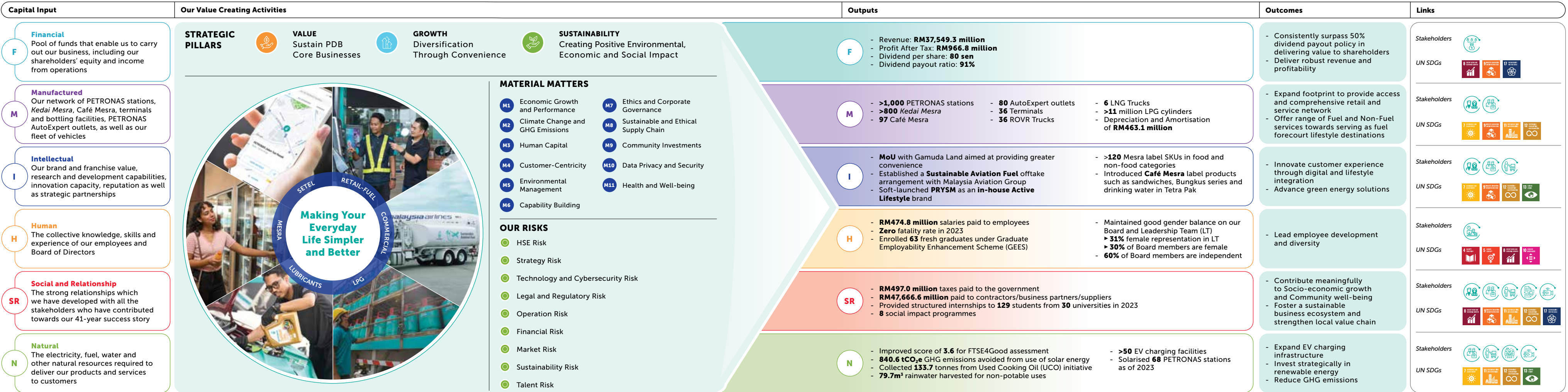


Our Value-Creating Business Model

OPERATING ENVIRONMENT: Moderate Economic Growth, Energy Price Movement, Energy Transition, Changing Consumer Preference



SUPPORTED BY ROBUST GOVERNANCE FRAMEWORK | CORPORATE GOVERNANCE AND BUSINESS ETHICS

<p>Trade-Offs</p> <p>Financial Capital Effective management of our Financial Capital enables us to enhance the performance of our other capitals, which drives our sustainable value-creation model. The stringent financial discipline we maintained in 2023 benefitted our Financial Capital, but its impact was felt on our Human Capital and Manufactured Capital. Investing in advanced fuel technology and expanding our presence, while initially impacting Financial Capital, is expected to yield long-term benefits in efficiency and market competitiveness. We vigilantly monitor cash flow to maintain an optimal working capital position and safeguard against liquidity risks, maintaining a balanced trade-off between preserving liquidity and funding vital investments.</p>	<p>Manufactured Capital The development of our ongoing efforts to improve energy efficiency while expanding our physical assets, such as our network of PETRONAS Stations, Kedai Mesra, Café Mesra, terminals, vehicles, LPG cylinders and Mesra label offerings, which are necessary for our development, temporarily affects Natural Capital and incurs short-term costs to Financial Capital. However, in the long term, these efforts will enhance Natural, Social and Relationship, Intellectual and Financial Capitals. We counterbalance this by investing in reducing the environmental footprint of our products and facilities. This approach benefits Natural, Intellectual, Human, and Social and Relationship Capitals.</p>	<p>Intellectual Capital Investing in Intellectual Capital such as in advance fuel technology, digital apps ecosystem and research will impact our Financial Capital. However, these investments ultimately strengthen Financial Capital and positively impact Manufactured, Natural, Human, and Social and Relationship Capitals in the long-term. Our Intellectual Capital investments enhance efficiency and meet customer needs, and provide solutions to reduce our environmental footprint, thereby benefitting Natural Capital.</p>	<p>Human Capital Our strong Human Capital generates value across all other capitals that we utilise. Our investment in upskilling benefits our Human Capital and Intellectual Capitals while drawing on additional Financial Capital. The need to recruit and retain top talent also imposes a cost on our Financial Capital but their contribution leads to growth in our other capitals.</p>	<p>Social and Relationship Our social support programmes and contributions strengthen our Social, Manufactured and Human Capitals by building capacity, brand recognition and credibility, but impose a cost on our Financial Capital. However, this strategic investment in social and relationship aspects lays the foundation for long-term gains in trust, reputation and stakeholder relations which are key for our sustained success and community engagement.</p>	<p>Natural Capital Our business impacts Natural Capital negatively by using non-renewable resources, and through our emissions and the waste generated by our operations. Our effort to minimise these impacts imposes a cost on our Financial Capital. However, by converting Natural Capital into value-added products sold through our business, we grow the stock of all the other capitals.</p>
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