



PETRONAS Group

Financial Report

**For Second Half And Financial Year Ended
31 December 2024**

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Board of Directors of Petroliam Nasional Berhad ("PETRONAS" or the "Company") is pleased to announce the results of PETRONAS Group and its reportable segments for the second half ("2H 2024") and financial year ended 31 December 2024 which should be read in conjunction with the unaudited condensed consolidated financial statements and the accompanying explanatory notes on pages 7 to 28.

GROUP PERFORMANCE REVIEW¹

2H 2024	Individual half year ended		In RM Mil	Cumulative year ended	
	1H 2024 Restated	2H 2023 ²		31 December 2024	31 December 2023 ²
			Revenue		
146,390	158,741	154,454	From continuing operations	305,131	305,755
—	14,826	20,110	From discontinued operations	14,826	37,842
146,390	173,567	174,564	Total revenue	319,957	343,597
50,025	64,061	58,045	EBITDA ³	114,086	128,590
			PAT ⁴ /(LAT) ⁵		
22,710	33,075	39,956	From continuing operations	55,785	78,939
—	(693)	575	From discontinued operations ⁶	(693)	1,775
22,710	32,382	40,531	Total PAT	55,092	80,714
			Cash flows from operating activities	102,460	114,158
			Capital investments ⁷	54,225	52,765
				As at 31 December 2024	As at 31 December 2023
			Total assets	766,673	773,301
			Shareholders' equity	451,215	443,469
			Gearing ratio ⁸	19.6%	19.8%
			ROACE ⁹	9.7%	14.4%

Second half year

Comparison with corresponding half year

PETRONAS Group's revenue from continuing operations of RM146.4 billion for the second half of 2024 was lower by RM8.1 billion or 5% as compared to the same period in 2023 mainly due to impact from foreign exchange and lower average realised prices largely from petroleum products in tandem with the declining benchmark prices.

¹ Comprises continuing and discontinued operations.

² Certain information has been restated to conform with current period/year presentation.

³ Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA") consists of profit before taxation and non-controlling interests, with the addition of amounts previously deducted for depreciation, amortisation, net impairment losses on property, plant and equipment and intangible assets, provision for onerous contracts, loss/(gain) on remeasurement of net assets held for sale, loss on remeasurement/derecognition of financial assets measured at amortised cost and the exclusion of financing costs and interest income.

⁴ Profit After Tax.

⁵ Loss After Tax.

⁶ Includes inter-company adjustments. Refer to Note A12 for the net effect to Statement of Profit or Loss from discontinued operations.

⁷ Capital investments are based on cash, comprising purchase of property, plant and equipment, investment properties, intangible assets and land held for development, as well as acquisition of subsidiaries, investments in associates and joint arrangements.

⁸ Gearing ratio is calculated as adjusted total debt (total debt including financial guarantees) divided by adjusted total equity (total equity plus deferred tax liabilities and minus capitalised interest) and adjusted total debt.

⁹ Return on average capital employed ("ROACE") is calculated as profit before interest expense after tax (calculated on 12-month preceding basis) divided by average total equity and long-term debt.

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

GROUP PERFORMANCE REVIEW¹ (continued)

Second half year (continued)

Comparison with corresponding half year (continued)

The Group recorded EBITDA of RM50.0 billion, lower by RM8.0 billion or 14% in line with lower revenue and write-off of assets. PAT of RM22.7 billion was lower by RM17.8 billion primarily due to lower EBITDA coupled with higher tax expense.

Comparison with preceding half year

PETRONAS Group's revenue from continuing operations of RM146.4 billion for the second half of 2024 was lower by RM12.4 billion or 8% as compared to the first half of 2024 mainly attributable to impact from foreign exchange and lower average realised prices mainly from petroleum products and crude oil & condensates in tandem with the declining benchmark prices.

The Group's EBITDA of RM50.0 billion was lower by RM14.0 billion or 22% in line with lower revenue. PAT of RM22.7 billion was lower by RM9.7 billion in tandem with lower EBITDA partially offset with lower tax expense.

Cumulative year

PETRONAS Group's revenue of RM320.0 billion for the financial year ended 31 December 2024 was lower by RM23.6 billion or 7% as compared to last financial year primarily due to discontinued operations impact of RM23.0 billion or 7%. Excluding the impact from discontinued operations, revenue was comparable as compared to last financial year.

The Group recorded EBITDA of RM114.1 billion, lower by RM14.5 billion or 11% due to lower revenue as mentioned above and write-off of assets as well as impact from foreign exchange. Correspondingly, PAT of RM55.1 billion was lower by RM25.6 billion or 32% in tandem with lower EBITDA and higher tax expenses.

Cash flows from operating activities was RM102.5 billion primarily driven by EBITDA and partially negated by tax paid. Capital investments amounted to RM54.2 billion mainly from Upstream's development and production activities.

Total assets of the Group decreased to RM766.7 billion as at 31 December 2024 against RM773.3 billion as at 31 December 2023 was mainly due to lower net cash and fund and other investment balances and disposal of subsidiaries. Shareholders' equity of RM451.2 billion increased by RM7.7 billion was mainly attributable to profit recorded partially offset by dividends declared to shareholders amounting to RM32.0 billion and impact from foreign exchange during the financial year.

Gearing ratio marginally decreased to 19.6% as at 31 December 2024 from 19.8% as at 31 December 2023 primarily contributed by higher equity as mentioned above. ROACE of the Group decreased to 9.7% as at 31 December 2024 from 14.4% as at 31 December 2023 in line with lower profitability during the year.

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FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

UPSTREAM PERFORMANCE REVIEW

Individual half year ended			<i>Financial Indicators</i>	Cumulative year ended	
2H 2024	1H 2024	2H 2023		31 December 2024	31 December 2023
			<i>In RM Mil</i>		
			Continuing operations		
			Revenue		
18,683	24,768	22,063	Third party	43,451	41,577
45,877	50,630	50,895	Inter-segment	96,507	100,269
64,560	75,398	72,958		139,958	141,846
13,482	21,416	20,632	PAT	34,898	39,578
			Capital investments	27,979	27,105
Individual half year ended			<i>Operational Indicators</i>	Cumulative year ended	
2H 2024	1H 2024	2H 2023		31 December 2024	31 December 2023
			Production ¹⁰ ('000 boe ¹¹ per day)		
795	830	856	Crude oil and condensates	813	850
1,625	1,652	1,582	Natural gas	1,638	1,581
2,420	2,482	2,438		2,451	2,431
			Entitlement ¹² ('000 boe per day)		
488	529	522	Crude oil and condensates	509	519
1,149	1,174	1,144	Natural gas	1,162	1,144
1,637	1,703	1,666		1,671	1,663

Second half year

Comparison with corresponding half year

Revenue for the second half of 2024 was RM64.6 billion, lower by RM8.4 billion or 12% as compared to the same period in 2023 mainly attributable to lower average realised prices, impact from foreign exchange and lower crude oil sales volume.

PAT for the second half of 2024 was RM13.5 billion, lower by RM7.2 billion in line with lower revenue partially offset by lower cash payments.

Total daily production average for the second half of 31 December 2024 was at 2,420 thousand boe per day, lower by 18 thousand boe per day as compared to the same period last year mainly due to lower crude oil production from Malaysia and International.

Cumulative year

Revenue for the financial year ended 31 December 2024 was RM140.0 billion, lower by RM1.9 billion or 1% as compared to last financial year mainly due to lower average realised prices partially offset by higher natural gas sales volume.

PAT was RM34.9 billion, lower by RM4.7 billion in line with lower revenue and higher product costs.

Capital investments for the financial year ended 31 December 2024 was RM28.0 billion mainly from development and production activities.

Total daily production average for the financial year ended 31 December 2024 was at 2,451 thousand boe per day, higher by 20 thousand boe per day as compared to last financial year mainly due to higher natural gas production from Malaysia and International.

¹⁰ Represents Malaysia's production (PETRONAS Group and other operators) and PETRONAS Group's international equity production volume.

¹¹ boe: barrels oil equivalent. Volume of gas has been converted using gas heating values, reflecting PETRONAS gas portfolio.

¹² Represents PETRONAS Group's sales entitlement to Malaysia's production and PETRONAS Group's international sales entitlement volume.

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

GAS & MARITIME PERFORMANCE REVIEW

2H 2024	Individual half year ended		<i>Financial Indicators</i> <i>In RM Mil</i>	Cumulative year ended	
	1H 2024 Restated	2H 2023 Restated		31 December 2024	31 December 2023 Restated
			Continuing operations		
			Revenue		
56,908	58,566	55,695	Third party	115,474	111,367
7,551	8,068	7,553	Inter-segment	15,619	16,074
64,459	66,634	63,248		131,093	127,441
10,061	9,826	14,955	PAT	19,887	31,859
			Capital investments	11,750	11,873
2H 2024	Individual half year ended		<i>Operational Indicators</i>	Cumulative year ended	
2024	1H 2024	2H 2023		31 December 2024	31 December 2023
3,077	3,023	2,957	Malaysia average sales gas volume (mmscfd ¹³)	3,050	2,878
17.83	17.82	16.42	Gross LNG sales volume ¹⁴ (million tonnes)	35.65	32.90

Second half year

Comparison with corresponding half year

Revenue for the second half of 2024 was RM64.5 billion, higher by RM1.2 billion or 2% as compared to the same period in 2023 mainly due to higher liquefied natural gas ("LNG") and processed gas sales volume, partially offset by impact from foreign exchange.

PAT was RM10.1 billion, lower by RM4.9 billion against RM15.0 billion in the same period of 2023 primarily driven by net impairment losses on assets and lower net product margin.

Malaysia average sales gas volume increased by 120 mmscfd mainly due to higher offtake from non-power and power sectors in Peninsular Malaysia. Gross LNG sales volume increased by 1.41 million tonnes mainly driven by higher volume from third party offtake and better trading opportunities.

Cumulative year

Revenue for the financial year ended 31 December 2024 was RM131.1 billion, higher by 3.7 billion or 3% as compared to last financial year mainly due to higher LNG and processed gas sales volume, partially offset by lower average realised prices.

PAT was RM19.9 billion, lower by RM12.0 billion against RM31.9 billion as compared to last financial year primarily driven by higher taxation mainly due to recognition of deferred tax assets in prior year, net impairment losses on assets and lower net product margin. Excluding net impairment losses on assets, PAT is lower by RM9.1 billion.

Capital investments for the financial year ended 31 December 2024 of RM11.8 billion was comparable to 2023.

Malaysia average sales gas volume increased by 172 mmscfd mainly due to higher offtake from power and non-power sectors in Peninsular Malaysia. Gross LNG sales volume increased by 2.75 million tonnes mainly driven by higher volume from third party offtake and better trading opportunities coupled with higher plant production.

¹³ mmscfd: million standard cubic feet per day.

¹⁴ Gross volume refers to all LNG sales inclusive of volume subsequently sold as sales gas.

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

DOWNSTREAM PERFORMANCE REVIEW¹

2H 2024	Individual half year ended		<i>Financial Indicators</i> <i>In RM Mil</i>	Cumulative year ended	
	1H 2024	2H 2023		31 December 2024	31 December 2023 ²
65,910	69,612	71,753	Revenue from third party	135,522	142,150
—	14,826	20,110	From continuing operations	14,826	37,842
65,910	84,438	91,863	From discontinued operations	150,348	179,992
1,765	1,832	1,686	Revenue from inter-segment	3,597	5,422
67,675	86,270	93,549	From continuing operations	153,945	185,414
(1,554)	186	4,590	Total revenue	(1,368)	6,281
—	646	586	(LAT)/PAT	646	816
(1,554)	832	5,176	From continuing operations	(722)	7,097
			From discontinued operations ¹⁵		
			Total (LAT)/PAT		
			Capital investments	4,680	5,753

2H 2024	Individual half year ended		<i>Operational Indicators¹⁶</i>	Cumulative year ended	
	1H 2024	2H 2023		31 December 2024	31 December 2023
111.5	136.3	146.2	Petroleum products sales volume (in million barrels)	247.8	296.1
5.4	4.7	4.7	Petrochemical products sales volume (in million metric tonnes)	10.1	9.4

Second half year

Comparison with corresponding half year

Revenue for the second half of 2024 was RM67.7 billion, lower by RM25.9 billion or 28% as compared to the same period in 2023 primarily due to discontinued operations impact along with lower average realised prices from major products.

LAT was RM1.6 billion against PAT RM5.2 billion in the same period of 2023, lower by RM6.8 billion mainly due to lower taxation in prior year and lower refining and petrochemical margin.

Petroleum products sales volume was 111.5 million barrels, lower by 34.7 million barrels mainly due to discontinued operations impact. Petrochemical products sales volume was 5.4 million metric tonnes, slightly higher by 0.7 million metric tonnes in line with higher production.

¹ Comprises continuing and discontinued operations.

² Certain information has been restated to conform with current period/year presentation.

¹⁵ Excludes inter-company transactions as per Note A12.

¹⁶ Refers to volume sold by the Group excluding volume traded and recognised net of cost.

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

DOWNSTREAM PERFORMANCE REVIEW¹ (continued)

Cumulative year

Revenue for the financial year ended 31 December 2024 was RM153.9 billion, lower by RM31.5 billion or 17% as compared to last financial year primarily due to discontinued operations impact and lower average realised prices from major products.

LAT was RM0.7 billion against PAT of RM7.1 billion in the same period of 2023, lower by RM7.8 billion mainly due to lower taxation in prior year and impact of de-consolidation of subsidiaries. Excluding impact of de-consolidation of subsidiaries, PAT for the year is RM1.7 billion.

Capital investments for financial year ended 31 December 2024 was RM4.7 billion.

Petroleum products sales volume was 247.8 million barrels, lower by 48.3 million barrels following mainly due to discontinued operations impact. Petrochemical products sales volume was 10.1 million metric tonnes, higher by 0.7 million metric tonnes in line with higher production.

CORPORATE AND OTHERS PERFORMANCE REVIEW

2H 2024	Individual half year ended		<i>Financial Indicators</i> <i>In RM Mil</i>	Cumulative year ended	
	1H 2024 Restated	2H 2023 Restated		31 December 2024	31 December 2023 Restated
			Continuing operations		
			Revenue		
4,889	5,795	4,943	Third party	10,684	10,661
1,675	1,649	2,128	Inter-segment	3,324	3,675
6,564	7,444	7,071		14,008	14,336
(885)	112	(213)	(LAT)/PAT	(773)	2,289
			Capital investments	9,816	8,034

Second half year

Comparison with corresponding half year

Revenue for the second half of 2024 was RM6.6 billion, lower by RM0.5 billion or 7% as compared to the same period in 2023 largely contributed by lower service income in relation to digital and technical services.

LAT was RM0.9 billion as compared to RM0.2 billion in the same period last year mainly attributable to the net impairment loss on receivables recognised partially offset with lower derivative loss.

Cumulative year

Revenue for the financial year ended 31 December 2024 was RM14.0 billion, lower by RM0.3 billion or 2% as compared to last financial year largely contributed by lower service income in relation to digital and technical services.

LAT was RM0.8 billion as compared to PAT RM2.3 billion last financial year primarily driven by net impairment losses on receivables and impact on foreign exchange on net assets.

Capital investments for the financial year ended 31 December 2024 was RM9.8 billion.

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Individual half year ended		In RM Mil	Cumulative year ended	
2H 2024	2H 2023		31 December 2024	31 December 2023 ²
Continuing operations				
146,390	154,454	Revenue	305,131	305,755
(93,550)	(93,696)	Cost of revenue	(187,892)	(182,465)
52,840	60,758	Gross profit	117,239	123,290
(4,791)	(5,040)	Selling and distribution expenses	(9,950)	(8,943)
(9,164)	(7,967)	Administration expenses	(17,993)	(15,245)
(4,169)	(2,347)	Net impairment losses/write-off ¹⁷	(4,882)	(6,096)
(2,421)	(3,223)	Other expenses	(3,000)	(3,359)
3,886	3,371	Other income	6,016	8,479
36,181	45,552	Operating profit	87,430	98,126
(3,303)	(2,784)	Financing costs	(5,878)	(5,500)
434	558	Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures	581	872
33,312	43,326	Profit before taxation from continuing operations	82,133	93,498
(10,602)	(3,370)	Tax expense	(26,348)	(14,559)
22,710	39,956	Profit for the period/year from continuing operations	55,785	78,939
Discontinued operations¹⁸				
—	575	Profit/(Loss) for the period/year from discontinued operations, net of tax	(693)	1,775
22,710	40,531	PROFIT FOR THE PERIOD/YEAR	55,092	80,714
Profit/(Loss) attributable to:				
Shareholders of the Company				
20,459	36,953	From continuing operations	49,996	72,840
—	398	From discontinued operations	(892)	1,521
20,459	37,351		49,104	74,361
Non-controlling interests				
2,251	3,003	From continuing operations	5,789	6,099
—	177	From discontinued operations	199	254
2,251	3,180		5,988	6,353
22,710	40,531	PROFIT FOR THE PERIOD/YEAR	55,092	80,714

² Certain information has been restated to conform with current period/year presentation.

¹⁷ Excludes well costs and includes loss on remeasurement/derecognition of financial assets measured at amortised cost.

¹⁸ See Note A12.

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

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Individual half year ended		In RM Mil	Cumulative year ended	
2H 2024	2H 2023		31 December 2024	31 December 2023
22,710	40,531	Profit for the period/year	55,092	80,714
Other comprehensive income/(loss)				
Continuing operations				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
(90)	(97)	Net changes in fair value of equity investments at fair value through other comprehensive income ("OCI")	(136)	(128)
<i>Items that may be reclassified subsequently to profit or loss</i>				
(13,566)	(2,658)	Net movements from exchange differences	(10,663)	10,279
4	(1,349)	Cash flow hedge	(1,120)	(873)
585	(107)	Others	437	11
(13,067)	(4,211)	Total other comprehensive (loss)/ income for the period/year from continuing operations, net of tax	(11,482)	9,289
Discontinued operations¹⁸				
—	(67)	Total other comprehensive loss for the period/year from discontinued operations, net of tax	—	(199)
9,643	36,253	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/ YEAR	43,610	89,804
Total comprehensive income/(loss) attributable to:				
Shareholders of the Company				
8,930	32,424	From continuing operations	39,929	80,063
—	349	From discontinued operations	(892)	1,374
8,930	32,773		39,037	81,437
Non-controlling interests				
713	3,321	From continuing operations	4,374	8,165
—	159	From discontinued operations	199	202
713	3,480		4,573	8,367
9,643	36,253	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/ YEAR	43,610	89,804

¹⁸ See Note A12.

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

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM Mil</i>	As at 31 December 2024	As at 31 December 2023
ASSETS		
Property, plant and equipment	327,356	326,398
Investment properties and land held for development	16,716	12,275
Investments in associates and joint ventures	12,219	10,368
Intangible assets	31,175	31,902
Long-term receivables	46,690	47,939
Fund and other investments	16,633	10,778
Deferred tax assets	25,459	27,853
TOTAL NON-CURRENT ASSETS	476,248	467,513
Trade and other inventories	14,096	14,307
Trade and other receivables	71,748	57,028
Fund and other investments	15,698	11,620
Cash and cash equivalents	188,476	208,492
	290,018	291,447
Assets classified as held for sale	407	14,341
TOTAL CURRENT ASSETS	290,425	305,788
TOTAL ASSETS	766,673	773,301
EQUITY		
Share capital	100	100
Reserves	451,115	443,369
Total equity attributable to shareholders of the Company	451,215	443,469
Non-controlling interests	55,395	59,396
TOTAL EQUITY	506,610	502,865
LIABILITIES		
Borrowings	90,837	98,754
Deferred tax liabilities	13,029	13,297
Other long-term liabilities and provisions	64,766	64,434
TOTAL NON-CURRENT LIABILITIES	168,632	176,485
Trade and other payables	67,156	68,076
Borrowings	20,060	12,867
Taxation	4,064	3,931
	91,280	84,874
Liabilities classified as held for sale	151	9,077
TOTAL CURRENT LIABILITIES	91,431	93,951
TOTAL LIABILITIES	260,063	270,436
TOTAL EQUITY AND LIABILITIES	766,673	773,301

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

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Attributable to shareholders of the Company</i>				
	Share Capital	<i>Non-distributable</i>			Hedging Reserve
Capital and Other Reserves		Foreign Currency Translation Reserve	Fair Value through OCI Reserve		
<i>In RM Mil</i>					
Cumulative year ended 31 December 2024					
Balance at 1 January 2024	100	16,160	47,961	17	107
Net changes of equity investments at fair value through OCI	—	—	—	(136)	—
Net movements from exchange differences	—	—	(9,297)	—	—
Cash flow hedge ¹⁹	—	—	—	—	(1,072)
Other comprehensive income/(loss)	—	438	—	—	—
Total other comprehensive income/(loss) for the year, net of tax	—	438	(9,297)	(136)	(1,072)
Profit for the year	—	—	—	—	—
Total comprehensive income/(loss) for the year	—	438	(9,297)	(136)	(1,072)
Changes in ownership interests in subsidiaries	—	—	153	—	—
Transfer to retained earnings for permanent diminution	—	—	—	99	—
Disposal of subsidiaries	—	(180)	2,278	—	—
Redemption of redeemable preference shares in a subsidiary	—	26	—	—	—
Dividends to shareholders of the Company	—	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—
Total transactions with shareholders	—	(154)	2,431	99	—
Balance at 31 December 2024	100	16,444	41,095	(20)	(965)
<i>continue to next page</i>					
Cumulative year ended 31 December 2023					
Balance at 1 January 2023	100	15,987	39,771	145	863
Net changes of equity investments at fair value through OCI	—	—	—	(128)	—
Net movements from exchange differences	—	—	8,070	—	—
Cash flow hedge ¹⁹	—	—	—	—	(756)
Other comprehensive (loss)/income	—	(110)	—	—	—
Total other comprehensive (loss)/income for the year, net of tax	—	(110)	8,070	(128)	(756)
Profit for the year	—	—	—	—	—
Total comprehensive (loss)/income for the year	—	(110)	8,070	(128)	(756)
Changes in ownership interests in subsidiaries	—	(59)	120	—	—
Redemption of redeemable preference shares in subsidiaries	—	342	—	—	—
Dividends to shareholders of the Company	—	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—
Total transactions with shareholders	—	283	120	—	—
Balance at 31 December 2023	100	16,160	47,961	17	107
<i>continue to next page</i>					

¹⁹ Includes addition of RM23 million (31 December 2023: reduction of RM319 million) to the cost of hedging reserve during the financial year.

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

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FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

<i>In RM Mil</i>	<i>Attributable to shareholders of the Company</i>			Non- Controlling Interests	Total Equity
	<i>Distributable</i>				
	General Reserve	Retained Profits	Total		
Cumulative year ended 31 December 2024					
Balance at 1 January 2024	12,000	367,124	443,469	59,396	502,865
Net changes of equity investments at fair value through OCI	—	—	(136)	—	(136)
Net movements from exchange differences	—	—	(9,297)	(1,366)	(10,663)
Cash flow hedge ¹⁹	—	—	(1,072)	(48)	(1,120)
Other comprehensive income/(loss)	—	—	438	(1)	437
Total other comprehensive income/(loss) for the year, net of tax	—	—	(10,067)	(1,415)	(11,482)
Profit for the year	—	49,104	49,104	5,988	55,092
Total comprehensive income/(loss) for the year	—	49,104	39,037	4,573	43,610
Changes in ownership interests in subsidiaries	—	(1,722)	(1,569)	(601)	(2,170)
Transfer to retained earnings for permanent diminution	—	(99)	—	—	—
Disposal of subsidiaries	—	180	2,278	(1,701)	577
Redemption of redeemable preference shares in a subsidiary	—	(26)	—	(147)	(147)
Dividends to shareholders of the Company	—	(32,000)	(32,000)	—	(32,000)
Dividends to non-controlling interests	—	—	—	(6,125)	(6,125)
Total transactions with shareholders	—	(33,667)	(31,291)	(8,574)	(39,865)
Balance at 31 December 2024	12,000	382,561	451,215	55,395	506,610
					<i>continued from previous page</i>
Cumulative year ended 31 December 2023					
Balance at 1 January 2023	12,000	332,743	401,609	58,822	460,431
Net changes of equity investments at fair value through OCI	—	—	(128)	—	(128)
Net movements from exchange differences	—	—	8,070	2,001	10,071
Cash flow hedge ¹⁹	—	—	(756)	(117)	(873)
Other comprehensive (loss)/income	—	—	(110)	130	20
Total other comprehensive (loss)/income for the year, net of tax	—	—	7,076	2,014	9,090
Profit for the year	—	74,361	74,361	6,353	80,714
Total comprehensive (loss)/income for the year	—	74,361	81,437	8,367	89,804
Changes in ownership interests in subsidiaries	—	362	423	129	552
Redemption of redeemable preference shares in subsidiaries	—	(342)	—	(660)	(660)
Dividends to shareholders of the Company	—	(40,000)	(40,000)	—	(40,000)
Dividends to non-controlling interests	—	—	—	(7,262)	(7,262)
Total transactions with shareholders	—	(39,980)	(39,577)	(7,793)	(47,370)
Balance at 31 December 2023	12,000	367,124	443,469	59,396	502,865
					<i>continued from previous page</i>

¹⁹ Includes addition of RM23 million (31 December 2023: reduction of RM319 million) to the cost of hedging reserve during the financial year.

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

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM Mil</i>	Cumulative year ended	
	31 December 2024	31 December 2023
Cash flows from operating activities		
Profit before taxation from continuing operations:	82,133	93,498
Adjustments for:		
Change in contract liabilities and provisions	(261)	(1,515)
Depreciation and amortisation	38,980	37,787
Financing costs	5,878	5,500
Gain on realisation of foreign currency translation reserve from disposals	(1,836)	(445)
Interest income	(12,682)	(11,514)
Loss on remeasurement/derecognition of financial assets measured at amortised cost	2,974	874
Loss on remeasurement of net assets classified as held for sale	52	—
Net impairment losses of assets	1,340	1,716
Net impairment/write-off of well costs	2,991	1,439
Net inventories written down to net realisable value/written off	397	133
Net loss/(gain) on disposals of investments in subsidiaries, property, plant and equipment and other investments	234	(1,240)
Net unrealised (gain)/loss on foreign exchange	(2,288)	1,523
Net unrealised loss/(gain) on derivatives	91	(33)
Net write-off of assets	590	3,508
Share of profit after tax and non-controlling interests of equity accounted associates and joint ventures	(581)	(872)
Other non-cash items	—	(2)
Operating profit before changes in working capital from continuing operations	118,012	130,357
Net changes in working capital	(754)	1,368
Cash generated from continuing operations	117,258	131,725
Interest income received	12,682	11,514
Interest expenses paid	(4,750)	(3,234)
Taxation paid, net of refund	(24,323)	(28,218)
Net cash generated from operating activities from continuing operations	100,867	111,787
Net cash generated from operating activities from discontinued operations	1,593	2,371
Net cash generated from operating activities	102,460	114,158

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FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In RM Mil</i>	Cumulative year ended	
	31 December 2024	31 December 2023
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(343)	(1,380)
Dividends received	651	669
Investments in:		
- associates and joint ventures	(1,906)	(2,905)
- securities and other investments	(14,540)	(13,955)
Long-term receivables and advance paid to joint arrangements	(11,321)	(137)
Proceeds from disposal/partial disposal of:		
- investments in a joint venture	151	—
- investments in subsidiaries, net of cash disposed	2,756	593
- property, plant and equipment and intangible assets	543	1,117
- securities and other investments	4,813	5,093
Proceeds from redemption of preference shares in an associate and joint ventures	132	—
Purchase of property, plant and equipment, investment properties, land held for development and intangible assets	(51,868)	(47,933)
Net cash used in investing activities from continuing operations	(70,932)	(58,838)
Net cash used in investing activities from discontinued operations	(78)	(458)
Net cash used in investing activities	(71,010)	(59,296)
Cash flows from financing activities		
Dividends paid	(32,000)	(40,000)
Dividends paid to non-controlling interests	(5,927)	(7,189)
Drawdown of borrowings	19,766	16,237
Payment of lease liabilities	(7,345)	(5,671)
Payment to non-controlling interests on additional equity interests	(2,536)	(591)
Payment to non-controlling interests on redemption of redeemable preference shares	(60)	(660)
Proceeds from partial disposal of equity interest to non-controlling interests	2,058	—
Repayment of borrowings	(20,077)	(15,438)
Net cash used in financing activities from continuing operations	(46,121)	(53,312)
Net cash (used in)/generated financing activities from discontinued operations	(244)	214
Net cash used in financing activities	(46,365)	(53,098)

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FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In RM Mil</i>	Cumulative year ended	
	31 December 2024	31 December 2023
Net (decrease)/increase in cash and cash equivalents	(14,915)	1,764
Increase in cash and cash equivalents restricted	(179)	(1,096)
Net foreign exchange differences	(5,718)	5,957
Cash and cash equivalents at beginning of the year	207,009	200,384
Cash and cash equivalents at end of the year	186,197	207,009
Cash and cash equivalents		
Cash and cash equivalents	188,476	208,492
Bank overdrafts	(10)	—
Classified as held for sale:		
- Cash and bank balances	45	1,167
- Bank overdrafts	—	(515)
	188,511	209,144
Less: Cash and cash equivalents restricted	(2,314)	(2,135)
	186,197	207,009

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FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

These financial statements should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 December 2023.

The explanatory notes attached to these condensed consolidated financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

Within the context of these condensed consolidated financial statements, the Group comprises the Company, its subsidiaries and joint operations, as well as the Group's interests in joint ventures and associates as at and for the financial year ended 31 December 2024.

A2. MATERIAL ACCOUNTING POLICIES

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for the financial year ending 31 December 2024 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for the financial year ended 31 December 2023 except as disclosed below.

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

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 *Leases (Lease Liability in a Sale and Leaseback)*

Amendments to MFRS 101 *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)*

Amendments to MFRS 101 *Presentation of Financial Statements (Non-current Liabilities with Covenants)*

Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures (Supplier Finance Arrangements)*

The initial application of the above pronouncements do not have any material impact to the financial statements of the Group.

A3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Group for the financial year ended 31 December 2023 were not subjected to any audit qualification.

A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A5. DIVIDENDS PAID

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

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

A6. SIGNIFICANT EVENTS

On 4 October 2024, PETRONAS via its wholly-owned subsidiary, KLCC (Holdings) Sdn. Bhd. (“KLCCCH”) entered into a land sale and purchase agreement with Bandar Malaysia Sdn. Bhd. and Bandar Malaysia Land Sdn. Bhd. collectively known as (“BM”) to acquire 486 acres of land located at the former Royal Malaysia Air Force base at Jalan Sungai Besi for a cash consideration of RM6.0 billion. As at 31 December 2024, RM4.0 billion of the purchase price had been paid upon completion of conditions precedent. The land will be developed by KLCCCH or its subsidiaries and subsequently there will be a profit-sharing element with BM that is conditional upon the full recoupment of all future capital invested by KLCCCH or its subsidiaries for the land acquisition and development.

A7. COMMITMENTS

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

<i>In RM Mil</i>	As at 31 December 2024	As at 31 December 2023
Capital expenditure		
<i>Approved and contracted for</i>	77,098	67,091
<i>Approved but not contracted for</i>	101,241	106,855
	178,339	173,946
Share of capital expenditure of associates and joint ventures		
<i>Approved and contracted for</i>	5,196	4,487
<i>Approved but not contracted for</i>	8,105	20,752
	13,301	25,239
	191,640	199,185

A8. INSURANCE CONTRACTS FOR NON-INSURER

Exposure to insurance contracts

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

A9. CHANGES IN COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the financial year under review other than as disclosed in Note A12.

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

A10. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions for the financial period/year under review are as follows:

Individual half year ended		In RM Mil	Cumulative year ended	
2H 2024	2H 2023		31 December 2024	31 December 2023
Federal and State Governments of Malaysia:				
(5,624)	(6,508)	Cash payments	(12,175)	(12,402)
622	616	Lease income	1,267	1,266
175	222	Sales of petroleum products	383	421
90	92	Sales of utilities	182	182
169	170	Project management income and building maintenance	338	339
Government of Malaysia's related entities:				
7,425	6,830	Sales of petroleum products, petrochemical products and processed gas	13,227	12,178
(194)	(184)	Purchase of utilities	(281)	(268)
215	209	Other Income	228	221
Associate companies:				
4,947	4,357	Sales of petrochemical products and processed gas	9,403	9,603
Joint arrangements:				
533	428	Sales of industrial utilities	1,775	1,922
1,107	1,008	Sales of petrochemical products and processed gas	2,235	2,299
575	196	Site service charges	773	392
(6,597)	(6,859)	Purchase of petroleum products, petrochemical products and crude oil	(13,046)	(12,278)

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

A11. FAIR VALUE INFORMATION

The following table analyses financial instruments carried at fair value by valuation method. The different levels in a fair value hierarchy based on the input used in the valuation technique have been defined as follows:

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

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

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

31 December 2024

In RM Mil

	Level 1	Level 2	Level 3	Total
Financial assets				
Quoted shares	3,981	—	—	3,981
Quoted securities	—	601	—	601
Unquoted shares	—	—	1,808	1,808
Malaysian Government Securities	—	2,033	—	2,033
Corporate Bonds and Sukuk	—	8,612	—	8,612
Forward foreign exchange and other contracts	—	572	—	572
Commodity derivatives	48	962	—	1,010
Interest rate swaps	—	594	—	594
	<u>4,029</u>	<u>13,374</u>	<u>1,808</u>	<u>19,211</u>
Financial liabilities				
Forward foreign exchange contracts	—	(152)	—	(152)
Commodity derivatives	(186)	(935)	—	(1,121)
	<u>(186)</u>	<u>(1,087)</u>	<u>—</u>	<u>(1,273)</u>

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

A11. FAIR VALUE INFORMATION (continued)

31 December 2023

In RM Mil

	Level 1	Level 2	Level 3	Total
Financial assets				
Quoted shares	2,181	–	–	2,181
Quoted securities	–	527	–	527
Unquoted shares	–	–	1,783	1,783
Malaysian Government Securities	–	2,085	–	2,085
Corporate Bonds and Sukuk	–	6,899	–	6,899
Forward foreign exchange and other contracts	–	275	–	275
Commodity derivatives	317	947	–	1,264
Interest rate swaps	–	717	–	717
	<u>2,498</u>	<u>11,450</u>	<u>1,783</u>	<u>15,731</u>
Financial liabilities				
Forward foreign exchange contracts	–	(164)	–	(164)
Commodity derivatives	(79)	(115)	–	(194)
Interest rate swaps	–	(7)	–	(7)
	<u>(79)</u>	<u>(286)</u>	<u>–</u>	<u>(365)</u>

Derivative financial instruments

As disclosed in the Group's audited consolidated financial statements for the financial year ended 31 December 2023, the Group is exposed to various risks which may affect the value of the Group's assets, liabilities or expected future cash flows. To mitigate these exposures from a business perspective, the Group enters into various hedging activities and applies hedge accounting on the fair value movement of certain commodity derivatives and interest rate swaps to hedge its exposures. Methods and assumptions used to estimate the fair values as at 31 December 2024 are consistent with those used as at 31 December 2023.

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

A12. DISCONTINUED OPERATIONS

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

The business of Engen Group represents the major composition of the Group’s geographical segment for Africa and had been classified as disposal group held for sale and discontinued operations since 31 December 2022. The results of Engen Group for the year are presented below:

<i>In RM Mil</i>	Up to the disposal date	31 December 2023
After inter-company adjustments		
Revenue	14,826	37,842
Cost of revenue	(12,445)	(33,665)
Gross profit	2,381	4,177
Selling and distribution expenses	(308)	(828)
Administration expenses	(339)	(775)
Net impairment losses ²⁰	(6)	(88)
Other expenses	(2,297)	(729)
Other income	345	662
Operating (loss)/profit	(224)	2,419
Financing costs	(143)	(333)
(Loss)/Profit before tax from discontinued operations	(367)	2,086
Tax expense	(326)	(311)
(Loss)/Profit from discontinued operations after inter-company adjustments	(693)	1,775
Inter-company adjustments ²¹	1,339	(959)
Profit from discontinued operations before inter-company adjustments representing the net effect to Statement of Profit or Loss	646	816
Other comprehensive (loss)/ income		
Net movements from exchange differences of discontinued operations	—	(208)
Net movements from OCI of discontinued operations	—	9
Total other comprehensive loss	—	(199)
Total comprehensive (loss)/income from discontinued operations after inter-company adjustments	(693)	1,576
Inter-company adjustments ²¹	1,276	(774)
Total comprehensive income from discontinued operations before inter-company adjustments representing the net effect to Statement of Other Comprehensive Income	583	802
<i>In RM Mil</i>	Up to the disposal date	31 December 2023
Net cash generated from operating activities	1,593	2,371
Net cash used in investing activities	(78)	(458)
Net cash (used in)/generated from financing activities	(244)	214
Net increase in cash and cash equivalents	1,271	2,127

The net effect of the disposal of Engen Group on the consolidated financial statements of the Group comprises de-consolidation losses amounting to RM2.4 billion primarily arising from the realisation of foreign currency translation reserves at the disposal date.

²⁰ Includes certain amount relating to write-off of assets.

²¹ Mainly relates to elimination of sales and purchase transactions between related companies in continuing and discontinued operations. The amount will remain in continuing operations profit after the disposal.

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

A13. OPERATING SEGMENTS

The Group's reportable segments comprise Upstream, Gas & Maritime and Downstream. Each reportable segment offers different products and services and are managed separately as described in the Group's audited consolidated financial statements for the financial year ended 31 December 2023. Effective 1 July 2024, MISC Berhad Group of companies which was reported under Corporate and Others segment is now managed and reported under Gas segment. As a result, Gas segment is now known as Gas & Maritime. Accordingly, the Group has restated the operating segment information for the prior periods.

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

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

A13.1 Segment revenue

Individual half year ended		In RM Mil	Cumulative year ended	
2H 2024	2H 2023 Restated		31 December 2024	31 December 2023 Restated
Continuing operations				
		Third-parties		
18,683	22,063	Upstream	43,451	41,577
56,908	55,695	Gas & Maritime	115,474	111,367
65,910	71,753	Downstream	135,522	142,150
4,889	4,943	Corporate and Others	10,684	10,661
146,390	154,454	Total third-parties	305,131	305,755
		Inter-segment		
45,877	50,895	Upstream	96,507	100,269
7,551	7,553	Gas & Maritime	15,619	16,074
1,765	1,686	Downstream	3,597	5,422
1,675	2,128	Corporate and Others	3,324	3,675
56,868	62,262	Total inter-segment	119,047	125,440
		Gross total revenue		
64,560	72,958	Upstream	139,958	141,846
64,459	63,248	Gas & Maritime	131,093	127,441
67,675	73,439	Downstream	139,119	147,572
6,564	7,071	Corporate and Others	14,008	14,336
203,258	216,716	Gross total revenue from continuing operations	424,178	431,195
		Gross total revenue from discontinued operations		
—	20,110		14,826	37,842
203,258	236,826	Total revenue	439,004	469,037

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

A13. OPERATING SEGMENTS (continued)

A13.2 Segment PAT

Individual half year ended			Cumulative year ended	
2H	2H		31 December	31 December
2024	2023		2024	2023
	Restated	In RM Mil		Restated
Continuing operations				
13,482	20,632	Upstream	34,898	39,578
10,061	14,955	Gas & Maritime	19,887	31,859
(1,554)	4,601	Downstream	(29)	5,322
(885)	(213)	Corporate and Others	(773)	2,289
21,104	39,975	Total PAT for reportable segments	53,983	79,048
1,606	(19)	Elimination of inter-segment transactions	1,802	(109)
22,710	39,956	Consolidated PAT from continuing operations	55,785	78,939
—	575	Consolidated PAT/(LAT) from discontinued operations⁶	(693)	1,775
22,710	40,531	Total consolidated PAT	55,092	80,714

⁶ Includes inter-company adjustments. Refer to Note A12 for the net effect to Statement of Profit or Loss from discontinued operations.

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

A14. REVENUE

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

Individual half year ended		In RM Mil	Cumulative year ended	
2H 2024	2H 2023 Restated		31 December 2024	31 December 2023 Restated
Continuing operations				
Revenue from contract customers				
17,138	20,423	Upstream	40,041	38,618
55,270	51,691	Gas & Maritime	107,973	105,022
65,036	71,119	Downstream	133,807	141,011
1,194	1,008	Corporate and Others	2,410	2,030
138,638	144,241	Total revenue from contract customers	284,231	286,681
Other revenue				
1,545	1,640	Upstream	3,410	2,959
1,638	4,004	Gas & Maritime ²²	7,501	6,345
874	634	Downstream ²²	1,715	1,139
3,695	3,935	Corporate and Others	8,274	8,631
7,752	10,213	Total other revenue	20,900	19,074
Total revenue				
18,683	22,063	Upstream	43,451	41,577
56,908	55,695	Gas & Maritime	115,474	111,367
65,910	71,753	Downstream	135,522	142,150
4,889	4,943	Corporate and Others	10,684	10,661
146,390	154,454	Total revenue from continuing operations	305,131	305,755
—	20,110	Total revenue from discontinued operations	14,826	37,842
146,390	174,564	Total revenue	319,957	343,597

²² Inclusive of net trading gain/(losses).

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

PART B – OTHER EXPLANATORY NOTES

B1. COMMENTARY ON PROSPECTS

The energy industry dynamics in 2024 were shaped by geopolitical instability, evolving policies and regulations, and economic uncertainties, significantly impacting oil and gas prices. As we look ahead to 2025, PETRONAS is strategically positioned to meet rising energy demands while ensuring supply security. The Group is set to navigate the challenges by maximising the potential of its assets, prudent financial management as well as productivity and efficiency improvements in the Group's endeavour to remain a high-performing organisation.

As Malaysia's National Oil Company, PETRONAS is dedicated to supporting the nation's energy security and economic growth, as demonstrated by the progress of Kasawari Gas Field Development and PETRONAS Floating LNG 3, and the completion of Integrated Bekok Oil projects. Internationally, PETRONAS is committed to future-proofing its portfolio through strategic investments in the ongoing development of LNG plant in Canada and Upstream ventures in Angola and Indonesia. Additionally, the Group has invested in lower carbon projects and speciality chemicals plants, in pursuing its Energy Transition Strategy.

B2. TAXATION

Individual half year ended		In RM Mil	Cumulative year ended	
2H 2024	2H 2023		31 December 2024	31 December 2023
10,602	3,370	Tax expense from continuing operations	26,348	14,559
—	212	Tax expense from discontinued operations	326	311
10,602	3,582	Total tax expenses	26,674	14,870
<i>Components of tax expenses include:</i>				
Current tax expenses				
Continuing operations				
8,667	6,712	Malaysia	21,928	17,763
1,490	1,628	Overseas	2,681	2,389
10,157	8,340		24,609	20,152
—	242	Discontinued operations	229	431
10,157	8,582		24,838	20,583
Deferred tax expenses/(income)				
Continuing operations				
445	(4,970)	Origination and reversal of temporary differences	1,739	(5,593)
445	(4,970)		1,739	(5,593)
—	(30)	Discontinued operations	97	(120)
445	(5,000)		1,836	(5,713)
10,602	3,582		26,674	14,870

The Group's effective tax rate for second half of 2024 and financial year were 32% and 33% respectively, higher as compared to corresponding second half and financial year mainly due to finalisation of tax adjustments relating to previous years, which are reflective of the various tax legislations within which the Group operates, including among others Petroleum (Income Tax) Act 1967 ("PITA"), Malaysia Income Tax Act 1967, Global Incentive for Trading ("GIFT") under Labuan Financial Services and Securities Act 2010, Labuan Business Activity Tax 1990 ("LBATA") and international tax legislations.

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B3. TRADE AND OTHER RECEIVABLES

The breakdown of trade and other receivables as at 31 December 2024 are as follows:

<i>In RM Mil</i>	As at 31 December 2024	As at 31 December 2023
Trade receivables		
Third party	31,496	30,802
Amount due from associates and joint arrangements	16,306	12,150
Contract assets	204	9,166
Derivative financial assets	1,033	1,294
	<u>49,039</u>	<u>53,412</u>
Less: Impairment losses	(1,665)	(2,007)
	<u>47,374</u>	<u>51,405</u>
Other receivables	63,299	48,243
Less: Impairment losses	(1,901)	(3,114)
	<u>61,398</u>	<u>45,129</u>
Trade and other receivables	<u>108,772</u>	<u>96,534</u>

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

During the year, the Company has entered into an agreement with the shareholder of the Group's joint venture partner to assume the role of supplier jointly for feedstock supplied in prior year to a joint venture entity of the Group.

B4. BORROWINGS

The details of the Group borrowings as at 31 December 2024 are as follows:

<i>In RM Mil</i>	As at 31 December 2024	As at 31 December 2023
Non-Current		
Term loans	18,665	17,935
Lease liabilities	15,267	13,596
Notes and Bonds	54,143	64,539
Islamic financing facilities	2,479	2,684
Revolving credits	283	—
Total non-current borrowings	<u>90,837</u>	<u>98,754</u>
Current		
Term loans	4,797	4,239
Lease liabilities	3,973	3,445
Notes and Bonds	8,623	—
Islamic financing facilities	1,318	3,025
Revolving credits	984	1,882
Bankers' acceptances	355	276
Bank overdrafts	10	—
Total current borrowings	<u>20,060</u>	<u>12,867</u>
Total borrowings	<u>110,897</u>	<u>111,621</u>

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B4. BORROWINGS (continued)

<i>In RM Mil</i>	As at 1 January 2024	Net changes from financing cash flows	Non-cash/ other changes ²⁴	As at 31 December 2024
Term loans	22,174	2,181	(893)	23,462
Lease liabilities	17,041	(6,182)	8,381	19,240
Notes and Bonds	64,539	(169)	(1,604)	62,766
Islamic financing facilities	5,709	(1,919)	7	3,797
Revolving credits	1,882	(487)	(128)	1,267
Bankers' acceptances	276	83	(4)	355
Bank overdrafts	—	—	10	10
Total borrowings	111,621	(6,493)	5,769	110,897

<i>In RM Mil</i>	As at 31 December 2024	%	As at 31 December 2023	%
By Currency				
USD	93,607	84.4	90,468	81.0
RM	9,522	8.6	12,936	11.6
INR	3,860	3.5	3,289	2.8
EUR	1,811	1.6	2,132	1.9
AUD	831	0.7	980	0.9
SEK	609	0.5	24	0.1
CAD	469	0.4	1,564	1.4
CNY	187	0.2	185	0.2
Others	1	0.1	43	0.1
	110,897	100.0	111,621	100.0
By Repayment Schedule				
< 1 year	20,060	18.1	12,867	11.5
1 to 5 years	30,373	27.4	35,986	32.2
5 to 10 years	22,911	20.7	24,390	21.9
> 10 years	37,553	33.8	38,378	34.4
	110,897	100.0	111,621	100.0

Term loans

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

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

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

²⁴ Non-cash changes consist of foreign exchange translation, other amortisation and bank overdrafts.

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B5. PROFIT FOR THE PERIOD/YEAR

Individual half year ended		In RM Mil	Cumulative year ended	
2H 2024	2H 2023		31 December 2024	31 December 2023
Included in profit for the period/year from continuing operations are the following charges:				
20,257	19,598	Depreciation and amortisation	38,980	37,787
2,238	874	Loss on remeasurement of financial assets measured at amortised cost	2,974	874
52	—	Loss on remeasurement of net assets classified as held for sale	52	—
Net impairment losses of:				
198	—	- intangible assets	195	49
2	—	- investment in a joint venture	—	—
78	87	- investment properties	78	87
138	—	- loan and advances to joint ventures	1	—
—	—	- other investment	—	1
921	—	- property, plant and equipment	948	407
242	1,176	- trade and other receivables	118	1,183
1,623	1,328	Net impairment/write-off of well costs	2,991	1,439
294	188	Net write-down of inventories to net realisable value/inventories written off	397	133
Net loss on:				
711	1,198	- derivatives	1,953	1,355
668	999	- foreign exchange	912	—
Net loss on disposals of:				
10	100	- property, plant and equipment	—	—
43	76	- other investments	102	76
74	—	- investments in a subsidiary	140	—
Net write-off of:				
267	99	- receivables	314	113
104	9	- intangible assets	128	9
—	—	- investment in a joint venture	24	—
110	3,380	- property, plant and equipment	124	3,386

FINANCIAL REPORT

FOR SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B5. PROFIT FOR THE PERIOD/YEAR (continued)

Individual half year ended			Cumulative year ended	
2H	2H		31 December	31 December
2024	2023	<i>In RM Mil</i>	2024	2023
		and credits:		
22	—	Bad debts recovered	22	2
91	30	Dividend income	146	67
6,279	6,070	Interest income	12,682	11,514
68	145	Net change in contract liabilities	122	299
		Net impairment reversals of:		
—	57	- intangible assets	—	—
—	76	- loan and advances to joint ventures	—	11
—	3,145	- property, plant and equipment	—	—
—	—	Net gain on foreign exchange	—	594
		Net gain on disposals/partial disposals of:		
—	—	- investments in a subsidiary	—	24
—	6	- other assets	—	6
—	—	- property, plant and equipment	8	1,286
1,836	—	Gain on realisation of foreign currency translation reserve from disposals	1,836	445

B6. DIVIDENDS

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

By order of the Board

Azizi Md Ali (LS0008803)
 Company Secretary
 Kuala Lumpur
 24 February 2025