretary, regularly attend the meetings by invitation to present matters for the Committee's consideration and to answer any queries.

In addition to the Committee meetings, the Committee also met with the External Auditor in February 2025 and February 2026. The Internal Auditor also provided updates during the Committee's May and November 2025 meetings.

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

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

SUMMARY OF ACTIVITIES

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

INTERNAL AUDIT

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

Meetings with the Internal Auditor (22 May 2025 and 20 November 2025)

Following the mid-year review with Internal Audit on 22 May 2025, the Committee reviewed the three (3) completed audit engagements (which included Internal Control Ratings) out of the six (6) audit engagements for 2025:

1. Review of Port Dickson Terminal.
2. Review of Environmental Disclosures on the Sustainability Report.
3. Compliance review of Recurring Related Party Transactions ("RRPTs") between PMRMB and Petron Singapore Trading Private Limited ("PSTPL").

During the 20 November 2025 meeting, the following three (3) remaining projects, one of which was on its closing phase, were also reviewed by the Committee:

1. Follow-up Review of the Service Station Maintenance and Repair.
2. Review of SAP Materials Management/IS-OIL Module.
3. Review of Procurement Process (*closing*).

Internal Controls Assessment

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

Audit Plan for 2026

At its meeting on 20 November 2025, the Committee approved six (6) audit engagements for 2026. These will entail the following:

1. **Bagan Luar Terminal**
   Review the controls over dispatching, inventory management, expenses, contracts and fixed asset management. The engagement will also assess minor incidents rendering facilities terminal inoperable and product supply disruption.
2. **Loyalty Management System (LMS)**
   Evaluate the effectiveness, reliability and control adequacy of the LMS in ensuring accurate transaction capture, proper reward computation/redemption and secure data handling. The engagement will extend to IT systems and infrastructure, cybersecurity and competition.
3. **Convenience Store/Treats Processes**
   Review the management of revenue, expense, fixed assets, inventory, contract and warehouse activities. The engagement will cover risk related to competition.
4. **Port Dickson Refinery Fuel and Losses**
   Assess controls over fuel consumption and loss accounting within the Refinery, ensuring compliance with company policies, industry standards and regulatory requirements. The engagement will cover sustainability on environmental, crude and product supply disruption and regulatory and legal risks.
5. **Environmental Disclosures in the Sustainability Report**
   Verify environmental disclosures contained in the 2025 Sustainability Report.
6. **RRPT between PSTPL and the Company**
   Evaluate compliance with Bursa Malaysia's RRPT mandates. This engagement will cover crude and product disruption as well as related regulatory and legal risks.

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

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

DUTIES OF THE COMMITTEE

A summary of the activities carried out by the Committee in discharging its duties in 2025 follows:

Review of Risk Management Matters

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

Since 2017, Risk Management has been included as a fixed agenda item in all quarterly meetings of the Committee. The major risks for 2025 comprised:

- Delay In Government Subsidy Reimbursements;
- Extreme Weather;
- Commodity Price & Forex Volatility and hedging cover;
- Crude and Product Supply Disruption;
- Refinery & terminal flawless operations – major incidents at Port Dickson Refinery/Terminals;
- Change in Government Policies – Budi 95 Mogas Targeted Subsidy Program;
- IT Systems;
- Cybersecurity risk; and
- Electric Vehicles.

For each of these identified risks, there are risk management tools and existing business continuity programmes in place. In this regard, the Committee was briefed on the review of the effectiveness of the Business Continuity Plan (relating to the Refinery Operations and the potential supply disruption). The robustness of the business continuity plans enabled the Company to manage the unprecedented issues faced by the Company relating to crude/product supply during 2025.

Review with the Internal Auditor and External Auditor

PricewaterhouseCoopers ("PwC") met with the Committee on 20 November 2025 to present and seek approval for the 2025 Audit Plan and Strategy. The matters discussed at this meeting included:

1. The scope of audit and the fact that the audit would be conducted based on the Approved Standards on Auditing in Malaysia.
2. Confirmation on the independence of PwC.
3. Understanding the changes affecting Petron Malaysia' business.
4. Risk assessment and focus areas for the 2025 audit.
5. Key audit matters.
6. Reliance on the Internal Auditors.
7. Audit of the IT systems.

On 25 February 2026, PwC presented the audit findings in relation to the audit for the year ended 31 December 2025 (to be included in the 2025 Annual Report) to the Committee. A summary of the discussion is as follows:

Audit Focus Areas

The key audit matters identified were:

1. Recoverability of the carrying amount of property, plant and equipment, investment properties and right-of-use assets.
2. Accuracy and occurrence of revenue transactions.

Review of the Annual Report

In connection with the audit of the company, the auditors have responsibility to read the other information in the annual report to consider whether the other information is materially inconsistent with the financial statements of the Company or knowledge obtained during the audit or otherwise appears to be materially misstated. Their conclusion of the work is disclosed in their auditors report on pages 161 to 165.

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

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed the SORMIC. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Company.

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

The Committee had sought and received confirmation at meetings with the Internal Auditor and External Auditor that the Management and the Company's employees had extended their fullest co-operation to the Internal Auditor and the External Auditor. At the Committee meeting on 20 November 2025, the Committee was also informed by PwC that the Internal Auditor had shared its findings with PwC.

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

The Committee at its meeting on 20 November 2025 had reviewed the independence, scope and functions of the internal audit function and found that it had the necessary authority to carry out its tasks. The audit findings, the follow-up action as well as audit plan for 2026, were reviewed and approved. The Committee was assured that there was no element of interference or influence by Management with its audit findings.

Reporting of Any Internal Audit Issues

There were no special internal audit programmes, processes, results of the internal audit programme, investigations undertaken, or actions that had been taken, that needed to be reported to the Board in 2025.

Endorsement of Financial Statements

The Committee reviewed and reported to the Board the quarterly results and the financial statements for the year ending 31 December 2025, including the statement of financial position and statement of profit or loss and other comprehensive income, prior to the submission of the statements to the Board for approval. The Committee also paid particular attention to ensuring compliance with changes in existing accounting policies as well as implementation of new accounting policies, and significant and unusual events (if any). The Committee also reviewed and ensured compliance with legal requirements including disclosures to the stock exchange and the relevant authorities.

Endorsement of Major Transactions and Recurring Related Party Transactions

The Committee endorsed the Circular to Shareholders in relation to the Proposed New Shareholders' Mandate for RRPT of Revenue or a Trading Nature ("Mandate") for approval by shareholders at the 2025 Annual General Meeting. There were no undisclosed related party transactions in 2025. The Mandate was subsequently approved by the shareholders.

Review of Other Significant Matters

Apart from major transactions and related party transactions, the Committee at all quarterly meetings in 2025, reviewed:

a. All contracts (if any) with a value of over RM5 million that were not in the ordinary course of business.

b. Accounts receivables written off (if any).

c. Revisions to the List of Company's Authorised Signatories.

d. Risk Management updates.

e. Compliance reports.

Appointment of External Auditors and Fees

At its meeting on 25 February 2026 and 18 March 2026, the Committee resolved the following:

1. Having reviewed the fees payable to PwC, the Committee recommended to the Board that the proposed audit fees of RM470,000 be approved.
2. After reviewing PwC's willingness to be reappointed, its continued independence as the external auditor, and its performance during its term, the Committee proposed to the Board that:
   a) PwC be recommended to the shareholders at the Annual General Meeting for the reappointment as the External Auditor for the financial year 2026.
   b) The Board be authorised to determine the External Auditor's fees for the said audit period.

PwC's Partner/representatives will be present at the Annual General Meeting and will be available to answer any questions shareholders may have regarding its audit.

Nominating Committee Report

ESTABLISHMENT OF THE NOMINATING COMMITTEE

> The Nominating Committee was established by the Board of Directors in 2003 with a written charter that specifies its roles and responsibilities. The Nominating Committee Charter ("Charter") was last reviewed by the Board of Directors in 2025. The Charter can be accessed on the Company's website at www.petron.com.my.

The Nominating Committee is responsible for recommending candidates for Independent Non-Executive Director and Executive Director roles, as well as Directors for Board Committee appointments, for the Board's consideration and decision. The Nominating Committee is also tasked with reviewing and recommending candidates for appointment as Chief Executive Officer, Chief Finance Officer and Company Secretary.

The current members of the Nominating Committee are as follows:

Y. BHG. DATO' NOORIZAH HJ ABD HAMID
Independent Director
Chairperson

Y. BHG. DATUK NIK MOHD HASYUDEEN BIN YUSOFF
Independent Director

MR. ANTONIO M. CAILAO
Independent Director

The Composition of the Nominating Committee complies with the Malaysian Code on Corporate Governance 2021 ("CG Code 2021").

ROLE OF THE NOMINATING COMMITTEE AND ACTIVITIES IN 2025

Annual Assessment and Evaluation

Apart from reviewing and recommending candidates to the Board, the Nominating Committee is also responsible for the annual assessments and evaluations of the effectiveness of the individual Directors, Board Committees and the Board as a whole on an ongoing basis. These assessments — based on a combination of qualitative and quantitative factors as determined by the Committee — were carried out by the Nominating Committee for the year.

The findings and results of these assessments by the Nominating Committee were reported to the Board on 18 March 2026.

Training Programmes

The Nominating Committee can instruct the Management to organise induction training programmes for new Directors, upon request, to acquaint them with their fiduciary duties and compliance obligations under securities and corporate laws. As directed by the Chairperson of the Nominating Committee, all Directors are informed of available training programmes by the Company Secretary. The Company will also arrange for Directors to attend such training programmes upon request.

In June 2023, Bursa Malaysia Securities Berhad ("Bursa Malaysia") together with the Securities Commission Malaysia ("SC") announced the rollout of a new mandatory onboarding programme on sustainability for directors of public limited companies. The Mandatory Accreditation Programme ("MAP") Part II: Leading for Impact is an extension to the existing MAP under the Main Market Listing Requirements ("MMLR").

As of this Report's date, all Independent and Executive Directors of the Company have completed the MAP Part II ensuring full compliance with Paragraph 15.08 of the MMLR.

Board Diversity

In recommending candidates, the Nominating Committee places emphasis on selecting the 'best person for the job and for the Company' regardless of race, religion, gender or social background. The same principle applies to appointments to the Board. In considering candidates for Board positions, the Nominating Committee pays particular attention to their experience, qualifications, character, integrity, competence and time commitment to the Company. In line with the Company's commitment to diversity, both the Board and Nominating Committee are keen to ensure not only gender diversity but also diversity in terms of age and ethnicity.

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

Recommendation for Board Appointments

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

In 2025, the Nominating Committee carried out the following activities:

a. Ensured the performance evaluations of the Directors included a review of the performance of the Board in addressing the Company's material sustainability risks and opportunities.

b. Engaged AscendServ Corporate Services Sdn. Bhd., an independent expert to conduct and review the annual evaluation of the Directors, Board and Board Committees for the year ended 2024 and reported the same to the Board in March 2025. A summary of this evaluation was reported in the 2024 Annual Report.

c. Conducted a review of the candidates to retire by rotation (i.e., Ms. Jacqueline L. Ang, Mr. Antonio M. Cailao and Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff) and recommended their re-election at the 2026 AGM.

d. Made arrangements for all Executive Directors and Independent Directors who had not completed the MAP Part II to attend the programme within the prescribed timeline.

DIRECTORS' FIT AND PROPER POLICY

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

Annual Review of Board/Committees/Directors Performance

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

For the 2025 annual evaluation, a revised and enhanced evaluation survey, as recommended by the Nominating Committee in consultation with Internal Audit, was used. The survey comprises six (6) sets of questionnaires that the respective Directors are required to complete via self-assessment and/or peer assessment. They cover aspects such as (i) the independence of the Independent Directors; (ii) the performance of the Board Committees; (iii) the performance of the Board; (iv) the Board members' skillsets; (v) the individual Directors' performance and contributions to the Board; and (vi) the Board's performance in addressing the Company's material sustainability risks and opportunities. A dedicated set of questions on the Board's role in sustainability governance-related matters is also included.

Nominating Committee Report

The 2025 annual evaluation was completed on 6 February 2026 and the results were presented to the Nominating Committee and the Board on 18 March 2026. A summary of the results follows:

Independence

Independent Directors' Independence – All five (5) Independent Directors meet the necessary criteria for 'independence' and they are in compliance with the CG Code 2021.

Board Committee Evaluations

There were no adverse findings, and the average rating of the Audit Committee was 4.64 (marginally lower than the 4.86 rating in 2023), the Nominating Committee's average rating was 4.65 (marginally lower than the 4.91 rating in 2023) and the Sustainability Committee's average rating was 4.65 (marginally higher than 4.57 rating in 2023). Overall, the three Committees were rated within a similar range to 2023. All three Committees were rated as 'Consistently Good'.

Board Evaluation

The ratings received indicated an overall average of 4.63, broadly in line with the 4.64 recorded in 2023. The Board was once again rated as 'Consistently Good'.

Board Skill Evaluation (Peer Assessment)

The Directors were rated between 4.55 and 4.75 (marginally higher than the rating of between 4.53 and 4.69 in 2023), again indicating that, on average, each Director was ranked as 'Consistently Good'.

Performance Evaluation
(Self-Assessment and Peer Assessment by each Director)

Each Director was rated between 4.40 and 4.89 (marginally higher than the rating of between 4.42 and 4.76 in 2023), again indicating that, on average, each Director was ranked as 'Consistently Good'.

Sustainability (ESG) Evaluation

The average rating for Sustainability was 4.41 (marginally higher than the rating of 4.26 in 2023), again indicating strengthened ESG practices and good governance in sustainability matters.

The evaluation of the independence of the Independent Directors indicated that the overall results for the year 2025 were comparable with the evaluation results for 2023. Furthermore, all Independent Directors fulfilled the independence criteria set out under the MMLR.

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

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

The Company's Chief Executive Officer, Chief Finance Officer, Company Secretary and other members of the Management Committee (collectively referred to as "Key Executives") all undergo a rigorous annual performance evaluation and ranking process based on set goals and Key Performance Indicators. This is conducted as part of the Petron Group's annual employees' performance evaluation. The evaluation is done independently of each of the individual Key Executives concerned who do not have any role in determining the results of the evaluation, ranking, salary increments and other remuneration, if any.

Election/Re-election/Appointment of Directors

The Nominating Committee at its meeting on 18 March 2026, also evaluated the Directors standing for election/re-election/appointment to the Board. The Nominating Committee, having access to the evaluation results of the Directors' performance, and having assessed each Director for reappointment based on criteria set out in the Company's Fit and Proper Policy, recommended:

That three (3) Directors, namely Ms. Jacqueline L. Ang (Executive Director), Mr. Antonio M. Cailao (Independent Director), and Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff (Independent Director), shall retire by rotation at the forthcoming AGM. The Committee, having considered the excellent evaluation ratings from the Annual Evaluation of these three (3) retiring Directors and considering the time they have available to devote to Petron Malaysia, proposed that the Board recommend the respective Directors for re-election by shareholders at the 2026 AGM.

This Report is dated 18 March 2026.

Board Sustainability Committee Report

ESTABLISHMENT OF THE BOARD SUSTAINABILITY COMMITTEE

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

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

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

MR. DAVID FONG SEOW KEE *Independent Director* Chairperson	**Y. BHG. DATO' NOORIZAH ABDUL HAMID** *Independent Director*	**MR. LUBIN B. NEPOMUCENO** *Executive Director*	**MS. JACQUELINE L. ANG** *Executive Director*

The current Advisors to the Board Sustainability Committee are as follows:

MR. EMMANUEL E. ERAÑA	**MR. JAIME O. LU**	**MS. MIA L. SANTOS-DELOS REYES**

ROLE OF THE BOARD SUSTAINABILITY COMMITTEE

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

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

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

MEETINGS

In 2025, the Board Sustainability Committee held four (4) meetings on 7 March, 9 May, 8 August and 6 November respectively.

Board Sustainability Committee Report

2025 SUSTAINABILITY ACTIVITIES

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

As part of the Company's efforts to support environmental conservation, we actively participated in the National 100 Million Tree Planting Campaign, successfully planting 1,600 trees to contribute to carbon sequestration and broader green initiatives. At the same time, we had also expanded our plastic recycling collection at two of our service stations.

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

We also partnered with Radio Televisyen Malaysia ("RTM") to strengthen community ties nationwide through the 'Jelajah' programme. This approach brought together charitable efforts, environmental projects, and cultural festivities under two main programmes – 'Jelajah Ramadan' and 'Jelajah Aspirasi Malaysia'. By unifying our CSR agenda, we strengthened community ties nationwide while delivering a more cohesive and impactful experience for over 23,900 beneficiaries. Impact was amplified through strategic collaborations with non-governmental organisations, government agencies and external partners, ensuring broad reach and effectiveness. This was evident in our collaboration with Royal Malaysia Police ("RMP") on Go-To-Safety-Point initiatives, providing early assistance to customers in distress as well as with Road Transport Department ("RTD") for Road Safety Campaigns. We also went on to foster rural entrepreneurship through the 'Sapot Lokal' initiative which sustained 152 entrepreneurs in 2025.

As part of our efforts to promote an agile, diverse and thriving workforce, we introduced self-paced sustainability e-learning modules via the United Nations Global Compact Academy. In addition, our employee engagement programmes continue to instil Petron Malaysia's corporate values of Excellence, Innovation, Teamwork, Ethics and Safety into our workforce culture. We had also provided opportunities for Person-with-Disabilities (PWD) to participate in a six-months trainee program, with trainees placed in Human Resources and Retail Card Operations group. Our Human Resource department had also garnered "Excellence in Employee Engagement" award at the HR Excellence Awards 2025. On top of that, Petron Malaysia was also voted 2nd runner up by graduates in Malaysia at the M100 Awards for the 3rd consecutive year.

Safety remains an integral component of Petron Malaysia's operational philosophy. We continue to prioritise the health and safety of everyone involved in our operations, including the workforce at our Refinery, LPP, and Terminal sites. We have consistently maintained a strong safety record with notable achievements. Our success in garnering 15 awards at the 43rd Malaysian Society for Occupational Safety and Health ("MSOSH") Awards and 4 awards at the Malaysian Industrial Safety & Health Association ("MiSHA") Awards; at which our General Manager had also received Anugerah Kelisa Emas (Individu Cemerlang KKP) 2025, attests to this. These milestones reflect the effectiveness of our proactive approach to safety and our dedication to operational excellence.

Further details of the Company's sustainability efforts can be found in the standalone Petron Malaysia 2025 Sustainability Report.

Financial Statements

Directors' Report 98

Statement of Financial Position 102

Statement of Profit or Loss and Other Comprehensive Income 103

Statement of Changes in Equity 104

Statement of Cash Flows 105

Notes to the Financial Statements 108

Statement by Directors 159

Statutory Declaration 160

Independent Auditors' Report 161





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 Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

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

ULTIMATE HOLDING COMPANY

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

RESULTS

	RM'000
Profit for the financial year	245,663

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, the Company paid a final ordinary dividend of 10 sen per ordinary share totalling RM27,000,000 in respect of the financial year ended 31 December 2024, declared on 17 June 2025 and paid on 1 July 2025 and 3 July 2025.

The final ordinary dividend recommended by the Directors in respect of the financial year ended 31 December 2025 is 20 sen per ordinary share totalling RM54,000,000 subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

DIRECTORS OF THE COMPANY

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

Mr. Ramon S. Ang
Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff
Mr. Fong Seow Kee
Mr. Antonio Martin Cailao
Y. Bhg. Dato' Noorizah Binti Hj Abd Hamid
Datuk Prakash Chandran Madhu Sudanan
Mr. Lubin B. Nepomuceno
Ms. Aurora T. Calderon
Ms. Jacqueline L. Ang

Directors' Report
For the Financial Year Ended 31 December 2025

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares			
	At 1.1.2025	Acquired	Sold	At 31.12.2025
Common shares of ultimate holding company (San Miguel Corporation)				
Ramon S. Ang	1,345,429	-	-	**1,345,429**
Lubin B. Nepomuceno	7	-	-	**7**
Aurora T. Calderon	22,600	-	-	**22,600**
Common shares of intermediate holding company (Petron Corporation)				
Ramon S. Ang	1,000	-	-	**1,000**
Lubin B. Nepomuceno	5,000	-	-	**5,000**
Aurora T. Calderon	1,000	-	-	**1,000**

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown below or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits are as follows:

	2025 RM'000
Non-executive independent directors	
Fees	**562**
Other short-term benefits	**288**
	850

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

ISSUE OF SHARES AND DEBENTURES

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

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COSTS

The indemnity insurance coverage provided for the Directors and Officers of the Company is RM15,000,000. The cost of premium incurred for the financial year amounted to RM70,000. During the financial year, no indemnity claim or payment was made. Additionally, the Company has agreed the indemnity to the auditors in accordance with Section 289 of the Companies Act 2016 and shall apply to the extent permitted by law.

OTHER STATUTORY INFORMATION

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

i) all known bad debts have been written off and adequate provision was made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

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

i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any material contingent liability in respect of the Company that has arisen since the end of the financial year.

A contingent liability in the sum of RM6,801 thousand has become enforceable after the end of the financial year but is not expected to have any material impact on the financial position of the Company.

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

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

Directors' Report
For the Financial Year Ended 31 December 2025

AUDITORS

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

The auditors' remuneration in respect of the financial year ended 31 December 2025 is as follows:

	2025 RM'000
Audit fees	470
Non-audit fees	30
	500

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

Lubin B. Nepomuceno
Director

Jacqueline L. Ang
Director

Date: 02 March 2026

Statement of Financial Position

As at 31 December 2025

	Note	2025 RM'000	2024 RM'000
Assets			
Cash and cash equivalents	3	**319,132**	145,786
Derivative financial assets	4	**37,281**	29,468
Receivables	5	**385,951**	980,905
Inventories	6	**670,387**	1,269,173
Other current assets	7	**5,003**	11,255
Tax recoverable		**-**	34,406
Total current assets		**1,417,754**	2,470,993
Derivative financial assets	4	**333**	-
Property, plant and equipment	8	**1,545,810**	1,488,942
Investment properties	9	**635,889**	632,818
Right-of-use assets	10	**33,609**	33,340
Long-term assets	11	**19,523**	26,543
Intangible assets – software	12	**2,557**	804
Total non-current assets		**2,237,721**	2,182,447
Total assets		**3,655,475**	4,653,440
Liabilities			
Loans and borrowings	13	**-**	1,175,125
Derivative financial liabilities	4	**22,468**	23,459
Payables	14	**662,474**	779,854
Retirement benefit obligations	15	**895**	3,469
Lease liabilities		**8,779**	8,353
Asset retirement obligations	16	**2,727**	3,020
Tax payable		**6,880**	-
Total current liabilities		**704,223**	1,993,280
Derivative financial liabilities	4	**440**	-
Retirement benefit obligations	15	**35,769**	35,299
Deferred tax liabilities	17	**231,653**	189,911
Lease liabilities		**88,198**	61,856
Asset retirement obligations	16	**8,349**	8,115
Total non-current liabilities		**364,409**	295,181
Total liabilities		**1,068,632**	2,288,461
Equity			
Share capital	18	**143,000**	143,000
Retained profits		**2,443,843**	2,221,979
Total equity		**2,586,843**	2,364,979
Total equity and liabilities		**3,655,475**	4,653,440

The notes on pages 108 to 158 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

	Note	2025 RM'000	2024 RM'000
Revenue	19	**13,424,837**	15,837,705
Cost of sales		**(12,854,309)**	(15,563,229)
Gross profit		**570,528**	274,476
Other operating income		**72,392**	64,550
Other operating expenses	20	**(250,617)**	(247,035)
Administrative expenses		**(42,781)**	(32,436)
Results from operating activities		**349,522**	59,555
Finance income		**6,483**	6,763
Other income/(expense)		**1,044**	(14,244)
Finance costs	21	**(19,895)**	(38,974)
Profit before tax	22	**337,154**	13,100
Tax (expense)/benefit	23	**(91,491)**	4,938
Profit for the financial year		**245,663**	18,038
Other comprehensive income/(loss), net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	24	**3,201**	(12,209)
Other comprehensive income/(loss) for the financial year, net of tax		**3,201**	(12,209)
Total comprehensive income for the financial year		**248,864**	5,829
Basic earnings per ordinary share (sen)	25	**90.99**	6.68

The notes on pages 108 to 158 are an integral part of these financial statements.

Statement of Changes in Equity

For the Financial Year Ended 31 December 2025

	Note	Non-distributable Share capital RM'000	Distributable Retained profits RM'000	Total equity RM'000
		Note 18		
At 1 January 2024		143,000	2,278,250	2,421,250
Remeasurement of defined benefit liability	24	-	(12,209)	(12,209)
Profit for the financial year		-	18,038	18,038
Total comprehensive income for the financial year		-	5,829	5,829
Dividends paid	26	-	(62,100)	(62,100)
At 31 December 2024/1 January 2025		**143,000**	**2,221,979**	**2,364,979**
Remeasurement of defined benefit liability	24	**-**	**3,201**	**3,201**
Profit for the financial year		**-**	**245,663**	**245,663**
Total comprehensive income for the financial year		**-**	**248,864**	**248,864**
Dividends paid	26	**-**	**(27,000)**	**(27,000)**
At 31 December 2025		**143,000**	**2,443,843**	**2,586,843**

The notes on pages 108 to 158 are an integral part of these financial statements.

Statement of Cash Flows

For the Financial Year Ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Cash flows from operating activities			
Profit before tax		**337,154**	13,100
Adjustments for:			
Amortisation of intangible assets	12	**1,015**	483
Amortisation of long-term assets	11	**1,742**	3,619
Depreciation of investment properties	9	**34,814**	33,265
Depreciation of property, plant and equipment	8	**86,908**	86,438
Depreciation of right-of-use assets	10	**642**	640
Finance costs	21	**19,895**	38,974
Finance income		**(6,483)**	(6,763)
Gain on disposal of right-of-use assets	22	**-**	(302)
Impairment loss/(reversal) on investment properties	9	**10,160**	(695)
Impairment loss on property, plant and equipment	8	**7,677**	-
Net impairment loss on slow moving materials and supplies	6	**-**	12
Net impairment loss on trade and other receivables	28	**338**	70
Net loss on disposal of investment property	22	**-**	171
Net loss/(gain) on disposal of property, plant and equipment	22	**10**	(655)
Net write-down/(reversal) of inventories to net realisable value	6	**38,451**	(19,657)
Retirement benefit costs	15	**4,165**	2,601
Unrealised foreign exchange gain	22	**(1,738)**	(986)
Unrealised gain on derivatives		**(14,706)**	(6,009)
Write-off of investment property	9	**-**	25
Write-off of property, plant and equipment	8	**145**	2,865
Operating profit before changes in working capital		**520,189**	147,196
Change in inventories		**560,335**	(200,393)
Change in long-term assets		**-**	124
Change in trade and other payables and other financial liabilities		**(173,466)**	(269,060)
Change in trade and other receivables and other financial assets		**631,174**	398,883
Cash from operations		**1,538,232**	76,750
Interest paid		**(18,087)**	(33,131)
Interest received		**6,493**	6,753
Tax paid		**(26,674)**	(22,893)
Tax refund		**17,200**	-
Retirement benefits paid	15	**(2,057)**	(1,690)
Net cash from operating activities		**1,515,107**	25,789

The notes on pages 108 to 158 are an integral part of these financial statements.

Statement of Cash Flows
For the Financial Year Ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Cash flows from investing activities			
Acquisition of investment properties		**(4,135)**	(13,688)
Acquisition of property, plant and equipment		**(112,775)**	(119,276)
Acquisition of right-of-use assets		**(911)**	-
Payment for long-term assets	11	**(8,310)**	(10,473)
Proceeds from disposal of property, plant and equipment		**2**	661
Proceeds from disposal of right-of-use assets and investment property		**-**	308
Net cash used in investing activities		**(126,129)**	(142,468)
Cash flows from financing activities			
Dividends paid	26	**(27,000)**	(62,100)
Net (repayment)/drawdown of borrowings		**(1,175,125)**	225,125
Payment of lease liabilities		**(13,498)**	(16,717)
Net cash (used in)/from financing activities		**(1,215,623)**	146,308
Net change in cash and cash equivalents		**173,355**	29,629
Effect of exchange rate fluctuations on cash held		**(9)**	(11)
Cash and cash equivalents at 1 January		**145,786**	116,168
Cash and cash equivalents at 31 December	3	**319,132**	145,786

Cash outflows for leases as a lessee

Total cash outflows for leases amounted to RM18,993,000 (2024: RM20,442,000) comprised of principal and interest payments on lease liabilities.

The notes on pages 108 to 158 are an integral part of these financial statements.

Statement of Cash Flows
For the Financial Year Ended 31 December 2025

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

	Loans and borrowings RM'000	Lease liabilities RM'000	Total RM'000
At 1 January 2024	950,000	70,177	1,020,177
Changes from financing cash flows			
Proceeds from loans and borrowings	5,753,500	-	5,753,500
Repayment of loans and borrowings	(5,528,375)	-	(5,528,375)
Payment of lease liabilities	-	(16,717)	(16,717)
Total changes from financing cash flows	225,125	(16,717)	208,408
Other changes:			
Accrued interest	-	355	355
Acquisition of new leases	-	15,900	15,900
Remeasurement of lease liabilities	-	494	494
At 31 December 2024/1 January 2025	**1,175,125**	**70,209**	**1,245,334**
Changes from financing cash flows			
Proceeds from loans and borrowings	**1,431,180**	**-**	**1,431,180**
Repayment of loans and borrowings	**(2,606,305)**	**-**	**(2,606,305)**
Payment of lease liabilities	**-**	**(13,498)**	**(13,498)**
Total changes from financing cash flows	**(1,175,125)**	**(13,498)**	**(1,188,623)**
Other changes:			
Accrued interest	**-**	**797**	**797**
Acquisition of new leases	**-**	**39,129**	**39,129**
Remeasurement of lease liabilities	**-**	**340**	**340**
At 31 December 2025	**-**	**96,977**	**96,977**

The notes on pages 108 to 158 are an integral part of these financial statements.

Notes to the Financial Statements

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

Registered office/Principal place of business
Level 12A, Menara I&P Tower 1
Jalan Dungun, Damansara Heights
50490 Kuala Lumpur

Principal place of business
Port Dickson Refinery
1 ½ mile, Jalan Pantai
71000 Port Dickson, Negeri Sembilan

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

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

The financial statements were authorised for issue by the Board of Directors on 2 March 2026.

1. BASIS OF PREPARATION

1.1 Statement of compliance

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

On 1 January 2025, the Company adopted the following accounting standards, amendments and interpretations of MFRSs 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 adoption of the amendments listed above did not have any material financial impact on the amounts recognised in prior and current periods, and are not expected to significantly affect the financial statements of the Company in the future.

1. BASIS OF PREPARATION (CONTINUED)

1.1 Statement of compliance (continued)

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

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

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

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

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

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

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

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

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

1.2 Basis of measurement

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

1.3 Functional and presentation currency

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

1. BASIS OF PREPARATION (CONTINUED)

1.4 Use of estimates and judgements

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

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

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

- Determining recoverable amounts of non-financial assets

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

  For the purpose of assessing impairment, the Company identified its major cash generating units (CGUs) based on the nature of its trade and operations as refinery, Palm Methyl Ester (PME) plant, terminals and retail service stations. Accordingly, the carrying amounts of the property, plant and equipment, investment properties, right-of-use assets, and intangible assets in Notes 8, 9, 10 and 12, respectively, have been grouped to the respective CGUs with total carrying amounts identified for refinery of RM1,138,572,000, PME plant of RM137,854,000, terminals of RM60,964,000 and retail service stations of RM880,475,000 (2024: RM1,131,567,000, RM78,433,000, RM50,726,000 and RM895,178,000). The non-financial assets were then identified per CGU. The Company used both value in use and fair value less costs of disposal, as applicable, as the CGUs' recoverable amounts.

  Determining the recoverable amount of assets based on the value in use method requires the estimation of future cash flows to be generated by the CGUs from the continued use and ultimate disposition of its assets as approved by the Company. The length of the cash flows takes into consideration the finite life of the non-financial assets and are projected based on approved long range plan for 15 years (2024: 15 years) anchored on the budget approved by the Company for financial year 2025 and extended beyond 15 years if necessary based on varying growth rates. The estimated cash flows for refinery assumed a 21-year period whereas retail service stations assumed either a 30-year period or according to the lease period. The key assumptions considered in the future cash flows are the estimates of refining and product margins, and production and sales volume. After considering historical trends, these estimates represented management's assessment of future trends in the industry available at the time of impairment review. A pre-tax discount rate of 7.56% (2024: 7.56%) has been applied which reflects market assessment of time value of money and is derived based on the weighted average cost of capital using the Capital Asset Pricing Model (CAPM).

Notes to the Financial Statements

1. BASIS OF PREPARATION (CONTINUED)

1.4 Use of estimates and judgements (continued)

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

  As disclosed in Note 8, in assessing the impairment of the refinery CGU, the Company considered the impact of the damaged jetty, which resulted in a temporary shutdown of refinery operations. The Company has incorporated into the value in use model the estimated timeline for restoration of the jetty and the expected resumption of refinery operations. The assessment also reflects the additional capital expenditures required for jetty restoration. Based on the revised cash flow projections, the Company concluded that the recoverable amount of the refinery CGU exceeds its carrying amount, with sufficient headroom. Accordingly, no impairment is required as at 31 December 2025.

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

  Sensitivity analysis

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

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

  (a) Refinery

  - 3% (2024: 3%) decrease in the refining margins will not result in the CGUs' recoverable amounts being lower than the carrying amounts.
  - 5% (2024: 5%) decrease in the production volume will not result in the CGUs' recoverable amounts being lower than the carrying amounts.
  - 0.5% (2024: 0.5%) increase in the pre-tax discount rate will not result in the CGUs' recoverable amounts being lower than the carrying amounts.

  Sensitivity was also performed in relation to the damaged jetty in the refinery as disclosed in Note 8 and it will not result in the CGU's recoverable amounts being lower than the carrying amounts.

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

  - 3% (2024: 3%) decrease in the product margins will not result in the CGUs' recoverable amounts being lower than the carrying amounts.
  - 5% (2024: 5%) decrease in the sales volume will not result in the CGUs' recoverable amounts being lower than the carrying amounts.
  - 0.5% (2024: 0.5%) increase in the pre-tax discount rate will not result in the CGUs' recoverable amounts being lower than the carrying amounts.

  Based on the assessments performed, the recoverable amounts are greater than the carrying amounts for all CGUs, hence no impairment losses were recognised in 2025, except for the damaged product jetty in the refinery, three service stations and and one leasehold land as disclosed in Notes 8 and 9.

2. MATERIAL ACCOUNTING POLICIES

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

2.1 Joint arrangements

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

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as joint operation when the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Company accounts for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation. The carrying amounts of assets under joint arrangement is disclosed in Note 8.

2.2 Foreign currency transactions

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

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

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

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

2.3 Financial instruments

(i) Recognition and initial measurement

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

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

(ii) Financial instrument classification and subsequent measurement

Financial assets

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Financial instruments (continued)

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

Financial assets (continued)

(a) Financial assets at amortised cost

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

- the financial assets are held within a business model whose objective is to hold financial assets to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

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

Financial liabilities

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

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Financial instruments (continued)

(iii) Derecognition

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

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

(iv) Offsetting

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

2.4 Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

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

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment (continued)

(ii) Subsequent costs

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

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

(iii) Depreciation

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

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

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

* Includes IT-related assets used in service stations.

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Leases

(i) Definition of a lease

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

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

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

(ii) Recognition and initial measurement

(a) As a lessee

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

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

(b) As a lessor

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

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

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

(iii) Subsequent measurement

(a) As a lessee

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

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

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

(b) As a lessor

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Investment properties

(i) Investment properties carried at cost

Investment properties consist of land, buildings and improvements which are owned or right-of-use assets held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

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

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

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

(ii) Reclassification to/from investment property

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

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

2.7 Intangible assets

Software cost

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

2.8 Inventories

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

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

Notes to the Financial Statements

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Cash and cash equivalents

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

2.10 Impairment

(i) Financial assets

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

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

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

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

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

(ii) Other assets

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment (continued)

(ii) Other assets (continued)

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals were recognised.

2.11 Equity instruments

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

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) Distributions of assets to owners of the Company

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

2.12 Employee benefits

(i) Short-term employee benefits

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

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

(ii) State plans

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

(iii) Defined benefit plans

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Employee benefits (continued)

(iii) Defined benefit plans (continued)

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

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

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

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

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

2.13 Provisions

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

2.14 Revenue and other income

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

(i) Sale of goods

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Revenue and other income (continued)

(i) Sale of goods (continued)

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

The Company transfers control of goods sold at a point in time unless one of the following criteria to transfer over time is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Company performs its obligation;

(b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

(ii) Service income

Revenue is recognised over time when the performance of contractually agreed service has been rendered and control over the services has been transferred to the customer.

(iii) Rental income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement. Other rent related income is recognised in the accounting period in which the service has been rendered.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

2.15 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax credit will be realised.

Investment tax credits are recognised in current tax in the year when the conditions required to receive the credits are met and they are claimed in the Company's tax return. Investment tax credits that are unused are recognised as deferred tax assets to the extent that it is probable that future taxable profit will be available against which the unused investment tax credit can be utilised.

2.17 Earnings per ordinary share

The Company presents basic earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the year, adjusted for own shares held.

2.18 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 Fair value measurement

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

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

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

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : unobservable inputs for the asset or liability.

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

2.20 Contingencies

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. CASH AND CASH EQUIVALENTS

	2025 RM'000	2024 RM'000
Cash and bank balances	**319,132**	35,086
Fixed deposit	**-**	110,700
	319,132	145,786

In prior year, fixed deposit with licensed bank has an average maturity of less than 30 days.

4. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	2025			2024		
	Nominal value RM'000	Assets RM'000	Liabilities RM'000	Nominal value RM'000	Assets RM'000	Liabilities RM'000
Current						
Derivatives held for trading at fair value through profit or loss						
- Forward exchange contracts	**249,203**	**160**	**(1,346)**	73,982	-	(177)
- Commodity swaps	**537,010**	**37,121**	**(21,122)**	437,678	29,468	(23,282)
	786,213	**37,281**	**(22,468)**	511,660	29,468	(23,459)
Non-current						
Derivatives held for trading at fair value through profit or loss						
- Commodity swaps	**(1,711)**	**333**	**(440)**	-	-	-
	(1,711)	**333**	**(440)**	-	-	-

Forward exchange contracts are used to manage the foreign currency exposures arising from the Company's receivables, payables and loans and borrowings denominated in currencies other than the functional currency of the Company. All forward exchange contracts have maturities of one year or less after the end of the reporting period.

Commodity swaps are used to mitigate crude and petroleum products price risks arising from volatile market prices.

5. RECEIVABLES

	2025 RM'000	2024 RM'000
Trade receivables	**89,936**	341,930
Less: Impairment allowance	**(125)**	(27)
	89,811	341,903
Amounts due from related company	**215,459**	170,252
	305,270	512,155
Subsidy receivables	**53,821**	452,929
Other receivables	**26,860**	15,821
	80,681	468,750
	385,951	980,905

Related party balances

Trade balances due from related companies are subject to normal trade terms. Non-trade balances due from related companies are unsecured, interest free and repayable on demand.

Subsidy receivables

Subsidy receivables are amounts due from the Government of Malaysia under the Automatic Pricing Mechanism.

6. INVENTORIES

	2025 RM'000	2024 RM'000
Crude oil	**221,079**	738,656
Petroleum products	**427,495**	507,428
Materials and supplies	**21,813**	23,089
	670,387	1,269,173
Recognised in profit or loss:		
Inventories recognised as cost of sales*	**12,755,625**	15,609,338
Included within inventories recognised as cost of sales are:		
Impairment loss on slow moving materials and supplies	**-**	22
Reversal of slow moving materials and supplies	**-**	(10)
Reversal of write-down to net realisable value	**(2,058)**	(21,715)
Write-down to net realisable value	**40,509**	2,058

* In prior year, inventories recognised as cost of sales include net incidental costs in reselling committed crude purchases during the shutdown repair in the Port Dickson Refinery.

7. OTHER CURRENT ASSETS

	2025 RM'000	2024 RM'000
Prepayments	**5,003**	11,255

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land RM'000	Buildings and improvements RM'000	Refinery and terminal plant and equipment RM'000	Service station and other equipment RM'000	Computers, office and motor equipment RM'000	Capital projects in-progress RM'000	Total RM'000
Cost							
At 1 January 2024	23,183	79,633	2,019,532	536,301	58,172	47,471	2,764,292
Addition	-	2,809	61,275	24,689	1	45,648	134,422
Disposal	(2)	-	-	(17)	-	-	(19)
Write-off	-	-	(2,591)	(60,950)	-	1	(63,540)
Reclassification from investment property	-	-	-	270	-	-	270
Reclassification from long-term assets	-	-	-	751	-	-	751
Reclassification	-	1,632	36,652	5,264	594	(44,142)	-
At 31 December 2024/1 January 2025	**23,181**	**84,074**	**2,114,868**	**506,308**	**58,767**	**48,978**	**2,836,176**
Addition	**300**	**206**	**25,351**	**13,888**	**1,520**	**113,276**	**154,541**
Disposal	**-**	**-**	**-**	**(148)**	**-**	**-**	**(148)**
Write-off	**-**	**-**	**(304)**	**(3,608)**	**(57)**	**-**	**(3,969)**
Reclassification to intangible assets	**-**	**-**	**(2,768)**	**-**	**-**	**-**	**(2,768)**
Reclassification to long-term assets	**-**	**-**	**-**	**(152)**	**-**	**-**	**(152)**
Reclassification	**-**	**77**	**(11,967)**	**1,290**	**11,262**	**(662)**	**-**
Remeasurement	**-**	**-**	**-**	**(13)**	**-**	**-**	**(13)**
At 31 December 2025	**23,481**	**84,357**	**2,125,180**	**517,565**	**71,492**	**161,592**	**2,983,667**
Accumulated depreciation							
At 1 January 2024	-	43,418	878,007	344,995	51,124	-	1,317,544
Depreciation for the year	-	2,134	56,218	25,718	2,368	-	86,438
Disposal	-	-	-	(13)	-	-	(13)
Write-off	-	-	(2,591)	(58,084)	-	-	(60,675)
Reclassification from investment property	-	-	-	53	-	-	53
Reclassification from long-term assets	-	-	-	32	-	-	32
Reclassification	-	-	-	(269)	269	-	-
At 31 December 2024/1 January 2025	**-**	**45,552**	**931,634**	**312,432**	**53,761**	**-**	**1,343,379**
Depreciation for the year	**-**	**2,041**	**54,968**	**26,069**	**3,830**	**-**	**86,908**
Disposal	**-**	**-**	**-**	**(138)**	**-**	**-**	**(138)**
Write-off	**-**	**-**	**(66)**	**(3,705)**	**(53)**	**-**	**(3,824)**
At 31 December 2025	**-**	**47,593**	**986,536**	**334,658**	**57,538**	**-**	**1,426,325**

The write-off recognised for the year pertained to assets acquired in prior years transferred to the warehouse subject to disposal, and assets determined for write-off based on the verification and tagging activities performed at the stations.

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold Land RM'000	Buildings and improvements RM'000	Refinery and terminal plant and equipment RM'000	Service station and other equipment RM'000	Computers, office and motor equipment RM'000	Capital projects in-progress RM'000	Total RM'000
Accumulated impairment							
At 1 January 2024/31 December 2024/ 1 January 2025	-	-	-	3,855	-	-	3,855
Impairment during the year	-	-	7,223	418	-	36	7,677
At 31 December 2025	**-**	**-**	**7,223**	**4,273**	**-**	**36**	**11,532**
Carrying amount							
At January 2024	23,183	36,215	1,141,525	187,451	7,048	47,471	1,442,893
At 31 December 2024/1 January 2025	**23,181**	**38,522**	**1,183,234**	**190,021**	**5,006**	**48,978**	**1,488,942**
At 31 December 2025	**23,481**	**36,764**	**1,131,421**	**178,634**	**13,954**	**161,556**	**1,545,810**

Acquisition of property, plant and equipment in the statement of cash flows includes payment made this year for prior years' additions.

On 28 November 2025, the Port Dickson Refinery marine product jetty facility collapsed during Tropical Storm Senyar. The Company declared force majeure and activated its Business Continuity Plan to ensure continuity of supply of controlled products such as gasoline and diesel to its service stations and LPG to its customers. The refining operation was eventually halted as it cannot operate in the absence of the product jetty facility. The impairment losses provided for the year mainly pertain to the damaged product jetty.

Rebuilding efforts for the construction of a new jetty facility has commenced. The debris clearing on the seabed of the damaged jetty is ongoing whilst the Company is seeking bids from engineering firms to build the said new jetty at the same site once the seabed clearing is completed.

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The impairment losses provided in prior year pertain to existing indoor and outdoor payment terminals of service stations that were replaced and upgraded for better functionalities.

The remeasurements pertain to the change in the estimates of asset retirement obligations.

Included in the above property, plant and equipment are the net book values for the following:

- Company's 20% participating interest in the jointly-owned assets of the Multi-Product Pipeline (MPP) amounting to RM68,241,000 (2024: RM73,167,000).
- Company's 50% participating interest in the jointly-owned assets of the common carrier pipeline facilities amounting to RM25,685,000 (2024: RM38,304,000).

These rental income from certain service station equipment charged to dealers are recognised in profit or loss:

	2025 RM'000	2024 RM'000
Rental income	**7,316**	7,017

The operating lease income to be received are as follows:

	2025 RM'000	2024 RM'000
Less than one year	**5,870**	6,522
One to two years	**3,595**	3,210
Two to five years	**7,000**	6,383
More than five years	**10,480**	10,387
Total undiscounted lease income	**26,945**	26,502

Estimates

Depreciation of refinery production assets is computed based on the unit of production method using expected refinery crude consumption over the estimated useful lives of these assets. The estimated crude consumption of the Port Dickson Refinery (PDR) is dependent on refining economics. These estimates require the application of judgements and are subject to regular revision based on economic factors such as crude supply, oil prices and sales forecast.

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

(i) carrying amounts of refinery plant and equipment
(ii) carrying amounts of deferred tax assets and liabilities

Total PDR crude consumption for the financial year has decreased by 6% compared to the previous estimate by management to compute depreciation. This has resulted in an decrease in depreciation for the year by RM1,617,000 compared to previous estimate.

9. INVESTMENT PROPERTIES

	Freehold land RM'000	Leasehold land RM'000	Buildings and improve-ments RM'000	Capital project in-progress RM'000	Total RM'000
Cost					
At 1 January 2024	177,793	519,362	558,958	11,137	1,267,250
Addition	-	16,988	6,158	6,550	29,696
Disposals	-	(182)	(99)	-	(281)
Write-off	-	-	(44)	-	(44)
Reclassification to property, plant and equipment	-	-	(222)	(48)	(270)
Reclassification to right-of-use assets	-	(440)	-	-	(440)
Reclassification	-	-	1,302	(1,302)	-
Remeasurements	-	540	75	-	615
At 31 December 2024/1 January 2025	**177,793**	**536,268**	**566,128**	**16,337**	**1,296,526**
Addition	**-**	**37,182**	**3,750**	**435**	**41,367**
Write-off	**-**	**-**	**(5,037)**	**-**	**(5,037)**
Reclassification from property, plant and equipment	**-**	**-**	**-**	**80**	**80**
Reclassification from long-term assets	**-**	**8,509**	**-**	**-**	**8,509**
Reclassification	**-**	**-**	**15,148**	**(15,148)**	**-**
Remeasurements	**-**	**(3)**	**(56)**	**-**	**(59)**
At 31 December 2025	**177,793**	**581,956**	**579,933**	**1,704**	**1,341,386**
Accumulated depreciation					
At 1 January 2024	-	258,689	371,185	-	629,874
Depreciation for the year	-	15,306	17,959	-	33,265
Disposals	-	(10)	(99)	-	(109)
Write-off	-	-	(19)	-	(19)
Reclassification to property, plant and equipment	-	-	(53)	-	(53)
Reclassification to right-of-use assets	-	(44)	-	-	(44)
At 31 December 2024/1 January 2025	**-**	**273,941**	**388,973**	**-**	**662,914**
Depreciation for the year	**-**	**16,727**	**18,087**	**-**	**34,814**
Write-off	**-**	**-**	**(5,037)**	**-**	**(5,037)**
Reclassification from long-term assets	**-**	**1,852**	**-**	**-**	**1,852**
At 31 December 2025	**-**	**292,520**	**402,023**	**-**	**694,543**
Accumulated impairment					
At 1 January 2024	639	850	-	-	1,489
Reversal of impairment	-	(695)	-	-	(695)
At 31 December 2024/1 January 2025	**639**	**155**	**-**	**-**	**794**
Impairment during the year	**-**	**7,509**	**1,452**	**1,199**	**10,160**
At 31 December 2025	**639**	**7,664**	**1,452**	**1,199**	**10,954**
Carrying amount					
At 1 January 2024	177,154	259,823	187,773	11,137	635,887
At 31 December 2024/1 January 2025	**177,154**	**262,172**	**177,155**	**16,337**	**632,818**
At 31 December 2025	**177,154**	**281,772**	**176,458**	**505**	**635,889**

9. INVESTMENT PROPERTIES (CONTINUED)

The freehold land, leasehold land and buildings and improvements are in respect of the service stations leased to the dealers.

The investment properties are reclassified to property, plant and equipment, and right-of-use assets to reflect the usage of the assets.

The remeasurements pertain to lease reassessments and the change in the estimates.

The impairment losses recognised for the year pertain to three service stations and one leasehold land with recoverable amounts lower than the asset's carrying amounts. In prior year, impairment losses provided for two service stations were reversed as their recoverable amounts exceeded the assets' carrying amounts.

The following profit or loss items are related to investment properties:

	2025 RM'000	2024 RM'000
Rental income	**49,352**	50,376
Direct expenses	**39,277**	38,772

The operating lease income to be received are as follows:

	2025 RM'000	2024 RM'000
Less than one year	**37,756**	45,441
One to two years	**15,407**	13,161
Two to five years	**2,126**	1,549
Total undiscounted lease income	**55,289**	60,151

Leasehold land

The extension options and significant judgements and assumptions in relation to the leases are disclosed in Note 10.

Fair value information

The fair value of investment properties as at 31 December 2025 was RM1,589,909,000 (2024: RM1,525,643,000) based on appraisals made by in-house engineers and professionals having appropriate professional qualifications, and experience in the location and category of the property being valued. The carrying amounts of the capital projects in-progress have been included in the impairment assessment as disclosed in Note 1.4.

9. INVESTMENT PROPERTIES (CONTINUED)

Level 3 fair value

The fair market value of investment properties have been categorised as Level 3 in the fair value hierarchy.

Land

The fair value of land was arrived at using the Comparison Approach, which estimates the value of the land based on prices of similar properties recently sold in similar locations or comparable economic areas and adjusted for differences in condition, date of transaction and other relevant characteristics.

Buildings and improvements

The fair values of buildings and improvements were arrived at using the *Depreciated Replacement Cost* method, which estimates the current replacement cost of each of the assets and adjusted for obsolescence, including physical, functional and economic obsolescence.

10. RIGHT-OF-USE ASSETS

	2025			2024		
	Leasehold land RM'000	Service station equipment RM'000	Total RM'000	Leasehold land RM'000	Service station equipment RM'000	Total RM'000
At 1 January	**30,183**	**3,157**	**33,340**	30,297	3,292	33,589
Addition	**911**	**-**	**911**	-	-	-
Depreciation for the year	**(507)**	**(135)**	**(642)**	(505)	(135)	(640)
Disposal	**-**	**-**	**-**	(5)	-	(5)
Reclassification from investment property	**-**	**-**	**-**	396	-	396
At 31 December	**30,587**	**3,022**	**33,609**	30,183	3,157	33,340

Included in the above is leasehold land amounting to RM17,735,000 (2024: RM17,973,000) for the Company's 20% participating interest in the jointly-owned assets of MPP.

Extension options

Some leases contain extension options exercisable by the Company. The Company assesses at lease commencement whether it is reasonably certain to exercise these options and reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. The Company considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken.

10. RIGHT-OF-USE ASSETS (CONTINUED)

Extension options (continued)

	Lease liabilities recognised RM'000	Potential undiscounted future lease payments not included in lease liabilities* RM'000	Historical rate of extension options exercised %
2025			
Investment properties	**96,025**	**187,604**	**93**
Right-of-use assets	**952**	**2,155**	**100**
2024			
Investment properties	69,057	125,807	93
Right-of-use assets	1,152	2,155	100

* Pertains to leases with extension option that may be exercised in the future.

Significant judgements and assumptions in relation to leases

The leases that contain extension option are mainly lands used for retail service stations which are recognised under investment properties and lands used for terminal operations which are recognised under right-of-use assets. The Company is reasonably certain to exercise the extension option for business continuity if there is economic incentive to exercise an extension option.

The Company also applied judgement in determining the incremental borrowing rate of the respective leases, i.e. based on the closest available borrowing rate for leases with similar nature, adjusted to reflect the term of the respective leases.

Assuming the extension option for the leases with undiscounted future lease payments of RM189,759,000 (2024: RM127,962,000) as shown in the table above are exercised and the payments are made at the inception of the renewal period, the carrying amount of investment properties and right-of-use assets would increase by RM43,834,000 and RM189,000 (2024: RM22,461,000 and RM180,000), respectively.

11. LONG-TERM ASSETS

	2025 RM'000	2024 RM'000
Prepaid lease rentals	**8,310**	12,108
Deposits	**1,683**	4,375
Marketing assistance to dealers and others	**9,530**	10,060
	19,523	26,543

11. LONG-TERM ASSETS (CONTINUED)

The movements in the long-term assets are as follows:

	2025 RM'000	2024 RM'000
At 1 January	**26,543**	21,761
Addition	**8,310**	10,473
Amortisation for the year	**(1,742)**	(3,619)
Reclassification to investment property	**(6,657)**	-
Reclassification from property, plant and equipment	**152**	(719)
Provision for write-off of deposits	**(3,228)**	-
Others	**(3,855)**	(1,353)
At 31 December	**19,523**	26,543

Prepaid lease rentals

Future cash outflows arising from partially paid committed leases not yet commenced that are not reflected in the measurement of lease liabilities amount to RM37,869,000 (2024: RM5,110,000).

Marketing assistance to dealers

The marketing assistance programme is provided to selected dealers to assist in the construction of the service stations in order for the Company to gain access to locations and generate future revenue streams and is amortised over the period of the agreements.

12. INTANGIBLE ASSETS - SOFTWARE

	Total RM'000
Cost	
At 1 January 2024/31 December 2024/1 January 2025	26,456
Reclassification from property, plant and equipment	2,768
At 31 December 2025	**29,224**
Accumulated amortisation	
At 1 January 2024	25,169
Amortisation for the year	483
At 31 December 2024/1 January 2025	**25,652**
Amortisation for the year	**1,015**
At 31 December 2025	**26,667**
Carrying amount	
At 1 January 2024	1,287
At 31 December 2024/1 January 2025	**804**
At 31 December 2025	**2,557**

13. LOANS AND BORROWINGS

	2025 RM'000	2024 RM'000
Current		
Revolving credit - unsecured	**-**	1,175,125

In prior year, the Company's borrowings consist of short-term bilateral loans and trade financing with various local financial institutions for working capital requirements.

14. PAYABLES

	2025 RM'000	2024 RM'000
Trade payables	**201,225**	619,394
Amounts due to related company	**234,485**	31,313
	435,710	650,707
Accrued expenses	**40,508**	35,981
Duties and tax payables	**85,162**	3,560
Amounts due to related companies	**-**	2
Other payables	**101,094**	89,604
	226,764	129,147
	662,474	779,854

Related party balances

Trade balances due to related company is subject to normal trade term. Non-trade balances due to related companies are unsecured, interest free and are repayable on demand.

Accrued expenses

Accrued expenses are generally non-trade in nature from transactions other than the purchase of crude and petroleum products.

15. RETIREMENT BENEFIT OBLIGATIONS

	2025 RM'000	2024 RM'000
Current	**895**	3,469
Non-current	**35,769**	35,299
	36,664	38,768

The Company operates an unfunded defined benefit retirement plan for its regular national employees. An actuarial appraisal was carried out in December 2025 by an independent actuarial.

The defined benefit plan exposes the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

15. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Movement in retirement benefit obligations

The following table shows reconciliation from the opening balance to the closing balance for the retirement benefit obligations and its components:

	2025 RM'000	2024 RM'000
At 1 January	**38,768**	21,792
Included in profit or loss		
Current service cost	**2,632**	1,581
Interest cost	**1,533**	1,020
	4,165	2,601
Included in other comprehensive income/(loss)		
Remeasurement of retirement benefit obligations		
Actuarial (gain)/loss arising from experience adjustments	**(4,212)**	16,065
Others		
Benefits paid	**(2,057)**	(1,690)
At 31 December	**36,664**	38,768

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period (expressed as weighted average):

	2025 %	2024 %
Discount rate	**4.2**	4.3
Future salary growth	**6.5**	5.8

As at 31 December 2025, the weighted average duration of the defined benefit obligation was 13 years (2024: 11 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	Retirement benefit obligations			
	2025		2024	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
Discount rate (1% movement)	**(3,482)**	**4,069**	(3,173)	3,702
Future salary growth (1% movement)	**4,145**	**(3,632)**	3,777	(3,315)

Although the analysis does not account for the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

16. ASSET RETIREMENT OBLIGATIONS

	2025 RM'000	2024 RM'000
Current	**2,727**	3,020
Non-current	**8,349**	8,115
	11,076	11,135

Movements in the asset retirement obligations are as follows:

	2025 RM'000	2024 RM'000
At 1 January	**11,135**	11,209
Additions	**75**	330
Effects of change in estimate	**(503)**	(717)
Effects of change in discount rate	**-**	-
Accretion	**369**	313
At 31 December	**11,076**	11,135

The Company has asset retirement obligations (ARO) arising from certain provisions of its land lease agreements for the refinery and service stations. The recognition of the obligation requires judgement in determining if a present legal enforceable obligation exists based on individual land lease agreement and the expected dismantling costs. The amount of ARO is determined based on the estimated future dismantling costs, discounted at risk-free-rate depending on the lease term. All estimates are reviewed periodically. While the estimation of such costs is based on the best estimate of future costs, significant changes in these assumptions may materially affect the recorded expense or obligation in future periods.

Sensitivity analysis

A change of 10% in the estimated future dismantling costs at the reporting date, holding other assumptions constant, would have affected the asset retirement obligations by the amount shown below.

	Asset retirement obligations			
	2025		2024	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
Increase/(Decrease) in asset retirement obligations	**1,108**	**(1,108)**	1,113	(1,113)

17. DEFERRED TAX LIABILITIES

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Property, plant and equipment	**-**	-	**(238,124)**	(216,159)	**(238,124)**	(216,159)
Investment properties	**-**	-	**(33,247)**	(25,536)	**(33,247)**	(25,536)
Right-of-use assets	**-**	-	**(778)**	(617)	**(778)**	(617)
Lease liabilities	**23,274**	16,850	**-**	-	**23,274**	16,850
Retirement benefit obligations	**6,156**	5,647	**-**	-	**6,156**	5,647
Asset retirement obligations	**2,658**	1,911	**-**	-	**2,658**	1,911
Capital allowances carry-forward	**-**	13,762	**-**	-	**-**	13,762
Reinvestment allowances carry-forward	**-**	11,970	**-**	-	**-**	11,970
Other items	**12,640**	3,982	**(4,232)**	(1,721)	**8,408**	2,261
Net tax assets/(liabilities)	**44,728**	54,122	**(276,381)**	(244,033)	**(231,653)**	(189,911)

Movement in temporary differences during the year

	At 1.1.2024 RM'000	Recognised in profit or loss (Note 23) RM'000	Recognised directly in equity (Note 23) RM'000	At 31.12.2024/ 1.1.2025 RM'000	Recognised in profit or loss (Note 23) RM'000	Recognised directly in equity (Note 23) RM'000	At 31.12.2025 RM'000
Property, plant and equipment	(204,235)	(11,924)	-	**(216,159)**	**(21,965)**	**-**	**(238,124)**
Investment properties	(18,492)	(7,044)	-	**(25,536)**	**(7,711)**	**-**	**(33,247)**
Right-of-use assets	(1,032)	415	-	**(617)**	**(161)**	**-**	**(778)**
Lease liabilities	21,095	(4,245)	-	**16,850**	**6,424**	**-**	**23,274**
Retirement benefit obligations	2,602	(811)	3,856	**5,647**	**1,520**	**(1,011)**	**6,156**
Asset retirement obligations	1,793	118	-	**1,911**	**747**	**-**	**2,658**
Capital allowances carry-forward	-	13,762	-	**13,762**	**(13,762)**	**-**	**-**
Reinvestment allowances carry-forward	7,534	4,436	-	**11,970**	**(11,970)**	**-**	**-**
Other items	(2,188)	4,449	-	**2,261**	**6,147**	**-**	**8,408**
Net tax liabilities	(192,923)	(844)	3,856	**(189,911)**	**(40,731)**	**(1,011)**	**(231,653)**

Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position.

Notes to the Financial Statements

18. SHARE CAPITAL

	2025		2024	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid:				
At 1 January/31 December	**270,000**	**143,000**	270,000	143,000

Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

19. REVENUE

Revenues are mainly derived from the sale of petroleum products to Retail and Commercial customers in various geographical locations as disclosed in Note 27 - Operating segment. Revenues are recognised when control over products has been transferred to the customers through delivery and acceptance measured at fair value of consideration received or receivable, net of applicable discounts, rebates, and subject to applicable allowances and refunds. The general payment terms with customers are combination of prepayments and credit terms from a period of 3 to 30 days from invoice date.

The Company has no significant remaining performance obligations as it recognises revenues in amounts that correspond directly to the value of completed performance obligations.

	2025 RM'000	2024 RM'000
Revenue from contracts with customers		
Third-party sales	**10,080,481**	12,167,248
Sales to related companies	**3,331,129**	3,659,391
Other revenues	**13,227**	11,066
	13,424,837	15,837,705

Sales represent the value of petroleum products sold inclusive of Government subsidies and net of Government duties.

19. REVENUE (CONTINUED)

Disaggregation of revenue from contracts with customers

Revenue is disaggregated by major trade:

	2025 RM'000	2024 RM'000
Retail	**6,985,047**	8,524,335
Commercial	**1,934,990**	2,069,531
Others	**4,504,800**	5,243,839
	13,424,837	15,837,705

Others include sales of petroleum products to related companies (Note 31).

20. OTHER OPERATING EXPENSES

	2025 RM'000	2024 RM'000
Purchased services and utilities	**35,397**	39,934
Depreciation and amortisation	**80,814**	79,111
Maintenance and repairs	**38,254**	35,444
Advertising	**9,300**	9,090
Employee costs	**72,570**	61,379
Others	**14,282**	22,077
	250,617	247,035

The other operating expenses mainly relate to retail service stations and terminal operations.

21. FINANCE COSTS

	2025 RM'000	2024 RM'000
Interest expense on financial liabilities measured at amortised cost - loans and borrowings	**8,564**	30,091
Interest expense on lease liabilities	**6,292**	4,081
Interest expense on asset retirement obligations	**369**	313
Other finance costs	**4,670**	4,489
	19,895	38,974
Recognised in profit or loss	**19,895**	38,974
Capitalised into property, plant and equipment:		
Interest expense on financial liabilities measured at amortised cost - loans and borrowings	**2,122**	430
	22,017	39,404

22. PROFIT BEFORE TAX

	2025 RM'000	2024 RM'000
Profit before tax is arrived at after charging:		
Amortisation of intangible assets	**1,015**	483
Amortisation of long-term assets		
- Prepaid lease rentals	**559**	1,886
- Marketing assistance to dealers	**714**	1,116
- Others	**469**	617
Auditor's remuneration		
- Audit fees	**470**	470
- Non-audit fees	**30**	-
Depreciation on right-of-use assets	**642**	640
Impairment loss on slow moving materials and supplies	**-**	22
Impairment loss on receivables	**338**	107
Investment properties		
- Depreciation	**34,814**	33,265
- Impairment loss	**10,160**	-
- Loss on disposal	**-**	171
- Write-off	**-**	25
Loss of derivatives	**64,335**	-
Personnel expenses (including key management personnel)		
- Contributions to Employees' Provident Fund	**5,612**	4,935
- Retirement benefits	**4,165**	2,601
- Wages, salaries and others	**66,332**	55,606
Property, plant and equipment		
- Depreciation	**86,908**	86,438
- Impairment loss	**7,677**	-
- Loss on disposal	**10**	20
- Write-off	**145**	2,865
Provision for write-off of deposits	**3,228**	-
Property rental – short-term leases	**4,323**	4,930
Maintenance and repairs	**67,174**	60,647
Trucking cost	**57,783**	57,638
Write-down of inventories to net realisable value	**40,509**	2,058
and after crediting:		
Finance income	**6,483**	6,763
Foreign exchange – unrealised gain*	**1,738**	986
Gain on derivatives*	**-**	62,443
Gain on disposal of property, plant and equipment	**-**	675
Gain on disposal of right-of-use assets	**-**	302
Gain on realised foreign exchange	**36,568**	26,182
Rental income^	**56,668**	57,393
Reversal of impairment loss on investment properties	**-**	695
Reversal of impairment loss on slow moving materials and supplies	**-**	10
Reversal of impairment loss on receivables	**-**	37
Reversal of write-down of inventories to net realisable value	**2,058**	21,715

^ included in other operating income
* included in other income

23. TAX EXPENSE

Recognised in profit or loss

	2025 RM'000	2024 RM'000
Current tax expense/(benefit)		
- Current year	**49,449**	1,265
- Under/(Over) provision in prior years	**1,311**	(7,047)
Total current tax recognised in profit or loss	**50,760**	(5,782)
Deferred tax expense		
- Origination of temporary differences	**42,296**	5,607
- Over provision in prior years	**(1,565)**	(4,763)
Total deferred tax recognised in profit or loss	**40,731**	844
Total income tax expense/(benefit)	**91,491**	(4,938)
Reconciliation of tax expense/(benefit)		
Profit before tax	**337,154**	13,100
Income tax calculated using Malaysian tax rate of 24% (2024: 24%)	**80,917**	3,144
Non-deductible expenses	**10,828**	3,728
Under/(Over) provision of current tax expense in prior years	**1,311**	(7,047)
Over provision of deferred tax expense in prior years	**(1,565)**	(4,763)
	91,491	(4,938)
Income tax recognised directly in equity		
Deferred tax		
- Retirement benefit obligations	**1,011**	(3,856)

While total income tax expense during the year was RM91,491,000 (2024: Tax benefit of RM4,938,000), the Company paid income taxes of RM26,674,000 (2024: RM22,893,000).

In prior year, the overprovision of current tax expense in prior years includes the recognition of tax credit amounting to RM6,692,000 arising from the Company's successful tax appeal in the Court of Appeal.

The overprovision of deferred tax expense in prior years includes the overutilisation of deferred tax assets from reinvestment allowances.

24. OTHER COMPREHENSIVE INCOME

	2025 RM'000	2024 RM'000
Item that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit liability		
Before tax	**4,212**	(16,065)
Tax benefit	**(1,011)**	3,856
Net of tax	**3,201**	(12,209)

25. EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share at 31 December 2025 was based on the profit attributable to ordinary shareholders and the number of ordinary shares in issue, calculated as follows:

	2025	2024
Net profit attributable to shareholders (RM'000)	**245,663**	18,038
Number of ordinary share units in issue ('000)	**270,000**	270,000
Basic earnings per ordinary share (sen)	**90.99**	6.68

Diluted EPS is not presented as the Company has no potential shares or other instruments with dilutive effects.

26. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
2025			
Final 2024 ordinary	**10.0**	**27,000**	**1 July 2025 and 3 July 2025**
2024			
Final 2023 ordinary	23.0	62,100	2 July 2024 and 4 July 2024

The Directors recommended that a final dividend of 20.0 sen per ordinary share amounting to RM54,000,000 be paid in respect of the financial year ended 31 December 2025, subject to shareholders' approval at the forthcoming Annual General Meeting in June 2026.

27. OPERATING SEGMENT

The Company is organised as one integrated business segment which operates to manufacture and sell petroleum products. These integrated activities are known across the petroleum industry as the Downstream segment. As such, the assets and liabilities are disclosed within the financial statements as one segment.

Revenues are mainly derived from the sale of petroleum products to domestic customers including its affiliates and competitors. A breakdown of the revenues by geographical location is as follows:

	2025 RM'000	2024 RM'000
Malaysia	**12,135,097**	14,078,662
Singapore	**1,289,740**	1,759,043
	13,424,837	15,837,705

Major customer

The following is a major customer with revenue equal or more than 10% of the Company's total revenue:

	2025 RM'000	2024 RM'000
Related party		
- Petron Fuel International Sdn. Bhd.	**3,186,960**	3,506,947

Other than this major customer, there are no individual customers contributing to equal or more than 10% of the Company's total revenue for the current and previous financial year.

All non-current assets of the Company are located in Malaysia.

Notes to the Financial Statements

28. FINANCIAL INSTRUMENTS

28.1 Categories of financial instruments

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

	Carrying amount RM'000	Amortised cost RM'000	Fair value through profit or loss RM'000
2025			
Financial assets			
Cash and bank balances	**319,132**	**319,132**	**-**
Deposits	**1,683**	**1,683**	**-**
Derivative financial assets	**37,614**	**-**	**37,614**
Receivables	**385,951**	**385,951**	**-**
	744,380	**706,766**	**37,614**
Financial liabilities			
Loans and borrowings	**-**	**-**	**-**
Payables	**(661,726)**	**(661,726)**	**-**
Lease liabilities	**(96,977)**	**(96,977)**	**-**
Derivative financial liabilities	**(22,908)**	**-**	**(22,908)**
	(781,611)	**(758,703)**	**(22,908)**
2024			
Financial assets			
Cash and bank balances	145,786	145,786	-
Deposits	4,375	4,375	-
Derivative financial assets	29,468	-	29,468
Receivables	980,905	980,905	-
	1,160,534	1,131,066	29,468
Financial liabilities			
Loans and borrowings	(1,175,125)	(1,175,125)	-
Payables	(779,154)	(779,154)	-
Lease liabilities	(70,209)	(70,209)	-
Derivative financial liabilities	(23,459)	-	(23,459)
	(2,047,947)	(2,024,488)	(23,459)

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Net gains and losses arising from financial instruments

	Company	
	2025 RM'000	2024 RM'000
Net (loss)/gain on:		
Fair value through profit or loss	**(64,335)**	62,443
Financial liabilities measured at amortised cost		
- Finance costs	**(19,895)**	(38,974)
- Unrealised foreign exchange gain	**1,761**	714
- Realised foreign exchange gain	**54,038**	33,897
	35,904	(4,363)
Financial assets measured at amortised cost		
- Finance income	**6,483**	6,763
- Net impairment loss	**(338)**	(70)
- Unrealised foreign exchange (loss)/gain	**(23)**	272
- Realised foreign exchange loss	**(17,470)**	(7,715)
	(11,348)	(750)
	(39,779)	57,330

28.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

28.4 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from its receivables from customers.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.4 Credit risk (continued)

Receivables (continued)

Exposure to credit risk, credit quality and collateral

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

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Company. The Company uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant past due balances more than its credit term, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	2025 RM'000	2024 RM'000
Domestic	**77,440**	77,290
Foreign	**12,371**	264,613
	89,811	341,903

Impairment losses

The Company uses a provision matrix using historical credit loss experience over the past three years to measure expected credit losses (ECLs) on receivables.

Impairment losses for trade receivables

The Company maintains an ageing analysis for trade receivables only. The following table provides information about the exposure to credit risk and ECLs on trade receivables as at 31 December 2025.

	Gross RM'000	Impairment RM'000	Net RM'000
2025			
Current	**83,479**	**-**	**83,479**
Past due 1-90 days	**5,130**	**-**	**5,130**
Past due 91-180 days	**1,295**	**(98)**	**1,197**
Past due 181-365 days	**5**	**-**	**5**
Past due more than 365 days	**27**	**(27)**	**-**
	89,936	**(125)**	**89,811**
2024			
Current	337,306	-	337,306
Past due 1-90 days	3,713	-	3,713
Past due 91-180 days	884	-	884
Past due more than 365 days	27	(27)	-
	341,930	(27)	341,903

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.4 Credit risk (continued)

Receivables (continued)

Impairment losses for trade receivables (continued)

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	2025 RM'000	2024 RM'000
At 1 January	**27**	20
Allowance made during the year	**98**	27
Reversal of impairment loss	**-**	(20)
At 31 December	**125**	27

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Company is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivables directly.

Impairment losses for other receivables

Assessment was made resulting in the increase in the allowance for impairment of other receivables amounting to RM240,000 (2024: increase of RM80,000). There was no reversal of allowance for impairment of other receivables in 2025 (2024: RM17,000) and no write off for both years.

Cash and cash equivalents

Exposure to credit risk, credit quality and collateral

The credit risk for cash and cash equivalents is deemed negligible, since the counterparties are considered reputable entities.

28.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from its various payables and loans and borrowings.

The Company maintains a level of cash and cash equivalents, and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. The Company reviews its revolving credit facilities on a periodic basis.

The Company continues to optimise the mix of its borrowing facilities to maximise financing flexibility whilst reducing financing cost. These facilities are short-term in nature unless opportunities arise to secure favourable longer term borrowing facilities.

Liquidity risk may also arise if debtors are not able to settle obligations to the Company within the normal credit term. To manage this risk, the Company periodically assesses the financial viability of debtors and may require certain debtors to provide bank guarantees or other security.

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/coupon	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2025							
Non-derivative financial liabilities							
Payables	**661,726**	**-**	**661,726**	**661,726**	**-**	**-**	**-**
Lease liabilities	**96,977**	**3.8% - 8.5%**	**176,154**	**6,447**	**8,234**	**21,186**	**140,287**
	758,703		**837,880**	**668,173**	**8,234**	**21,186**	**140,287**
Derivative financial liabilities							
Forward exchange contracts (gross settled):							
Outflow	**1,186**	**-**	**249,203**	**249,203**	**-**	**-**	**-**
Inflow	**-**	**-**	**(248,017)**	**(248,017)**	**-**	**-**	**-**
Commodity swaps (gross settled):							
Outflow	**-**	**-**	**537,010**	**537,010**	**-**	**-**	**-**
Inflow	**(15,999)**	**-**	**(553,009)**	**(553,009)**	**-**	**-**	**-**
	743,890		**823,067**	**653,360**	**8,234**	**21,186**	**140,287**

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.5 Liquidity risk (continued)

Maturity analysis (continued)

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments: (continued)

	Carrying amount RM'000	Contractual interest rate/coupon	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2024							
Non-derivative financial liabilities							
Payables	779,154	-	779,154	779,154	-	-	-
Lease liabilities	70,209	3.8% - 8.5%	137,827	7,194	4,130	15,811	110,692
Loans and borrowings							
Revolving credit	1,175,125	4.0% - 4.5%	1,177,448	1,177,448	-	-	-
	2,024,488		2,094,429	1,963,796	4,130	15,811	110,692
Derivative financial liabilities							
Forward exchange contracts (gross settled):							
Outflow	177	-	73,982	73,982	-	-	-
Inflow	-	-	(73,805)	(73,805)	-	-	-
Commodity swaps (gross settled):							
Outflow	-	-	437,678	437,678	-	-	-
Inflow	(6,186)	-	(443,864)	(443,864)	-	-	-
	2,018,479		2,088,420	1,957,787	4,130	15,811	110,692

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices, will affect the Company's financial position or cash flows.

28.6.1 Currency risk

The Company is exposed to foreign currency (a currency which is other than the functional currency of the Company) risk on sales, purchases, loans and borrowings that are denominated in a currency other than the functional currency of the Company. The currencies giving rise to this risk are primarily U.S. Dollar (USD), Japanese Yen (JPY), Singapore Dollar (SGD), and European Union Euro (EUR) (2024: USD, JPY, SGD and EUR).

Risk management objectives, policies and processes for managing the risk

The Company uses forward exchange contracts to manage its foreign currency risk. All forward contracts have maturities of one year or less after the reporting date.

Exposure to foreign currency risk

The Company's exposure to foreign currency risk, based on carrying amounts as at the reporting date was:

	Denominated in			
	USD RM'000	JPY RM'000	SGD RM'000	EUR RM'000
2025				
Cash and cash equivalents	**28,567**	**-**	**-**	**-**
Receivables	**12,371**	**-**	**-**	**-**
Payables	**(321,702)**	**(1,201)**	**(618)**	**(3,375)**
Exposure before forward exchange contracts	**(280,764)**	**(1,201)**	**(618)**	**(3,375)**
Forward exchange contracts	**249,203**	**-**	**-**	**-**
Net exposure	**(31,561)**	**(1,201)**	**(618)**	**(3,375)**
2024				
Cash and cash equivalents	12,469	-	-	-
Receivables	264,613	-	-	-
Payables	(309,125)	(512)	(307)	(1,497)
Exposure before forward exchange contracts	(32,043)	(512)	(307)	(1,497)
Forward exchange contracts	73,982	-	-	-
Net coverage/(exposure)	41,939	(512)	(307)	(1,497)

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.6 Market risk (continued)

28.6.1 Currency risk (continued)

Currency risk sensitivity analysis

Foreign currency risk mainly arises from USD. The exposure to other currencies is not material and hence, sensitivity analysis is not presented.

A 10% (2024: 10%) strengthening of the RM against USD at the reporting date would have increased equity and after-tax profit by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Increase in profit after tax	
	2025 RM'000	2024 RM'000
USD	**2,399**	(3,187)

A 10% (2024: 10%) weakening of RM against USD at the reporting date would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

28.6.2 Interest rate risk

The Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, practice and processes for managing the risk

Interest rate exposure arising from the Company's borrowings is managed through monitoring and reviewing interest rate changes in the market and its impact to the Company's financial performance. The Company does not use derivative financial instruments to hedge its debt obligations.

Exposure to interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the reporting date was:

	2025 RM'000	2024 RM'000
Floating rate instruments		
Financial liabilities	**-**	(1,175,125)

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.6 Market risk (continued)

28.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis

Cash flow sensitivity analysis for variable rate instruments

In prior year, the borrowings are generally based on floating interest rate unless opportunities arise for competitive fixed rate financing. The Company's financing arrangements are typically tracked against the KLIBOR (Kuala Lumpur Interbank Offered Rate) and SOFR (Secured Overnight Financing Rate). The impact of a 10 basis point (bp) change in interest rate affecting the Company's borrowings would not be material to the Company's financial statements.

A change of 10 basis points in interest rate at the reporting date would have (decreased)/ increased equity and after-tax profit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit after tax			
	2025		2024	
	10 bp increase RM'000	10 bp decrease RM'000	10 bp increase RM'000	10 bp decrease RM'000
Floating rate instruments	**-**	**-**	(34)	34

28.6.3 Commodity price risk

Commodity price risk is the risk that future cash flows from a financial instrument will fluctuate because of changes in market prices.

Risk management objectives, policies and processes for managing the risk

The Company uses commodity swap contracts to mitigate its price risk on important commodities under approved policy by the Management. Prices of crude and selected petroleum products are fixed at levels acceptable to the Company through hedging, thus protecting inventory cost and preserving margins.

Commodity price risk sensitivity analysis

Commodity swaps are held for trading and measured at fair value through profit or loss.

A change of 10% in the commodity price at the reporting date, holding other assumptions constant, would have (decreased)/increased equity and after-tax profit by the amounts shown below.

	Profit after tax	
	2025 RM'000	2024 RM'000
10% increase in commodity price	**(39,400)**	(28,239)
10% decrease in commodity price	**39,400**	28,239

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.7 Offsetting financial assets and financial liabilities

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

	Gross amounts RM'000	Gross amounts set off in the statement of financial position RM'000	Net amounts presented in the statement of financial position RM'000
At 31 December 2025			
Financial assets			
Receivables	**499,998**	**(114,047)**	**385,951**
Financial liabilities			
Payables	**776,521**	**(114,047)**	**661,726**
At 31 December 2024			
Financial assets			
Receivables	1,151,157	(170,252)	980,905
Financial liabilities			
Payables	949,406	(170,252)	779,154

28.8 Fair value information

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

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

	Fair value of financial instruments carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
2025					
Financial assets					
Forward exchange contracts	**-**	**160**	**-**	**160**	**160**
Commodity swaps	**-**	**37,454**	**-**	**37,454**	**37,454**
	-	**37,614**	**-**	**37,614**	**37,614**
Financial liabilities					
Forward exchange contracts	**-**	**(1,346)**	**-**	**(1,346)**	**(1,346)**
Commodity swaps	**-**	**(21,562)**	**-**	**(21,562)**	**(21,562)**
	-	**(22,908)**	**-**	**(22,908)**	**(22,908)**

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.8 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
2024					
Financial assets					
Commodity swaps	-	29,468	-	29,468	29,468
Financial liabilities					
Forward exchange contracts	-	(177)	-	(177)	(177)
Commodity swaps	-	(23,282)	-	(23,282)	(23,282)
	-	(23,459)	-	(23,459)	(23,459)

Level 2 fair value

Derivatives

Forward exchange contracts

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Commodity swaps

The fair value of commodity swaps is estimated using forward pricing model based on market observable inputs.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2024: no transfer in either directions).

29. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to maintain a strong capital base and safeguard the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors capital via carrying amount of equity as stated in statement of financial position.

The debt-to-equity ratios as at 31 December 2025 and 31 December 2024 were as follows:

	2025 RM'000	2024 RM'000
Loans and borrowings (Note 13)	**-**	1,175,125
Lease liabilities	**96,977**	70,209
Total debt	**96,977**	1,245,334
Total equity	**2,586,843**	2,364,979
Debt-to-equity ratios	**0.04**	0.53

There was no change in the Company's approach to capital management during the financial year.

30. CAPITAL AND OTHER COMMITMENTS

	2025 RM'000	2024 RM'000
Capital expenditure commitments		
Contracted but not yet recognised		
Plant and equipment	**75,470**	107,872
Investment properties	**40,718**	9,901

31. RELATED PARTIES

Identity of related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. Key management personnel includes all the Directors, and certain members of senior management of the Company.

Petron Fuel International Sdn. Bhd. and Petron Oil (M) Sdn. Bhd. are subsidiaries of the immediate holding company whereas Petron Singapore Trading Pte. Ltd. is a subsidiary of the intermediate holding company.

The Company has related party relationship with its holding companies, significant investors, related companies and key management personnel.

Significant related party transactions

In the ordinary course of business, the Company undertakes transactions with related parties which include the sale and purchase of products carried out on commercial terms and conditions negotiated amongst the related parties, and the sharing of services and facilities at cost apportioned on a mutually agreed basis.

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Company are shown below. The balances related to the below transactions are shown in Note 5 and 14.

	2025 RM'000	2024 RM'000
Purchase of petroleum products from related companies:		
Petron Fuel International Sdn. Bhd.	**1,152,876**	1,471,675
Petron Singapore Trading Pte. Ltd.	**3,584,332**	1,583,986
Sale of petroleum products to related companies:		
Petron Fuel International Sdn. Bhd.	**3,186,960**	3,506,947
Petron Singapore Trading Pte. Ltd.	**144,169**	152,444

31. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

	2025 RM'000	2024 RM'000
Freight, chartering and other related service from related company:		
Petron Singapore Trading Pte. Ltd.	**37,490**	70,248
Central management, shared facilities and service costs with related companies:		
Petron Fuel International Sdn. Bhd.		
Charged from:		
- Access fee	**500**	500
- Bottling fee	**7,392**	8,353
- Others	**101,246**	85,381
Key management personnel:		
Non-executive independent directors		
Fees	**562**	550
Other short-term benefits	**288**	310
	850	860
Other key management personnel		
Salaries, allowances and bonuses	**3,177**	4,169

32. INTEREST IN JOINT OPERATIONS

Details of the joint operations are as follows:

Name of joint operation	Other joint operation parties	Principal place of business	Principal activity	Percentage of ownership 2025	Percentage of ownership 2024
Joint Venture Agreement for Multi-Product Pipeline and Distribution Terminal	Petronas Dagangan Berhad (PDB) and Shell Malaysia Trading Sendirian Berhad (SMTSB)	Port Dickson	Construct, own and operate the MPP	**20%**	20%
Joint Facilities Operating Agreement	Hengyuan Refining Company Bhd (Operator)	Port Dickson	Construct and maintain common carrier pipeline facilities	**50%**	50%

Notes to the Financial Statements

33. MATERIAL LITIGATIONS

Arbitration by MTC Engineering Sdn. Bhd. (MESB)

On 20 May 2022, the Company was served with a Notice of Arbitration by MTC Engineering Sdn. Bhd. (MESB) in relation to MESB claim for alleged outstanding additional costs arising from the execution of a project known as Pipeline End Manifold (PLEM) Fabrication and Marine Equipment Installation for Marine Import Facilities 2 Project at Petron Port Dickson Refinery. The sum claimed is RM50,497 thousand, including interest, costs, and other reliefs.

On 29 June 2022, MESB registered the claim with the Asian International Arbitration Centre (AIAC). The Company's solicitors had written to AIAC to put on record that the preconditions to arbitration have not been fulfilled and the Company reserves the right to challenge jurisdiction.

On 30 September 2022, the AIAC has appointed an Arbitrator for this matter. The Parties had exchanged and filed submission-in reply on 31 July 2025 as directed by the Tribunal. On 27 February 2026, the Company's solicitors informed PMRMB that the Arbitrator has served the award, dismissing the majority of MESB's claim and determined that a net sum of RM6,801 thousand is payable by PMRMB to MESB, which includes arbitration and legal costs. The payable sum of RM6,801 thousand is not expected to have material impact on the financial position or business operations of PMRMB.

Writ of Summons and Statement of Claims by Konsortium Lord Saberkat Sdn. Bhd. (KLS)

On 19 June 2025, PMRMB was served with a Writ of Summons and Statement of Claim by the solicitors of Konsortium Lord Saberkat Sdn. Bhd. (KLS). KLS was a service provider to PMRMB for the supply of transportation services per Standard Transportation Agreement (Agreement) which expired on 30 November 2013. The claims filed by KLS are for a declaration that PMRMB is liable for negligent misrepresentation, special damages of RM135,000 thousand, aggravated damages of RM5,000 thousand, an order for restitution of RM34,000 thousand, general damages, interest, costs and other reliefs.

PMRMB had filed its statement of defence on 11 August 2025. PMRMB had also proceeded to file a striking out application against the legal suit and is fixed for hearing on 27 February 2026.

PMRMB is of the view that KLS has no legal and/or factual basis for the claims and strongly denies the claims alleged by KLS. PMRMB does not expect or anticipate any significant impact to its finances or operations as a result of this legal suit and believes that no provision is required.

34. SUBSEQUENT EVENTS

The Company is monitoring the price volatility in the global oil market caused by the ongoing geopolitical conflict in the Middle East subsequent to the year end. At this juncture with a lot uncertainties, the Company is unable to reliably estimate the financial impact on the Company's carrying amount of assets and liabilities, and results for the next financial year. The Company will continue to adopt prudent risk management to mitigate the effects and implement appropriate measures to manage the supply, operations and cash flows amid the oil market volatility in 2026.

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 102 to 158 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2025 and of its financial performance and cash flows for the financial year then ended.

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

.....

Lubin B. Nepomuceno

.....

Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff

Date: 02 March 2026

Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Mark Tristan D. Caparas**, the officer primarily responsible for the financial management of Petron Malaysia Refining & Marketing Bhd, do solemnly and sincerely declare that the financial statements set out on pages 102 to 158 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named at Kuala Lumpur in the Federal Territory on 02 March 2026.

.....

Mark Tristan D. Caparas

Before me:

.....

Commissioner for Oaths

Kuala Lumpur

Independent Auditors' Report

To the members of Petron Malaysia Refining & Marketing Bhd (Incorporated in Malaysia)
Registration No. 196001000260 (3927-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Petron Malaysia Refining & Marketing Bhd ("the Company") give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 102 to 158.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), 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.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

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

Independent Auditors' Report

To the members of Petron Malaysia Refining & Marketing Bhd (Incorporated in Malaysia)
Registration No. 196001000260 (3927-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters	How our audit addressed the key audit matter
Recoverability of the carrying amount of property, plant and equipment, investment properties and right-of-use assets Refer to Note 1.4 Use of estimates and judgements: Determining recoverable amounts of non-financial assets, Note 2.4 - Property, plant and equipment, Note 2.5 - Leases, Note 2.6 – Investment properties, Note 2.10 -Impairment, Note 8 - Property, plant and equipment, Note 9 - Investment properties and Note 10 - Right-of-use assets. The Company performed impairment assessments on its property, plant and equipment, investment properties and right-of-use assets (collectively referred to as "assets") during the year as there were indicators of impairment. The Company determined the recoverable amounts of the assets based on the higher of value in use ("VIU") and fair value less cost to sell ("FVLCTS") method. Based on the impairment assessment performed, the Company concluded that no impairment was required except for three service stations and one leasehold land where their recoverable amounts were lower than their carrying amounts, resulting in an impairment loss of RM10.2 million recognised within investment properties as disclosed in Note 9 to the financial statements. In addition, during the financial year, the Company has recognised a provision for impairment loss of RM7.7 million mainly pertaining to the damaged product jetty as disclosed in Note 8 to the financial statements. We focused on this area due to the magnitude of the carrying amounts of the assets and the estimation of the recoverable amounts which requires judgements and estimates in determining projected cashflows and the discount rate.	We performed the following audit procedures: 1) We evaluated management's basis of determining the cash generating units ("CGU") of the respective assets, which represent the smallest identifiable group of assets that generate independent cash inflows; 2) We evaluated the Company's impairment methodology and tested the mathematical accuracy of the VIU and FVLCTS models used by management where applicable; 3) We reviewed management's look-back procedures on their comparison of the previous budgeted results against the actual performance for financial year ("FY") 2025 and evaluated whether there are any significant changes to the key assumptions used to determine the recoverable amounts for FY2025. 4) Where there are changes to the key assumptions for the respective CGUs, we performed the following: i) Obtained VIU calculations based on the Company's projected cashflows over the expected useful lives; ii) Discussed with management and the Directors on key assumptions applied in determining projected cashflows. The projected cashflows of assets used for impairment assessment should be approved by the Company; iii) Compared key assumptions to historical results achieved by the Company and long-term oil and gas price outlook to industry forecast; iv) Discussed with management expected useful life of respective assets applied in the VIU calculation; v) Checked reasonableness discount rate with assistance of our valuation experts by benchmarking to industry reports; and vi) Checked sensitivity analysis performed by management on key assumptions disclosed in Note 1.4. 5) Where the recoverable amounts are determined based on the FVLCTS model, we checked management's internal valuation and the relevant supporting documents used for the internal valuation performed by management. Based on the procedures above, we did not find any material exception to the Company's impairment assessment.

Independent Auditors' Report

To the members of Petron Malaysia Refining & Marketing Bhd (Incorporated in Malaysia)
Registration No. 196001000260 (3927-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters	How our audit addressed the key audit matter
Accuracy and occurrence of revenue transactions Refer to Note 2.14 Revenue and other income and Note 19 - Revenue. The Company's revenue of RM13.4 billion during the financial year ended 31 December 2025 are mainly derived from the sale of petroleum products which includes Government subsidies and net of Government duties. We focused on accuracy and occurrence of the revenue transactions given large sale volume of different petroleum products and price changes.	We performed the following audit procedures: 1) Evaluated and tested the IT general controls and key controls over the capturing and recording of revenue transactions; authorisation of price changes and the input of this information into the billing system; accuracy of calculation of amounts billed to customers; 2) For revenue derived from the sale of petroleum products, we obtained and validated supporting evidence such as customer contracts, invoices and relevant supporting documents to test the occurrence and accuracy on a sampling basis; 3) Reviewed the management's assessment of the identification of separate performance obligations over material customer contracts and sighted to the customer contracts on a sampling basis; 4) Tested the inputs used by management to compute the subsidies and duties to the letters issued by the Ministry of Finance on a sampling basis; and 5) Examined and tested material non-standard journal and other adjustments manually posted to revenue accounts. Based on the procedures above, we did not find any material exceptions in the revenue recognised during the financial year.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditors' report, and other sections in the 2025 Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report

To the members of Petron Malaysia Refining & Marketing Bhd (Incorporated in Malaysia)
Registration No. 196001000260 (3927-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Independent Auditors' Report

To the members of Petron Malaysia Refining & Marketing Bhd (Incorporated in Malaysia)
Registration No. 196001000260 (3927-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
2 March 2026

SOO KWAI FONG
03144/07/2027 J
Chartered Accountant

Information on Shareholdings

As at 17 March 2026

Class of share : Ordinary Share Unit

Voting right : One vote per share unit

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Units Held	% of Issued Capital
Less than 100	853	8.3981	11,627	0.0043
100 – 1,000	4,016	39.5392	2,815,334	1.0427
1,001 – 10,000	4,432	43.6349	16,839,419	6.2368
10,001 – 100,000	784	7.7188	20,502,333	7.5935
100,001 – 13,499,999	71	0.6990	31,652,224	11.7230
13,500,000 and above	1	0.0098	198,179,063	73.3997
	10,157	100.00	270,000,000	100.00

THIRTY LARGEST SHAREHOLDERS

As at 17 March 2026

	Name	No. of Units Held	% of Issued Capital
1.	Maybank Nominees (Tempatan) Sdn. Bhd. Petron Oil & Gas International Sdn. Bhd.	198,179,063	73.3997
2.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Hock Cheng (E-BMM)	6,306,100	2.3356
3.	Citigroup Nominees (Asing) Sdn. Bhd. CBLDN for Polunin Emerging Markets Small Cap Fund, LLC	3,260,186	1.2075
4.	Neoh Choo Ee & Company, Sdn. Berhad	2,375,100	0.8797
5.	Bliss Nordic Equity Sdn. Bhd.	1,748,600	0.6476
6.	Tan Kah Hock	1,624,000	0.6015
7.	IFAST Nominees (Tempatan) Sdn. Bhd. Global Success Network Sdn. Bhd.	965,300	0.3575
8.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt AN for DBS Bank Ltd (SFS)	861,700	0.3191
9.	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Exempt AN for CGS International Securities Singapore Pte. Ltd. (Retail Clients)	703,020	0.2604
10.	Yayasan Guru Tun Hussein Onn	539,200	0.1997
11.	Chia Kun Juan	470,000	0.1741
12.	Chong Chiew Tshung	463,000	0.1715
13.	Citigroup Nominees (Asing) Sdn. Bhd. CBNY for Emerging Markets Core Equity 2 Portfolio of DFA Investment Dimensions Group Inc.	457,735	0.1695
14.	Starview Restoran Sdn. Bhd.	450,000	0.1667
15.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for The Hongkong and Shanghai Banking Corporation Limited (PB-HKDIV-ACCL)	445,000	0.1648
16.	P.G. Lim Sdn. Bhd.	423,000	0.1567
17.	Yong Miau Lim	409,400	0.1516
18.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	339,285	0.1257
19.	Cartaban Nominees (Asing) Sdn. Bhd. Exempt AN for Interactive Brokers (U.K.) Limited (Client)	336,900	0.1248
20.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Hock Cheng (E-BMM)	331,000	0.1226
21.	Reuben Tan Cherh Chung	325,000	0.1204
22.	Eletechnics Sdn. Bhd.	300,000	0.1111
23.	Kim Poh Holdings Sdn. Bhd.	300,000	0.1111
24.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Teong Leong	300,000	0.1111
25.	Johan Enterprise Sdn. Bhd.	292,600	0.1084
26.	New Tong Fong Plywood Sdn. Bhd.	280,000	0.1037
27.	Dynaquest Sdn. Bhd.	250,000	0.0926
28.	Teo Soo Chuan (Private) Limited	245,000	0.0907
29.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for Saxo Bank A/S (FGN-NONMYR)	225,700	0.0836
30.	Lim Ng Kiat	220,300	0.0816
	Total	**223,426,189**	**82.7504**

SUBSTANTIAL SHAREHOLDER

As at 17 March 2026

	Name	No. of Units Held	% of Issued Capital
1.	Maybank Nominees (Tempatan) Sdn. Bhd. Petron Oil & Gas International Sdn. Bhd.	198,179,063	73.3997

Information on Shareholdings
As at 17 March 2026

List of Top 10 Properties

As at 31 December 2025

	Tenure	Land area (sq. m.)	Description of properties	Acquisition date	Expiry date	Age	Net book value (RM)
NEGERI SEMBILAN							
Port Dickson Refinery Lot 1222, 1594-1595, 1757, 1803, 1805, 1836, 1838, 1926-1930, 2645-2647, 12111-12112, 30151-30156 Mukim Port Dickson, Negeri Sembilan	F	1,612,821	Refinery, storage and distribution terminal	Revalued in 1982	NA	66	35,097,170
MPP and KVDT	L	744,189	MPP/KVDT facilities	01.03.2001	01.02.2100	25	17,217,528
PETRON RSA Seremban Northbound (PBL#305412) Lot 2378, KM271.5, Lebuhraya Kuala Lumpur - Seremban (Arah Utara), 71900 Seremban, Negeri Sembilan	L	4,190	Service station	01.01.2016	04.01.2040	10	11,212,116
PERAK							
PETRON Behrang Layby NB (PBL#308612) Lot PT 21037, KM382.80, Lebuhraya Utara Selatan, 35950 Behrang, Perak	L	4,047	Service station	13.10.2022	12.10.2054	3	16,504,945
Lumut PME Plant Lot 15636, Lumut Port Industrial Park, Mukim Lumut, Jalan Kampung Acheh, 32100 Sitiawan, Perak	L	14,343	Industrial plant facilities	01.03.2019	13.03.2096	7	15,668,426
PENANG							
Bagan Luar Terminal Lot 95-125, 2327-2338 Section 4, Butterworth, Seberang Perai Utara, Pulau Pinang	F	44,659	Storage and distribution terminal	Revalued in 1982	NA	66	11,627,400
SELANGOR							
PETRON Sg Besi East (PBL#101373) 4414 & 4415, Kuala Lumpur-Seremban Expy, Taman Sungai Besi, 55200 Kuala Lumpur	L	3,948	Service station	28.11.2023	27.11.2053	2	16,483,199
PETRON NKVE KL Bound (PBL#305225) Lot PT 1953, KM10.8 (Arah Timur), Lebuhraya Baru Lembah Klang, Seksyen U1, 40150 Shah Alam, Selangor	L	5,853	Service station	16.03.2017	15.03.2047	9	12,561,315
PETRON Ukay Perdana (PBL#308840) Lot 127455, Seksyen 2, 68000 Bandar Ulu Kelang, Selangor	L	6,481	Service station	30.11.2021	30.11.2051	4	9,987,378
PETRON Taman Tasik Cyberjaya (PBL#308658) Lot 112643, Setia Eco Glades, 63000 Cyberjaya, Selangor	F	4,372	Service station	04.02.2020	NA	6	9,589,526

Abbreviations: L - Leasehold F - Freehold NA - Not applicable

Disclosure of Recurrent Related Party Transactions

At the AGM held on 17 June 2025, the Company obtained a shareholders' mandate to renew the Recurrent Related Party Transactions of revenue or trading nature with Petron Singapore Trading Pte. Ltd. ("PSTPL").

In accordance with the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the details of recurrent related party transactions conducted during the financial year ended 31 December 2025 pursuant to the shareholders' mandate are disclosed as follows: -

Nature of transactions	RM'000
Purchase of petroleum products	3,584,332
Sale of petroleum products	144,169
Freight, chartering and other related services	37,490

The Board of Directors of the Company will be proposing for the renewal of Recurrent Related Party Transactions mandate ("proposed Mandate"). A Circular to the Shareholders for the proposed Mandate dated 28 April 2026 ("Circular") has also been published on the Bursa website to shareholders along with the Annual Report 2025. Further details about the related party transactions arising from the mandate obtained on 17 June 2025 are contained in the Circular.

Notes:

PSTPL, a company incorporated in Singapore, is a wholly owned subsidiary of the intermediate holding company, Petron Corporation.

Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Company's business activities and interest-based financial position.

(a) Company Total Income and Total Assets

Total Income	Remarks	2025 RM'000	2024 RM'000
Revenue		13,424,837	15,837,705
Other income		73,436	64,550
Finance income		6,483	6,763
Total		13,504,756	15,909,018
Total Assets		3,655,475	4,653,440

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	2025 RM'000	2024 RM'000
Finance income	Conventional	6,483	6,763
Total		6,483	6,763

(c) Component of Financial Position

(i) Cash Component

Conventional Account/Instruments	Remarks	2025 RM'000	2024 RM'000
Cash and bank balances		319,132	35,086
Fixed deposit		-	110,700
Total Cash		319,132	145,786

(ii) Debt Component

Conventional Borrowing	Remarks	2025 RM'000	2024 RM'000
Revolving credit and loans		-	1,175,125
Total Debt		-	1,175,125

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixty-Seventh (67th) Annual General Meeting ("AGM") of the Company will be held:

(a) IN-PERSON: At the Ballroom, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor, Malaysia (Main Venue); and

(b) VIRTUAL: Through live streaming via the meeting platform of **Dvote** at https://www.dvote.my

on **Tuesday, 16 June 2026 at 2:00 p.m.**, for the purpose of transacting the following business:

1. To receive the Company's Audited Accounts for the year ended 31 December 2025 and the Directors' and Auditors Reports thereon.

2. To approve the declaration of a final dividend of 20 sen per ordinary shares for the year ended 31 December 2025. **(Ordinary Resolution 1)**

3. a) To re-elect Ms. Jacqueline L. Ang retiring in accordance with Article 103 and 104 of the Company's Constitution. **(Ordinary Resolution 2)**

   b) To re-elect Mr. Antonio M. Cailao retiring in accordance with Article 103 and 104 of the Company's Constitution. **(Ordinary Resolution 3)**

   a) To re-elect Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff retiring in accordance with Article 103 and 104 of the Company's Constitution. **(Ordinary Resolution 4)**

4. To approve the payment of Directors' fees and benefits payable to the Independent Directors with effect from 1 January 2026 until the next AGM of the Company. **(Ordinary Resolution 5)**

5. To appoint Messrs PricewaterhouseCoopers PLT as the Auditor of the Company and to authorise the Directors to determine their remuneration. **(Ordinary Resolution 6)**

6. As Special Business, to consider and, if thought fit, to pass the following as an Ordinary Resolution: **(Ordinary Resolution 7)**

   PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

   "THAT subject always to the Companies Act, 2016 ("the Act"), the Constitution of PMRMB and Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Sections 2.5.1 of the Circular to Shareholders dated 28 April 2026 ("Circular"), provided that such transactions are necessary for day-to-day operations and carried out in the ordinary course of business and at arms-length basis on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interests of the minority shareholders of the Company ("Proposed Mandate").

   AND THAT the Proposed Mandate shall commence immediately upon the passing of this ordinary resolution and the authority conferred by such mandate shall continue to be in force until:

   i. The conclusion of the next AGM of the Company following the forthcoming AGM, at which time it shall lapse, unless by a resolution passed at a general meeting, the mandate is renewed; or

Notice of Annual General Meeting

ii. The expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

iii. Revoked or varied by a resolution passed by the shareholders in a general meeting;

whichever is the earlier.

AND FURTHER THAT the Directors of the Company be and are hereby empowered and authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to this Ordinary Resolution."

7. To transact any other business of the Company.

NOTICE OF BOOK CLOSURE

NOTICE IS HEREBY GIVEN that:

For the purpose of attendance at the AGM: Only shareholders who are registered in the Register of Members and Record of Depositors as at the close of business on 8 June 2026 are allowed to attend the AGM both in person or virtually. Only a Depositor whose name appears on such Record of Depositors shall be entitled to attend and vote at this meeting, or to appoint a proxy or proxies to attend and/or vote in his/her stead.

For purposes of dividend entitlement: Only shareholders who are registered in the Register of Members and Record of Depositors as at the close of business on 22 June 2026, shall be entitled to the final dividend which, if approved by the shareholders at the AGM, the dividend will be paid on 8 July 2026.

A shareholder shall qualify for entitlement only in respect of:

a) Securities transferred to the Depositor's Securities Account before 4:30 p.m. on 22 June 2026 in respect of the transfer;
b) Securities deposited into the Depositor's Securities Account before 12:30 p.m. on 18 June 2026 in respect of securities which are exempted from mandatory deposit; and
c) Securities bought on Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

Manoj Devadasan
SSM PC No. 202008001784 (LS0006885)
Company Secretary

28 April 2026

PROXY

A member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote instead of the member. A proxy need not be a member of the Company. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, that holds shares for multiple beneficiaries in one securities account ("Omnibus Account"), there is no limit on the number of proxies it may appoint in respect of such Omnibus Account.

The instrument appointing a Proxy and the power of attorney or other authority (if any) under which it is signed or a notarial certified copy of such power or authority shall be deposited at the Share Registrar's office, Ascendserv Capital Markets Services Sdn. Bhd. at Office Suite No. 603, Block C, Pusat Dagangan Phileo Damansara 1, No. 9 Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor, Malaysia. In the case of an appointment made via online platform, the proxy form must be deposited at https://www.dvote.my. All proxy forms submitted must be received by the Company not later than 2:00 p.m., 15 June 2026.

For the purpose of determining a member who shall be entitled to attend this AGM, only a depositor whose name appears on such Record of Depositors as at 8 June 2026 shall be entitled to attend, speak and vote at the AGM or appoint proxy or proxies to attend, speak and/or vote in his/her stead.

ANNUAL REPORT 2025

The Annual Report 2025 and other accompanying documents are available online on the Company website at https://www.petron.com.my/investor-relations.

The Notification to Shareholders will be sent by electronic mail to Shareholders who have maintained their e-mail addresses in the Record of Depositors with Bursa Malaysia Depository Sdn. Bhd.

Please be advised that any request for hard copies of the Annual Report will be processed and forwarded to the requesting shareholders at the first reasonable opportunity.

MEETING REFRESHMENT/DOOR-GIFTS

- **Physical Attendance**: No meeting refreshments (i.e. packed lunch) will be served at the Main Venue. Instead of a packed lunch, the Company will provide an e-voucher of RM40 as meeting refreshment to the registered and verified Shareholder/Proxy/Corporate Representative who attended the 67th AGM physically at the Main Venue. The e-voucher will be sent via email based on attendance record of the 67th AGM within 3 weeks from the date of the 67th AGM. There will be no 'door-gifts' provided for the physical attendance at the 67th AGM.

- **Virtual Attendance**: The Company will provide an e-voucher of RM40 as meeting refreshment to the registered and verified Shareholder/Proxy/Corporate Representative who performed pre-registration and attended the 67th AGM virtually via the **Dvote** Portal. The e-voucher will be sent via email based on attendance record of the 67th AGM within 3 weeks from the date of the 67th AGM.

- **E-Voucher**: An e-Voucher will be provided to all shareholders/proxies/corporate representatives who have registered for the 67th AGM and will be provided in the following manner:
  (a) One (1) e-voucher for one (1) shareholder who attends physically or virtually.
  (b) For a shareholder who has been appointed as a proxy by another shareholder, he/she is entitled to one (1) e-voucher only.
  (c) For a shareholder who appoints more than one (1) proxy, e-voucher will only be provided to the first proxy stated in the Proxy Form.
  (d) If the Proxy has registered for the meeting and the shareholder who appointed him/her decides to attend and request to revoke the proxy appointment, the proxy will no longer be entitled to any e-voucher and instead the e-voucher will be given to the shareholder.

Statement Accompanying Notice of Annual General Meeting

1. Hybrid Annual General Meeting

For 2026, the Annual General Meeting (AGM) will be held in a hybrid format with main venue (broadcast venue) at Ballroom, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor, Malaysia.

By implementing a hybrid AGM, the Company reaffirms its commitment to good corporate governance and inclusive engagement by ensuring all shareholders can participate meaningfully and securely by offering an in-person venue while also providing online option to mitigate any unforeseen travel or technical limitations.

2. Directors Standing for Re-election

- Ms. Jacqueline L. Ang, Mr. Antonio M. Cailao and Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff, retire by rotation and are eligible for re-election pursuant to Article 103 and 104 of the Company's Constitution.
- The Nominating Committee following its annual evaluation of the Board's performance, has concluded that Ms. Jacqueline L. Ang, Mr. Antonio M. Cailao and Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff, in performing their duties as Directors, have met and/or exceeded expectations.
- The Board (based on representations by the Nominating Committee) recommends to the shareholders that Ms. Jacqueline L. Ang, Mr. Antonio M. Cailao and Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff be re-elected to the Board.

  The above Directors' profiles containing their qualifications, experience and other directorships can be viewed on pages 56, 57 and 59 of the Annual Report.

3. Directors Benefit

- Section 230(1) of the Act provides, amongst others, that the "fees" of the Directors and "any benefits" payable to the Directors of a listed company and its subsidiaries must be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for repayment of Directors' fees and benefits payable to the Directors as follows:

  a) RM132,537 per annum as Directors' fee to each Independent Director of the Company. This is an increase from RM112,320 previously approved by the Board and applicable since 2024;
  b) RM3,000 as meeting allowance for each Independent Director (who is the Chairperson of a Committee) attends. This remains unchanged from the previous year;
  c) RM2,500 as meeting allowance for each Independent Director (who is not the Chairperson of a Committee) attends. This remains unchanged from the previous year;
  d) RM700 per month to each Independent Director as fuel allowance, on a reimbursement basis. This remains unchanged from the previous year; and
  e) RM20,000 as an ex-gratia payment to each Independent Director of the Company for services rendered to the Company in 2025.

  It is to be noted that the Board, in making the above recommendations, wishes to highlight the following for shareholders' attention:

  i. A competitive remuneration package is necessary to attract and retain high-quality Independent Directors who will then best serve the interests if the minority shareholders (and the Board and Company); and
  ii. All Independent Directors abstained from participation in or voting on the matter at the Board meeting when it was tabled.

4. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This resolution is primarily to give flexibility to the Company to enter into recurrent related party transactions of a revenue or trading nature with the Directors/Major Shareholders or persons connected with the Directors/ Major Shareholders.

5. Mode of Voting

In line with the recommendation of the Malaysian Code on Corporate Governance 2021, and for the purpose of providing fair representation of votes based on shareholding, voting at the AGM shall be by Poll.

6. Details of Directors Standing for Re-election

i. Profiles
The profiles of the Directors standing for re-election are set out in pages 56, 57 and 59 of the Annual Report.

ii. Statement of Shareholdings
None of the Directors standing for re-election hold shares in the Company.

iii. Family relationship
Otherwise than as disclosed including in the proposed renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature, none of the Directors standing for re-election has any conflict of interest or potential conflict of interest situation, including interest in any other competing business with the Company.

iv. Conflicts of interest
None of the Directors standing for re-election has any conflict of interest or potential conflict of interest situation, including interest in any other competing business with the Company.

v. Conviction for offences (excluding traffic offenses), sanctions or penalty
None of the Directors standing for re-election have been convicted of offences within the past five (5) years, nor have any of them been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.

This page is intentionally left blank.

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

CDS Account No. of Authorised Nominee:

PROXY FORM

I/We _____ (Name of Company/Business/individual's full name in Block Capitals as per NRIC), NRIC/Company No. _____ (new) _____ (old) of _____ (full address) having an email address at: _____

being a member/members of the Company, hereby appoint:

Full name of Proxy in capital letters	*NRIC (new & old)/Passport No. of Proxy*	*Proportion of shareholdings to be represented:*	
		No. of Shares	*%*

And if more than one (1) Proxy:

Full name of Proxy in capital letters	*NRIC (new & old)/Passport No. of Proxy*	*Proportion of shareholdings to be represented:*	
		No. of Shares	*%*

or failing which, the Chairman of the Annual General Meeting as my/our Proxy to attend and vote for me/us on my/our behalf at the 67th Annual General Meeting of the Company to be held on Tuesday, 16 June 2026 at 2:00 p.m. and at any adjournment thereof.

My/Our instruction to my/our Proxy (on each Agenda Item as per the Notice of Meeting) is as follows:

Resolution No.	Agenda Item	For	Against
1.	To approve the declaration of the final dividend		
2.	To re-elect Ms. Jacqueline L. Ang		
3.	To re-elect Mr. Antonio M. Cailao		
4.	To re-elect Y. Bhg. Datuk Nik Mohd Hasyudeen Bin Yusoff		
5.	To approve the payment of the Directors' fees and benefits for 2026		
6.	To appoint Messrs PricewaterhouseCoopers as Auditor and to authorise the Directors to determine their remuneration		
7.	To approve the Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

(Please indicate an "X" in the spaces provided on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion)

_____

Signature/Common Seal

Notes:
A Member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of the Member. In the case of a corporation, the Proxy Form must be executed under the corporation's Common Seal or under the hand of an officer or attorney duly authorised. A Member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of the Member. A proxy need not be a member of the Company. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which hold shares for multiple beneficiaries in one securities account ("Omnibus Account"), there is no limit on the number of proxies it may appoint in respect of such Omnibus Account. The instrument appointing a proxy shall be deposited at the Share Registrar's office at ***Ascendserv Capital Markets Services Sdn. Bhd.*** at Office ***Suite No. 603, Block C, Pusat Dagangan Phileo Damansara 1, No. 9 Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor, Malaysia*** or electronically (individual holders only) via https://www.dvote.my, not later than 2:00 p.m., 15 June 2026.

First fold here

AFFIX
STAMP
HERE

The Share Registrar
ASCENDSERV CAPITAL MARKETS SERVICES SDN. BHD.
Office Suite No. 603, Block C,
Pusat Dagangan Phileo Damansara 1,
No. 9 Jalan 16/11, Off Jalan Damansara,
46350 Petaling Jaya, Selangor,
Malaysia

Then fold here



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

Level 12A, Menara I&P 1,
No. 46 Jalan Dungun, Damansara Heights,
50490 Kuala Lumpur, Malaysia.

T +603-2082 8400 | **F** +603-2082 8578 | **E** contactus@petron.com | **W** www.petron.com.my