

BUSINESS REVIEW

BUSINESS REVIEW

GAS PROCESSING



Shahrul Izan Bakti bin A Aziz
Senior General Manager, Gas Processing & Utilities

REVENUE

RM1.87 billion

GROSS PROFIT

RM0.80 billion

SEGMENT ASSET

RM4.44 billion

HUMAN CAPITAL

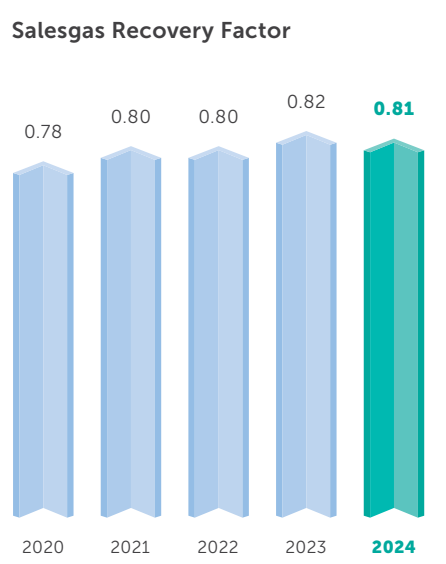
- Male **904**
- Female **96**
- Total Staff **1,000**

OPERATIONAL PERFORMANCE

2024 Operational Metrics

- Overall Equipment Effectiveness (OEE)
- Product Delivery Reliability (PDR)

Gas Type	OEE	PDR
Salesgas	100%	100%
Ethane	99.64%	100%
Propane	99.78%	100%
Butane	99.80%	100%



PERFORMANCE AGAINST STRATEGIC KPIS

Strategic Focus Area	2024 Performance
Health, Safety, Security and Environment (HSSE) Excellence	<ul style="list-style-type: none"> i. Zero Major HSSE Incident ii. Zero Major Security Incident
Financial Excellence	<ul style="list-style-type: none"> i. Continuous Cost Optimisation initiatives ii. Maximise performance incentive as provided under 3rd Term Gas Processing Agreement (GPA) iii. Timely execution and completion of capital expenditure (CAPEX) as per 3rd Term GPA approved plan
Operational Excellence	<ul style="list-style-type: none"> i. GP PDR at 100% ii. GP OEE at >99% iii. 100% Regulatory Compliance iv. Zero Recurrence of High finding from Third Line Audit
Strategic and Initiatives (S&I) and Project Delivery Excellence	<ul style="list-style-type: none"> i. Key Result Areas (KRAs) realised value creation of RM114.4 mil* ii. Enhanced project management and execution for project delivery excellence*
People Development	100% capability based assessment in having the right competency for the operation*
Culture	We have consistently achieved top quartile of the culture survey rating. This was achieved through effective engagement and communication throughout the year*

* Combined assessment for Gas Processing and Utilities

For further details on our sustainability performance, please refer to our standalone Sustainability Report 2024.

HIGHLIGHTS FROM 2024

Strategic Objectives	Operational Excellence (OE)	Commercial Excellence (CE)	Growth (GR)
Initiatives	Optimised value through innovative, agile, and energy efficient operational strategies, achieving: <ul style="list-style-type: none"> • OEE & Reliability >99% • 100% fulfilment to customer demand despite higher volatility of feed gas supply and quality • Improvement in our Energy Index from 93.5 to 91.9 • Achieved highest value creation of additional RM114.4 million through the execution of KRAs under the Gas Processing and Utilities (GPU) Playbook, which identifies and monitors key targets for sustained value creation until 2030 in alignment with our G5dot5 Strategic Agenda 	Despite more stringent requirements imposed in the 3 rd term GPA, Gas Processing (GP) has achieved the maximum incentive through execution of targeted strategies and initiatives reducing energy consumption, guided by a continuous improvement methodology.	Continued to pursue strategic business growth opportunities aligned with the Environmental, Social and Governance agenda for Gas Processing plants.

RESPONSE TO CHALLENGES AND RISKS

Challenges and Risk	Mitigation
HSSE High number of projects and site activities results in heightened exposure to HSSE risks. Ensuring compliance with stricter environmental standard and regulations related to effluent and emission discharge. Commitment to sustainability and achieving Net Zero Carbon Emissions.	<ul style="list-style-type: none"> i. Implement proactive measures to uphold a culture of compliance: <ul style="list-style-type: none"> a. Accountability: Hold individuals accountable through the use of leading indicators and daily risk dashboards. b. Hazards and Risks Awareness: Enhance understanding of hazards and risks via the "What Good Looks Like" checklist and empower employees to exercise Stop Work Authority. c. Mistake Proofing: Leverage digital solutions such as Electronic Permit to Work+ 2.0 (ePTW+ 2.0), Integrated Process Safety Solution (IPSS) and Digital Pre-Activity Safety Review (PASR) to minimise human errors and streamline processes. d. External Risk Management: Mitigate external risks by implementing the External Risk Management (ExRM) programme, ensuring enhanced protection and compliance at GPU. ii. Undertook long-term solution through project enhancements, with existing interim measures through operational control measures of effluent treatment by improving chemical injection management. iii. Continue pursuing carbon abatement initiatives to support sustainability goals and reduce emissions.
Operational Excellence External threats affecting feed gas reliability and availability. Sustaining high asset reliability amidst aging facilities.	<ul style="list-style-type: none"> i. Maximise ethane production through scenario modelling/agile plant configurations which allows flexibility in creating window for plant maintenance through a "Ready to Fix" concept focused on integrated maintenance activities with production planning to address plant reliability threats and safeguard customer demands. ii. Sustain asset reliability at >99% to ensure uninterrupted supply to customers through execution of reliability KRAs established in the GPU Playbook. iii. Execution of improvement projects adopting "future-proof" concept to manage forecasted variation of feed gas composition and contamination, securing long-term plant operability. iv. Focused efforts on reliability and integrity through sweeping and hunting initiatives to identify potential loss of containment. v. Completed fit-for-purpose new compressor unit installation to enable continuous off-gas recovery from Terengganu Crude Oil Terminal leading to decommissioning of Gas Processing Plant 1 to optimise plant operations and accommodate demand fluctuations.
Business Environment Market oversupply or undersupply of Liquefied Petroleum Gas poses inventory management challenges leading to demurrage and distress product evacuation. Geopolitical conflicts result in margin erosion and increased prices for services and parts, driving up operational costs.	<ul style="list-style-type: none"> Enhance integrated supply chain planning through the deployment of a digital solution (DigiPos Phase 1), enabling accurate prediction of incoming feed gas composition based on upstream disruptions to execute suitable blending strategies. Implement hedging strategies to mitigate the impact of sudden price fluctuations and stabilise operating costs.

OUTLOOK AND PROSPECTS

Short-term	In the short-term, we are focused on the seamless operationalisation of the 3 rd Term GPA requirements through prudent execution of operations and maintenance. Efforts will also be directed towards mitigating reliability threats to sustain high plant reliability and availability, ensuring that customer demands are consistently met. Additionally, we aim to strengthen the project engineering and project management ecosystem to enable safe execution of operations readiness.
Medium- to Long-term	In the medium- to long-term, our focus will expand towards exploring opportunities for new revenue streams to drive sustainable growth. We are also committed to diversifying our portfolio through domestic infra play by developing long-term solutions and investments towards managing high feedgas contaminants, ensuring operational sustainability and resilience. Furthermore, we will continue addressing the sustainability agenda and adhering to regulatory requirements, including Clean Air Regulations 2014 (CAR 2014), to align with evolving industry expectations.

BUSINESS REVIEW

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GAS TRANSPORTATION



Ir. Mohd Nasahie Akbar Ali
General Manager, Gas Transportation and Regasification

REVENUE

RM1.20 billion

GROSS PROFIT

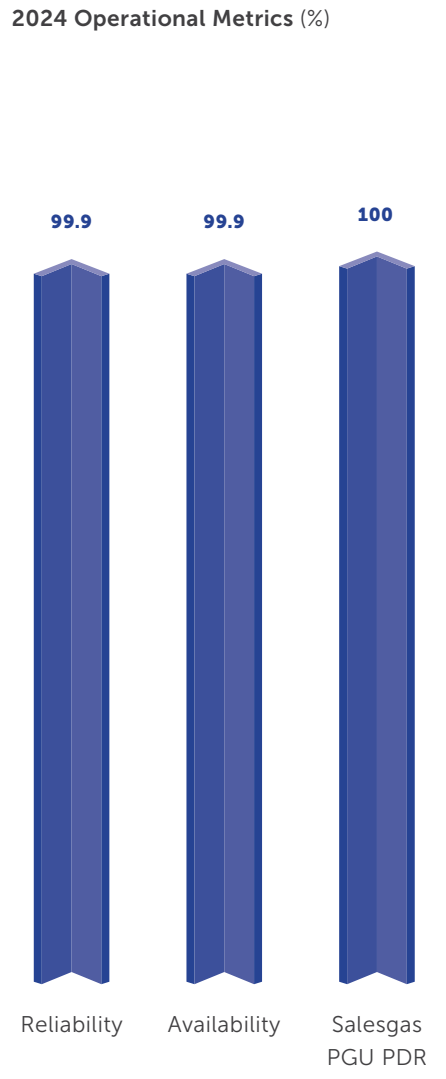
RM0.59 billion

SEGMENT ASSET

RM4.35 billion

HUMAN CAPITAL	
Male	294
Female	31
Total Staff	325

OPERATIONAL PERFORMANCE



PERFORMANCE AGAINST STRATEGIC KPIS	
Strategic Focus Area	2024 Performance
HSSE Excellence	<ul style="list-style-type: none"> i. Zero Major HSSE Incident ii. Zero Major Security Incident
Financial Excellence	<ul style="list-style-type: none"> i. Continuous Cost Optimisation initiatives ii. Timely execution and completion of CAPEX as per Suruhanjaya Tenaga approved plan
Operational Excellence	<ul style="list-style-type: none"> i. PGU PDR at 100% ii. Reliability at 99.9% iii. 100% Regulatory Compliance iv. Zero Recurrence of High Findings by Third Line Audit
S&I and Project Delivery Excellence	<ul style="list-style-type: none"> i. Growth Projects achieved Final Investment Decision (FID) as planned* ii. KRAs achieved value creation of RM16.7 mil*
People Development	100% capability based assessment in having the right competency for the operation*
Culture	We have consistently achieved top quartile of the culture survey rating. This was achieved through effective engagement and communication throughout the year*

* Combined assessment for Gas Transportation and Regasification
 For further details on our sustainability performance, please refer to our standalone Sustainability Report 2024.

HIGHLIGHTS FROM 2024		
Strategic Objectives	OE Operational Excellence	CE Commercial Excellence
Initiatives	<ul style="list-style-type: none"> Expanded Distributed Acoustic Sensing coverage to safeguard Gas Transportation (GT) assets in remote areas, ensuring zero supply interruptions in meeting national energy demands. Proactively manage geotechnical hazards and maintain pipeline reliability and integrity in challenging or remote environments through implementation of critical projects such as Slope & Riverbank Erosion Protection Construction. This involved a comprehensive strategy combining advanced geotechnical analysis, continuous monitoring, and preventive measures. Successfully executed projects under Regulatory Period 2 (RP2) as planned, maximising the utilisation of GT CAPEX. 	<ul style="list-style-type: none"> We continue to ensure timely execution of RP2 activities to safeguard our return from the investment. As we approach the final year of RP2 in 2025 for our Gas Transportation segment, discussions are well underway to secure mutually favourable terms for Regulatory Period 3 (RP3). These efforts will enable us to mitigate risks, optimise resources, build stakeholder confidence, and support long-term operational success.
		GR Growth
		<ul style="list-style-type: none"> Completed 42 km pipeline extension to Pulau Indah. Ongoing development of new Kluang Compressor Station. Ongoing development of new Jeram Compressor Station.

RESPONSE TO CHALLENGES AND RISKS	Challenges and Risk	Mitigation
HSSE	High number of critical activities and projects leading to higher exposure to HSSE risks.	<ul style="list-style-type: none"> i. Foster close partnerships with internal and external stakeholders to drive the effective implementation of the Let's Comply & Intervene campaign and Stop Work policy. ii. Enhance the cultivation of an HSSE Generative Culture among staff and partners. iii. Internalise Making Zero Accidents Possible by: <ul style="list-style-type: none"> • Enhancing procedure communication • Strengthening site supervision and communication of lessons learned to eliminate major HSSE incidents • Improving HSSE compliance and lesson learnt sharing activities at project and Operation & Maintenance (O&M) sites. iv. Emphasise HSSE Accountability and Behavioural Reinforcement/Balance of Consequences for a Safe System of Work (SSOW), Covering Chemical Management, Management of Change (MOC), Schedule Waste (SW), and Fitness-to-Work Standards. v. Implement the PGB Contractor Mentorship Programme for identified contractors based on HSSE performance and site execution compliance. vi. Appointment of Mind-A-Care Ambassadors at Gas Transportation and Regasification (GTR) (11 personnel) and conducting monthly wellness days to encourage mental health awareness and provide a platform for support.
Operational Excellence	Sustaining Operational Excellence while managing ageing assets to ensure a continuous business value chain. Ensuring compliance while managing multiple stakeholders.	<ul style="list-style-type: none"> i. Evaluate the integrity of existing assets and effectively manage ageing facilities to ensure optimal gas supply security. ii. Foster continuous improvement to enhance performance efficiency and drive greater value creation such as Real-Time Cathodic Protection Monitoring and Real-Time Soil pH Monitoring. iii. Close collaboration with stakeholders along the pipeline.
Business Environment	Delivering performance with regulated assets in a volatile and evolving market environment.	<ul style="list-style-type: none"> i. Ensure efficient and optimised O&M practices to meet national energy demands. ii. Utilise digital tools and technology to improve efficiency and deliver performance at a competitive cost. iii. Create new growth opportunities by leveraging existing facilities and addressing diverse demand requirements. iv. Deliver project excellence through initiatives such as Kluang Compressor Station and Jeram Compressor Station to maximise value chain capacity.

OUTLOOK AND PROSPECTS	Short-term	In the short-term, we aim to effectively manage ageing facilities, pipeline integrity management and rejuvenation, improving reliability of compression system towards optimising gas delivery at an efficient cost while addressing diverse demand requirements. Concurrently, we will ensure compliance in project delivery, focusing on safe completion, on-time schedules, within budget, and according to scope.
	Medium- to Long-Term	In the medium- to long-term, our focus will be on creating new growth opportunities and maximising asset utilisation to meet the emerging national energy demand. To remain relevant, we will prioritise effective asset rejuvenation and the execution of growth projects to sustain optimal performance. Additionally, we will emphasise developing a highly competent and empowered workforce to drive the organisation's agility and resilience in a dynamic environment.

BUSINESS REVIEW

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REGASIFICATION



Ir. Mohd Nasahie Akbar Ali
General Manager, Gas Transportation & Regasification

REVENUE

RM1.36 billion

GROSS PROFIT

RM0.60 billion

SEGMENT ASSET

RM4.47 billion

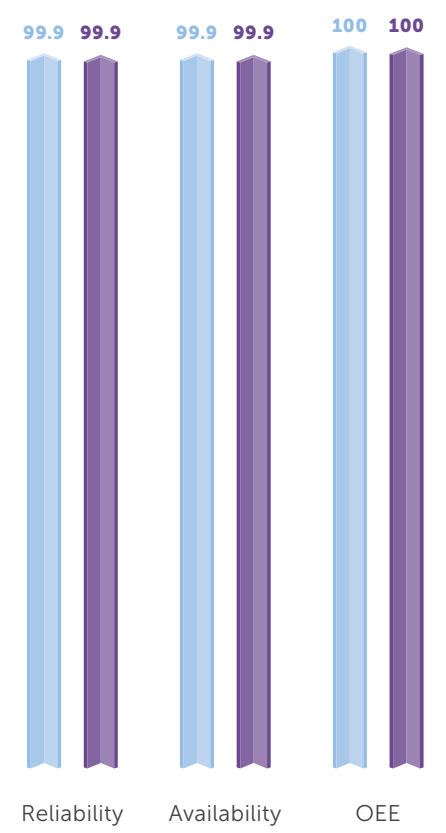
HUMAN CAPITAL

- Male **117**
- Female **7**
- Total Staff **124**

OPERATIONAL PERFORMANCE

2024 Operational Metrics (%)

- Regasification Terminal Sungai Udang (RGTSU)
- Regasification Terminal Pengerang (RGTP)



PERFORMANCE AGAINST STRATEGIC KPIS

Strategic Focus Area	2024 Performance
HSSE Excellence	<ul style="list-style-type: none"> i. Zero Major HSSE Incident ii. Zero Major Security Incident
Financial Excellence	<ul style="list-style-type: none"> i. Continuous Cost Optimisation initiatives ii. Timely execution and completion of CAPEX as per Suruhanjaya Tenaga approved plan
Operational Excellence	<ul style="list-style-type: none"> i. RGTSU and RGTP OEE at 100% ii. Reliability at 99.9% iii. 100% Regulatory Compliance iv. Zero Recurrence of High Findings by Third Line Audit
S&I and Project Delivery Excellence	<ul style="list-style-type: none"> i. Growth Projects achieved FID as planned* ii. KRAs achieved value creation of RM16.7 mil*
People Development	100% capability based assessment in having the right competency for the operation*
Culture	We have consistently achieved top quartile of the culture survey rating. This was achieved through effective engagement and communication throughout the year*

* Combined assessment for Gas Transportation and Regasification
 For further details on our sustainability performance, please refer to our standalone Sustainability Report 2024.

HIGHLIGHTS FROM 2024

Strategic Objectives	Operational Excellence (OE)	Commercial Excellence (CE)	Growth (GR)
Initiatives	<p>The completion of the LNG Drain Spool at BOG Suction Drum Automation/ Remote Operation project has improved the operational efficiency of internal gas consumption at RGTP, enhancing resource management and delivering substantial value to overall logistics and terminal operations.</p> <p>Seawater Overboard Upgrading Project was successfully completed, ensuring that Loading Platform at RGTSU is structurally optimised for enhanced safety, operational efficiency, and long-term durability, supporting more sustainable operations.</p> <p>The successful completion of the solar project at RGTSU has delivered multiple impactful benefits, including cost savings, energy independence and environmental sustainability.</p> <p>Execution of RP2 projects remain on track as planned, driving the optimum utilisation of Regasification CAPEX.</p>	<p>We continue to ensure timely execution of RP2 activities to safeguard our return from the investment. As we approach the final year of RP2 in 2025 for our Regasification segment, discussions are well underway to secure mutually favourable terms for RP3. These efforts will enable us to mitigate risks, optimise resources, build stakeholder confidence, and support long-term operational success.</p>	<p>The engineering phase of the floating Liquefied Natural Gas (LNG) storage in Pengerang has been successfully completed. The construction stage is in progress, with the target Commercial Operation Date set for second half of 2025.</p>

RESPONSE TO CHALLENGES AND RISKS

Challenges and Risk	Mitigation
HSSE	<ul style="list-style-type: none"> i. Foster close partnerships with internal and external stakeholders to drive the effective implementation of the Let's Comply & Intervene campaign and Stop Work policy. ii. Enhance the cultivation of an HSSE Generative Culture among staff and partners. iii. Internalise Making Zero Accidents Possible by: <ul style="list-style-type: none"> • Enhancing procedure communication • Strengthening site supervision and communication of lessons learned to eliminate major HSSE incidents • Improving HSSE compliance and lesson learnt sharing activities at project and O&M sites. iv. Emphasise HSSE Accountability and Behavioural Reinforcement/Balance of Consequences for a SSOW, covering chemical management, MOC, SW, and fitness-to-work standards. v. Implement the PGB Contractor Mentorship Programme for identified contractors based on HSSE performance and site execution compliance. vi. Appointment of Mind-A-Care Ambassadors at GTR (11 personnel) and conducting monthly wellness days to encourage mental health awareness and provide a platform for support.
Operational Excellence	<ul style="list-style-type: none"> i. Managing equipment efficiency to ensure plant reliability and optimal security of gas supply. ii. Evaluate the integrity of existing assets and effectively manage ageing facilities to ensure optimal gas supply security. iii. Deliver project excellence for maximising the business value chain capacity i.e. floating LNG storage in Pengerang. iv. Continuous preventive maintenance and predictive analysis on equipment effectiveness.
Business Environment	<ul style="list-style-type: none"> i. Ensure efficient and optimised O&M practices to meet national energy demands. ii. Utilise digital tools and technology to improve efficiency and deliver performance at a competitive cost. iii. Create new growth opportunities by leveraging existing facilities and addressing diverse demand requirements.


OUTLOOK AND PROSPECTS

Short-term	We aim to sustain asset reliability and integrity through optimisation programmes that ensure assets remain available to meet the agility of market demand. Concurrently, we will focus on quality project implementation and execution to maximise CAPEX utilisation during each regulatory period. Debottleneck of current regasification terminal capacity to support the increase in the national gas demand.
Medium- to Long-Term	Our focus will broaden towards expanding asset capabilities and horizons to support the incremental growth of national energy demand.

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UTILITIES



Shahrul Izan Bakti bin A Aziz
Senior General Manager, Gas Processing & Utilities

REVENUE

RM2.11 billion

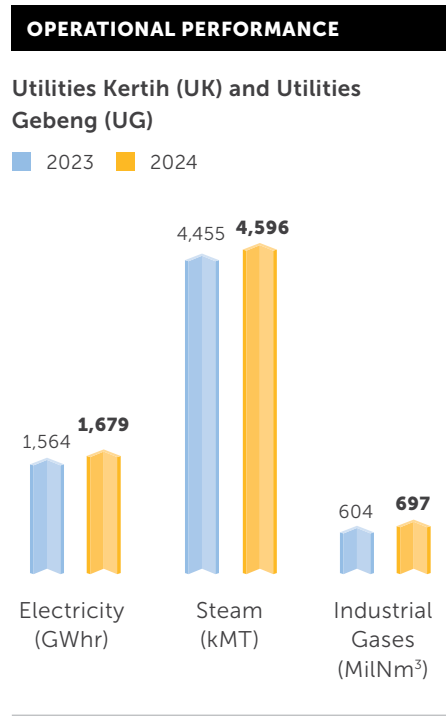
GROSS PROFIT

RM0.28 billion

SEGMENT ASSET

RM1.78 billion

HUMAN CAPITAL	
Male	205
Female	11
Total Staff	216



2024 Operational Metrics

Metric	OEE	PDR
Electricity	99.7%	100%
Steam	100%	99.9%
Industrial Gases	97.6%	97.5%

PERFORMANCE AGAINST STRATEGIC KPIS	
Strategic Focus Area	2024 Performance
HSSE Excellence	<ul style="list-style-type: none"> i. Zero Major HSSE Incident ii. Zero Major Security Incident
Financial Excellence	<ul style="list-style-type: none"> i. Continuous Cost Optimisation initiatives ii. Timely execution and completion of CAPEX
Operational Excellence	<ul style="list-style-type: none"> i. UT PDR at 99.13% ii. UT OEE at >99% iii. 100% Regulatory Compliance iv. Zero Recurrence of High finding from Third Line Audit
S&I and Project Delivery Excellence	<ul style="list-style-type: none"> i. KRAs realised value creation of RM114.4 mil* ii. Enhanced project management and execution for project delivery excellence*
People Development	100% capability based assessment in having the right competency for the operation*
Culture	We have consistently achieved top quartile of the culture survey rating. This was achieved through effective engagement and communication throughout the year*

* Combined assessment for Gas Processing and Utilities

For further details on our sustainability performance, please refer to our standalone Sustainability Report 2024.

HIGHLIGHTS FROM 2024	
Strategic Objectives	Key Initiatives
OE Operational Excellence	<ul style="list-style-type: none"> Deployed an agile running configuration for our cogeneration (COGEN) plants, optimising efficiency and production of power and steam in alignment with product demand. Achieved full compliance to CAR 2014 requirements. Optimised COGEN plants efficiency with an agile running configuration, aligning power and steam production with demand while driving operational expenditure savings through cost control, operational efficiency, and continuous yield improvements. Launched PCG-PGB Supply Reliability Taskforce to close 13 critical gaps, strengthening resilience, optimising demand-supply balance, and mitigating risks through data-driven strategies and commercial agility. Leveraging new technology to enhance operational excellence, the initiation of energy efficiency enhancements includes Dry Ice Cleaning for Utilities (UT) Heat Recovery Steam Generator and Ammonia Turbine optimisation with IHI and Gentari.
CE Commercial Excellence	<ul style="list-style-type: none"> Secured supply of nitrogen to Gas Processing plants as part of our sustainability efforts, aimed at eliminating energy loss and enhancing operational efficiency. Implementation of advanced data processing, fully automating New Enhanced Dispatch Agreement export via UG Utility Optimiser to minimise business opportunity loss.
GR Growth	<ul style="list-style-type: none"> We intensified efforts to secure new business opportunities such as steam supply to new customers, while strategically positioning the UT segment in high growth areas, leveraging plant integration to enhance competitiveness. Secured new business contracts of steam supply to Eastman, strengthening long-term revenue streams for UG.

RESPONSE TO CHALLENGES AND RISKS	Challenges and Risk	Mitigation
HSSE	<ul style="list-style-type: none"> Sustaining HSSE compliance and performance with a lean execution team. Commitment to sustainability and achieving Net Zero Carbon Emissions. 	<ul style="list-style-type: none"> i. Implement proactive measures to uphold a culture of compliance: <ul style="list-style-type: none"> a. Accountability: Hold individuals accountable through the use of leading indicators and daily risk dashboards. b. Hazards and Risks Awareness: Enhance understanding of hazards and risks via the "What Good Looks Like" checklist and empower employees to exercise Stop Work Authority. c. Mistake Proofing: Leverage digital solutions such as ePTW+ 2.0, IPSS, and Digital PASR to minimise human errors and streamline processes. d. External Risk Management: Mitigate external risks by implementing the ExRM programme, ensuring enhanced protection and compliance at GPU. ii. Continue pursuing carbon abatement initiatives to support sustainability goals and reduce emissions.
Operational Excellence	Further optimising equipment running efficiency without jeopardising product delivery reliability.	<ul style="list-style-type: none"> i. Deployed Utilities Optimiser, an automated configuration system for agile operation of COGEN plants, optimising efficiency and production of power and steam in alignment with product demand. ii. Enhanced energy leading indicator monitoring for energy efficiency ensuring optimised operations.
Business Environment	Addressing the impact of non-competitive fuel gas prices.	<ul style="list-style-type: none"> i. Implementation of the Utilities Business Operation Revival Strategy, focusing on three critical areas: <ul style="list-style-type: none"> a. Enhancing COGEN reliability b. Optimising Industrial Gas (IG) operations c. Pursuing new business opportunities ii. Strengthen a "Know Your Cost" culture, streamlining operations and optimising resource allocation to foster financial resilience and profitability amidst uncertain Imbalance Cost Pass-Through policies.

OUTLOOK AND PROSPECTS	
Short-term	<ul style="list-style-type: none"> In the short-term, we aim to enhance the implementation of agile configurations for our COGEN plants, enabling greater optimisation of power generation efficiency in response to dynamic product demand. Additionally, addressing reliability threats remains a top priority to maintain high plant reliability and availability in fulfilling customer requirements specifically focusing on IG improvement and reliability enhancements. UT will also continue to pursue product spot sales enhancement to strengthen business revenue stream.
Medium- to Long-Term	<ul style="list-style-type: none"> In the medium- to long-term, our focus is on expanding the utilities business in securing new supply of our products to a broader customer base. We also plan to leverage digitalisation to enhance our maintenance practices and strategically expand our operations through Utilities Remote Operation Centre, leading to enhanced plant efficiency and improved business growth prospects.